**CORRUPTION AND THE COST OF GOVERNANCE IN SECURITY SPENDINGS: NEW IMPERATIVES FOR FISCAL TRANSPARENCY.**

**BY**

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**-And Do Not Spend Wastefully.**

**-Surah Al Isra:26**

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**INTRODUCTION**

There is a general feeling and even anger that too much money is being spent by the three tiers and arms of government to maintain a tiny few in the country. Also, the civil service is over-bloated and debilitated with redundancy and ghost-workers thereby over-stretching the wage bills of all tiers and arms of government. Huge sums of money go into improving and maintaining the life-styles of a few Nigerians in government. The consequence is the escalated and unjustified cost of governance which fails to promote more productivity and service for the citizens. Again, it leads to the shortage of funds for enhancing other national priorities like national security, infrastructure, education, health, etc.

High cost of governance escalates corruption and insecurity thereby retarding social progress. It has become critical for the government to review the cost of governance in the country. The call for the reduction of the cost of governance in Nigeria has been going on for a long time. To stabilize the economy and avert social unrest, the three tiers and arms of government are in dire need of curtailing the cost of governance in Nigeria.

Owing to pay disparity, there is too much complains, grievances, belligerence by labour unions, activism by CSOs and protests by the youth. For example, the protests which led to unwarranted destruction of lives and property across Nigeria are due to a deep-seated resentment in income inequality, injustice and unfairness in the country.

According to the Minister of Budget and National Planning, Prince Clement Abah (2020) too much money is being spent to maintain people. These people were the political class, traditional rulers, members of the national assembly, bureaucrats, civil servants and they all made up less than 20% of the entire Nigerian population. Unfortunately, this 20% continuously take from the rest of the nation. He said that in a situation where such an amount of money is being used to maintain such a tiny fraction of the society, there would not be enough funds for projects which would benef the people who are in the majority. Due to corruption and high cost of governance Nigeria did not have enough money for security, roads, hospitals, schools, seaports, airports, sanitation, accommodation, feeding or basic infrastructure and other general services. He warned that the implication of high cost of governance was that it drains the nation’s resources from physical projects that would have ignited development in the economy.

A lot of money is being spent to maintain elected, appointed or seconded officers. This had to be stopped or Nigeria will be unable to free its resources to serve the interest of the majority. There is need to re-examine the bogus and expensive political system which spanned the federal, state and local levels of government. A lot of money had been drained to maintain political actors and their entourage. Although Nigeria needs a democratic and civil rule but democratic and civil rule must not be an end itself but a means to an end. The essence of democracy in a nation is to deliver services and infrastructure. It is not seeing people in office wielding power that matters; rather, power should be wielded to deliver services to the people.

Therefore, the high cost of governance is making administration very expensive and difficult in Nigeria as a chunk of money was being used to maintain elites as a majority of Nigerians do not rely on salaries or allowances from the government. The issues below need consideration:

1. Should Nigeria continue with this high cost of governance, for how long and how sustainable?
2. There is a paradox in high cost of governance which ought to have produced high quality service to the citizens but appears to be illusory;
3. Specifically, can Nigeria continue to bear the over-indulgence of government officials? For example, why should a part time Chairman demand for bullet proof cars and members of the same board request for expensive cars? Why is elite interest taking a prime of place instead of service to the citizens?

According to Radda (2020) from 2021 the world is embroiled in crises and counter crises. Clearly, no part of the world is stable as all manner of civil unrest, wars, social problems, protests and contestations have engulfed the world. The current decade has been dubbed the *Golden Age of Social Unrest.* Owing to corruption and high cost of governance insecurity is enveloping the nation Thus, corruption and high cost of governance are a great threat to Nigeria’s national security as resources for arms procurement, payment for the entitlements of security agencies, their training, their pension and other logistics becomes unavailable. In this paper corruption and high cost of governance are examined. Also, their negative impact on security are discussed.

**DEFINITION OF CORRUPTION**

Although it is very difficult to define corruption since what constitutes corruption is not conclusive, some attempts have been made at its descriptions, which would communicate the meaning of the concept. The International Monetary Fund (IMF) defined corruption as “abuse of authority or trust for private benefit and is a temptation indulged in not only by public officials but also by those in positions of trust or authority in private enterprises or non- profit organizations” (IMF, 2000). A broad definition mostly adopted presents corruption as “perversion or destruction of integrity in the discharge of public duties by bribery and favour” (Oxford English dictionary). However, this definition fails to capture the development meaning of corruption in relation to behaviour. To this end, Abdullahi (1976) defines corruption as “diversion of material wealth, intended for effective achievement of socially desirable ends, into the pocket of individuals.” In the same vein, Adegbite (1976) defines corruption as “a change from a sound to putrid state, or from a state or to a taunted use to which money is put to get things done illegally.”

Joseph Nye in his Article titled Corruption and Political Development: A Cost-Benefit Analysis, American Political Science Review, Vol. 61, No2, June 1967, defines corruption as a behavior which deviates from the normal duties of a public role because of private – regarding (family, close private clique), pecuniary or status gain, or violates rules against the exercise of private-regarding influence. This includes such behavior as bribery (use of reward to prevent the judgment of a person in a position of trust); nepotism (bestowal of patronage by reason of inscriptive relationship rather than merit); and misappropriation (illegal appropriation of public resources for private-regarding use).

Akanbi (2004) defines corruption as “the abuse of public power or trust for personal gain or for the benefit of a group to which one owes allegiance”. Most often, this advantage is monetary but it can also be privileges and intangible in nature. Oni and Onimode state that the basis of corruption is the system of bankrupt capitalist values that are essentially materialistic, selfish and exploitative. Ogbonna (2004) posits that every capitalist society, because it is selfish and exploitative, is a corrupt society. Behaviour that is typically extolled under capitalism includes an infinite capacity to take advantage of other people, a ruthless determination to get ones way by all means and an insatiable obsession for corruption. By and large, corruption involves the acceptance of money or money’s worth for something legitimate or discretion for improper reason.

The United Nations Convention Against Corruption (UNCAC) the only option open in attempting to define corruption was to mention specific acts of corruption. This is the approach adopted in the Independent Corrupt Practices Commission (ICPC) Act where it merely states that “corruption include bribery, fraud and other related offences.” According to Justice Emmanuel Olayinka Ayoola (2005), the immediate past Chairman of ICPC “the commonest form of corruption in Nigeria used to be bribery but in recent years this has been overtaken in level of prevalence by embezzlement and theft from public funds, extortion, abuse of discretion, abuse of public power for private gain, favouratism and nepotism, conflict of interest, extortion and illegal political party financing.”

