

## **DEMOCRACY AND THE COST OF GOVERNANCE: THE NEED FOR NEW PUBLIC MANAGEMENT AND ADMINISTRATIVE REFORMS PARADIGM IN NIGERIA**

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**ABSTRACT:** *The paper identified globalization as the free-market induced paradigm that brought about the desire to cut the cost of running governments all over the world, and subsequently influenced the emergence of the New Public Management Administrative Reform Paradigm in Britain, USA, Austria, New Zealand and Nigeria in 2003. The paper further traced the development of Public Administration down to New Public Administration; identify and compared the Traditional Administration with the New Public Management. In addition, tables containing the statutory allocations to the National Assembly of Nigeria from 2005 to 2013; the Law Makers Salaries and Allowances; the List of Federal Ministers and their salaries and allowances were conspicuously displayed. Finally, the paper recommended that there is the need for a drastic reduction in the cost of running all the tiers of governments in Nigeria; the salaries and allowances of Legislators, Ministers, Commissioners, Special Advisers and Assistants; a reduction in the number of Federal Ministers to twenty together with the need to abolish the position of the Minister of State because the Federal Ministers can ably be assisted by their respective Permanent Secretaries.*

**KEYWORDS:** *Democracy, cost of governance, New Public Management, Administrative Reforms, Nigeria..*

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### **INTRODUCTION**

Globalization is a revolution that brought about the massive and expedient transformation and integration of the social, economic and politics of the world into a common system, thus allowing the economy, politics, culture and ideology of one country to infiltrate another, such that the entire world had been reduced to a global village. It is also a product of capitalism. It was initiated by the combined forces of Britain in the years of Margret Thatcher and the United States in the Reagan years. Globalization had influenced and played a significant role in contemporary administrative reforms in the world. In this vein, the Public Service and Public Administration are changing rapidly under the impact of globalization, for example, Britain, USA, Austria and New Zealand undertook comprehensive Public Sector Reforms under a new paradigm called ‘New Public Management’, which was a shift from the Traditional Public Administration to Post bureaucracy or Entrepreneur government that emphasizes the running of

the Public Sector using the Private Sector techniques and styles based on the belief that market oriented economic system is the only proficient provider of Public Service than the State.

The Public Service Reforms in Nigeria can be traced as far back as the pre-independence era. Subsequently, other reforms of post-independence period followed. The objectives of these reforms (from 1945 to 1972) were the need to improve the performance, qualifications, jobs satisfaction, welfare of personnel and the need to respond to or anticipate criticism or threats from the environment. But in the 1980s and 1990s, the objective of the Public Service Reforms came to contain and control the cost of running governments in response to citizens concern that government was involved in too many activities that were unproductive and costly. Hence the need for a reform that will address issues such as reduction of costs, capacity building, planning, budgeting performance, service delivery improvement and human resources management. The New Public Management Reform approach was then adopted in Nigeria in 2003, especially, the outsourcing/contracting out services aspect of the reform. The objective of this paper therefore is to identify the possibility of the use of the New Public Management Administrative Reform Paradigm to solve the problem of high cost of governance in Nigeria.

