

Decline in Governance Costs: Imperatives for Nigerian Development

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Abstract

The necessity of lowering Nigeria's governance costs was investigated in this study. The nation's annual budget prioritizes ongoing spending above investment-driven capital expenditures. Nigerians are concerned about the high cost of governance since it has a negative impact on the country's socioeconomic progress. The study covered a period of ten years(2014-2024). The study identified the high cost of governance as a very big challenge to Nigeria's socio-economic development and caused by the following funding of pilgrimages by the government, medical tourism by high-ranking government officials, overstuffed MDAs, importation of refined oil products, high recurrent expenditure, bloating the wage bill with ghost workers, project abandonment, high cost of running the national assembly, a large number of ministries, large number of special advisers, violation of monetization policy of the government, violation of public procurement Act, duplication of parastatals and unnecessary creation of some government agencies/commissions, membership of boards, and frivolous and wasteful budget expenditure. The theoretical framework used in this study was the rent-seeking theory. The study made use of content analysis, which allowed for the use of secondary data. The study revealed, among other things, that the government has not demonstrated enough political will to implement Steve Oronsaye's Report, which is development-driven. The study among other things, recommended a speedy implementation of Steve Oronsaye's Report by the government.

Keywords: Cost of governance, development, current expenditure, budget, capital expenditure

Introduction

It is common knowledge that Nigeria's governance cost has greatly increased over the years. The cost of governance in Nigeria has been extremely high and concerning throughout the years, making it unsustainable as ongoing expenses continue to outweigh capital expenditure. However, because of its detrimental effects on investment, industrial growth, infrastructure development, and the expansion of the actual sectors of the economy, this issue has persistently generated national discourse and public concern. It is inferred that the country spends over 75% of its federal

budget on recurrent expenditures and less than 25% on capital expenditures. A significant amount of capital expenditures are still attributed to administrative capital. Surprisingly, even when fewer than 1% of the population is maintained, personnel accounts for more than 85% of ongoing costs (RMAFC, 2024). Nonetheless, the nation has long aimed to allocate at least 40% of its budget to capital projects, as this will help to bridge the funding and infrastructure gaps.

In an attempt to explain government expenditure, economists have recently blamed it on special interest groups urging the government to give them money. Economists refer to this type of lobbying as "rent-seeking" (1967, Henderson). However, it is stated that people seek rent when they attempt to use the political system to gain advantages or unwarranted favours for themselves. Nonetheless, the nation has a goal of allocating at least 40% of its budget to capital projects since this will help to bridge the funding and infrastructure gaps. Since Nigeria's inception as a country, it has been bedevilled by bad governance. The high cost of governance is a source of concern to many Nigerians, the annual budget of the country tilts towards benefitting individual interests instead of serving the national interest. However, it is important to acknowledge that reducing the cost of governance has serious implications for the country's economic development and social welfare. The contributing factors to the high cost of governance in Nigeria are numerous.

Research Methodology: The study relied on secondary sources of data, which allowed the use of related works from other scholars, as seen on the internet, textbooks, and both print and electronic media.

Objective of the Study

To determine the causes of Nigeria's high cost of government

To ascertain how Nigeria's socioeconomic progress is impacted by the high cost of governance

To make recommendations on actions the government should take to lower Nigeria's governance costs.

Theoretical Framework

This study applied Gordon Tullock's 1967 rent-seeking theory. It explains how individuals or groups pursue government favours, leading to inefficiencies and resource waste. In an attempt to explain government expenditures, economists have recently blamed special interest groups urging the government to give them money. Economists refer to this type of lobbying as "rent-seeking." Henderson (1967).

However, it is stated that people seek rents when they attempt to use the political system to gain advantages or unwarranted favours for themselves. Similarly, it is possible to classify the massive sums of money spent on medical travel for senior government officials in Nigeria as rent-seeking.

The assumptions of rent-seeking theory are:

It emphasizes individual or group interest rather than national interest.

It seeks to encourage inefficiency and waste by placing the commonwealth in the hands of a few individuals. The theory promotes selfishness, as seen today among the policy makers in Nigeria.

It is a special interest coalition lobbying the government to transfer wealth to them.