In legal terms, corruption is a transaction between two individuals’ one state agent and one civilian, where the state agent goes beyond the limit of the law and regulation in order to secure him a personal benefit in the form of a bribe. The decisive role of the state is reflected in most definitions of corruption. Corruption is conventionally understood and referred to as, the private wealth-seeking behaviour of someone who represents the state and the public good by public official for private gains. Corruption is a behaviour that deviates from the formal rules of conduct governing the action of someone in a position of public authority because of private – regarding motive such as health, power or status. Hoogvelt (1976) considers it as a process of trade in societal rewards.

Brooks (1974) defines corruption as the international mis-performance or neglect of a recognized duty, or the unwarranted exercise of power, with the motive of gaining some advantage more or less directly personal. In Africa, many people see corruption as a practical problem involving the outright theft, embezzlement of funds or other appropriation of state property, nepotism and the granting of favours to personal acquaintances and the abuse of public authority and position to exact payment and privileges. Bayley (1966) analyzes that, corruption while being tied particularly to the act of bribery, is a general term covering the mis-use of authority as a result of considerations of personal gains which need not be monetary.

Corruption manifest in varied circumstances and degrees, Transparency International (TI) in a cross-country survey had identified the levels of corruption thus:

* ***Insider*** ***Trading*:** An unethical conduct of divulging confidential information to other people of interest to the detriment of other owing to selfish goal and interest;
* ***Offering:*** Receiving of an unlawful gratuity or illegal commission;
* ***Favoritism, Nepotism:* -** assigning jobs, services or resources based on family ties, party affiliations, tribe, religion, and other preferences; and
* ***Grand Corruption*** - When the governance process, influential politicians (senators, ministers, etc) and/or government officials are paid huge, irresistible funds by major businesses to obtain favours, for example, oil block permits or to circumvent land/sea/port regulations.
* ***Petty Corruption*** - Occurs in the course of public service delivery, where modest, regular payments (or grease money) are made to avoid delays, queues or checks (as in contraband or banned goods).
* ***Embezzlement***/theft of public funds/assets and fraud.
* ***Extortion*** - coercing a person to pay in cash or kind in exchange for acting or failing to act.
* ***Offering/Receiving***of an unlawful gratuity or illegal commission.
* **Money laundering and Advance Fee Fraud**.
* **Political Corruption:** this involves the subversion of the political process and it is aimed primarily at capturing power for determining the rules of economic and political engagement. It also seeks illicit pecuniary benefits and is associated with Grand Corruption.
* **Bureaucratic Corruption:** this occurs at the level of government bureaucracy and often involves perversion of laid –down rules of due process. It usually aims at private monetary gain through wrongful inducements and illicit payments for rendering public service. It can also be classified as Petty Corruption because of the usually small amount of money involved.
* **Judicial Corruption:** this takes place when judicial officers fall short of the standard of Integrity and the course of justice is perverted for personal gains.
* **Moral Corruption:** this covers all immoral behavior that is socially unacceptable to the generality of the people.

In this presentation, corruption encompasses numerous unwholesome and sharp practices committed by government functionaries in collaboration with their associates, proxies, family members and relations both local and international. These practices include (but are not limited to) bribery and corruption, fraud, money laundering, graft, theft, embezzlement, mismanagement/misappropriation/misapplication of resources, forgery, inflation of contract, conflict of interest, duplicity in duty, etc

The corrupt practices prevalent in Nigeria are many. For the purposes of clarity they can be captured in the illustrative list of corrupt behaviours[[2]](#footnote-2) below:

* The design or selection of uneconomical projects because of opportunities for financial kickbacks and political patronage.
* Procurement fraud, including collusion, overcharging, or the selection of contractors, suppliers, and consultants on criteria other than the lowest evaluated substantially responsive bidder.
* Illicit payments of "speed money" to government officials to facilitate the timely delivery of goods and services to which the public is rightfully entitled, such as permits and licenses.
* Illicit payments to government officials to facilitate access to goods, services, and/or information to which the public is not entitled, or to deny the public access to goods and services to which it is legally entitled.
* Illicit payments to prevent the application of rules and regulations in a fair and consistent manner, particularly in areas concerning public safety, law enforcement, or revenue collection.
* Payments to government officials to foster or sustain monopolistic or oligopolistic access to markets in the absence of a compelling economic rationale for such restrictions.
* The misappropriation of confidential information for personal gain, such as using knowledge about public transportation routings to invest in real estate that is likely to appreciate.
* The deliberate disclosure of false or misleading information on the financial status of corporations that would prevent potential investors from accurately valuing their worth, such as the failure to disclose large contingent liabilities or the undervaluing of assets in enterprises slated for privatization.
* The theft or embezzlement of public property and monies.
* The sale of official posts, positions, or promotions; nepotism; or other actions that undermine the creation of a professional, meritocratic civil service.
* Extortion and the abuse of public office, such as using the threat of a tax audit or legal sanctions to extract personal favors.
* Obstruction of justice and interference in the duties of agencies tasked with detecting, investigating, and prosecuting illicit behavior.

**HIGH COST OF GOVERNANCE IN NIGERIA**

According to Lalong (2021) Governance in Nigeria at all levels has become very expensive that other aspects like social, educational, economic and political spheres are also feeling the negative impact of such high cost of Governance. This high cost i commonly attributed to factors such as high overhead cost, at the detriment of capital and developmental projects, high recurrent spending, multiplicity of Ministries, Departments and Agencies (MDAs), retinue of political appointees for political patronage. The presidential system of Government with its attendant cost of operation where the legislature as the second tier of Government also come with a very high cost. For example, while the sum of One Hundred and Twenty-Seven Billion Naira (N127,000,000,000) was allocated to education in the 2021 budget, the sum of One Hundred and Twenty-Eight Billion Naira (N128,000,000,000) was allocated to the National Assembly. The tenets or antecedents of Civil Servants in relation to lack of integrity and accountability, according to Adamu and Rasheed (2016) are also major contributors to the high cost of Governance in Nigeria.