### **Statement of Problem**

There were two types of western democracies that had been practiced in the Nigerian State in an effort to have a stable polity. These democracies were the British Parliamentary System and the United States of America's Presidential System of Government. In the first Republic in Nigeria (1960 to 1966), the British Parliamentary System was in operation. The system was based on elected representatives of the people in parliament, who exercise sovereign power on behalf of the people. It was the truncation of the operation of the Parliamentary System that made Nigeria to witness a civil war from 1967 to 1970. After the Autocratic Military Rule in Nigeria from 1966 to 1979 and 1983 to 1999, Nigeria has been practicing the Presidential System of Government, fashioned along the United States of American System from 1999 to 2014. Within this system were three tiers of government: the Federal, State and Local Government. The system also comprises three arm of government: the Executive, Legislature and the Judiciary. Within these arms and tiers of government were various Ministries, Departments, Agencies, and Parastatals apart from the Security Agencies. Within these institutions were various personnel of varying professions and specializations, all fashioned along the Presidential System of government. However, with the advent of globalization in the 1980s and 1990s, and the downturn in the world economy in 2008, most nations have intensified effort at reducing the size of their various governments, public services and subsequently reduced the cost of governance. In Nigeria, there were large armies of Ministries, Departments, Parastatals, Agencies, together with Ministers, Commissioners, Special Advisers and Assistants, apart from Civil Servants who have no schedules or with more than two officials performing the same functions, all these led to high cost of governance. It has further been observed that most governments – Federal, States and Local Governments – spend their statutory allocations on recurrent expenditures. The New Public Management Administrative Reform paradigm has been used in many countries of the world to cut cost. Will it be the panacea for the high cost of governance in Nigeria? This paper therefore intended to use the secondary source of data to answer this and many other questions.

### **Conceptual Clarifications**

There are certain concepts that require clarifications in order to understand their usage in this paper. Democracy means government of the people, by the people and for the people (Mbah, 2006). The Nigerian democratic system of government from 1999 to date was based on the will of the people, through their elected representatives in both the State and National Houses of Assembly and the Senate, together with the political leaderships in the persons of the President, Governors and the Chairmen of Local Government Councils. These leaders were expected to provide good governance at reduced costs to achieve efficiency and effectiveness. Governance is the process of controlling a State or an institution on behalf of the people. Good governance therefore has been described as the responsibility and responsiveness of public officials –both elected and appointed - or the governors, to the electorates – the governed, aspirations of the governed, as well as acting in accordance with their dictates. In short, Public Officials are expected to be transparent and accountable in the discharge of their duties (Jega, 2007). The New Public Management therefore is the transfer of business and market principles and management techniques from the private sector into the public sector (Drechsler, 2005). It is an administrative paradigm that advocated the adoption of the private sector techniques and styles in the provision of high quality goods and services by the public organizations or institutions to citizens. The New Public Management is also known as Re-inventing government; Managerialism; Entrepreneurial government and Market based Public Administration (Polinaidu, 2004 and Henry, 2007). Other elements of the New Public Management is the Outsourcing or Contracting out of services. Both Outsourcing and Contracting-out of services are synonymous and are used interchangeably. Therefore, Out-sourcing is a process of giving out a particular function performed within an organization or system to another organization or system to be performed at a fee, in order to reduce wastes and costs. In the same vein, Contracting out refers to the outsourcing or buying of goods and services from external sources instead of providing such goods and services in house. It is a method of privatization that is increasing in popularity as a result of the emphasis on efficiency and service delivery. The outsourcing or contracting out of services is usually between a public organization and a private sector firm or between one public organization and another (Amaoko, 2003). Before the embracement of the New Public Management Paradigm, what was in used and to some extent presently, is the Traditional Public Administration. It is the Public Administration that is based on hierarchical and bureaucratic principles; that encourage government to be a direct provider of goods and services; that separated political and administrative matters and which ensured that bureaucrats are employed for life (Hughes, 1998).

### **THEORETICAL ISSUES**

Theoretically, the Traditional Public Administration is based on the theories of bureaucracy and the separation of powers between the politicians and the administrators. The theoretical bases of the New Public Management are economics and private Management (Hughes, 1998). Specifically, the Public Administration theories advocated that first, government should organize themselves according to hierarchical principles, secondly, that once government involved itself on policy area, it should become the direct providers of goods and service through the bureaucracy, thirdly, that political and administrative matters could be separated, that is administration would be the instrument to carryout instructions while matters of policy or