This theory explains why there is an economic downturn in Nigeria. The theory provides insight into the country's economic policies that favour recurrent expenditure rather than capital expenditure. The large number of ministers and special advisers appointed by Governors and Presidents not only put pressure on the finances of the nation but adversely affect socio-economic development in Nigeria. However, a sound mind questions the rationale behind the high-profile

political officeholders' preference for medical tourism in foreign countries instead of building standard hospitals in Nigeria. This leads to capital flight, as the huge amount expended on such wasteful ventures would have placed Nigeria on the world map, economically.

Conceptual Clarification

The Concept of Governance

The United Nations Development Program (UNDP) defines governance as "the exercise of economic, political, and administrative authority to manage a nation's affairs at all levels. It is the complex mechanisms, processes, and institutions through which citizens and groups articulate their interests, exercise their legal rights and obligations, and mediate their differences." The UNDP has established the following qualities of good governance: participation, rule of law, transparency, responsiveness, consensus orientation, equity, effectiveness and efficiency, accountability, and strategic vision. Rhodes (1997) believes that "governance signifies a change in the meaning of government, referring to a new process of governing; or a changed condition of ordered rule; or the new method by which society is governed." Governance refers to the creation of methods of coordinating economic activity that go beyond the constraints of both markets and hierarchy, emphasizing the role of the State in "steering" action within intricate social systems (Kooiman, 2000).

Cost of Governance

To serve the public interest, those statutorily authorized to do so must incur costs of government. Public expenditures are the expenses incurred by the government in the course of performing its duties (Agu, 2013). Determining the proportion of public spending that goes toward maintaining the government, expanding state activities, and the overall well-being of the economy and society may be straightforward. Capital expenditures and recurring expenditures are the two (2) main categories of government spending. Costs that arise regularly on a daily, weekly, or even monthly basis are referred to as recurring expenses. Payments for things like pensions and salaries, overhead, official vehicle upkeep, phone and power bills, water rates, insurance fees, etc., are all covered by this. On the other hand, funds allocated to capital projects are referred to as capital expenditures. This includes constructing roads, schools, hospitals, and residences; investing in the development of human capital (health and education spending); purchasing official vehicles; drilling boreholes; electrification projects, etc. The public finance literature generally agrees that current expenditures, or those ascribed to the maintenance of government rather than for the good of society and the economy overall, are associated with the cost of governance.

A point of consideration is to look at how the State government's budget is divided strictly between recurrent and capital expenditures. Adeola & Evans (2007) are in support of the arguments by Nurudeen & Usman (2010), that spending on infrastructure, such as roads, communications, power, etc., also lowers production costs, boosts private sector investment, and makes businesses more profitable, all of which promote economic growth. Some scholars contend that an increase in government spending on socio-economic and physical infrastructures stimulates economic growth. For example, government spending on health and education increases worker productivity and boosts the expansion of national production.

Adeola & Evans (2007) assert that one way to support the arguments put forth by Nurudeen and Usman is to examine how the budgets of state governments are carefully allocated between capital and recurring expenses. Poverty will inevitably be widespread in areas where a growing percentage of the government budget, at whatever level, is allocated to maintaining the administrative framework of the government as economic growth slows or even stops.

This suggests that the economy bears enormous expenses in maintaining government administrative systems because there are not enough funds available to fund projects in critical economic sectors. Excessive administrative spending funds an ineffective legislative body, an executive cabinet that is greater than necessary, and unusually large, corrupt, and ineffective civil service personnel. However, citizens would perceive the government as a burden if government spending continuously surpasses capital spending, which should benefit the economy, especially in the areas of investment, job creation, and other growth-promoting activities (Agu, 2013).

Some of the Factors Responsible for the High Cost of Governance in Nigeria

Inclusion of Ghost Workers and the Bloating of the Wage Bill: The incident of ghost workers in government payroll is the order of the day in Nigerian civil service. Recently, a whopping sum of N118,9 billion was saved by the federal government following the introduction of the integrated payroll and personnel information system (IPPIS) (Premium Times 2019). The existence of ghost workers in government payroll has provided a platform for taxpayers' money to be frittered away to the advantage of a few individuals. This trend impacts positively on Nigeria's socio-economic development, as such funds may be channeled to more useful areas like construction and maintenance of roads, provision of health care facilities, educational facilities, etc.

