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## Civil Service Reforms in Nigeria (1999-2007): Dimensions and Consequences

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### Introduction

From the inception of the administration of President Olusegun Obasanjo in May 1999 till its exit in May 2007, a lot of reforms were initiated to ameliorate the socio-political, economic and institutional decay that the nation has witnessed over the years. Given that the sustainability or otherwise of any government policy depends largely on those that implement it and because the success or failure of such policy lies on how favourably disposed the public servants are to make it work, the administration therefore deemed it necessary to introduce reforms that would revitalise the public sector with a view to adequately empowering it to sustain the reforms (Ugwu-olo 2007:56).

The public service is an indispensable instrument through which the government implements its policies and programmes. It is through its instrumentality that government policies are translated into services for the people. The public service is made up of the employees of government. They are those responsible for the functioning of government through the implementation of government policies. The main functions of the public service are essentially to help formulate and implement the policies of government and to render related services to the public. The public service, made up of workers in government ministries, parastatals and other agencies, are further expected to provide continuity in governance, and to serve as a repository of knowledge and experience of the practices and procedures of governance, and to protect public interest (National Political Reform Conference 2005). Such policies include welfare services rendered to the citizens.

Within the public service is the civil service which constitutes the inner core, or the heart of the public service (Anifowose and Enemuo 1999:278-279). Civil service can thus be defined as a well organised body of permanent paid officials of ministries and departments under the executive arm of government, charged with the responsibility of implementing government policies and programmes in accordance with laid-down rules and procedures (Anifowose and Enemuo op. cit:279). There is no doubt that the Nigerian public service has been afflicted over the years with a series of problems, among which are poor performance, corruption, absenteeism and the ghost workers syndrome.

Considering these malaise that have characterised the public service as well as the need to reposition it to make it people-oriented and compatible with the realities of global standard, President Olusegun Obasanjo approved the establishment of Bureau for Public Service Reforms (BPSR). The bureau was mandated to streamline and standardise the public service at the federal level, including setting minimum standards to be met by each ministry or agency. The task was 'to build a civil service that is performance and result oriented, professional and technologically sensitive, and committed to a continuous improvement in the conduct of government business and the enhancement of national productivity' (Ajayi 2006:4). The core thrust of the Federal Government position, Ajayi explains further, was to 'reposition and re-professionalise the public service for greater efficiency, effectiveness in service delivery, accountability, transparency, and overall national productivity' (Ajayi op. cit:5).

This chapter attempts a critical review of the dimensions and consequences of these reform packages which have been sources of public outcry across the country, with a view to determining their efficacy.

### **Public Sector Reforms in Nigeria: A Historical Overview**

The British colonial public administration which managed the colonial territory known as Nigeria, from about 1861 to 1954, when regional governments were created, influenced the growth and development of the public services in Nigeria. Consequently, the public services of the then regional governments from 1954 to 1960, the year of independence, and up to 1966, were direct offshoots of the British colonial public service administrative structure; in terms of ethics, values, culture and tradition, training, procedures and *esprit de corps*. During this period, there were five public services, namely; the Federal Public Service, the Public Services of the Eastern Region, the Northern Region, the Mid-Western Region and that of the Western Region. The first reform of the civil service was undertaken in 1946 by the Harragin Commission, which divided the service

into Junior and Senior services. It was followed by the Gorsuch Commission of 1954, which restructured the service into five (5) sections, which are: the sub-clerical, clerical, sub-professional/technical, administrative / professional, and super-scale. The Mbanefo Commission of 1959 was concerned mainly with the issue of salaries and this was followed the same year by the Hewn Commission which integrated the existing departments under Directors into ministries to be headed by Permanent Secretaries (Adebayo 2004:212). The next reforms in the civil service, which looked mainly at the issue of salaries, were undertaken by the Morgan Commission in 1963, the Elliot Grading Team of 1966 and the Adebo Commission of 1970. Considering the ugly trend of failed policies and poor performance that had characterised the Nigerian polity over the years, a number of efforts were made towards reforming and revitalising the Nigerian public services, with a view to building a public service whose work is development, result- and people-oriented.