strategy were the preserve of political leadership, this was assumed to ensure accountability. Fourthly, that public administration was a special form of administration that required a professional bureaucracy, employed for life, with the ability to serve any political master equally (Hughes, 1998). On the other hand, Economics and Private Management are the theoretical basis of New Public Management. Gruening (1998) and Solomon (2008), dwell extensively on the economic theory, specifically, the New Institutional economics, which was build on the Public Choice theory, Principal Agent theory and Transaction Cost theory. All these theories viewed politics as a market phenomenon. However, for the purposes of this paper, emphasis shall be based on the Public Choice Theory and the Transaction Cost theory. The Public Choice theory is the application of methodological and behavioural assumptions of economics to the subject matter of political science, which was applied to the government sector. Ostrom (1974), cited by Polinaidu (2004), refers to the Public Choice Theory as the theory of public goods and services provided to the people. The theory emphasizes on choice with the citizens as the consumers, thus favouring the choice of the citizens in the provision of goods and services. Based on this theory, it was assumed that first, the individual can make rational decisions about his social, economic and political needs or demands, and secondly, he can also act in accordance with his self interest in order to maximize his decision. It is therefore required that public agencies and organizations should give the people what they want. As such the actions of government should be consistent with the values and interest of citizens. The Transaction Cost Economic Theory on its part is concerned with other alternative method and attendant costs for carrying-out project or delivery of services examined for their merits, usually judged by the costs (Solomon, 2008). Outsourcing or Contracting-out of services are some of the alternative methods of carry-out government services and projects. This specific theory explains the theme within which this paper was built, because one of the accepted modes of service delivery arising from the 2003 Public Service Reform is the Outsourcing or contracting out of Services. Democracy, especially, the Liberal Democracy provided the level ground for the proper operation of the New Public Management theory. Liberal Democracy is a democratic system that is found in capitalist societies like the USA and Nigeria. It is a system in which decision making are carryout out through representatives of the citizens; economic power is needed to get elected into the representative assemblies; accountability of the government to the electorate, freedom of expression, assembly and the person guaranteed by an independent judiciary; a skilled and impartial permanent public service responsible to government of the day and through it to the electorate (Mbah, 2006).

### **Traditional Public Administration and the New Public Management**

The Traditional Public Administration is what is known today as Public Administration from which the New Public Management took over. The traditional public administration is characterized by an administration under the formal control of the political leadership, based on a strictly hierarchical model of bureaucracy, staffed by permanent neutral and anonymous officials motivated only by the public interest, serving any governing party equally and not contributing to policy decided by the politicians. Its theoretical foundations were derived from writers in several countries: Woodrow Wilson in the United States of America; the Northcote Trevelyan Report in the United Kingdom and the bureaucratic model associated with the Germany of Max Weber. The theory began in the late Nineteenth Century became formalized some where between 1900 and 1920 and lasted in most western countries and remain unchanged until the last

quarter of the twentieth century. The Traditional Public Administration Model remains the longest standing and most successful theory of management in the Public Sectors, but is now being replaced by the New Public Management Paradigm (Hughes, 1998).

The New Public Management, that takes over from the Traditional Public Administration is a movement towards more market and less bureaucracy, because market enhances economic efficiency in a democratic domain that promises equality (Umaru, 2007). The components of the New Public Management include management decentralization within the public service; down sizing and right-sizing; outsourcing or contracting out of government services; public private partnerships; performance based contract for civil servants; granting of greater autonomy to state managers and the establishment of autonomous agencies. The New Public Management also entails devolution of budgets and financial control and the rise in the use of market competition in the provision of public services as well as increasing focus on efficiency, outputs and customer /citizen orientation. Other elements of the New Public Management include commercialization, decentralization and privatization (Edigheji, 2008). There are four models of the New Public Management: The Efficiency drive model, whose objective is to make the public sector more business-like; Downsizing and decentralization model that focuses on disaggregation, organizational flexibility and downsizing; management change model that is concerned with integrating bottom-up and top down approaches to change and the public service orientation to change model which focuses on service quality (Olowu, 2002). The various models of the New Public Management reflects differing views of what is occurring, but with some points in common First, whatever the model is called, it represents a major shift from Traditional Public Administration with far greater attention paid to the achievement of results and personal responsibility of managers. Secondly, there is an expressed intention to move away from classic bureaucracy to make organizations, personnel and employment terms and conditions more flexible. Thirdly, organizational and personal objectives are to be set clearly and this enables measurement of their achievement through performance indicators. There is more systematic evaluation of programmes, etc economically, efficiently and effectiveness. Fourthly, senior staff is more likely to be politically committed to the government of the day rather than being non partisan or neutral. Fifthly, government functions are more likely to face market tests, such as contracting out in what Osborne and Gaebler (1992) called separation of steering from rowing, because government involvement need not always mean government provision of goods and services through bureaucratic means. Sixthly, there is also trend towards reducing governments' functions through privatization and other forms of market testing and contracting, in some cases radically (Hughes, 1998).