High Cost of Running the National Assembly: The cost of running the National Assembly is evident and documented, and the Nigerian National Assembly is the highest paid in the world, with a monthly salary of \$189,500 (N30 million), excluding allowances. This has had a negative impact on Nigeria's socioeconomic development (Nigerian Eye, 2013). The report, which cited data from the International Monetary Fund (IMF), took into account the salaries of lawmakers worldwide and expressed it as a ratio of GDP per capita, stating that a Nigerian federal lawmaker's annual salary is \$189,500, which is 116 times the country's GDP per capita, estimated at \$1,600. However, this appears to conflict with the official compensation of NASS members as stipulated by RMAFC (Londonrivals, 2013). The huge amount spent in running the national assembly puts pressure on the country's finances. This has invariably increased the country's recurrent expenditure at the expense of capital expenditure. This has adversely affected socio-economic development in the country.

Abandonment of Projects: The presence of abandoned projects littered all over the country is taking its toll on the economy. According to the Ibrahim Bunu's presidential committee's June 2011 report, 11,886 capital projects had been abandoned and would cost N7.78 trillion to finish (Ogundapo 2024). As a result, projects that are abandoned result in waste because the money invested has no social value. Should the projects be reexamined, the present cost would have been influenced by inflation, thereby making it more expensive than the previous cost. This will eventually result in lost revenue that would have been used for socio-economic development in the country and consequently increase the cost of governance as recurrent expenditure will increase.

Appointment of a Large Number of Ministers: In Nigeria, the president appoints a significant number of ministers by constitutional provisions. In addition, section 147 of the Constitution grants the President the authority to create the positions of Ministers of the Federation. The Federation's government stipulated that the President must designate a minimum of one Minister from each State, who must be a native of that State. This suggests that the 36 states and the Federal Capital

Territory have to be represented by a minimum of 37 ministers in Nigeria. There were 41 ministerial posts in 2014 alone.

This has adversely impacted the economy as the salaries and allowances of these political appointees run into billions, thereby increasing the cost of governance in the country. Presently, President Tinubu acted in line with the provision in the second paragraph of Section 147 (3) of the 1999 Constitution to appoint 48 ministers, a population considered too large for the entire country. In wealthy nations like the US and France, which have 21 and 24 ministers, respectively, this is not the case. This has taken its toll on socio-economic development in Nigeria as the huge amount of money that goes to the ministers as salaries and allowances would have been partly used for economic planning and development in the country.

Abuse of the Monetization Program: Following the misuse of the monetary policy, which has affected the economy, Nigeria's cost of governance has gone up. Despite the provisions of the Monetization Policy and the Certain Political, Public and Judicial Office Holders (Salaries and Allowances, etc.) (Amendment Act) of 2008, some individuals whose entitlements have been monetized continue to receive the same facilities at the expense of the public, which has increased the cost of governance in Nigeria and unnecessarily created space for resource waste. FGN should not have to pay twice for the same expense, and the government will be able to pursue more capital projects due to the savings from monetization. Regardless of the monetization procedure, varying sums are allocated annually for the provision of the monetized benefits, including financing for vehicles, sporting activities, and, in some cases, housing (Onyekpere, 2014).

Abuse in the Appointment of Special Advisers: To help them carry out their responsibilities, the president or governor of each state is known to select more special advisers than is necessary. To help him carry out his duties, the President may designate any individual as a Special Adviser, according to Section 151 of the Federal Republic of Nigeria Constitution. In a similar vein, the number of such Advisers, their compensation, and their benefits were specified by law or a National Assembly decision. As specified by Certain Political, Public and Judicial Office Holders (Salaries and Allowances, etc.) (Amendment Act) of 2008 (the 1999 constitution), sufficient provisions have been provided for the payment of Special Advisers as they get compensation and benefits.

The payment of these public servants, who comprise a significant portion of the population, raises the cost of governance in Nigeria. The outcry over Nigeria's exorbitant cost of governance reached a new height when Bauchi State Governor Mallam Isa Yuguda appointed 1,070 political aides to assist him in managing the state's affairs. These political assistants are in addition to the Bauchi Executive Council, other boards, statutory corporations, and the governing bodies of higher education institutions. Governor Yuguda was not the only one who decided to hire many helpers, supposedly to handle state affairs. His equivalents in Adamawa and Imo States, Governors Murtala Nyako and Roches Okorochoa, likewise established a sizable entourage of staffers, including special advisers and helpers (Mohammed, 2011).

