THE PRESIDENCY AND COST OF GOVERNANCE IN NIGERIA: A CASE OF JONATHAN’S ADMINISTRATION.

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Abstract

It is a big surprise that the President, Dr. Goodluck Jonathan, says he is prepared to prune the growing cost of running public affairs. All the newspapers have reported that he is set to confront the challenge headlong by scrapping some government bodies, merging others and restructuring many. The details are still being worked out. All that has been released so far is that the National Examinations Council, National Poverty Eradication Programme and the Universal Tertiary Matriculation Examination are the first casualties of the plan. By the announced plan, it is clear that the president and his men either do not appreciate the magnitude of the problem or he is again playing games with a deadly disease afflicting the country. How does scrapping NECO and directing WAEC to absorb the workers amount to cutting cost? Or how would changing the name of NAPP amount to enhancing the value of governance? What is he doing to ensure that every kobo that goes into the national treasury counts? What is he doing to ensure that public policy is tailored towards alleviating the suffering of the people? The paper examines the Cost of Governance under Jonathan’s presidency. It explores cost of governance in a thematic form, using concrete instances to drive home its major theses. The paper concludes by positing that rising cost of governance is unnecessary waste of public funds in payment of entitlements, due to over-bloated administrative cost, but it has, above all, given rise to the current unhealthy rivalry and widespread bitterness between the so-called clause of “senior ministers and junior or ministers of state.”

Keywords: Governance, Cost Governance, Corruption, Presidential Democracy and Administrative restructuring.

Introduction

For any society to make progress there must be a government to run its affairs. However, citizens would perceive government as a burden when its recurrent expenditure is repeatedly higher than its capital expenditure, which should impact positively on the economy, especially in the areas of employment generation, investment and other activities that induce growth.

This is the challenge that stares Nigeria in the face. It is now incontrovertible that the cost of running a democratic government is high in the country. This is aptly demonstrated in 2012 budget. While N2.472trillion is proposed for recurrent expenditure, a figure that accounts for the 72 per cent of the expenditure profile, N1.32 trillion, representing 28 per cent, is proposed for capital projects.
Observers believe that this may be due to the fact that political appointees perceive politics as a lucrative career. It is noteworthy that less than one percent of the projected 150 million populations consume the huge sum. The effects of over-bloated political bureaucracies involving the big federal government, 36 state governments and 774 local governments are alarming. There is disquiet among experts who believe that, when recurrent expenditure is high, it may impact negatively on implementation of capital projects and delay the achievement of the Millennium Development Goals (MDGs). How to reduce the soaring over-head costs has agitated many economists, members of the civil societies and other non-government organizations. For example, foremost politicians, Chief Ayo Adebanjo, Chief Olu Falae and Dr. Chukwuemeka Ezeife, have advocated for a return to parliamentary system. To them, the Westminster model, which was in vogue during the First Republic, is less expensive. At the pre-National Conference Summit in Lagos, Falae, former Secretary to Federal Military Government, said a politician who wishes to serve as the Prime Minister would only campaign in his constituency as candidate for the House of Representatives, unlike a presidential candidate who is expected to traverse the nooks and crannies of the country to solicit for votes.

The expensive nature of the presidential system may have predisposed operators to have the pervading feeling that the quest for power is tantamount to political investment. And normally, returns accrue from investment. An economics teacher at Covenant University, Ota, Ogun State, Adeolu Adewole, warned that when a large sum of money is deployed to the maintenance of government structures, it portends disaster. “When a rising proportion of government budget, at whatever level, is used to support the administrative structures of government, poverty is bound to be pervasive as economic growth slows down or even stagnates”, said the university don. He added: “If we assume that government is a firm with output measured in GPD, then, it would not be difficult to see why the cost of production (measured here as cost of governance) seems to have risen over time”.

Governors have a convenient access to resources through the inexplicable security votes. This is an equivalence of Presidential Gulfstream jet. In fact, the Revenue Mobilisation and Fiscal Commission had been overwhelmed by the mounting allowances of public officers across the three arms of government at the state, federal and local levels. Apart from basic salaries, allowances cover details such as accommodation, furniture, overseas trips, motor vehicle loan, car fuelling, medicals, special assistance, domestic staff, entertainment, leave, and severance gratuity. The commission felt that a cut in salary would not be a bad idea. To assuage the feelings of Nigerians who objected to fuel subsidy removal, President Goodluck Jonathan had also proposed a cut in the salary of the executive by 25 per cent. He also promised to trim down foreign trips and entourages.
The move was a delayed response to proposals by the Presidential Advisory Council (PAC) chaired by Lt-Gen. Yakubu Danjuma. The committee had advised President Jonathan to reduce the number of ministries from 42 to 18 and fuse together the non-ministerial agencies to avoid overlap, duplication and redundancy. However, the President said that the idea of limiting the cabinet size was contrary to the constitution which stipulates that a state should be represented in the Federal Executive Council. Civil societies have picked holes in the budget, alleging wastage. The Executive Director of Socio-Economic Rights and Accountability Project (SERAP), Tokunbo Mumuni, said certain questionable priorities, which underline the wastage, should be removed from the budget.

He said, at a time poor Nigerians lacked water, electricity, and quality schools, budgetary proposals should reflect national sobriety. “The President should show strong political will by cutting down some allocations contained in the budget. These include N13 billion for local and international travels, N45 billion for stationery, magazines, newspapers; N17 billion for vehicle maintenance and furniture, N5 billion for training, N4 billion for generators, N9 billion for refreshment and meals, N2.5 billion for computer software, and N27 billion for research and development. Religious leaders who expressed worry at the high cost of governance have also supported a drastic cut in emoluments for appointees. At its last synod in Akure, Ondo State capital, the Anglican Church, blamed the inability of some state governments to pay the new minimum wage on the expansion of government structures. The Bishop of Akure Diocese, Rev. Michael Ipinmoye, who read the church’s communiqué, lamented that the cost of governance in Nigeria is the highest in the world.

