

MANAGING THE PUBLIC SECTOR ORGANISATION IN A PRIVATISED NIGERIAN ECONOMY

By:

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Abstract

Classically, it is believed that the intent and purpose as well as achievements of public sector in Nigeria were not quantified on profit maximisation but on socio-welfare service. Even the economic unit of public sector was run in a way to make only marginal profit. However, due to the dynamism of human nature, that classical notion is giving way to a contemporary notion which could be seen in the country during the Obasanjo regime (1999-2007) and subsequent regimes that followed which made privatisation their cardinal programme. This development has even assumed a vigorous posture with the launching of National Economic Empowerment and Development Strategy (NEEDS) in 2004. Though in 1986, the issue of privatisation was also pursued by Babangida regime (1985-1993) as part of the Structural Adjustment Programme (SAP) launched then. This paper therefore, intends an assessment of the impact of privatisation of Nigerian economy on the management of public sector particularly in relation to the issues of right sizing, monetisation and due process and proffers solutions for improvement.

Background Information

The Nigerian public service has been influenced by three historical epochs, namely; the colonial, civilian and military regimes. The three epochs have similar and different influences on Nigerian public service. In the light of the similarities, career orientation of the public service particularly the civil service and the use of public service commission for promotion, discipline and rule enforcement are feasible throughout the three epochs. In the light of the differences, the colonial era featured political neutrality, anonymity and impartiality of the public service. Under the post-independence civilian era, the higher civil servants were made as confidential advisers to ministers. During the military regimes, the higher civil servants dominated the policy process particularly between 1967 and 1975. This development led virtually to loss of political neutrality, anonymity and impartiality of the public servants contrary to the practice during the colonial era. Also, between

to persons in the services of public corporations of the state which have an industrial or commercial character (Olowu and Adenle, 2002:88).

The term civil servants generally refer to the administrators who are paid for implementing government policies; that is, the body of officials paid for out of the public purse and work in the various ministries, and associated bodies and agencies. Entrance into the civil service was by competitive examination both to the administrative and executive classes. Promotion was also on merit. Civil service is a life career and hence a profession. The tasks of civil servants were divided into intellectual and routine categories. That is, positions in the civil service are hierarchically arranged. As a permanent institution of government, civil service develops ethos of political neutrality, willing and able to advice and serves the elected government of any party and programme in power.

In a nutshell, a country's public sector comprises the civil services, special purpose bodies and local authorities. However, the primary responsibility of any public sector is to deliver service that the private sector may not deliver at all or deliver services to those who cannot afford the market price of the product/service. Fundamentally, the ability of a government to legitimately tax and govern people is premised on its capability to deliver a range of services required by its population which no other player will provide. In other words, governments owe their existence and their legitimacy to the fact that there are products/services in which the possibility of market failure is great. Unequivocally, traditional explanations of public sector begin with an analysis of what constitutes this category of services. Goods and services that require exclusion, jointness of use or consumption and are not easily available are regarded as public goods and services.

Indeed, public service plays a significant role in modern system of government. This is because it does not only improve the machinery of administration but it oversees the existence of government. It forms the core of government. It carries out several functions which are essential to the maintenance and continuity of the state. Thus, without public service the state could not properly stand.

In other words, public service is the action part of the government, the means by which the purpose and goals of government are realised. It is concerned with the means for implementing political values and it is best identified with the executive branch of government. According to Nigro, public service has the following characteristics:

- a cooperative group effort in a public setting;
- cover all three branches; executive, legislative, and judicial and their interrelationships;
- has an important role in the formation of public policy and thus part of the political process;
- different in significant ways from private sector, and

- closely associated with numerous private groups and individual (Stillman, 1978:2-4).

According to Waldo (1984:4)

The process of public service consists of the actions involved in effecting the intent or desire of the government. It is thus the continuously active, business, part of the government, concerned with carrying out the law, as made by legislative bodies (or other authoritative agents) and interpreted by the courts, through the process of organisation and management.

In the words of Rosebloom and Kraychuk (2002:5-6), "public service is the use of managerial, political and legal theories and processes to fulfill legislative, executive and judicial mandates for the provision of governmental regulatory and service functions". Another phenomenon common with public service is bureaucracy which could be described theoretically as a special process of carrying out the activities in a very large and complex organisation where specialisation, expertise, and accountability lead to delay in the execution of the organisational activities.

In the field of politics, bureaucracy refers to the administrative machinery of the state. That is, the massed ranks of civil servants and public officials who are charged with the execution of government business. Indeed, bureaucracy as a distinctive form of organisation is not just in government but in all spheres of modern society. However, as government grows in responsibility, bureaucracy plays an increasingly important role in political life (Heywood, 2003:357). Albow (1979:105) on his part, identified seven modern concepts of bureaucracy as national organisation, organisational inefficiency, rule by officials, public administration, administration by officials, organisation and modern society.

According to Heywood (2003:358), students of government view bureaucracy in a literal sense to mean rule by the bureau; that is, rule by appointed officials. In the field of sociology, bureaucracy has typically been understood as a particular type of organisation; that is, as a system of government. In this sense, bureaucracy can be found not only in democratic and authoritative states but also in business corporations, trade unions, political parties and so on. The economists view bureaucracy as specifically public organisation. This is the sense that they are being funded through the tax system without disciplined by either profit motive or responsive to market pressures.

The position of this paper is that civil service is a subset of public service. The former entails the core of the ministry's activities while the latter extends to both core ministry and para-ministry activities. Also, bureaucracy connotes the way and manner by which administrative activities are organised and carried out in either public and private organisation.