Cost of governance largely refers to the resources spent on administrative process for the day-to-day activities or maintenance of the governance structure. Another nomenclature to it is administrative expenditure. Cost of Governance, which can be viewed from two perspectives, namely, recurrent and administrative expenditures. This can be on yearly basis. From these various definitions of the cost of governance, the common indices used in summarizing all these activities are simply the finances spent by government or her agencies on salaries and administrative or overhead expenses to make it function. **It is to be pointed out that the multiplicity of demands in the structure of governance has necessitated increase in the cost of governance.**

The cost of governance is defined as the cost associated with the running of government. In other words, these are costs incurred by the government in running its affairs.

In an effort to prune the rising cost of governance in Nigeria, The Former Administration in August, 2011, set up a Presidential Committee on Rationalization and Restructuring of Federal Government's Parastatals, Commissions and Agencies. The Committee, which was headed by former Head of Service of the Federation, Stephen Orosanye, submitted its report, which

contained far reaching recommendations. In the report, the committee reviewed the extant laws in regards to its mandate and submitted "The average cost of governance in Nigeria is believed to rank among the highest in the world, If the cost of governance must be brought down, all arms of government must make spirited efforts at reducing their running cost. Out of the present structure of 263 statutory agencies, the Committee recommended a reduction to 161, with additional proposals that: 38 agencies be abolished; 52 be merged and 14 others be reverted to departments in various ministries. The agencies and parastatals employ varying numbers of workers estimated at 30,000 nationwide. However, since most of these institutions are creations of the law, it remains for the National Assembly to effect these proposals via legislation.

Judging from public opinion as expressed in the Mass Media and Civil Society Groups including the Nigerian citizens, the Orosanye's Report has attracted far more opponents than those who support it. The government must exercise utmost caution and discretion in the choices of: what to implement now; what to discard and what belongs to the future. In making these choices, it must also consider the contending interests of all stakeholders; the current economic environment of the Nigerian worker and how the chosen items will accentuate the realization of the objectives of the government's goal.

**TOTAL BUDGET: ₦13.588 TRILLION, 29.3% MORE THAN THE 2020 BUDGET WITH TOO MUCH EXPENDITURE ON RECURRENT AND PERSONNEKL.**

* Breakdown:
* Statutory Transfers: ₦496.53bn [3.65%]
* Debt Service: ₦3.32tn [24.47%]
* Recurrent Expenditure: ₦5.64tn [41.52%]
* Capital Expenditure: ₦4.13tn [30.36%]
* HOW WILL THE BUDGET BE FUNDED?
* 2021 Budget = 2021 Revenue + 2021 Deficit
* 2021 Revenue: ₦7.986tn [58.78%]
* 2021 Deficit: ₦5.60tn [41.22%]
* 2021 Budget: ₦13.588 trillion
* HOW WILL THE BUDGET BE FUNDED? - Cont'd.
* Where will the Revenue of ₦7.99tn come from?
* Share of Fed Revenues: ₦3.50tn
* Independent Revenues: ₦1.06tn
* Aids and Grants: ₦354.85bn
* Special Funds/Account: ₦300bn
* Govt-Owned Enterprises: ₦1.35tn
* Others: ₦1.42tn
* HOW WILL THE BUDGET BE FUNDED? - Cont'd.
* Where will the Deficit of ₦5.60tn come from?
* Debt Financing: ₦4.69tn
* Asset Sales/Privatization: ₦205.15bn
* Multi/Bilateral Project-tied Loan: ₦709.69bn
* HOW WILL THE BUDGET BE SPENT?
* The BUDGET has 4 Components:
* #1 STATUTORY TRANSFERS: ₦496.53bn
* #1 NJC: ₦110bn
* #2 NDDC: ₦63.51bn
* #3 UBEC: ₦70.05bn
* #4 NASS: ₦134bn
* #5 PCC: ₦8.69bn
* #6 INEC: ₦40bn
* #7 NHRC: ₦3.92bn
* #8 NEDC: ₦31.33bn
* #9 BHCF: ₦35.03bn
* #2 DEBT SERVICE: ₦3.32tn
* Domestic Debts: ₦2.183tn
* Foreign Debts: ₦940.89bn
* Sinking Fund to Retire Maturing Loans: ₦200bn
* #3 RECURRENT EXPENDITURE: ₦5.64tn - Salaries, Allowances etc
* #4 CAPITAL EXPENDITURE: ₦4.13tn - Projects, Infrastructures, etc
* Top Allocations to MDA:
* #1 Defence: ₦966.4bn
* #2 Education: ₦701.4bn
* #3 Health: ₦514.8bn
* #4 Police Affairs: ₦455.1bn
* #5 Works & Housing: ₦430.4bn
* #6 Fin, Budget & Nat Pl.: ₦398.5bn
* #7 Agric & Rural Devt: ₦280.3bn
* #8 Interior: ₦265.7bn
* #9 Transport: ₦223.96bn
* #10 Power: ₦212.8bn
* #11 Youths & Sports: ₦181.3bn
* #12 Sec to Govt: ₦179.7bn
* #13 Water Res.: ₦169.8bn
* #14 Science & Tech: ₦157.8bn
* #15 Foreign Affairs: ₦83.6bn
* #16 Humanitarian: ₦82.1bn
* #17 Ind, Trade & Inv: ₦80.9bn
* #18 Aviation: ₦77.2bn
* #19 Labour & Emp: ₦70bn
* #20 Info & Culture: ₦72.8bn

Source:©️ Nigeria 🇳🇬 Budget Office

**THE REASONS FOR THE HIGH COST OF GOVERNANCE IN NIGERIA**

According to Lalong (2021) it is expedient to discuss reasons for rising cost of governance in Nigeria which include:

1. **Insecurity and Insurgency:** With the escalation of conflicts ocassioned by lack of willpower to stem insurgency, weak security enforcement, several states within the Northern region of Nigeria have witnessed a rapid increase in violence and criminal activities that are linked to insurgency, banditry, communal conflicts, violent confrontations between farmers and herders among others. In recent years, these conflicts and crimes have been changing patterns and expanding in scope and intensity; from highway armed robbery to cattle rustling; from community raiding and deadly attacks to abductions and kidnappings for ransome. This increased ugly trend has severely impacted on intergroup relations, as perceptions about the identities of the perpetrators of the conflicts or crimes largely remains unclear.