It is noteworthy however, that the president’s address was still lacking in clarifications and timelines. It is good that government is going to rehabilitate the railway system, but it is not known when that is going to start and end; if intra-city roads are to be repaired, which cities will be affected and how soon the repair work to commence, more-so now that the mass transit buses are here? We are aware that the cost of governance in Nigeria does not consist in the basic salaries of political office holders, and the cost of overseas trips by government officials. Certain questions are pertinent here: How much are the basic salaries of the president and his ministers? What do 25 percent of these salaries add up to in one year to make a significant impact on the lives of ordinary Nigerians? Cost of governance in Nigeria consists not much in basic salaries but rather in bogus allowances; over bloated cabinet at all levels of government; ostentatious lifestyle of political office holders. The essence of this paper is to examine the role the office of the Presidency in increasing cost of governance in Nigeria.

The Cost of Governance
The cost of governance is the money spent on administrative processes. It is also known as administrative expenditure. Adewole and Osabuohien (2007) divided cost of governance into two: recurrent administrative expenses and capital administrative expenses. They defined cost of governance as costs associated with the running of government. In other words, these are costs incurred by the government is running governmental affairs. The government helps to sustain the social contract that binds every member of the state. Similarly, Fluvian (2006) defined cost of governance as any expenditure in maintaining government administrative structures. He also equates cost of governance to total administrative expenditure, which is a part of total federal government expenditure in Nigeria. He posited that the justification for using total administrative expenditure as cost of governance stems from the fact that administrative expenditures are incurred in governing processes. According to Drucker (2007), cost of governance is government budget allocated to both capital and recurrent expenditures on maintaining government administrative structures, which appears to be very enormous in Africa the question of efficiency in governance is, therefore, to ensure that public funds are spent judiciously, while public goods and services are sufficiently provided. The distribution of Public goods and services in Nigeria is based on the principle of equity. Natural and human resources may skew income distribution in favour of endowed groups when the market is allowed to be the principal mechanism for resource allocation(Osabuohien, 2007).

Free markets are, therefore, more likely to be hindered when pronounced disparities exist in the distribution of natural and human capital endowments among groups that exist in a particular society. This mostly explains why the nationalists of northern extraction did not agree at first with the idea of independence in Nigeria, since their limited investment in human capital would put them at a disadvantage in a post - independent Nigeria (Adewole and Osabuohien, 2007). Nigeria, therefore, put up a political arrangement that ensured that the commanding heights of the economy were left in the domain of the public sector. With the benefit of hind sight, one could say this arrangement signaled the beginning of patronize activities that stifled the market and productivity, promoted rent seeking, brought an imbalance between efforts and rewards, and raised the cost of governance in Nigeria. Cost of governance, according to Afolugbo (2004), is therefore the cost incurred in running the government. It is the cost of performing political duties, and rendering social services to the public. The structure of government inherited at independence is largely a reflection of colonial influence. The colonial powers arbitrarily divided the African continent so that ethnically unrelated peoples were forced into political matrimony for the formation of a state (Easterly and Levine, 1997) Colonial governments established “extractive institutions” in places where unfavourable weather had serious health consequences for them and created European style
institutions in places favourable for habitation (Afolugbo, et al, 2004). Thus, weak institutions, amply represented by growth – inhibiting political structures, became the dominate feature of resource rich multi-ethnic societies. Afolugbo, et al (2004) added that the opportunistic behaviouir of ethnic leaders, particularly in a mineral-rich polity such as Nigeria, eventually produced a government structure that had a negative toll on social and economic progress. According to Iyoha and Oriakhi (2002), a larger than optimal civil service, dominated mainly by that section of the country with significant human capital deficiencies is bound to raise governance costs and institutionalize the mechanisms for rent extraction. This is a major problem in Nigeria. Another institutional factor that raises cost of governance is the provision of security by the state. For instance, a public good like law and order (security for short) has a high degree of public interest, upon which there is a broad consensus that it could be more cheaply provided by government, particularly by a central government, if we admit that in reality there is no pure public good, we should understand why profit maximizing firms could equally provide complementary security services. However, government provides that bulk of security services. Thus, the role of the private sector in the security sector is minimal (Ejuvbkpokpo, 2012). We recognize that the different levels of government would be able to organize security effectively. According to Adewole and Osabuohien (2007), the absence of the centralization of security affects its efficiency and drives up cost of making security available. This model is drawn mainly from the insights provided by Olsen (1965) and Fates, et al (2002). In conventional economic theory, the state is a product of cooperation. In other words, rational human who live within a defined territory discover a net gain in cooperation rather than in competition. It could be likened to a group of many perfectly competitive firms who form a collusive unit called a monopoly. From a political economy perspective, the state is the by-product of rational individuals who believe that state formation would be better than living as individual or families. The state, therefore, as well as being the government’s instrument of operation, is a natural monopoly, for no two organizations with equal powers of force over a defined territory can co-exist successfully and maintain relative peace. Lastly, the state is formed for the benefit of the people. It enables individuals to co-exist peacefully by avoiding violence and reducing tendency for communal and individual clashes. Fates, et al (2002) added that if people can resist the temptation to steal, or extract rent for selfish reasons, there will be prosperity in the state. However, this is unlike the Nigerian situation. Most politicians are corrupt, selfish and passive. They specialize in looting public treasury. Consequently, pronounced poverty is a key feature of this kind of the rising cost of governance in Nigeria represents more than a means of providing common good, as it can be related to the government capacity to help the ability to achieve individual satisfaction and material prosperity. Therefore,
governance could be compared to the management, supply and delivery of public services to a nation. According to Fluvian (2006), there are specific factors responsible for the rising cost of governance in Africa. First, there is the issue of inflation. Public project costs are unduly inflated by corrupt politicians. There should be equity. Adewole and Osabuohien (2007) added that the rising cost of governance in Nigeria is a price we have to pay for undue consideration for equity. Similarly, the issue of misuse of public funds is another cause of the rising cost of governance in Nigeria (Warimen, 2007). Political leaders inflate the costs of public projects to embellish themselves. Adewole and Osabuohien (2007) also said that the supply of security beyond the optimal level will lead to limited prosperity. In other words, the excess money spent by government on a particular set goods affects development, since resources are scarce and should be optimally utilized. Furthermore, there is population increase. An increase in population implies that there is pressure in the limited available the resources. Fluvian (2006) also said that increase in population implies that more demand for public goods and services, such as education, health services, etc. the need to give every ethnic group adequate representation is another reason for increasing cost of governance. Another major cause of the persistent rise in cost of governance in Africa vis-a-vis Nigeria is the extra large public and civil service sector (Ejubekpokpo, 2012). This has been described as an institutional factor by Afolugbo, et al (2004). Most public workers in Africa are redundant due to employment of excessive work staff to reduce unemployment. Employees are more than the optimal size, which led to inefficiency and unnecessary increase in cost.