Presentation of Frivolous and Wasteful Budget Expenditure: Astonishingly, the approved 2013 budget and subsequent ones included unnecessary, wasteful spending and budgets that were not aimed at addressing the needs of Nigerians. It allocated around N3.5 billion for welfare benefits. For MDA employees whose personnel votes were appropriated, what welfare benefits were available? Nearly every organization has a security vote, and excessive amounts of funds are set aside for meals and refreshments. Additionally, there are huge sums for athletic items,

publications and journals, trip expenses, etc. The Presidential Villa's "Maintenance of Office Building/Residential Quarters" (N510.9 million) and "Upgrade and Maintenance of Villa Facilities" (N2.4 billion) both received comparable funds. Additionally, funds were allocated for the upkeep of motor vehicles, furniture, plants, and machinery, as well as an omnibus provision called "Other Maintenance Services" for N156m. This kind of clause makes Nigeria a laughing stock among civilized nations and mocks the idea of budgeting (Onyekpere, 2014)

Medical Tourism and Funding of Medical Expenses of High-Ranking Government Officials:

The cost of governance in Nigeria is raised by the government's funding of medical expenses, notably the medical tourism of high-ranking state officials. But under certain political, public, and judicial office holders, some high-ranking government personnel (Salaries and allowances, etc.) take advantage of all state-funded medical treatments, including care in international hospitals. The Act mandates that the state provide medical treatments after monetizing their other benefits. Ironically, the Federation's Auditor-General, Permanent Secretaries and their equivalents, Judicial Officers from the High Court and its equivalents up to the Supreme Court, the President, Vice President, Secretary to the Government of the Federation, Ministers, Heads of State Service, Special Advisors, Chairmen and members of constitutional commissions, or any other Commission established by the National Assembly, are in a position to develop and implement policies that will improve our healthcare system. Since they have the legal authority to seek medical care outside of Nigeria, there is no longer a need to improve the healthcare system, so Nigeria spends a lot of money on meeting these officials' overseas medical needs.

According to the Nigeria Medical Association, health tourism costs Nigeria over \$500 million annually, with more than \$260 million of that sum flowing to countries like India, Germany, and the UK. The association raised alarm about this trend. According to projections from Nigeria's Sovereign Wealth Fund Authority, medical tourism costs the nation about \$1 billion annually (Punch, 2024). The unsettling aspect is that the public treasury provides a sizable portion of these sums. This increases the cost of governance in Nigeria by placing needless strain on public funds.

Over Bloated Workforce. The federal government employed 1.2 million federal civil servants, 1,500 political officeholders (Ministers, Special Advisers, and Special Assistants), 469 federal legislators, and over 1,500 judicial officers during President Obasanjo's administration, according to the results of the 2003 staff audit. Following this disclosure, the federal government began reducing costs by merging some ministries, bringing the total number of federal ministries down from 22 to 16. Remarkably, his successor, President Yar'Adua, increased the number of ministries from 16 to 29. Due to its size, which is projected to be 1.2 million (The Nation 2011), there have been several initiatives to reduce the size of the federal civil service.

These attempts were made to reduce the size of the federal civil service (The Nation 2011). As you may remember, these attempts have mostly failed because the federal governments that have come before them have not been dedicated to the real challenges of accomplishing the goal. This explains why continuing overhead and personnel expenses account for more than 70% of the national budget. The overstaffing of MDAs is one of the factors contributing to Nigeria's rising governance costs. The fact that this pattern has persisted in 2024 is concerning, though.

Abandonment of the nation's refineries: It is clear that the federal government is only making token efforts to fix the country's refineries, which has caused Nigeria, a significant crude oil

producer and exporter, to continue spending trillions of naira year on funding the importation of refined petroleum products, such as aviation fuel, kerosene, diesel, and gasoline. Likewise, the funds allocated for socio-economic development—more than 30% of the total budget and more than the capital budget—are used to buy refined petroleum products. The government-owned and operated local refineries have been poorly run.

Unethical conduct by MDAs: However, it is well known that Ministries, Departments, and Agencies of Government (MDAs) frequently request computers, software, printers, photocopiers, furnishings, building maintenance, and hundreds of millions of dollars in other administrative capital—even after they have been given those working tools—in an unethical manner. This unnecessarily placed a significant financial strain on the government, raising the expense of governance in Nigeria.