The conflicts and criminality that have heightened insecurity in the Northern region are also responsible for the heightened levels of poverty, deprivation and youth restiveness, which has magnified social conflicts in many communities. This has led to the dynamics of sagregation of settlements along fault-lines of identity representing a dominant feature of inter-group relations. For instance, the prevention of farming activities and damages to crops by bandits implies that many farming communities have been impoverished either due to the fact that the bandits dispose them of their monies through the payment of ransome or direct robbery. Additionally, the carting away of cattles by rustlers has left many herding communities without a sustainable means of livelihood. The insecurity has generally created a situation of severe food shortages for crops and live stock dependant communities. The absence of alternative source of livelihood led to rural-urban migration while it also drove many others into criminality and other forms of radicalization, thus maintaining the circle of conflict, criminality and insecurity.

This security challenge is constituting a major drain on the country’s resources in view of its intractable nature and scope of banditry and spade of kidnappings, especially in the Northern part of the country. There is hardly a day that tales of bandits attacking communities and killing people, stealing their properties or kidnapping for ransom will not be told. The most recent is the kidnap of over 300 secondary school children in Kankara town, Katsina state and 317 Jengebe kidnap in Niger state. As a result of these security challenges bedeviling the country, government now has to embark on so many military operations such as operation Harbin Kunama, Lafiya dole in the North-East, Operation Safe Havens in Plateau State, Crocodile Smile in the South East etc, in order to curb the excesses of criminal elements in the society. These operations imply deploying the military out of the barracks with daily feeding allowances and also servicing hardware which cost a lot of money.

Apart from the security challenges of banditry and kidnapping, there is the problem of the Boko-Haram insurgency in the North-East which has been going on for about ten (10) years. This has has gulped resources in hundreds of billions of Naira. For example, in the 2021 Nigerian budget, over N300 billion has been allocated to the execution of the Boko-Haram war and such allocations of funds for this purpose has been going on for about ten years. This is money that would have been channeled towards other developmental projects like education, industrialization, youth empowerment etc but is now being spent needlessly on the execution of the war and other security challenges.

**TABLE 1. MINISTRY OF DEFENCE BUDGET FROM 2008-2017**

|  |  |  |
| --- | --- | --- |
| **S/N0** | **YEAR**  | **AMOUNT IN BILLIONS** |
| 1 | 2008 | 191.5 |
| 2 | 2009 | 223.1 |
| 3 | 2010 | 323.3 |
| 4 | 2011 | 348.3 |
| 5 | 2012 | 332.2 |
| 6 | 2013 | 364.4 |
| 7 | 2014 | 349.7 |
| 8 | 2015 | 375.5 |
| 9 | 2016 | 443.1 |
| 10 | 2017 | 465.5 |

**Source:** [www.budgetoffice.gov.ng](http://www.budgetoffice.gov.ng)

The Table above indicates the rising military budget on a yearly basis in Nigeria. This is not unconnected to the rising insecurity in the country especially the insurgency war in the Northern part of the country. Unfortunately, security funds are unaccounted for. It is very clear that resources used for security operations could have been channeled to other developmental sectors of the country.

**2. Huge Wages Bills:** It is very apt to say that another dimension to the high cost of governance in Nigeria revolves around the issue of a retinue of public appointees of government from the Federal, States and Local Governments. This high expenditure is attributed to the large number of cabinets maintained by governments at these tiers of government largely to either pacify political, regional, religious and other interests with the attendant high salaries, allowances, estacodes and the like. Commenting on this matter El-Rufai, (2011) captured it more succinctly when he averred that:

 ***…***our entire oil earning for the year cannot pay the salaries and allowances of politicians and public sector workers and their overheads, their teas, coffees, travels and estacodes, while the Federal Government spends over N38 billion naira on its staff, offices, vehicles and the like and none of these goes to build power plants, roads or railways.

It Should be noted that political office holders in Nigeria constitute a very negligible number of the over N200 million population of the country but gulp large amount of the nation’s resources in terms of salaries and allowances. For instance, in more succinct terms, it is estimated that the number of political appointees in the country are less than 5% but consume about 80% of public finances annually in relation to allowances and overheads (Wenibowei, John and Oladokun 2016). These huge amount of resources spent on salaries and allowances could have been channeled to Education, Health, Agriculture, youth Empowerment, Industries etc.

**3. Corruption:** In Nigeria today, corruption in both high and low places has increased the cost of governance tremendously, despite the activities of anti-corruption agencies like the Economic and Financial Crime Commission (EFCC) and the Independent and Corrupt Practices Commission (ICPC) aimed at mitigating corruption in the country. For instance, as at 27th January, 2020, Transparency International (2020) ranked Nigeria as the fourth most corrupt country in West Africa and the 136th out of the 176th in the world. The report further mentioned Africa’s least corrupt countries to include Seychelles, Botswana, Cape-Verde, Rwanda and Mauritius. The bottom most corrupt included South-Sudan, Sudan and Equatorial Guinea while the most improved countries on the continent were Cote’Dvoire and Senegal.

The forms of corruption range from procurement scams, inflation of contract figures, ghost workers syndrome/phenomenon, electoral corruption, nepotism, favoritism, pension scam and many more, (Ijawereme 2015). Several high profile officials from Government and Private Sectors have been sentenced to different terms of imprisonment, ranging from six months to over ten years for embezzling hundreds and billions of Naira. In fact, after independence and in 1966 specifically, one of the reasons advanced by the coup plotters was corruption but whether they were also absolved of corrupt practices is a subject of debate for another day. Below is a table of corruption index according to the Nation Newspaper of January, 2016, for some 15 Ex-Governors, 4 Ex-Ministers, 5 Ex-Legislators, 7 Ex-Federal Public servants, 5 Ex-state public servants, 8 Ex-bankers and 11 business numbering 55 of them and amounting to 1 trillion, 354 billion, 132 million and 400,000 Naira.

**Table 2. The Staggering Amounts Stolen by 55 People Between 2006-2013.**

**CATEGORY NUMBER AMOUNT**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Ex-Governors 15 146,840,800,000.00

Ex-Ministers 4 7,050,000,000.00

Ex-Legislators 5 8,350,000,000.00

Ex-Public Servants (Federal) 7 6,906,600,000.00

Ex-Public Servants (State) 5 7,275,000,000.00

Banking Industry 8 524,560,000,000.00

Businessmen 11 653,150,000,000.00

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**Grand Total 55 N1,354,132,400,000.00**

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***Source: The Nation Newspaper, January 2016***.