For example, according to Fafowora (2011) who posited that when he joined the Western Region civil service as an Administrative Officer in 1964 after his graduation from the then University, College, Ibadan, there were only four of them, administrative officers in the Ministry of Trade to which he was posted. Today, they probably not less than 20 administrative officers doing what only four officer handled in that Ministry doing what only four officers handled in 1964. Later, when he moved to the Foreign Service in September, 1964, there were less than 50 Branch As officers in the Foreign Ministry of which only two or three were of the status of a permanent secretary. Now, there are over 500 Branch A officers of which over 100 are on level 17, equivalent to the grade of a permanent secretary. Many of these officers at the top of the pyramid now retire from the service without being appointed Ambassadors. Many more are virtually redundant with no functions or departmental responsibilities. This background is necessary to fully understand and appreciate the source or sources of the huge bureaucracy that has emerged in Nigeria and the costs involved in running such a vast bureaucracy.
Permanent Secretary, State House, Aso-Rock Villa, Emmanuel Ogbile jolted the nation recently with his argument before the senate committee on federal character and inter-governmental affairs when he said that the N1,305,292,050 allocated for the presidency in the 2013 budget for refreshments, meals and other miscellaneous expenses was insufficient. The revelation was the fallout of his defence of the 2013 Presidency budget proposal of N147 Billion.

Ogbile was adamant in his laughable justification thus: “I have taken pains to explain that this money is not just enough to fund the residence of the president and the vice president. The experience I have had is that this fund is grossly insufficient. It’s not enough. The federal executive council (FEC) holds every Wednesday and we take care of them through this budget”(Durojaiye,2012:23).

The Presidency budget also has few horrendous proposals, including the N107, 412,768 for honorarium and sitting allowance. Then there is N 37,277,825 for publicity and advertisement; N50, 308,546 for medical expenses; N32,910,730 for sporting activities; N4,589,730 for subscription to professional bodies; N144,788,555 for National Youth Service Corps (NYSC), IT, LOCUM, houseman-ship and contract staff allowances. Overtime is also to cost N 30,584,144(Yusuf,2012:60).

Besides these reckless proposals, nothing typifies the frivolous, insensitive and completely inept leadership troubling Nigeria current than the recent approval of a N22 billion banquet hall for Aso Villa by the Federal Executive Council(FEC). The FEC hinged its decision to award this contract mainly on its belief that smaller countries have better banquet halls near their seats of power. The Federal Capital Territory Minister, Bala Muhammed, who briefed the press on the issue, added that the existing hall was inconveniencing and that the proposed 150-seater hall would have such facilities as” security, hall conveniences, technical room and press briefing room that are more and more enhanced so that national broadcast can be done from there”(Durojaiye,2012:23). In terms of the relevance of contracts approved, the decision of the FEC to approve a N22 billion contract for the construction of a 150-seater banquet hall and other related works in the presidential villa has been one of the most criticized contracts awarded.

**High cost of governance under Jonathan**

President Jonathan is largely touted as running an extravagant government judging by the amount devoted to feeding, refreshments, entertainments and other incidental expenses like trips among others. The near – N1 billion allocated for the same purpose in the 2012 budget generated a swirl of controversy big enough to force the presidency to order a reduction. In the 2013 budget, the president has tried to come down a bit with allocation, particularly in the area of expenses on food, refreshments and welfare for the State House, the Vice-president and other ministries. The
total allocation to the presidency in the 2013 budget proposal is N35,545,673,132, with total personnel cost put at N 11,476,593,929. Total over-head is N11,569,079,204, with total recurrent put at N23,045,673,132 while total capital stands at N12,500,000,000. out of this, the presidency budgeted N327,154,931 for refreshment and meals and another N406,738,969 to purchase foodstuff, just as Vice-President Namadi Sambo would spend N112,500,000 to purchase food for the 2013 fiscal year another N123,406,499 on refreshment and N7,020,750 to purchase cooking gas. When added, the total for the presidency meals is not too far from the N1 billion budgets of 2012. The presidency has, however, always argued that the allocation include budget for meals and drinks served during the different ceremonies and events at the State House and feeding of cabinet ministers during the weekly cabinet meetings. Even in spite of the boast about improved electricity supply across the country, the presidency, it appears, is not ready to take chances on the possibility of outage. Hence in 2013, it proposed to spend N72,510,832 to fuel its generators while it will also spend N553,056,411 for honorarium and sitting allowances.

**Soaring cost of foreign trips**

Just like other areas, President Jonathan spent billions of naira on foreign trips in 2012 despite his earlier promise to cut down these expenses, even as he is planning on spending a whopping N2.6 billion next year on foreign trips. The nation can authoritatively report that the president together with his entourage have spent nothing less that N3.354 billion since 2010 on foreign trips. The president within the first 11 months of this year flew out at least 20 times.