Reforms of the Public Sector in Nigeria

With privatisation on a large scale as pursued by the Obasanjo government (1999-2007), there is no doubt that public sector will be drastically affected. This could be seen theoretically in the comprehensive document on reforms in the country known as the National Economic Empowerment and Development Strategy (NEEDS) launched in 2004. This document defined NEEDS as:

Nigeria's plan for prosperity. It is the people's way of letting the government know what kind of Nigeria they wish to live in, now and in the future. It is the government's way to letting the people know how it plans to overcome the deed and pervasive obstacle to progress that the government and the people have identified. It is also a way of letting the international community know where Nigeria stands in the region and in the world and how it wishes to be supported (National Planning Commission, 2004:7).

NEEDS focuses on four key strategies: reorienting values, reducing poverty, creating wealth and generating employment. It also focuses on empowering people; promoting private enterprises and changing the way the government does its work. Changing the way the government does its work is the focus of this paper and its effects on the public sector. This contains the public sector reforms, privatisation and liberalisation of government, transparency, anti-corruption, service delivery, and budget and expenditure reforms.

In specific terms, in order to change the way government does its work, NEEDS aims at restructuring the government to make it smaller, stronger, better skilled and more efficient at delivering essential services. It seeks to transform the government from a haven of corruption to an institution that spur development and serve the people. The number of government jobs will decline and the cost of running government will fall dramatically as benefits for civil servants, such as subsidised housing, transport and utilities are monetised. The reforms and the regulations outlawed government activities and greater transparency and accountability and corrupt practices are outlawed. Government activities and budgeting were informed by a framework that connects policy with government income and expenditure (NPC, 2004:13).

Also, NEEDS seeks to restore trust in government as a facilitator of development, an institution that creates or maintains an environment that enables Nigerians to implement livelihood strategies and achieve personal goals. The government has to stop running businesses and redirect its effort to providing essential services. Government is to sell off the businesses currently under its control in order to free up labour and funds that it can use to improve basic services.

To prevent nepotism, favoritism, and corruption, government has transformed the process by which private companies bid for government contracts. It

established a Budget Monitoring and Price Intelligence Unit (BMPIU) known as Due Process office which reviews, oversees, and certifies government contracts to ensure value for money. In addition, government instituted massive anti-corruption campaigns by establishing the Independent Corrupt Practices and other related crimes Commission (ICPC) and the Economic and Financial Crime Commission (EFCC) which outlawed corruption practices.

Government enacts a Fiscal Responsibilities pact and right of Information Act. The former requires government agencies to publish annual audit accounts within six months of their financial year and set up a revenue stabilisation fund into which windfall revenues will be transferred. The latter promotes openness and feedback. On the reformation of the bureaucracy, government cuts civil service benefits. The monetisation of benefits such as utility services, domestic assistance, and drivers and reduced the incentive for corruption by offering civil servants high wages, bonuses, and improved working conditions.

Annual budget framework and guidelines are introduced to promote balanced budget and implementation of priority programmes, budget discipline, cost-effectiveness and the generation of internal revenues and savings. A Peer Review mechanism enables heads of government agencies to compare their performance and nurture a common culture of excellence.

Consequences

With privatisation of an economy on a large scale as carried out in Nigeria, the public service is affected. Fundamentally, workers that are not needed were showed the way out. In the same vein, some responsibilities in the public service have to be privatised or marketed. In specific terms, responsibilities allowances of driver, domestic servant, gardeners among other were monetised. The intention of this development was to ensure that such quantitative change could march by qualitative performance.

Furthermore, entrance to the public service was widened in order to take in the employment of those who have been successful in the private sector. However, this idea could weaken the public service as a life career. Doing this would, therefore, be an acceptability of personnel to move freely between work in the public service and the private sector and to enter the civil service at a later stage after attaining some experience in the private sector.

Also, civil servants with privatisation of public service would be less evaluated and promoted by their pure intellectual power but more by their managerial skills. Similarly, the ministries in the public service would be party broken up. That is, the ministries would be retained as core policy advisory bodies but those ministries function which are mere of implementation of ministerial policy would be carried out by the departments associated with their mother ministries but

with their own budget, mission statement and cost center manager.

Moreover, the political neutrality of the public service has to change. That is, the right and duties of public servants have to change. In particular, public servants can no longer disagree with their ministers. This is in order to develop output-oriented management in which fragmentation is accompanied by a move to limit bureaucratic autonomy through customer performance review.

These changes are necessary in the light of privatisation wave blowing the Nigerian society. The changes are consistent with envisaged great efficiency and effectiveness. These changes are consistent with more contemporary ideological preference for market or quasi-market reforms of the public service. Also, the move from hierarchical department to functionally segregated agencies appears to give a public sector power to the move from mass production methods and politicisation and are entirely consistent with the result of elected government behaviour so that the civil service has a political agenda of its own which has undermined previous government and must not be allowed to rear its head again.

● **Concluding Remarks**

The fear about the success of a reformed public sector in privatised economy like the one being experienced in Nigeria currently is hinged on the type of political system under which the entire reforms is being carried out. Joseph's "Prebendalism" best described this political system. That is, personalisation of political office and carrying out governance according to the whims and carriers of the political leaders without consideration for the rule of law. This is glaring in the development on reversion in the application of monetisation as it affects the National Assembly. Specifically, the Daily Trust (2006:48) reported that the revelation by the punch Newspaper that the Senate had ordered 109 Peugeot 407 to assist Senators in their committee assignment is once again indicative of the contradiction inherent in the monetisation policy in the reform policy. The cars according to the report are part of the 247 vehicles that the National Assembly would take delivery of for its committees. It is appalling that the same government which made monetisation a major prong of its reform program and paid the distinguished and honorable members of the National Assembly their entitlements accordingly is now embarking on the purchase of cars for members which has been already monetised.

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