The Efficiency drive and Down-sizing models of the New Public Management shall be the focus of this paper. To reap the benefits of the Efficiency drive model, Edigheji (2008), discuss the various ways in which efficiency can be measured or judged: first, is the a locative efficiency, which basically means that there is a match between local needs and the cost; second is the productive efficiency, meaning the services being provided and the associates cost. The third way to measure efficiency he said was to see whether the service is cheap and efficient. Fourth is effectiveness, meaning the extent to which the service provided meets the original goal.

### **Outsourcing and Contracting out services**

Liberal democracies strive most in a free market economic system piloted by the private sector. It has been positively argued that the private sector in a free market economic system is the engine of growth. Tailored along this line is the outsourcing or contracting out of services hitherto carried out by the public services? These two concepts are some of the elements of the New Public Management. Outsourcing and Contracting out services were the avenues used by the public sector in most developed and developing countries to reduce the cost of governance in this contemporary world of the 21<sup>st</sup> century. However, for the purpose of this paper, outsourcing and contracting out services shall be conspicuously used interchangeably and regarded as same. Outsourcing therefore is a process of giving out a particular function performed within an organization or system to another organization or system to be performed at a fee, in order to reduce wastes and costs. In the same vein, contracting out refers to outsourcing or buying-in of and services from external source instead of providing such services in-house. Contracting may be between public organization and another public organization and private sector firm. Contracting out leads to cost savings from inefficient public bureaucracies and private contractors can be penalized for poor quality, delay and lack of reliability (Amoako, 2003). Hughes (1998), stated that any conceivable government service can be provided by contract either externally through private or voluntary sector providers or internally with other part of government. The essence is to separate the purchaser of government services from the provider, with the purchaser being the party who delivers the agreed outputs and outcomes. Contracting can be individual performance contract for staff, contract with Minister and the Government as a whole and contracts in the form of ‘charters’ with clients and the public. There are various types of contracts: *Service Contract*: The government purchases contract for a limited period of time; *Management Contract*: The government pays experts to manage the service but assets and finances remain with the government; *Lease Contract*: The government pays the contractor to provide assets and service through those assets; *Build Own Transfer (BOT)*: The contractor build the infrastructure necessary to deliver the service, operated for an agreed period in return for agreed payments, then transfer the ownership to the government; *Concession Contract*: The government awards the right (often exclusively) to the contractor to develop the infrastructure, deliver a service and collect payment from the customer, with regulation provided by the government; *Build Own Operate*: This is similar to BOT, but the ownership is not transferred back to the government; *Divestiture*: Extreme “privatization” where the ownership of assets is sold to the private sector operator. This is often when the government decided to exit entirely as ‘operator’ (AMSD, 2008).