In September alone, the president traveled out of the country four times, including his trips to Addis Ababa. Within the first nine months when he first became president, he spent N970,891 million on foreign travels(Yusuf,2012:60). The budget did not however, state explicitly the figures for his travels. But investigations have shown that President Jonathan spent N1.7 billion on foreign trips this year alone (The Nation Editorial,2012:39).

In 2012, N684.74 million was budgeted for foreign travels alone. During his presidency, the president was reported to have flown to different destinations in Africa, Europe, Asia, North America, and South America. In 2011, he visited numerous countries including, United States, France, Uganda, Australia, Ghana, Chad, Equatorial Guinea, and Ethiopia among others. The president travels with his entourage, top aides, and officials of the presidential villa are usual faces on such trips; ministries applicable to the purpose of his overseas trips also send delegations. In recent times the President travels with two members of the National Assembly (one from each chamber), depending on the purpose of his visit. Sahara reporters had in June claimed that Jonathan traveled to Rio de Janeiro, Brazil for the United Nations’ Earth Summit with 116 government officials (Yusuf,2012:61). Although the President rebuffed the figures but he never
gave out the exact figure. Jonathan had said in a national broadcast in January, “I have directed that overseas travels by all political office holders, including the president, should be reduced to the barest minimum. The size of delegations on foreign trips will also be drastically reduced; only trips that are absolutely necessary will be approved” (Yusuf, 2012:61).

Presidential AirFleet ad infinitum:

Information obtained from government aviation agencies and airline operators by Anofi & Oluwasegun (2012:57) also revealed that the Goodluck Jonathan led administration spend an estimated N9.08 billion annually on the Presidential Air Fleet (PAF). PAF has the third largest fleet of aircraft in the country. According to findings, the PAF contains a total of 10 aircraft, coming closely behind aerocontractors airline, which has total of 14 aircraft. Arik Air, the largest commercial airline in the country, has a fleet of 23 aircraft. Figures obtained from the Nigerian Airspace Management Agency (NAMA), Federal Airports Authority of Nigeria (FAAN), and the Nigerian Civil Aviation Authority (NCAA) revealed that N9.08 billion is spent to maintain the 10 presidential jets every year. The PAF include two Falcon 7x jets, two Falcon 900 jets, Gulfstream 550, one Boeing 737 BBJ (Nigerian Air Force 001 or Eagle One), and Gulfstream IVSP. Others are one Gulfstream V, Cessna Citation 2 aircraft and Hawker siddley 125-800 jet. According to a former minister of Information, Professor, Dora Akunyili, each of the two falcon 7x jets purchased in 2010 costs $51.1 million, while the Gulfstream 550 cost $53.3 million (Durojaiye, 2012:23).

The factory price of other aircraft in the fleet could not be easily obtained online. However, airline CEOs put the average price of Falcon 900 at $35 million, Gulfstream IVSP as $40 million, Gulfstream V at $45 million; Boeing 737 BBJ at $58 million, Cessna Citation is $7 million and hawker siddley 125-800 at $15 million. This brings a combined estimated value of Nigeria’s PAF to $390.5 million (N60.53: billion) (Durojaiye, 2012:23).

According to airline chief executives and industry experts, airlines, airlines spend between 15 and 20 per cent of the cost of an aircraft on its operation yearly. They say that averagely, a little less than one-fifth of the cost of the plane is spent every year on insurance, flight and cabin crew, maintenance, fuelling, catering and training. Going by the fact that at least 15 per cent of this amount is spent annually on operating the PAF, it means about $58.57 million (N9.08 n billion) is spent annually on running the planes (Durojaiye, 2012:23). Nigeria happens to be one of few countries of the world with a large PAF. Most major countries in Europe and Asia maintain mostly two aircraft in their presidential air fleet, according to Wikipedia (2012). According to the website, Japan maintains only two Boeing 747-400 planes in its presidential air fleet. The two aircraft, mostly for the prime minister, the emperor, empress and other members of the imperial family, is operated by the Japan air Self-Defence Force. The aircraft were constructed at the Boeing factory.
at the same time as the United States’ Air Force One. Both Japanese aircraft were delivered in 1990. *Wikipedia* also confirms that The Netherlands Government operates only two aircraft, one Fokker 70 and one Gulfstream IV, as a means of transport for the Dutch Royal family and government officials, such as the Prime Minister and other Ministers. They are used, also, to attend international conferences, and also for private trips by the Queen and the Prince of Orange (Durojaiye, 2012:23). For long haul trips, the Royal Dutch Airline is used. Often the upper deck of a Boeing 747 is used. The Queen of England, Queen Elizabeth II and Prime Minister, David Cameron, often go on British Airways chartered flights for long trips. UK’s Cameron was recently criticized by the UK media for chartering a foreign plane instead of a British’s. Countries like Ghana, Algeria and a host of others in Europe maintain only one aircraft in their PAF.

**Contract awarding FEC:**

As part of the endless spending spree, information obtained from the website of the Bureau of Public Procurement (BPP), *BusinessDay* (2012) and Ikuomola, 2012a&b and Onogu (2012) show that the federal government awarded contracts worth about N1.187 trillion between August 10, 2011 and November 28, 2012. The figure represents the total value of over 140 contracts spread across various sectors of the economy. A breakdown of the contract showed that between August 10 and February 15, the federal government awarded contracts worth over N700 billion, while in the months from May 30 to November 28, it awarded contracts in excess of N400 billion. As the government continues to award contracts, in its quest “to better” the lot of Nigerians, however, there has been skepticism as to whether the contracts would be executed and if executed, whether they would be effective, especially as a number of them have continued to generate controversy. In June this year, Vice-President Namadi Sambo had himself said over 12,000 federal projects with N7.8 trillion had been abandoned.