It was against this background, at the end of the Nigeria civil war in 1970, that the Yakubu Gowon government set up the Udoji Commission to, among other things, harmonise the structure and organisation of the public service of Nigeria. In 1974, the Udoji Commission recommended a result-oriented and unified structure of public service for the whole country. This implies that recruitment/appointment, promotion, remuneration, retirement, discipline and dismissal would thereafter be governed by the same conditions all over the country (PSRC 1974:279). Shortly after, in 1975, General Murtala Mohammed inaugurated the Public Service Commission (Disciplinary Proceedings), and immediately purged the civil service of those it considered not useful (Adebayo 2004:177). This severe disciplinary action, according to Adamolekun (2000:120), was based on such grounds as 'abuse of office', 'decline in productivity', 'divided loyalty', 'old age', and 'corruption'.

In 1988, it was the turn of General Ibrahim Babangida to initiate his own reforms. He constituted the Philips Civil Service Review Panel which, according to the government, was aimed at streamlining the public service along the lines of the presidential system of government, with the purpose of making the public service responsive to the Structural Adjustment Programme (SAP). One of the recommendations of the review was that professional heads of ministries be called Directors- General (DG) instead of Permanent Secretaries. The review also recommended specialisation in the ministry where an officer found himself. The appointment of the DG became political and they were required to retire with the president who appointed them (FCSR 1988:279; Adebayo 2004:108).

Another review of the public service was undertaken by the Allison Ayida Panel on Civil Service Reforms, under the late General Sani Abacha in 1995. The panel examined the 1988 reforms and suggested far-reaching changes. Based on the panel's recommendation, the Provisional Ruling Council (PRC) directed that the post of DG should revert back to the status of Permanent Secretary and should be the accounting officer of the ministry (FRN 1997:280). The reforms went to the roots of the ills militating against efficiency and devotion to duty in the service.

The latest review of the public service was the one undertaken by the Obasanjo administration, with the establishment of the Bureau for Public Service Reform (BPSR) to, among other things, streamline and set a minimum standard in terms of staff strength and remuneration for the public service. According to HTSPE, an international consultancy company which worked in partnership with the Federal Government on the reform programmes, the public service reforms of the Obasanjo administration was an exercise embarked upon to, among other things, tackle pay roll fraud, remove ghost workers and the large number of redundant posts, facilitate a process of organisational restructuring, improve service delivery standards, and facilitate a process of pay reform that will provide incentives for quality staff to come into the service and stay there (HTSPE 2007:1). The shapes, patterns and dimensions of these reforms, which have been the subject of heated debates among many public policy commentators and the generality of the Nigerian populace, is the main focus of this chapter, and shall be elaborated upon in the subsequent sections.

Since independence, the Nigerian public service has been subjected to very many reforms. However, changes of government, styles of government and policies have meant that no single policy had the chance of making the necessary impact before a new policy direction was introduced by the succeeding administration/regime (National Political Reform Conference 2005:184). To make matters worse, Nigeria had the misfortune of suffering prolonged periods of military rule whose styles tended to disrupt and dislodge civil service rules, procedures and practices. A good example here was the mass purge of the civil service by the Murtala Mohammed regime, where none of those affected, from messenger to head of civil service, was given any chance to defend him/herself, which is contrary to the service disciplinary procedure. This, Adamolekun contends, underscored the arbitrariness of the exercise. Gone, he further argues, was the protective shield that existed during the 1960-66 period, which earned the civil service institution the enviable title of being the country's 'one real achievement since independence' (Adamolekun 2000:120).