Outsourcing on the other hand has the following types of human resource outsourcing: *Support Staff Outsourcing*: This is a process whereby an organization contracts out from within its operations, its non-core support functions to an expert. The non core functions are Secretaries, Guest relations officers, Receptionists, Administrative Assistants, Clerical duties, Mailing clerks, Security officers Sales Representatives, Catering Staff, Dispatch riders, Office Attendants, Gardener and Landscape Assistants etc; *Discrete Services*: This refers to one element of a business process or a single set of high volume repetitive functions outsourced to a service provider administrator, such as annual open enrolment process, employee data updates and background checks, retiree and pension fund updates and upscale etc; *Multi-Process (blended) services*: This refers to outsourcing of one or more functional human resource processes or

multi-process outsourcing (or blended services), such as the outsourcing of health and welfare benefits administration, defined retirement plan and administration etc to service providers, and Total human resource outsourcing: This is the transfer of the majority of human resource services to one service provider namely: recruitment, payroll, human resource information system, benefits, compensation, the transition of human resource management and staff etc Okorie (2010) and Fajimi (2011).

### **The Cost of Governance in Nigeria**

The cost of governance is exceptionally high in Nigeria, which in some cases were accrued from merely ego boasting of our leaders as 'big men' when they displayed their pomp and pageantry motor-cades as public officials. This was in contrast to other African leaders with equal status with Nigeria. For example, when Thabo Mbeki was the President of South Africa, he personally opened the door of his official car and entered with only two security cars escorting him. So was the case of Ghana under President John Kuffuor. Only one policeman was seen guarding his personal house which he uses as his official residence, with only two official cars accompanying him during any official engagement outside his office. But in Nigeria, the entire security agencies with mountains of cars are in the fleets of the President, not to talk of the non security personnel. Even the wife of the Nigerian President will shut down cities, when on a visit (Odunlami, 2012). For example, the Nigerian President moves around in a convoy of over thirty cars, ten escort motorcycles, six Mercedes Benz S 500 and a number of police vehicles. In the case of the Governors in Nigeria, the State Governors have bullet proof official vehicles with surveillance camera and bomb detectors attached to them; their convoys moves around town with one official car, two utility vehicles, two escort vehicles, one chief security officer vehicle, one state security service vehicle, one police van and others. The Governors personal staff included Chief of Staff, Deputy Chief of Staff, Special Advisers, Senior Special Assistants, Special Assistants, Executive Assistants, Assistant Special Assistants and others. As for the Local Government Chairmen in Nigeria, each has four sport utility vehicles, SUVs attached to their office that flows them to and from work daily. They also have Chief of Staff, Senior Special Assistants, Supervisors for Special duties, Personal Assistants for political matters, Personal Assistants for community matters. All these showed that government at all levels spends so much monthly to maintain these personal official requirements of these political office holders with little or nothing is left for the general well being of the citizens (Johnson, 2012).

Another important area to the cost of governance in Nigeria was in the adoption of a tailored Presidential system of government to suit the selfish and insatiable nature of Nigerian political public office holders, which has become almost a curse. This is true when we look at the salaries and allowances of Nigerian Federal Legislators. In the last eight (8) years members of the National Assembly in Nigerian, made up of one hundred and nine (109). Senators and three hundred and sixty (360) members of the House of Representative spent One Trillion naira (N 1 Trillion) (Sunday Sun, Aug. 25<sup>th</sup>, 2013). See table 1:

<i>S/No.</i>	<i>Year</i>	<i>Statutory Allocations</i>
1	2005	N 54.79 Billions
2	2006	N 54.79 Billions
3	2007	N 66. 4 Billions
4	2008	N114.39 Billions
5	2009	N158.92 Billions
6	2010	N150.00 Billions
7	2011	N150.00 Billions
8	2012	N150.00 Billions
9	2013	N150.00 Billions

**Table 1: Statutory Allocations to the National Assembly from 2005 to 2013**Source: Modified from Sunday Sun, Aug. 25<sup>th</sup>, 2013.

Nigerian Legislators receive much higher salaries than their counterparts in wealthier countries and other developing nations. See table 2.