The vice president had warned that the trend would no longer be tolerated on June 21 when he inaugurated the committee on guideline for the management and implementation of federal infrastructure projects in Abuja. Though warned that, “in line with the transformation agenda, the federal government has decided that federal projects would no longer be done haphazardly or arbitrarily” (Businessday, 2012:39). Nigerians have continued to complain of the trend. In November 20 12, the Federal Executive Council (FEC) approved no fewer than 25 contracts as the total number of contracts awarded between May and November were worth more than N200 billion. Among them was a contract worth N54.4 billion for the provision of complementary engineering infrastructure facilities to the Federal Capital City. The contract for the rehabilitation of railway track network – Eastern Line (Port Harcourt – Maiduguri), which is worth N67.3 billion was also among those awarded in November. Also, in November contracts worth N4.3 billion were
awarded for the design, manufacture, supply and commission of two sets of five-car diesel multiple units, each with a capacity of 540 passengers and additional six numbers of 68-seater passenger coaches. Other contracts awarded in 2012 included a N2.7 billion contract for the construction of Nkporo-Abirba-Ohafia Road in Abia state to Messrs Dutum Construction (Nigeria) Limited. The contract, awarded on May 30 is expected to be completed 18 months from the date. On June 13, 2012, the FEC approved a contract worth N 90.6 million for a major overhaul and restoration of Plant Unit GT17 at Ughelli Power Plc.

Over a month later, on July 25, 2012, it reviewed the contract sum for the rehabilitation of phase I of the ministry of Finance office, to N2, 263,231,068, with the contract expected to be completed in 56 weeks. Three months later, with many more contracts approved in the time, the FEC awarded a contract worth N1.49b for the completion of the construction of the Zik Mausoleum at Onitsha Anambra State. A review of the contracts awarded by the Jonathan administration between May 30 and November 28 this year showed that at least five consultancy contracts, worth NE.36 billion were awarded. These included the contract for the supervision consultancy services for reclamation work on the Abam-Nnuju-Igbiri-Oba-Ojimba-Okujagu-Ama Water front and back swamps, which was worth N383.3 million. On August 8, a contract was awarded for transaction advisory for Design, Build, Finance and Operate on the 2nd Niger Bridge, which links Anambra and Delta States, The contract was worth N325.6 million on the same day, the FEC also awarded a contract worth N297.7 million for transport advisory services for Design, Build, Finance and Operate on Apakun-Murtala Mohammed International Airport Road. Two more consultancy contracts were awarded on November 28. the first, which is for the provision of consultancy services for the improvement of power supply at Murtala Muhammad International Airport, Lagos, was worth N233.8 million, while the second-a contract for consultancy services (supervision) for the construction of Inland River Port at Jamata, Lokoja- was worth N121.1 million. For the same period-May to November, the FEC favoured short-term projects. Of the 47 awarded contracts reviewed for the period, 29 (62 per cent) were contracts with completion duration of between one and 12 months. Contracts to be completed between 13 and 20 months were nine, as were those with completion duration of 21 months and above. The regular approval of contracts by the FEC has not been without criticism with many Nigerians accusing the executive of turning the weekly meeting into a platform for the award of contracts rather than an avenue for discussing serious national issues. In March this year, the hose of representatives had also slammed the approval of contracts by the FEC, describing such actions as illegal. At the time, the Chairman of the House Committee on Public Procurement, Mrs. Jumoke Okoya-Thomas, had reportedly said the FEC was usurping the powers of the National Councils on procurement as
stipulated by law. In the months that followed, the FEC has gone on to approve contracts in excess of N700 billion and the debate has shifted from the legality of the contracts approved by the council to the relevance of the contracts and the council’s ability to ensure the approved contracts are executed properly if at all they are executed.

Disdain for due process:

Just recently, Speaker of the House, Aminu Tambuwal, lamented that up to 50 per cent of the nation’s revenue was spent by Federal Government Agencies without appropriation by the National Assembly. At a meeting between revenue generating agencies and the House Committee on Finance, he had said: “the constitution and our laws on revenue generation and expenditure have been observed more in the breach,” adding, “for the avoidance of doubt, the constitution has provided elaborate methods of revenue collection, revenue remittances and expenditure approvals”(Durojaiye,2012:23).

Aside from the contracts awarded, the FEC has increasingly resorted to reviewing and augmenting contracts awarded. For instance, between May and November 2012, up to nine contracts were revised. An example is the augmentations on November 7, 2011 of contract no 1793 for the completion of dualisation of the Ibadan-Ilorin Road section 1: Ibadan-Oyo Road in Oyo State to the tune of N0.1 billion. With over N1trillion of contracts awarded in the last 16 months, one of the major concerns for Civil Society Groups is the fact that the country has remained rooted at the bottom or close to the bottom in global statistics regarding the quality of life of the citizenry. For instance, in November, out of 80 countries considered, Nigeria was ranked as the worst place for a baby to be born in 2013 by the Economist Intelligence Unit. It also remains one of the few countries in the world that has yet to eradicate polio. With over 70 per cent of the population living below the poverty line. Also, in the United Nation’s Development Programme Index for 2011, Nigeria was ranked 156th out of 187 countries surveyed with the UNDP saying that though Nigeria had recorded consistent high economic growth rate, it had failed to produce improved opportunities and reduce poverty among its citizens(UNDP,2011).

Always excelling on corruption:

Just recently, the global corruption watchdog Transparency International, ranked Nigeria as the 35th most corrupt nation in the world. The Corruption Perception Index 2012 released revealed that Nigeria scored 27 out of a maximum 100 marks to clinch the 35th position out of the 176 countries surveyed for the report. Nigeria, sharing the position with Azerbaijan, Kenya, Nepal and Pakistan, is said to have remained entrenched in corruption without making much progress to fight the menace. While countries such as Togo, Mali, Niger and Benin fared better, experts decried Nigeria’s poor performance in stamping corruption out. The CPI 2012 confirmed recent media
reports that President Jonathan lied to the citizens when he claimed in his Independence Day broadcast on October 1 this year that Nigeria was rated second after the United States by TI. TI, of course, denied issuing such a report. Reacting to the country’s new rating on the corruption scale, minister of information, Mr. Labaran Maku, said the president could not be blamed for the latest corruption ranking of the country. He said such reports were based on the comments of Nigerians who were always eager to tell the world how bad the country is. He regretted that such aggregate of people’s perceptions did not recognize the various efforts being put in place by the government to fight corruption. “The president does not sit court to imprison people. There are institutions set up to do such. We do not follow the line in this country. We believe that if a market is not working in a village or there is an accident, the president is responsible,” (Ombe & Ikuomola, 2012:6) he said.