The military regimes breached and stifled the essential principles of federalism in Nigeria; making public administration approximated to a system of unitary form of government. The result was that security of tenure of civil servants was no longer assured while the collective experience, knowledge, continuity and ethics were seriously undermined. Another problem was that most of the reforms in the public/civil sector of the Nigerian economy were initiated externally and not based on in-house evaluation of the Nigerian situation. Another shortcoming of all these reforms is the too frequent politicisation of the top echelon of the Nigerian civil service. This politicisation, according to Adebayo (2000), led to a relationship of acrimony and antagonism rather than a partnership in an enterprise; resulting in low morale in the civil service and consequent low productivity, with a resultant lack of teamwork necessary in modern management. We can then conclude that the resultant negative effects of all the reforms on the Nigerian civil service was that inadequate attention was paid to ensure the healthy growth of the institution; transforming it from an effective and dependable institution into a broken down and failed institution.

### **Dimensions of the Obasanjo Reforms**

No nation has ever advanced beyond its public service, and President Olusegun Obasanjo was not in doubt that the reform of the public service was imperative in order to redirect the nation to the path of growth and development. President Obasanjo therefore declared in 2005, that his administration 'is set to conclude reforms and re-orientation in the civil service and to inject ICT to drive economic transformation in all sectors' (Ugwu- Oloto 2007:13). He further stated the challenge of re-orientation, that is, getting public officers to realise that it is 'no longer business as usual' as far as the enjoyment of the benefits in kind that they were used to was concerned. The president stated that his reforms would save cost and engender a new orientation and attitude towards public resources and public service.

### **Rationalisation/Down-sizing**

This implies reducing the staff strength of the public service. The policy, according to its advocates, is aimed at minimising personnel cost as well as redundancy in the public sector. According to the former FCT Minister, Nasir El-Rufai, this policy used FCT Abuja as a starting point. In his words, the FCT is a good place to start because:

We have 25,000 employees in the FCT working for the Federal Government and we feel that if we could find a way to use the FCT as the laboratory for the public service

reform, and we can get civil servants that actually report to the needs of business in Abuja, then again, it would serve as an example (El- Rufai 2006:1).

To further underscore the extent of job loss occasioned by the reform, Aluko (2007:13) claims that the administration has so far retrenched about 4.8 million Nigerians across the entire public service, all in a bid to downsize the workforce and minimise the economic role of government.

### **Reforming and Strengthening Public Procurement**

Historically, it is in the award of contracts by various governments in Nigeria that the poor transparency image of the country is mostly manifested. The process of award and the cost of contracts represented a major governance challenge inherited by the Obasanjo administration. According to Nnebe (2006), inflated contract costs and processes were at best closed, discretionary and well-designed conduits for abuse of public power. Government, he continues, therefore set up the Budget Monitoring and Price Intelligence Unit (BMPIU) that commenced a process of contract award review, oversight and certification, now commonly referred to as the 'Due Process'. It is a simple mechanism that certifies for public funding only those projects that have passed the test of proper project implementation packaging. Through the instrument of certification, value for money is once again returning as the fundamental premise for public expenditure (Nnebi 2006:260). This new operation was designed to institutionalise transparency in tendering, contract award and payments.

### **Redefining the Role of Government: Public-Private Partnership**

One of the arguments advanced by government for reducing its involvement in economic activities is that such involvement has been a barrier to the growth of the economy. It further argues that 'not only has it promoted inefficient use of resources; it has distorted market signals and stifled private investment through its impact on inflation, interest rate movement, exchange rate and borrowing level/pattern of credit expansion'. Rightsizing government, reducing budget deficits and properly structuring the entry of all governments (especially the federal and state governments) into the capital market will enhance macro stability and stimulate private investment, government declared. To achieve this, government began to withdraw from the commanding heights of the economy through privatisation, liberalisation and deregulation. Government believed that such innovations would attract private capital in areas such as power generation and distribution, roads, railways, water supply, ports, etc. (Nnebi 2006:263).

To attract private sector investors, government commenced the privatisation of public owned companies/corporations. This involves the partial or outright sale of the shares. Viewing this in the light of public service reform, the public servants who were hitherto employees of government were left at the mercy of the new owners with all the untoward consequences. Some of the government owned companies so far privatised include the Nigerian Telecommunications (NITEL), NICON Insurance, Benue Cement Company (BCC), Peugeot Automobile of Nigeria (PAN), Port Harcourt and Kaduna Refineries, amongst so many others. The privatisation and liberalisation of these key economic sectors, according to government, was aimed at entrenching transparency and accountability, and build consensus in support of the reforms (Nnebi 2006:262).