This monumental level of corruption has crippled the economy of the country and government lacks the resources to implement projects that will benefit youths and the general public directly.

**4. Government Support for Political Parties**: The Federal Government of Nigeria usually gives support to political parties that are registered with INEC at the eve of elections. The idea behind this is to provide some form of grants to these parties to help them organize their own party activities and also prevent individual money bags from dominating the parties and single handedly determining who contest elections under the party. Part of the reasons for this according to Wenibowei, John and Oladokun (2016) is that

When political parties are owned and sponsored single handedly by an individual or some few persons, mass participation becomes difficult as the individual or the few who control the party decides who becomes a candidate on the party platform to contest election***.***

For instance, between 1999 and 2009, the Federal Government disbursed over 42 billion naira to political parties as grants to help them strengthen internal party democracy, but it is evident that individuals or some few persons still control the political parties. Consequently, this feat has not been achieved because these government grants do not translate into the productive sectors of the economy but only contribute to high cost of governance.

**5. Huge Overheads and Personnel Cost:** Ifeanyi and Innocent (2015) using statistics from Central Bank of Nigeria annual report 2011 stated that the state governments in the North-East and North-West geopolitical zones were the most expensive states in Nigeria when measured in terms of personnel and overhead costs data compiled by Business Day Research and intelligence Unit (BRIU). Based on combined regional personnel and overhead costs, the six states in the North-East zone, comprising Adamawa, Bauchi Borno, Gombe, Taraba and Yobe spent N182 billion out of N360.6 billion realized as revenue for the year 2011, which means that 51 percent of the revenue made by the zone ended up in personnel and overhead costs.

Also, the North-West geopolitical zone, which is made up of Jigawa, Kaduna, Kano, Katsina, Kebbi, Sokoto and Zamfara expended 44.8 percent as cost, which translated to N217 billon out of N485 billion total yearly revenue realized by state governments in the region. The North-Central was third with 41.4 percent of its 2011 receipts or N196 billion, incurred as the cost of governance. The South-West, South-East and South-South ranked 4th, 5th and 6th with 37.3 percent, 27.5 percent and revenues for 2011 ending up at N230 billion, N89 billion and N251 billion respectively were the combined expenses incurred by state governments in the three geopolitical zones in the south.

On state by state analysis, the combined personnel and overhead cost of Kano State was the highest in the country, translating to 75 percent N72.4 billion) of its 2011 total annual receipts, being used in paying personnel and overhead costs. The state was left with N24.6 billion for developmental projects. Kano was closely trailed by Bauchi (70%) and Plateau (68%) in that order, which amounted to N45.4 billion and N42.8 billion respectively of the total money received by the aforementioned state governments being spent on administrative costs. In the South-West region, Oyo State (63%) and Ogun State (57%) were the most expensive states among the states analysed.

**INSECURITY**

The term insecurity is a condition in which people have no confidence in the institutions and leadership that should protect their lives, property and provide for their well-being. Consequently, they live in trauma, fear, anger, despair, suspicion and mistrust. On the contrary, security is a cherished state of being which constitute a number of values that people un-avoidably desire (Onuoha, 2005). It is a paramount condition required by humans whose satisfaction guarantees a feeling of wellbeing and survival. Paskins (1993) compare security and insecurity thus:

Security is a value, one among ill-assorted and vitally important values; insecurity is a ‘disvalue’, a bad thing, one among a number of evils to which we are unavoidably averse to. We want security and we fear and shun insecurity.

-(Paskins,1993: 16).

If security is the state of feeling or being safe and protected, insecurity is the state of being unsafe or insecure. It is also a state of mind characterized by self-doubt and vulnerability. Security is aguarantee and protection for vulnerable beings to exist, and the essence of insecurity is the lack of such protection.According to Imobighe (1998), security is defined as freedom from danger, fear, anxiety and uncertainty or relative freedom from aggression and unwarranted violation.Bellany (1981) posits that security is a relative freedom from war, coupled with the idea that should war occur defeat will be a consequence. In this regard, security is exclusively focusing on military concerns.

But defining security merely or primarily in military terms conveys false image of reality as it entails concentration on military threats while ignoring other dangers that undermine security and create the conditions for military actions. A number of scholars have criticized this narrow understanding of security. Among them, McNamara (1956) deviated from the military aspect of security, to concentrate on other important issues such as technology and economic development. On security in developing countries, he elaborates on the major causes of insecurity thus:

It is poverty, not the lack of military hardware that is responsible for insecurity across the Southern half of the planet…Security is development and without development there can be no security.

 -(McNamara, 1956:141).

Insecurity also connotes an atmosphere or a state of mind characterized by self-doubt and vulnerability. It is a situation in which the citizens do not feel safe, in which crime rate is high and where the inhabitants feel vulnerable. Consequently, the term “insecurity” would imply a situation that encourages instability, crime, lack of economic development and deterioration in the well-being and quality of life of a people.

**FISCAL TRANSPARENCY**

In the *Wikipedia, The Free Encyclopedia* fiscal transparency refers to the publication of information on how governments raise, spend, and manage public resources. More specifically, it means publication of high quality information on how governments raise taxes, borrow, spend, invest, and manage public assets and liabilities. Fiscal transparency includes public reporting on the past, present, and future state of public finances. [Fiscal policies](https://en.wikipedia.org/wiki/Fiscal_policy) have critical impacts on economic, social and environmental outcomes in all countries at all levels of development.

Fiscal transparency is sometimes used synonymously with budget transparency. However, fiscal transparency is in principle wider than budget transparency. It includes all public assets, liabilities, and contingent obligations, as well as revenues and expenditures authorised in an annual budget. Thus, it includes all stocks as well as flows even though stocks often do not feature in budget documents (aside from debt). Fiscal transparency includes fiscal activities undertaken outside the budget sector but within the government sector e.g. by autonomous government agencies or extra-budgetary funds that may not be reported as part of the budget sector.