<b>Ranking</b>	<b>Country</b>	<b>Annual Pay</b>		<b>Population (Millions)</b>	<b>GDP (Per Capita)</b>
		<b>\$</b>	<b>N (Millions)</b>		
First	Nigeria	\$189,500	N29.8 m	167	\$1,600
Second	Italy	\$182,000	N28.6 m	69	\$33,115
Third	US	\$175,600	N27.6 m	316	\$49,922
Fourth	Singapore	\$154,000	N24.2 m	5	\$50,323
Fifth	Japan	\$149,700	N23.5 m	126	\$46,726
Sixth	U.K	\$105,800	N16.6 m	63	\$38,591
Seventh	Kenya*	\$ 75,000	N11.8 m	44	\$ 976
Eighth	Indonesia	\$ 65,800	N10.3 m	237	\$ 3,816
Ninth	Ghana	\$ 46,500	N 7.3 m	24	\$ 1,670
Tenth	Thailand	\$ 43,800	N 6.9 m	66	\$ 6,572
Eleventh	India	\$ 11,200	N 1.8 m	1.2 billion	\$ 1,592

**Table 2: Selected Countries Wealth Vis-à-vis Law-makers Pay**Source: Tell Magazine, Aug. 12<sup>th</sup>, 2013.

\*(Formerly \$120,000 (About

N18.8m)

A Nigerian Legislator receives an annual salary of about \$189,000, equivalent of N30 million, which is 116 times the country gross domestic product (GDP) per person , which is \$1,600 (about N251,200.00). See Table 3.

S/No	Packages	Salaries and Allowances	
		Senator	Member House of Representative
1	Annual Package	N35 Million	N29.28 Million
2	Accommodation	N 4 Million	N 3.97 Million
3	Car Loan	N 8 Million	N 6. 9 Million
4	Furniture	N 6 Million	N 5.956 Million
5	Constituency	N 5 Million	N 1.7 Million
6	Car Maintenance	N1.52 Million	N 595,563
7	Entertainment	N202,640	N 198,521
8	Recess	N202,640	N 198,521
9	Ward Robe	N405,280	N397,042

**Table 3: Nigerian Law-makers Salaries and Allowances**

Source: Modified from Daily Trust Newspaper, July 22, 2013

When compared to other countries, the salaries of Nigerian Legislators beat their counterpart in Britain who takes \$105,800 (about N16.6 m) yearly; the United States \$175,000 (about N27.6 m); France \$85,900; South Africa \$104,000; Kenya \$74,500; Saudi Arabia \$64,000; Brazil \$157,600; \$182,000; Japan \$149,700; and Singapore \$154,000, respectively. In Africa, Ghana legislators earn an annual salary of \$46,500 (about N7.3 m), while an Indonesian legislator earns \$65,800 (about N103m), his counterpart in Thailand goes home annually with \$43,800 (about N6.9 m). In India, a legislator earns \$11,200 (about N1.8 m) (Uche-Okobi, 2013 and Pindiga, 2013).

It is not only the salaries of Nigerian legislators that dig deep into the national coffers. But the jumbo salaries extended to the Nigerian Ministers. Nigeria had 30 Federal Ministers and 12 Ministers of State. See Table 4.

S/No.	Name	Portfolio	Ministry
1.	Emeka Wogu	Minister for Labor	Fed. Min. of Labour
2.	Zainab Maina	Minister for Women Affairs	Fed. Min. of Women Affairs
3.	Ita Basse-Ewa	Minister of Science & Tech.	Fed. Min. of Science & Tech.
4.	Stella Oduah-Ogiemwonyi	Minister of Aviation	Fed. Min. of Aviation
5.	Bala Mohammed	Minister of Federal Capital	Federal Capital Territory
6.	Olajumoke Akinjide	Minister of State for FCT	Federal Capital Territory (FCT)
7.	Diezani Alson-Madueke	Minister of Petroleum	Federal Min. of Petroleum
8.	Aliyu Gusau	Minister of Defence	Federal Ministry of Defence
9.	Abba Moro	Minister of Interior	Fed. Min. of Internal Affairs
10.	Mrs. Akon Eyakenyi	Minister of Lands & Housing	Fed. Min. of Land & Housing
11.	Akinwumi Adesina	Minister of Agric. & Natural Resources	Fed. Min. of Agric. And Natural Resources