According to TI, the 2012 index ranks 176 countries/territories by their perceived levels of public sector corruption. The index draws on 13 surveys covering expert assessments and surveys of business people (Asobie, 2012:68). The body particularly criticized Jonathan for paying lip service to anti-graft war and not showing enough drive to fight corruption, especially corruption involving past and current actors in his administration (Ikhilae, 2012:6). The President had also been carpeted for his reluctance in promoting transparency by failing to publicly declare his assets. Ranging from the monumental fuel subsidy scam to the massive corruption uncovered in pension administration as well as the scams at the securities and Exchange Commission (SEC) and the bureau of public enterprises (BPE), many Nigerians have already rated the Jonathan-led administration very low in the fight against corruption. Government officials, including some of President Jonathan’s associates, have been names in the brazen theft of public funds. Sons of both a past and incumbent National Chairmen of the ruling peoples Democratic Party (PDP) were indicted and are currently undergoing trial for robbing the country of several billions of naira under the fuel subsidy regime (Eme, et.al, 2012).

**Back to the Old Days of Reckless Borrowing:**

The International Monetary Fund (IMF) on November 1, 2012 cautioned Nigeria against reckless spending in view of the growing uncertainty in the global economic environment. IMF Senior Resident Representative in Nigeria, Mr. Scott Rogers, gave the warning while presenting the World Economic Outlook in Abuja. He urged the Federal Government to take advantage of the current growth to strengthen her fiscal position by saving for the future through appropriate polices, “as there is no assurance of early global economic recovery” (Durojaiye, 2012:23).

Rogers said: “The global economic outlook remains uncertain. The global contest has continued to witness slowing growth mostly marked in the advanced economies (Ojiabor & Onogu, 2012:10). The U.S. housing prices remain depressed and that nation’s week economy is
impacting negatively on many other countries of the world because the U.S. is an export destination of many countries of the world. The U.S. economy is recovering but the recovery is still weak. “If the world economy remains weak, it will continue to affect countries of the world, especially those with strong ties with the US and the Euro area which could actually go into recession. “Stop spending what is meant to be saved. Make the oil price rule effective (Durojaiye, 2012:23). Under President Jonathan, the Federal Government has borrowed a total of N2.57 trillion. Thus, the Federal Government’s debt profile rose from N4.18 trillion as of June 30, 2010 to N 6.75 trillion as of June 30, 2012. The Jonathan government has continuously demonstrated that the interest of the larger Nigerian citizens is not its priority and that profligacy is its cardinal principle (Adeniyi, 2012:6).

**Like Jonathan, like Sambo**

Like his Principal, Vice President Namadi Sambo is also not left out of the spending spree. His new residence being constructed is generation much controversy over its cost. The Senate Committee on the Federal Capital Territory (FCT) on Thursday refused to approve the additional N9bn expenditure budgeted for the Vice President Sambo’s Residence under construction (Onogu, 2012:1). Refusing the request, the Chairman of the Committee, Senator Smart Adeyemi said such amount of money to be spent on a house is not worth it, especially now that many Nigerians are hungry and cannot afford a meal (Ojiabor, 2012:1). Earlier, the Executive Secretary of the federal capital development authority (FCDA), Adamu Ismail, told the lawmakers that the contract was awarded in 2009 for N7bn. Adding, he said the additional N9bn needed was for furniture, fencing, two more protocol guest-houses, a banquet hall and security gadgets. While explaining, Ismail said, the proposal was not contained in the original plan submitted to the contractor, Julius Berger Nig. Ltd. Adeyemi said, “the National Assembly is not going to appropriate additional N9 billion for the project, especially at a period in this country when people cannot get three square meals (Ojiabor, 2012:6). “We requested for N9 billion but now it came to about N6 billion.”(Onogu, 2012:63). To Adeyemi, the N14 billion is indefensible, “in view of present realities.”

He said, “Now you are asking us to approve a total sum of about N14 billion and this is just the vice president’s residence”(Ojiabor, 2012:6). “N 14 billion, to me, is huge for the Vice President’s house. If you are even talking of N10 billion that would be understandable “(Yusuf, 2012:61). The reality is that N14 billion is indefensible and that is our submission. In Nigeria, there are still many people with empty stomach. So, we have to look at budgeting in relation to the needs of the people.
Presently, Vice President Sambo resides at the Aguda House, a building officially designated as presidential guesthouses. During the Yar’ Adua presidency, President Goodluck Jonathan also stayed in the Aguda House when he was Vice President. Vice president Atiku Abubakar stayed in the house, which the Chief Justice of Nigeria (CJN) currently occupies. The FCT budget for this year also includes a N300 million for the design and construction of houses for Senate President and his Deputy, David Mark and Ike Ekweremadu; as well as Speaker of the House, Aminu Tambuwal and Emeka Ihedioha, his deputy. This is despite the fact that David Mark and Dimeji Bankole were sold their old official residences at a giveaway price, only two years ago. Senator Bala Mohamed’s devotion to the well-being of President Goodluck Jonathan had in the past not been doubted. As Minister of the Federal Capital Territory, FCT with concurrent duty as landlord to the president, he had rustled not a few feathers when he named a new layout in the federal capital after President Jonathan. Justifying the construction of the new hall, Senator Mohammed had said: “We noticed that it (existing hall) is inconveniencing; it is not in tandem with what is outside the country. Even smaller countries have better Banquet Halls near their Presidential residences” (Yusuf, 2012:61).