Funding of Pilgrimages: The Nigerian government spends billions of naira annually on tax payers to finance Christian and Muslim pilgrimages, although funding pilgrimages is a religious duty that should have been entirely on the shoulders of individual participants. Funding the two Commissions—the National Hajj Commission, which was founded for this purpose, and the Nigerian Christian Pilgrims Commission—has caused recurring spending to soar.

Absence of Metres in Oil Wells: Government policy is yet to enforce the installation of meters in oil wells at all oil extracting stations. This can be accomplished through public-private partnerships or government-guaranteed private sector finance, including loans. The estimated oil production for 2014 was 2.3883 mbpd, which was less than the 2.526 mbpd predicted for 2013. The lower estimates were based on reports that oil theft was causing Nigeria to lose between 300,000 and 500,000 barrels of crude oil per day. \$30 million per day at \$100 per barrel on average; \$40 million per day at 400,000 barrels per day; and \$50 million per day at 500,000 barrels per day. Each of these scenarios led to a loss of over half of the federal budget by the end of the year. It is wrong for the government to be giving in to criminals when it has given out specific contracts for pipeline policing. Maintaining law and order is the responsibility of the government. In addition to the pipeline policing contract, many security agencies are in place to safeguard the integrity of oil production, export, and halt (Onyekpere, 2014).

Creation of New Agencies, Commissions, etc, by the NASS: There are 541 Federal government parastatals, commissions, and agencies (both statutory and non-statutory), according to the Stephen Orosanye Report (2014). One of the factors that has led to a significant financial burden on the government is the establishment of agencies and commissions by the national assembly to either undertake new assignments or to better perform existing tasks. This development has increased the cost of governance. However, the passage of these bills in their current form eventually bloats the size of the bureaucracy, increasing the recurrent expenditure.

Establishment of Organizations with Overlapping and Duplicate Functions: The establishment of the administrative staff college of Nigeria and the public service institute is to enhance capacity building, with the overall aim of bringing socio-economic development to the citizenry. It is not economically wise to maintain these two organizations performing the same functions, with a bloated workforce and undue pressure on the finances of the country. It amounts to economic waste to keep organizations with overlapping and duplicate functions and use public funds to run them. This is one of the factors responsible for the high cost of governance in Nigeria.

President Tinubu's Policies and Effects on the Cost of Governance in Nigeria

Expenses on Local and Foreign Trips: The Federal Government, under the administration of President Bola Ahmed Tinubu, has spent N2.3 billion on international travel and related costs in the last six months (Daily Trust, 2024). This indicates the expenses related to the president's trip from February 21 to July 19, 2024. The State House Headquarters in Abuja documented payments for presidential visits during the time, beginning with N300 million on February 21, 2024, for January's expenses, according to a breakdown of the costs. The State House also paid N250 million for presidential travel and associated costs on February 24. On February 24, the State House also made a N250 million payment for Presidential trips and related expenses.

Additionally, N42,379,100 was paid on March 15 for Presidential trips and related expenses. "On March 15, N9,484,310 was paid for Presidential trips and related expenses. The statistics showed that N25,393,490 and N34,185,400 were paid on the same day for the same reason. Additionally, between February 24 and March 15, 2024, the government spent over N2.9 billion on foreign exchange purchases to finance the travels of President Bola Tinubu, Vice President Kashim Shettima, and First Lady Remi Tinubu. Huge sums of money were spent to obtain US dollars for the trips, which included stops in Dubai, Ethiopia, Switzerland, Liberia, France, and Côte d'Ivoire. For example, on February 24, N1.04 billion was set aside to secure \$692,265 for the President's journey to Ethiopia, while N750 million was utilized to purchase \$1,271,997 for his trip to Dubai. The Vice President and First Lady also incurred costs for their vacations, including N426.88 million for a visit to Switzerland and N149.79 million for the First Lady's journey to France (Adeuyi, 2024).

Similarly, the Punch (2024) reported that Tinubu had spent at least N3.4 billion on domestic and international travel within six months of taking office, which is 36% more than the N2.49 billion allocated for the President's travel expenses in the 2023 budget. Despite inheriting the budget midway through, Tinubu spent more than the amount allocated for the entire year between June and December 2023. The President also approved N3 billion to buy three bulletproof Mercedes Benz S-class 580s and provided the State House with other cars.