Fiscal transparency also includes ‘quasi-fiscal activities’ undertaken outside the government sector by public corporations, the central bank, or (sometimes) by private corporations. These are activities that are fiscal in character but that are not financed by government but by the corporations themselves. They include subsidized lending or subsidized service delivery by public corporations, or construction of public infrastructure by companies developing natural resources

*(Source:*[*Background Paper prepared for the Open Government Partnership-GIFT Fiscal Openness Working Group*](http://www.fiscaltransparency.net/eng/resource_open_public.php?IdToOpen=20150707118)*).*

On the other hand, “Budget transparency” may refer to the narrower budget sector (e.g. ‘budgetary central government), and may not include the budgets of autonomous agencies, or extra-budgetary funds. The term may also refer to a wider concept e.g. the International Budget Partnership’s ‘[Open Budget Survey](http://internationalbudget.org/opening-budgets/open-budget-initiative/open-budget-survey/)’, which includes some questions on assets and liabilities but which focuses on 8 key reports centred around the budget. The term budget transparency is generally not used to refer to as wide a concept as fiscal transparency.

Fiscal [openness](https://en.wikipedia.org/wiki/Openness) refers to fiscal transparency together with direct public participation in fiscal policy formulation and implementation. Following the global financial crisis international fiscal transparency initiatives have increasingly incorporated public participation as a key element in order to promote improved policy formulation and implementation, and to strengthen [accountability](https://en.wikipedia.org/wiki/Accountability) for fiscal management.

The 1997 East Asian financial crisis first prompted the international community to set out a comprehensive codification of what is meant by fiscal transparency. The [IMF](https://en.wikipedia.org/wiki/International_Monetary_Fund)’s [Code of Good Practices on Fiscal Transparency](https://www.imf.org/external/np/pp/2007/eng/051507c.pdf), adopted in 1998 (and revised in 2001 and 2007), comprised four pillars: clarity of roles and responsibilities; open budget processes; public availability of information; and assurances of integrity. The Code was accompanied by a [Fiscal Transparency Manual](https://www.imf.org/external/np/pp/2007/eng/051507m.pdf), which together with the Code provided the basis for an IMF initiative to assess country practices against the Code - the so-called [Reports on the Observance of Standards and Codes (ROSC)](http://www.imf.org/external/NP/rosc/rosc.aspx). By the end of 2006 around half of the Fund's member countries had undertaken a Fiscal ROSC, nearly all of which were published on the Fund's web site.

In the early 2000s a number of further fiscal transparency initiatives were launched. The [International Federation of Accountants](https://en.wikipedia.org/wiki/International_Federation_of_Accountants) (IFAC) initiated the International Public Sector Accounting Standards (IPSAS) program, and has since introduced two bases of public sector accounting: cash, and accrual. In 2001 the IMF's Statistics Department issued a fully revised Government Finance Statistics Manual (GFSM2001), which set the accrual basis of recording transactions, including a government balance sheet, as the standard for all countries for reporting analytical fiscal statistics. In 2002 the OECD issued the Best Practices on Budget Transparency, and the following year the Extractive Industries Transparency Initiative (EITI) was launched. In 2005 the IMF issued a Guide on Resource Revenue Transparency that contained generally recognized good or best practices for transparency of resource revenue management in countries that derive a significant share of revenues from natural resources. Commencing much earlier, the [International Organization of Supreme Audit Institutions (INTOSAI)](https://en.wikipedia.org/wiki/International_Organization_of_Supreme_Audit_Institutions) has developed a comprehensive set of international standards that play an important role in fiscal transparency and accountability.

This decade also saw the launch of a major civil society initiative to promote greater transparency of government budgets: the Open Budget Survey (OBS) and the associated Open Budget Index (OBI) developed by the International Budget Partnership. The objective of the [Open Budget Initiative](http://internationalbudget.org/opening-budgets/open-budget-initiative/) was to improve governance and combat poverty: ‘open governments transform lives.’ The survey has evolved to cover three pillars of budget accountability: (i) Budget transparency, rated by the answers to 109 survey questions covering eight key documents over the annual budget cycle. This produces a score between 0 and 100 on the OBI; (ii) Public participation, evaluated using 16 questions introduced in the 2012 survey that rate opportunities for direct public participation in budget preparation and implementation; (iii) the strength of oversight, using 15 questions on the strength of the legislature and the supreme audit institution. The first OBS was published in 2006, and the fifth survey, covering 102 countries, was published in September 2015. The survey is implemented by independent budget experts based in each of the countries surveyed, under the oversight of the International Budget Partnership. Each survey is peer reviewed by in-country experts, and reviewed by IBP experts, and a draft is made available to each government for comment.

**Fiscal Transparency Code**

In a significant paper on Fiscal Transparency, Accountability, and Risk, the IMF in 2012 reviewed the state of fiscal transparency in the wake of the global financial crisis and proposed a series of improvements to existing international fiscal transparency standards and monitoring arrangements. The 2012 paper laid the groundwork for the IMF's new [Fiscal Transparency Code](http://blog-pfm.imf.org/files/ft-code.pdf) and Fiscal Transparency Evaluation that replaced the 2007 Code and the related fiscal module of the ROSC.

**THE NEW CODE COVERS FOUR KEY ELEMENTS OF FISCAL TRANSPARENCY**

* Pillar I: Fiscal Reporting.
* Pillar II: Fiscal Forecasting and Budgeting.
* Pillar III: Fiscal Risk Analysis and Management.
* Pillar IV: Resource Revenue Management.

For each of the principles defined in the Code, the new Code differentiates between basic, good, and advanced practices in order to distinguish between different levels of performance and capacity and to provide countries with clear milestones toward full compliance. Pillars I, II, and III have been issued, and a draft of Pillar IV has been made available for public consultation in 2015 and piloting in the field. It adapts the principles of the first three pillars to the particular circumstances of resource-rich countries. To date thirteen Fiscal Transparency Evaluations have been conducted by the IMF and nine of the evaluation reports have been finalized and published on the IMF's web site: for Bolivia, Costa Rica, Finland, Ireland, Mozambique, the Philippines, Portugal, Romania, and Russia.

Further assessments of fiscal transparency, or of elements of budget transparency, are available from:

* The Public Expenditure and Financial Accountability (PEFA) program, a multi-donor initiative intended to improve the quality of public financial management (PFM) in countries receiving development assistance. PEFA was launched in 2001 and comprises a set of ordinal indicators that measure the performance of PFM systems. A number of the indicators measure elements of budget transparency e.g. indicators on the comprehensiveness of budget documents, the extent of unreported operations, public access to key fiscal information, fiscal reporting, the coverage of audit reports, and legislative oversight. As of mid-2015 PEFA assessments had been completed in 149 countries (46 governments and 136 sub-national governments).
* The United States State Department's annual Fiscal Transparency Reports that assess fiscal transparency in countries that are anticipated recipients of US foreign assistance funds. The reports, produced since 2008 and published since 2012, evaluate the public availability, substantial completeness, and reliability of budget documents, as well as the transparency of processes for awarding government contracts and licenses for natural resource extraction. The 2015 report covered 140 countries, and found that 60 countries did not meet the Department's defined minimum level of fiscal transparency. The reports can be found at:

**GLOBAL INITIATIVE FOR FISCAL TRANSPARENCY**

In addition to the revision of the IMF Fiscal Transparency Code, the global financial crisis also prompted more widespread reflection on the effectiveness of the existing international arrangements to promote fiscal transparency and accountability.