12.	Hajia Asabe Ahmed	Minister of State, Agric.	Fed. Min. of Agric. And Natural Resources
13.	Godsday Orubebe	Minister for Niger Delta Affairs	Federal Min. of Niger Delta Affairs
14.	Darius Ishaku	Minister of State for Min. of Niger Delta Affairs	Federal Min. of Niger Delta Affairs
15.	Onyebuchi Chukwu	Minister of Health	Federal Min. of Health
16.	Dr. Khaliru Alhassan	Minister of State for Health	Federal Min. of Health
17.	Mike Onolememen	Minister of Works	Federal Min. of Works
18.	Bashir Yuguda	Minister of State for Works	Federal Min. of Works
19.	Ngozi Okonjo-Iwaela	Minister of Finance	Federal Min. of Finance
20.	Yerima Lawal Ngama	Minister of State for Finance	Federal Min. of Finance
21.	Alh. Abduljelili Adesuyab	Minister of Police Affairs	Federal Min. of Police Affairs
22.	Mrs. Lawrencia Laraba-Mallam	Minister of Environment	Federal Min. of Environment
23.	Ruqayyatu Rufai	Minister of Education	Federal Min. of Education
24.	Nyesom Wike	Minister of State for Education	Federal Min. of Education
25.	Shamsudeen Usman	Minister of National Planning	Federal Min. of National Planning
26.	Mohammed Sada	Minister of Mines & Steel Development	Federal Min. of Mines and Steel Development
27.	Alh. Aminu Wali	Minister of Foreign Affairs	Federal Min. of Foreign Affairs
28.	Vola Onwuliri	Minister of State for Foreign Affairs	Federal Min. of Foreign Affairs
29.	Nurudeen Mohammed	Minister of State II, for Foreign Affairs	Federal Min. of Foreign Affairs
30.	Senator Musiliu Obanikoro	Minister of State for Defence	Federal Min. of Defence
31.	Mohammed B. Adoke	Attorney-Gen. of the Federation, Minister of Justice	Federal Min. of Justice
32.	Dr. Tamuno Danagog	Minister of Sports	Fed. Min. of Sports
33.	Olusegun Aganda	Minister of Trade & Investment	Fed. Min. of Trade & Investment
34.	Edem Duke	Minister of Culture and Tourism	Federal Min. of Culture and Tourism
35.	Senator Idris A. Umar	Minister of Transport	Federal Min. of Transport
36.	Boni Haruna	Minister of Youth Development	Federal Min. of Youth Development
37.	Omobola Johnson	Minister of Communication	Fed. Min. of Communication

	Olubusola	Technology	Technology
38.	Olusegun O. Aganga	Minister of Trade and Investment	Federal Min. of Trade and Investment
39.	Samuel Ortom	Minister of State for Trade and Investment	Federal Min. of Trade and Investment
40.	Labaran Maku	Minister of Information	Federal Min. of Information and Communications
41.	Sarah Reng Ochekepe	Minister of Water Resources	Federal Min. of Water Resources
42.	Mohammed Wakil	Minister of State for Power	Federal Min. of Power

**Table 4: Some Nigerian Federal Ministers as at January, 2013**

Source: Tell Magazine, Jan 14, 2013.

The Federal Ministers go home with N32 million each; a Minister of State has an annual package of N30 million. This amount is 120 times the per capita income of an average Nigerian. Nigerian Ministers receive higher salaries and allowances than their counterparts in Britain, United States, South Africa, relative to each country's wealth and other stronger economies. See table 5.