This waste is not just confined to the Federal Government. The PUNCH of January 16, 2024, stated that, "Despite spending at least N21.04 billion on foreign trips in the last three years, 14 state governments have failed to attract any form of foreign investments into their domains. Bauchi, Bayelsa, Benue, Borno, Cross River, Ebonyi, Edo, Gombe, Imo, Jigawa, Nasarawa, Taraba, Yobe, and Zamfara are the states in question. From 2021 to the third quarter of 2023, these states were unable to draw in any of the \$14.85 billion that foreign investors channeled into Nigeria. Aina et al. (2024) state that the Tinubu administration has failed to inspire confidence with its large cabinet, ostentatious convoys, and sickening luxury at public expense amid a 28.20 percent inflation rate, job losses, and factory closures.

According to The Punch (2024), Bauchi spent N3.81 billion on overseas travel between 2021 and 2023 with little return on investment. N1.99 billion was spent by Bayelsa, N1.33 billion by Benue, N1.73 billion by Borno, N663.16 million by Cross River, N1.01 billion by Ebonyi, N1.77 billion by Edo, N32.09 million by Gombe, N541.23 million by Imo, N1.10 billion by Jigawa, N541.26 million by Nasarawa, N2.52 billion by Taraba, N1.24 billion by Yobe, and N2.77 billion was spent by Zamfara. State budget performance reports from Open Nigerian States provided the data for international travel (Jaiyeola, 2024).

United Nations General Assembly (UNGA) Hotel Accommodation: The Federal Government spent an astounding \$507,384 (N390.7 million) on hotel accommodations for a government

delegation attending the 78th United Nations General Assembly (UNGA) session in New York in September. On September 11, 2023, State House Permanent Secretary Adebisi O. Olufunso signed a memo stating that an additional \$84,564 (N65.1 million) was for unidentified incidental costs. Given Nigeria's current dire economic situation and high rates of poverty, critics criticized the astronomical hotel costs for the one-week UNGA stay as extravagant, pointing out that most people's annual income is greatly exceeded by the extravagant housing expenses (Ndujihe et al., 2024).

N5.1bn Presidential Yacht: Because he inherited the resources and debts of earlier governments, President Tinubu stressed that the government is a continuum. The nation was taken aback on November 1st to discover that N5.095 billion had been added to the N2.17 trillion 2023 supplemental budget for the purchase of a presidential yacht. The presidential administration responded to the outrage by declaring that President Tinubu was not permitted to utilize the Presidential Yacht, an operational naval vessel equipped with specific equipment. The payment request for the boat was a component of the commitment that the Chief of Naval Staff's office submitted to the Ministry of Defense. Out of the more than N200 billion in demands, the President approved N62 billion. In reaction to the issue, which sparked more discussions regarding the boat's future, the National Assembly moved the N5.095 billion yacht allocation to student loans even though the vessel was already in the country (Ndujihe & Omobola, 2024).

N20.5 for VP's Residences: Following the approval of N2.5 billion in the 2023 supplementary budget for the refurbishment of the Vice President's House in Abuja and N3 billion for the same reason in Lagos, the FCT Minister asked lawmakers to authorize N15 billion to construct a befitting home for the Vice President in Abuja.

1,411 Delegates at the COP28 Climate Summit: With 1,411 delegates, Nigeria tied for third place with China, behind the United Arab Emirates and Brazil, at the COP28 climate summit in Dubai, United Arab Emirates. Critics also rejected the government's claim that it had sponsored 422 delegates, calling it "too high."

2024 Budget Proposal: The public expressed concerns over certain insensitive measures in the 2024 budget. For instance, N61.29 billion was allocated in the Appropriation Bill for building construction and restoration, N20.52 billion for the Presidential Fleet, N6.2 billion for State House operational vehicles, and N5.84 billion for all MDA meals. Many contended that the spending was needless and unsympathetic to the suffering of ordinary Nigerians who are fighting to make ends meet in the face of rising inflation and economic hardship, and these discoveries heightened calls for greater fiscal responsibility in governance. Calls for more fiscal discipline in governance increased as a result of the discoveries (Omobola & Ndujihe, 2023).