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| --- |
| **Global Initiative for Fiscal Transparency** |
| Global Initiative for Fiscal Transparency GIFT - Logotype.jpg |
| **Abbreviation** | GIFT |
| **Type** | International multi-stakeholder action network |
| **Purpose** | Advance and institutionalize global norms and significant, continuous improvements on fiscal transparency, engagement, and accountability in countries around the world. |
| **Headquarters** | [Washington, D.C.](https://en.wikipedia.org/wiki/Washington%2C_D.C.), United States |
| **Region** | Worldwide |
| **Network Director** | Juan Pablo Guerrero |
| **Website** | [fiscaltransparency.net](http://fiscaltransparency.net/) |

***Source: Online Data, 2021***

The [**Global Initiative for Fiscal Transparency (GIFT)**](http://www.fiscaltransparency.net/) in 2011. GIFT is a multi-stakeholder action network that aims to “Advance and institutionalize [global norms](http://www.fiscaltransparency.net/eng/resource_open_public.php?IdToOpen=20150629100) and significant, continuous improvements on fiscal transparency, engagement, and accountability in countries around the world.” GIFT's [Lead Stewards](http://www.fiscaltransparency.net/about/) are the World Bank, the IMF, the International Budget Partnership, the International Federation of Accountants, the Federal Secretary of Budget & Planning of the Government of Brazil and the Philippines Department of Budget & Management. A range of other official and civil society organizations are stewards of GIFT.

Although fiscal openness is improving in many countries, the rate is uneven and slow, and backlashes are constantly registered: it might take a generation to have significant and sustainable improvement in important world regions. At the same time, the challenge is complex and broad and needs multiple stakeholders to address it in a coordinated manner. GIFT connects important international actors with other networks, together with champion governments and civil society organizations: while facilitating dialogue and cooperation in a platform where relevant stakeholders and networks participate, GIFT strengthens norms and creates incentives for countries to engage in a dialogue with civil society organizations, to improve transparency and engagement on the source and use of public resources.

**GIFT'S ACTION-AGENDA IS ORGANIZED AND IMPLEMENTED AROUND FOUR MAIN STREAMS OF WORK.**

**1.** Advancing Global Norms on Fiscal Transparency: GIFT helps in strengthening the normative architecture for fiscal transparency norms and pursues the adoption of a new set of principles on public participation in budget making.

**2.** Increasing and Improving Peer-Learning and Technical Assistance: GIFT continues to develop the Open Government Partnership-GIFT Fiscal Openness Working Group, with the goal of working with governments and CSOs to improve fiscal transparency in various countries, and bringing them together to support each other; by providing a forum to share experiences, GIFT intends to create incentives through peer pressure, as well as practical approaches and innovations.

**3.** Aligning Incentives Work with Greater Knowledge (Evidence based Research Agenda) GIFT is focusing on advancing research on evidence of incentives, development impacts, and practical approaches and innovations in fiscal transparency: country case studies on public participation, fiscal open data, fiscal transparency incentives and other research have been produced.

**4.** Harnessing New Technologies/Open Data to engage the General Public: GIFT has developed a Community of Practice platform as a communications mechanism for training, online seminars, virtual meetings, online discussion, good practices, online training courses, discussions, blogs, etc. At the same time, GIFT is developing an open budget data specification intended to make easy and simple the publication of budget data, increase the use of visualization tools supplied with budget data, and ease the re-use of budget data for governments and the public.

One of GIFT's first actions was the development of a new set of **High Level Principles of Fiscal Transparency, Participation and Accountability**, designed to sit above the existing set of international standards and norms, to promote increased coherence across those standards, and to promote the development of new norms where there are gaps. The [GIFT High Level Principles](http://www.fiscaltransparency.net/eng/principles.php) were endorsed by the General Assembly of the [United Nations](https://en.wikipedia.org/wiki/United_Nations_Assembly) (UNGA) in December 2012 ([UNGA resolution 67/218](https://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/67/218)).

Two of the High Level Principles assert transparency and participation as citizen rights. High Level Principle One asserts that the public has a right to fiscal information. This reflects the recognised right to [access to information](https://en.wikipedia.org/wiki/Access_to_Information), which is internationally accepted as a fundamental civil right. It establishes that the public has the right to information on fiscal policies, and fiscal transparency ensures that the public can track the way this money is used.

High Level Principle 10, on the other hand, asserts a public right to direct [public participation](https://en.wikipedia.org/wiki/Public_participation) in the formulation and implementation of fiscal policy. This has subsequently been reflected in the incorporation of requirements for public participation in the 2014 IMF Fiscal Transparency Code, and in the Organization for Economic Cooperation and Development's [Principles of Budgetary Governance](http://www.oecd.org/gov/budgeting/principles-budgetary-governance.htm) 2014.

From the [OBS-2015 Executive Report](http://internationalbudget.org/wp-content/uploads/OBS2015-Report-English.pdf): Results from the Open Budget Survey 2015 reveal large gaps in the amount of budget information that governments are making available to the public. The average OBI score of the 102 countries surveyed in 2015 is 45 out of 100. A large majority of the countries assessed – in which 68 percent of the world's population live – provide insufficient budget information. These 78 countries have OBI scores of 60 or less. A troubling 17 countries provide scant or no budget information, with scores of 20 or less.

The Survey found that around one-third of budget documents that should be available to the public are not. They were either not produced at all, produced for internal use only, or published too late to be useful. Of particular concern, governments in 16 countries failed to even publish the foundational document that describes the government's proposed budget policies, the Executive's Budget Proposal.

Many of the budget documents that are missing from the public domain are prepared, but remain off limits to the public. Budget transparency could be significantly advanced if governments were to take the simple step of releasing these already-prepared documents. Failing to publish information that is already being produced is clearly a question of political will, which donors and civil society can influence. In addition, the forthcoming global development and climate change agreements should require public reporting of investments toward meeting these commitments, a key step toward opening budgets.