**Nigerians React: Criticisms**

Many Nigerians did not only condemn this anti-people spending, they said this disgustingly lavish lifestyle must be curbed. Civil rights groups and the action congress of Nigeria (CAN) criticized the Jonathan-led administration for borrowing N2.57 trillion in 18 months and proposing a N2.2 billion banquet hall project for Aso Rock. They said the country’s rising debt profile and the hall project in the presidency had shown that the Jonathan administration was wasteful and selfish.

The Chairman of Coalition against Corrupt Leaders, Debo Adeniran, particularly said the proposal for the hall was a demonstration of insensitivity by the government. He stated: “the absurdity of the reasons given—that the present hall is two kilometers away from the villa, and that it’s inferior to that of other similar countries—further demonstrate how frivolity governs the mindset of our leaders when taking serious decisions on our behalf” (Durojaiye, 2012:23). According to him, the extravagant cost of the project demonstrates the way Nigerian leaders misplace priorities and engage in reckless spending. He added: “we can just imagine how many business N22 billion can save, lives that can be saved and sustained, and infrastructure that can be provided or upgraded” (Olawuni, 2012:47). The Executive Director of Anti-Corruption Network, Dino Melaye, said the debts and the banquet hall, demonstrated the unpreparedness of the government to promote a pro-people’s spending. He then
asked: “what is wrong with the present banquet hall? Can’t it be up-graded? If the president can be going to Transcorp Hilton, International conference Centre and Yar’ Adua Centre, what is the problem? “The N 22 billion capacity hall is anti-people; the National Assembly must not pass it. If they do, we will occupy them. That amount will provide pipe-borne water for over 100 communities”(Ikuomola,2012b:2).

The President of the Campaign for Democracy, Dr. Joe Okei-Odumakin, also said the debt is a sign of a presidency that is detached from the people. Her words: “This is the height of insensitivity in a country where 72 per cent of citizens live in absolute poverty. The people are in fast and the emperor is feasting. A sign that these people have totally lost it. We no longer have selfless but selfish leaders. What a colossal waste?”(Ikuomola,2012b:3). The Action Congress of Nigeria on its part described the government as reckless and extravagant, warning that it could plunge the country into bankruptcy if left unchecked. In a statement by its National Publicity Secretary, Lai Mohammed, the party said the high debt was totally unacceptable. It said it was shameful that a government that had not made a positive impact on Nigerians would engage in such wastage.

The party said the government had beaten its record of profligacy by its decision to build a N2.2 billion banquet hall. The ACN said: “It is interesting the a Minister of the Federal Republic of Nigeria is comparing the country with ‘smaller countries when it comes to justify a project that will only benefit a few elite. “Does the Minister know that the citizens of the so-called smaller countries enjoy uninterrupted electricity supply? Does he know that the citizens of those countries don’t have to queue up endlessly for petrol and kerosene; that they don’t have to depend on Okada for transportation and that they have no road as terrible as Lagos-Ibadan Expressway?”(Ikuomola, 2012a:1). The party said the project could not be justified in a country where” many go to bed hungry most nights, where youth unemployment is at a high 46.5 per cent and where there are no projects that could make Nigeria to achieve the MDGs, less than three years to the target date”(Ikuomola,2012a,2012:4). The ACN advised the administration to retrace its steps by spending the nation’s scarce resources only on projects that could benefit the masses, rather than a few elite.

But as would be expected, a barrage of criticisms has continued to greet decisions announced by the government with many calling for the head of the president. A cross-section of those who spoke with The Nation had very harsh words for the Jonathan-led administration. Constitutional lawyer, Professor Itse Sagay described the proposed amount for a banquet hall at the villa as a wasteful project. According to him it is absolutely shocking to hear that our leadership are hell-bent short-changing the rest of us. I am shocked because right now, the impression we
have is that the government is short of money. And you know there is this big debate going on now on whether the civil service should be reduced so that there will be more money for development. So, I would have thought if we have N2.2 billion, we will use it either for roads, hospitals, universities or other developmental projects rather than a banquet hall. In my view, it is a wasteful project for now given our tight financial circumstances (The Nation Editorial, 2012). One would have expected that the government would devote such funds into building refineries, but instead it chooses to build guest-house to host itself and its guests. “Jonathan, no doubt is running an extravagant government like other successive regimes. We are just persuading Jonathan to move in a different direction” (Ojiabor, 2012:6). Human rights activist and lawyer, Bamidele Aturu, also flayed the decision of the administration, saying “It is unbelievable really that the federal Government would be talking about spending such a huge amount of money on a hall or enjoyment for Owambe kind of partying, hall at this time” (Onogu, 2012:63). It is quite insensitive, it does not demonstrate that the government wants Nigerians to believe that the economy is not buoyant and that the government cares about the welfare of the majority of Nigerians given the immediate needs that Nigerians suffer in other areas of life, given the general decay of infrastructure, the lack of good roads, the fact that our educational system has collapsed and the miserable wages that workers are paid.

Dr. Chris Onalo, Registrar/Chief Executive, Institute of Credit Administration (ICA), is hard pressed to believe that the country’s leadership would as much as mouth such demands. “For those of us in the credit management profession, we’re really worried about the level of transparency in public and private sectors spending. When you look at the huge spending, it does not reflect on the generation of income. ‘I just think this country is ruled by certain forces which don’t seem to marry reality with euphoria,” (Yusuf, 2012:61) he said. Expatiating, he posited that it is unthinkable that our leaders would even think of putting up a massive edifice for the VP or the President, in a place where the people are wallowing in abject poverty. Corruption, I daresay, has eaten deep into the fabric of our economy and one only hope and prays that things will not get out of hand before our leaders learn their lessons.