### **Monetisation of Fringe Benefits**

Monetisation is the process of converting or established something into legal tender. It may also refer to selling a possession, charging for something used to be free or making money on goods and services that were previously unprofitable (Wikipedia 2007:1). These benefits-in-kind, largely a carryover from the colonial era, include highly subsidised residential accommodation, transport facilities, chauffeur-driven motor vehicles (for the senior echelon of the service), free medical services and highly subsidised utilities such as electricity, potable water and telephone. The cost of providing these amenities to public servants has become so huge vis-à-vis other provisions in the annual appropriations that little was left for funding capital projects, government claimed. The problem was further compounded by the fact that these benefits were largely not provided in the most cost-effective manner (Nnebi 2006:265).

The Federal Government further argued that its decision to adopt the policy of monetisation of fringe benefits is designed to stem the ever-rising annual expenditure outlay on the benefits provided for public servants, thus reducing waste and releasing resources for the provision of social and economic capital assets for the wider populace. It made quite a number of them, it claimed, to develop a dependency syndrome ill-suited to post-retirement life. Thus, among other benefits, government believed, monetisation would help prepare public servants for life after retirement by preventing a sharp drop in their standard of living following their retirement, compared to when they were in active service. It would also encourage public servants to be more flexible in the use of their resources, choosing whether to live in their own or rented houses, for example (Public service Reforms and National Transformation 2006:54). The policy, government hopes, is also bound to affect the real estate market in the

larger cities, especially Abuja, seat of the Federal Government, where the rent on leased properties is expected to fall as government stops leasing houses for its workers. In fact, government itself would release a number of houses owned by it into the market, thereby putting a downward pressure on prices in the real estate market, if not in the short term, at least in the medium to long term (Nnebe 2006:266).

The monetisation policy was given legal teeth with the passage and coming into effect of the Certain Political, Public and Judicial Office Holders (Salaries and Allowances, etc.) Act, 2002 which has now been extended by circular to cover all federal civil servants. The law took effect from 1 July 2003 for the designated political, public and judicial office holders contained therein, while it was extended, with somewhat modified rates of benefits, to federal civil servants with effect from 1 October 2003 (Nnebe 2006:266).

### **Pension Reform**

Up to 2004 when the Pension Act was passed by the National Assembly, the government operated an unfunded Defined Benefits Scheme and the payment of retirement benefits was budgeted annually under the Pay-As-You-Go Benefit Scheme. Against the claimed backdrop of an estimated ₦2 trillion deficit, arbitrary increases in salaries and pensions as well as poor administration; the Obasanjo government initiated a pension reform in order to address and eliminate the problems associated with the pension schemes. The new pension scheme is contributory, fully funded by both the employer and employee and based on individual accounts that are privately managed by Pension Fund Administrators (PFAs), with the Pension Fund Custodians (PACs). This whole scheme is being regulated and supervised by the National Pension Commission (PenCom). The Commission will ensure that the payment and remittance of contributions are made and beneficiaries of retirement savings are paid when due (Public service Reforms and National Transformation, 2006:56-57).

### **Consequences of the Obasanjo Reforms**

The advocates of the civil/public service reforms of the administration are always quick to count the positive effects of the reform on the nation's public service, neglecting some vital but negative consequences of the reforms, not just to the public service but also to the socio-political, economic and educational spheres of the Nigerian state. For instance, Ugwu-Oloto (2007:56) says at no time in Nigeria's history has the nation witnessed fundamental changes in the key facets of our national life on such a scale as the time of President Olusegun Obasanjo's reforms.

Professor Sam Aluko equally has something similar to say. In a chapter titled 'FG Reforms Agenda and the Nigerian Economy 1999 – 2007: A Critical Assessment', he says that 'because of jaundiced reform policy in this sphere (public service) many public enterprises have either collapsed, closed down or been sold to foreigners, while the public service which was once vibrant, productive and incorruptible has become a haven of corruption, inefficiency and stupor' (Aluko 2007:31).