The Survey also found that even when budget documents are published, they frequently lack sufficient detail. For example, the Executive's Budget Proposals that are published provide, on average, less than three-fifths of the desired information.

Thus, to even further increase budget transparency, governments need to provide more comprehensive budget information. This can be an issue of a government's capacity, and so donors and civil society can support progress by providing technical assistance.

Although fiscal transparency is improving in many countries, the rate is uneven and slow: it may take a generation to achieve significant and sustainable improvement in important world regions. At the same time, the challenge is complex and broad, and needs multiple stakeholders to address it in a coordinated manner. To disclose what government organizations do with financial recourses is not always easy; in fact, there is much resistance to fiscal transparency.

There is evidence that fiscal transparency strengthens the efficiency, equity, effectiveness, stability and sustainability of fiscal policies. This in turn enhances the likelihood that fiscal policies will have positive economic, social and environmental impacts, (Source: *Wikipedia, The Free Encyclopedia*).

**RECOMMENDATIONS**

There are solutions to help curb all these problems. They include:

1. Nigerians needed practical policies against the MDAs to stop retirees seeking contractual appointments in the same service collecting both pensions and salaries making it double payment which overburdens the system.
2. All political actors need to take interest in cutting the cost of governance. Hence, the Nigerian Governor’s Forum which is an umbrella for all governors in Nigeria must take interest in what goes into the high cost of governance in Nigeria.
3. Nigerian activist must do more by conducting research especially with the MDAs at Federal, state and local governments showing what they spend to create awareness for the rest of the nation. Nigerians will see why the cost of governance is so high for the few elites in the country instead of being channeled for basic infrastructure and services for the rest of the nation. Furthermore, Civil society groups and organizations need to carry out more advocacy and activism beyond conjectures, speculations and most times relying on mere conspiracy theories. The CSOs need to galvanize the country as regards to what is being spent on a few people.
4. The media need to be proactive, investigative and less sensational, more ethical and professional while reporting. They need to investigate what is being spent at the federal, state and local government levels, and on whom?
5. Religion plays a huge role in moulding Nigerians who are either Christians or Muslims. Nigerians in power must be guided by religious teachings on what is being spent to maintain officials. Also, religious leaders should come out openly and speak based on the facts and figures on frivolous spending on the elite and denounce it as it makes it impossible for the government to provide services and infrastructure for the rest of the people.
6. There is the need to cut down the number of people in the workforce and their salaries in the area of human capital made up of political appointees and civil servants which needs pruning down to save the huge pay mixed with allowances and the pensions they earn.
7. Reform in the procurement process is needed to ensure value for money by making it not too long and cumbersome due to bureaucracy and unnecessary gatekeeping at various stages.
8. Effective budgeting by identifying the cost effectiveness of public programmes and projects that ensures quality and not quantity. It is better to start a capital project and finish it within its completion time through effective and re-enforced funding instead of spreading budgetary provisions so thinly.
9. Also, monitoring and evaluation of capital projects will help the budgetary process ensure value for money. It can be done with sophisticated technology showing the projects layered on the Nigerian map which Nigerians can download on their mobile phones. A citizen can take a picture of a project in their communities and the geographical location indicating the exact location of the project whose progress can be sent back to the government. Citizens can further comment on the progress and execution quality of the referenced project. This would help to ensure accountability of projects execution and delivery.
10. It is to imperative to re-orientate the public and civil service ensure accountability, reducing the political office holders, and Nigerians should be reminded that being in service means holding office in trust for service delivery.
11. Habit where when one is appointed political associates, party members. community members, ex-schoolmates, acquaintances, etc put unnecessary pressure on public officer holders for money or materials needs to stop because it leads to corruption.
12. Again, E-governance is a tool used for effective service delivery as information and communication technology will eliminate interpersonal contact.
13. The Companies Allied Matters Act (CAMA) 2020 provides a legal backing for the implementation of beneficial ownership by removing the secrecy around company ownership especially by those doing business with the government. It will provide regulatory and anti-corruption agencies additional information in their efforts to reduce issues of conflict of interest in procurement and contract process.
14. The National Assembly, examining the budget provisions, should prune down wasteful, opaque and frivolous expenditures.
15. Also, lavish ceremonies and other unnecessary expenditures on life style by government officials needs re-examination.
16. The question of the salaries of legislators in curbing corruption as Nigerians are complaining requires investigation and action. As allowances and salaries are by far more than that of others like NDLEA, NSCDC, the Nigerian Police Force, Customs, Immigration and armed forces.

The following measures for reducing the cost and waste in governance in the nation are strongly recommended.

* There should be consideration on the number of appointees serving in the government at all levels in the country.
* Constitutional amendments should be introduced urgently to extricate needless MDAs Hence, there should be a merger of some MDAs to reduce the cost of governance. There is too much duplication of functions in the country.
* The Fiscal Responsibility Act should seek to enforce budgetary and fiscal discipline in public expenditure. Appropriate legislation should be introduced limiting the size of the

 recurrent budget. Savings accruing from this exercise should be transferred to the capital budget.

* There should be a regular auditing by the Auditor General of the Federation of all public expenditure and violators should sanctioned severely.
* The Accountant General of the Federation should be under a constitutional obligation to publish quarterly expenditure of the federal Government. The States and LGAs should do the same.
* The Public Accounts Committees of the National assembly should be strengthened to enable it discharge its oversight functions on public expenditure more efficiently.

**CONCLUSION**

The paper discussed the problematic issues of corruption, cost of governance and fiscal transparency in Nigeria. It is argued that huge sums of money are spent on a few in the political class, traditional rulers, members of the national assembly, bureaucrats, civil servants and they all made up less than 20% of the entire Nigerian population.

The high cos of governance was making governance very difficult in Nigeria which is not sustainable. Also, the reality on ground shows that high cost of governance does not produce high quality service to the citizens. Hence, in administration today Nigeria continues to bear the over-indulgence of political appointees. Recommendations on cutting the cost of governance have been offered.

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2. For details see World Bank report, 1997, p. 8. See also Transparency International report, 1996. *The TI Sourcebook*, edited by Jeremy Pope. Berlin: TI, p.1. The World Bank definition includes the activities of private agents who subvert public policies and processes for competitive advantage. [↑](#footnote-ref-2)