Steps Taken by President Tinubu's Administration to Stem the Tide of High Cost of Governance in Nigeria

Reduction in Cost of Travel: On January 9, 2024, President Bola Tinubu announced a 60% reduction in his travel expenses. At a meeting with State House reporters at the Presidential Villa in Abuja, Ajuri Ngelale, the former Special Adviser to the President on Media and Publicity, stated that the training encompassed the offices of the president, vice president, first lady, and vice president's wife in addition to all ministries, departments, and agencies" President Bola Tinubu approved that he will no longer accept or allow huge security delegations to follow him from

Abuja, which attracted massive bills for estacode and duty allowances from now on. Ngelale was reported to have stated that the President's Office, the Vice President's Office, the Office of the First Lady, and the whole Federal Government of Nigeria would all be impacted by the major cost-cutting effort. The president ordered that no more than 20 individuals be allowed to travel with him abroad (Ojo, 2024).

Barring Unauthorized Officials from Travelling: President Bola Tinubu responded to public outcry by taking further steps to cut governance costs by preventing unauthorized officials from attending one of the United Nations General Assembly (UNGA) meetings in New York, United States. The announcement was made in a statement released on August 17, 2024, by Ajuri Ngelale, Special Adviser to the President, titled "President Tinubu directs that only authorized officials with business at UNGA should attend." The directive came less than a year after the Presidency was criticized by some Nigerians for sending an excessive number of delegates to the COP28 Climate Summit in Dubai, United Arab Emirates (UAE). Jideofor Adibe, a political science professor, had claimed that the 1,411 Nigerian representatives that traveled with President Tinubu to Dubai for the Climate Summit raised questions about the Federal Government's "compassion" for the suffering people (Onyekachi, 2024).

At a one-day retreat for heads of government agencies under its control organized by the State House management on Saturday in Abuja, the Chief of Staff to the President, Femi Gbajabiamila announced Tinubu's decision to reduce the size of Nigeria's official delegation to UNGA. The Chief of Staff said that the decision to simplify Nigeria's delegation to the 79th session of UNGA in September reflected Tinubu's resolve to lower the cost of governance following Nigerians' aspirations (Agbakuru 2024).

Report of the Public Service Reform Committee of Steve Oronsaye

The administration of President Jonathan established a Presidential Committee on Restructuring and Rationalization of Federal Government Parastatal, Commissions, and Agencies in 2011 under the chairmanship of Mr. Steve Oronsaye. The committee's main goal was to look at ways to reduce government operating costs by minimizing duplication among multiple MDAs, and a year later, the committee presented a comprehensive report on the future of the Nigerian public service. The 800-page report was sent to the president with a summary of recommendations (Olaopa & Ujah, 2020).

A year later, the committee submitted a far-reaching report on the way forward for the Nigerian public service. The president was presented with an 800-page report that significantly impacted the MDAs in question. 541 Federal Government parastatals, commissions, and agencies (both statutory and non-statutory) were identified in the report. Of these, 263 statutory agencies should be trimmed to 161, 38 agencies should be eliminated, 52 agencies should be merged, and 14 agencies should be returned to federal ministry departments (Abiodun, 2024).

President Tinubu, in response to the growing dissatisfaction by the citizenry over the high cost of governance in the public sector, indicated interest in implementing the Steve Oronsaye's Report. This is a move in the right direction, as it will reduce the cost of governance in Nigeria. By this step, several government ministries, commissions and departments will be merged, scrapped or transferred to other ministries, especially those with overlapping or duplicate functions, as failure to do so will amount to a waste of resources

Findings

The study revealed that:

1. There is a high cost of governance in Nigeria.
2. Public officeholders are not prudent in managing public funds, thereby making the country spend more on recurrent expenditure than capital expenditure.
2. The government has not done enough to reduce the cost of governance in Nigeria.
3. There are 541 federal parastatals, commissions and agencies in Nigeria.
4. The 800-page Oronsaye report, on cost of governance has not been implemented
5. President Tinubu's administration has indicated interest in implementing the Oronsaye Report

Recommendations

The study recommended that:

1. The government should be proactive in addressing the challenge of the high cost of governance in Nigeria.
2. The government should enhance socioeconomic development by spending more on capital expenditure.
3. The government should demonstrate the political will to implement Mr Steve Oronsaye's Report, especially as it affects the merger, scrapping and transferring of some, parastatals, commissions and agencies to appropriate organizations.
4. Public officeholders must be prudent in spending public funds. They should be made to give account of their stewardship when occasion demands that.

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