In its desperate bid to down-size the public sector of the economy and minimise the economic role of government, the administration has continued to place emphasis on the private sector as the engine of growth of the Nigerian economy. Whereas the reality is that the private sector is very weak in Nigeria and depends on the public sector for its survival and continued growth, the result is that the down-sizing of the public sector has consequentially led to the down-sizing of the private sector. This is because the economic managers in government do not appreciate that a decelerating public sector also leads to a decelerating private sector, and vice-versa. This is an immutable economic causation.

Also, because of the reform in this sphere, the erstwhile security of tenure of the civil servants, other things being equal, has become a mirage. Retirements and retrenchments, without due process, have become the order of the day, in spite of the resuscitation of the NPSNC, which Obasanjo's government claimed to have achieved. It is important to point out here that this policy of down-sizing the public sector has been abandoned even in developed countries of U.S.A., Canada and Europe and in the developing countries of Asia and Latin America, because of its negative multiplier effects, especially its economic deceleration effects.

Again, retrenchment leads to reduced consumer demand which reduces the propensity to produce and in turn leads to reduction in the rate of growth of the Gross Domestic Products (GDP). Another significant point worthy of note is the problem of crime arising from retrenchment of able and agile persons from the public service. The apparent cases of increased crime across the country are no doubt a bitter consequence of this jaundiced public service reforms. The recent admission of increase in crime rate across the country by the former Inspector-General of Police, Sunday Ehindero, in his farewell message, in June 2007, is a testimony to the negative consequence of the reforms.

Also, if privatisation of government-owned companies is aimed at efficiency and increased output, as claimed by the advocates of the reforms, the current situation in Nigeria Telecommunication (NITEL) is a proof to the contrary. Today, NITEL is in a worse situation than it was before its privatisation. The workers who were formerly federal public

servants are now living under constant fear of retrenchment by the new management board. Record has it that NITEL has the least subscribers in respect of GSM communication, with its landline in an even worse predicament. Then, where is the efficiency?

### **Recommendations**

Nigeria is endowed with abundant human and natural resources. With a population of over 120 million, Nigeria has the potential of becoming Africa's largest economy and a major player in the global economy. To address this enormous challenge, Nigeria must, among other things, ensure the establishment of a highly motivated, competent, effective and respected public service. Over the years, policy process in Nigeria has been adversely affected by vague direction, inconsistency, poor implementation and lack of continuity in implementation; a failure that is attributed to persistent instability in governance.

It is imperative that government takes urgent action to re-orientate Nigerians and bring about a positive change of attitude that will restore high moral values, encourage hard work, honesty and selfless service, as well as inculcate a sense of patriotism which will bring to fruition government policies and programmes.

Under no circumstances should the civil service of this country be politicised. There is an urgent need to evolve a non-politicised service which is adequately staffed to give non-partisan and competent advice without fear or favour. If the public service is to fulfil the role expected of it, government must ensure that:

- (i) Public servants are accorded due recognition and respect by the political class;
- (ii) The neutrality and security of public servants, which have been eroded over the years, must be restored to insulate them from political interference;
- (iii) The ethics, values and norms of the public service must be re-established to enable public servants enjoy, once again, the respect and confidence of the public;
- (iv) Government must demonstrate a political will to ensure strict adherence by all to the governing rules and regulations.

## Conclusion

The reform agenda of President Olusegun Obasanjo may have been honest in conception and execution, but its basic and simplistic premise that Nigeria's problems could be solved by simply down-sizing the public sector and minimising the economic role of government proved to be its biggest flaw. One of the most enduring legacies of the reform in the public sector has been worsening unemployment which portends serious danger, not only to the public service, but also to the nation in general. All true and sensible reformers in history have increased rather than decreased employment quantum in significant manner in their nations. There is an urgent need therefore to re-assess, re-define, re-focus and re-design these suicidal reform policies and make the reforms service- and people-oriented, and compatible with global standards.

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