S/No	Packages	Salaries and Allowances	
		Minister	Minister of State
1	Basic Salary	N2 Million	N1.9 Million
2	Accommodation	N4 Million	N3.9 Million
3	Vehicle Loan	N8 Million	N7.8 Million
4	Furniture Allowance	N6 Million	N5.8 Million
5	Vehicle Maintenance	N1.5 Million	N1.4 Million
6	Entertainment	N911,880	N587,274
7	Severance Gratuity	N6 Million	N5.9 Million
8	Domestic Staff	N1.5 Million	N1.4 Million
9	Personal Assistant	N506,600	N489,395
10	Leave Allowance	N202,640	N195,758
11	Newspaper	N303,960	N293,637
12	Utility	N607,920	N587,274

**Table 5: Nigerian Ministers' Salaries and Allowances**

Source: Modified from Daily Trust Newspaper, July 25, 2013

In Singapore for instance, a Minister's annual earning is \$1.53 million (N240 million), which is 28 times the country's GDP per person. In the United States, a Minister earns an annual pay of \$202,805 (N31.84 million), which is 3.9 times higher than the GDP per capita of the country. In Ghana, a nearby West African country, a Minister receives an annual emolument of \$57,324 (N9 million), which is 35 times the country's GDP per person; these are in sharp contrast to the situation in Nigeria (Abdallah, 2013 and Uche-Okobi, 2013).

## CONCLUSION

Nigeria has a population of about one hundred and sixty-seven (167) million people, thirty-six (36) States and seven hundred and seventy-four (774) local government councils. Its National Assembly is made up of one hundred and nine (109) Senators and three hundred and sixty (360) Members of the House of Representative. Within these States are the Members of the State House of Assemblies, the Governors together with Commissioners and Special Advisers and Assistants. Likewise, in the Local Governments, there are Chairmen and their Special Assistants. At the Federal level, there are Ministers, Special Advisers and Assistants. These officials and legislators consume huge amount of money for their maintenance, which translate to about eighty-two per cent (82%) of the country's budget going to the recurrent expenditure. All these showed that Nigeria will not develop if the huge cost of running the Federal, State and Local Government is not reduced drastically, in a country where seventy per cent (70%) of the population depended on less than one dollar per day. It should therefore be noted that it is the Public Service that plan, organize and implement the policies that led to these huge cost of running the government. As such, with the implementation of the New Public Management Administrative Reform world wide, including Nigeria at the peripheral level, there is therefore the need for Nigeria to wholly embrace the New Public Management Reform Paradigm to ensure a reduction in the cost of running the government and governance.

## RECOMMENDATIONS

The cost of running the Federal, State and Local Governments in Nigeria under the Presidential System of Government should be drastically reduced. First, the System should be reorganized to take care of our peculiar problems as a developing nation; i.e. our Legislators' tenures should be on part-time basis and their emoluments should be reduced to sitting allowances. Secondly, the President, Governors and the Local Government Chairmen should also reduce the cost of maintaining their personal staff and of running their various convoys. In addition, Outsourcing and Contracting out of certain non core services and functions should be highly encouraged at the Federal, State and Local Government levels. This is because the New Public Management paradigm encouraged the reduction in the size of the public sector through the outsourcing or contracting out of certain functions of the government.

Furthermore, the salaries and allowances of Ministers and Commissioners should be drastically reduced. In addition, the post of Personal Assistants, Special Assistants and Special Advisers should be abolished. This is because the functions being carried out by these officials are merely duplication of the functions of the various officials in the Ministries and Organizations, specially, the functions of the Permanent Secretaries, Professional Staff, Principal Secretaries and Administrative, Secretarial and Technical Staff.

A Country like Nigeria needs only about twenty (20) Ministers to work comfortably with their Permanent Secretaries. Therefore, the post of Ministers of State is not necessary. In this vein, the Revenue Mobilization Allocation and Fiscal Commission (RMAFC) which has the statutory responsibility for fixing salaries and allowances of both public officials should urgently be encouraged to cut or reduce the salaries and allowances of these political office holders and

provide a new salary and allowances for those that need to be given such and sitting allowance for the legislators.

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