He concluded by suggesting that it is high time Faith-Based Organizations rallied round to drive away this madness. They need to really wake up. We need to create jobs. We need industrial revolution. We need to build an empire which the entire black race would be proud of. For Professor Sherifdeen Tella, of the Department of Economics, Olabisi Onabanjo University, Agowoye, Ogun State, what the government has done amounts to “gross insensitivity” (Yusuf, 2012:61). Speaking with The Nation recently, the don said, most nations of the world are striving to drive capital expenditure above recurrent expenditure. He, however,
regretted that the reverse was the case in Nigeria, Even part of the money that was voted for capital projects, part of it is what is being proposed for the banquet hall and other irrelevancies. It shows that this government is not a serious government at all.

According to Professor Tella, Whereas the government should be thinking of devoting money into research and development, making the environment conducive for learning and all that, like a typical Owambe government, it is just thinking of hosting itself and people outside the country. It is laughable, He lamented, adding: “One can only pray that the legislators will prevail on the government to rescind the decision because it is what the law maker’s pass that would become law “(Yusuf,2012:61).

**Recommendations**

If our president genuinely wants to lay the foundation for a free Nigeria where thieves could feel a sense of shame, he would have started with a token trimming of his executive council. What really do we need a bloated council of 42 for? Why do we need ministers and ministers of state? True, the Constitution stipulates that there shall be a minister from each of the state of the country. So, if the government is committed to a lean government and is only being hamstrung by the Constitution, why did he not start by appointing 36 ministers?

Then, in this season of Constitution amendment, what has the president done to get that section amended/ if he wants to free cost, why is he not campaigning for an amendment to ensure that we have not more than three or four from each zone? If the President is a member of the executive council, why should his state be represented by a minister? If the Vice President is the automatic vice chairman, why appoint a minister from his state? What about the Secretary to the Government of the Federation? These are elementary and token steps that ought to have been taken by a genuinely concerned president.

How many Special Advisers, Senior Special Assistants, Special Assistants and Personal Assistants have the President? How many are attached to each of the ministers? How many other hangers-on have these officials, many of whom have no job schedules? As it is at the federal level, so it is at the states.

Besides, how do we cut the cost of governance without touching the emoluments of elected officials and political appointees? It is all too obvious that wealth of the nation is being shared by a parasitic few who paradoxically hopped on the state by popular votes. The legislators and members of the executive have refused to make full disclosure of the criminal allowances they award themselves. Even in a democracy here transparency ought to be the watchword.

A President, who claims to realize the need to prune costs, has just announced a programme of celebrating 100 years of nationhood over a one year period. How much is budgeted
to feed occupants and visitors of Aso Rock this year? How many cars do we have in the president’s pool? How many do we have in the pool of each of his 42 ministers? How many aircraft do we have in the presidential fleet? How many are in the fleet of the president of the United States of America? How much is spent yearly to maintain the aircraft? How much has been voted to service and maintain the office of the First Lady? A president who wants to cut cost would have started by providing convincing answers to these questions.

Cutting the cost of governance should therefore look into these areas with a view to reducing the number of ministers; pruning down the number of presidential aids; bringing down the number of ministerial aids, and scaling down, considerably, the salaries and wages of these ministers and their aids including their allowances which sucks the economy dry. Another area that needs to be looked into with a view to cutting down cost is the presidential fleet which, many believe, is too bogus for the comfort of just a few individuals in government. Furthermore, we insist that cutting down cost of governance should be holistic and should involve education in the salaries of members of the National Assembly and their allowances. This should also tickle down to the states and the local government where a common councilor collects over N100, 000 a month as salary for doing practically nothing.

**Conclusion**

Nigeria central government has no fewer than 23 ministries aside commissions headed by ministers with over 50 departments (parastatals) and about twice this figure of agencies. These MDAs maintain pay-rolls of several thousands of unaccounted workers (ghost workers); thereby exerting so much pressure on lean government resources amidst decaying public infrastructure. It was against this backdrop that President Olusegun Obasanjo, toward the end of his government early in 2007 reduced the number of ministries by merging some including Works, Housing, Environment, Transport, Aviation, Agriculture, Water Resources and Rural Development, Power, Energy and Petroleum Resources. Others were Steel Development, Information, Communications, Art and Culture, Tourism Development, Sports, Youth Development, Women Affairs, Finance, Economic and National Planning, Police Affairs, Foreign Affairs, Interior, as well as Labour, Special Duties, the Federal Capital Territory, FCT and the newly-created Ministry of Niger Delta Affairs. While Obasanjo reduced this 22 ministries to about 16, through merger of some, his successor, President Umaru Yar’Adua, who died in office on May 5, 2010, perhaps for political convenience, increased the pace, by creating a new one and de-merging all the already merged ministries, except that of Agriculture and Water Resources; which has since be de-merged by President Jonathan, following public outcry of favouritism against his predecessor. The President may not be unaware of the oversize cabinet he inherited from his late boss, but many believed that
any attempt by him to reduce the ministries then, which also would have meant sacking some ministers, would have been suicidal politically as such action would have been interpreted to mean political hatred against the geo-political region of origin of those who would have been sacked. This protest would have also been justified by a stipulation of the Amended 1999 Constitution which says all the 36 states of the federation shall have at least a minister each in the federal cabinet. However, there was no provision in the legal document that says each of the six geo-political zones in the country should produce a minister as it is now the practice. With this representation from the geo-political zones, the number of ministers has increased from the 36 that is approved by the constitution to the present 43, as almost all the 21 ministries and two commissions (Sports and National Planning) have two ministers each. While many have argued that the 23 ministries can accommodate the 36 constitutionally-recognised ministers, with the larger ones having two ministers each, another school of thought holds the view that every ministry is big enough to have two ministers. The last argument has not only led to unnecessary waste of public funds in payment of entitlements, due to over-bloated administrative cost, but it has, above all, given rise to the current unhealthy rivalry and widespread bitterness between the so-called clause of “senior ministers and junior or ministers of state.”
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