



# CIVIL SERVICE REFORMS IN NIGERIA’S FOURTH REPUBLIC, NEEDS, SERVICOM, CONTRIBUTORY PENSION SCHEME, NEITI, BPE, DEBT MANAGEMENT OFFICE, BUDGET MONITORING AND IMPLEMENTATION UNIT, MONETIZATION POLICY, NEW RETIREMENT POLICY

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## ABSTRACT

*This study predicated on the analysis of selected institutional frameworks of the Nigerian public service. The study adopted the structural functional theory as its paradigm or theoretical framework. The study is qualitative in nature. It obtained data from the secondary sources. The data were analyzed via descriptive qualitative method of data analysis. The finding of the study showed that the institutional frameworks of the Nigerian public service are all encompassing and development oriented. The study thus found that the bane of Nigerian public service and its reform measures is political and bureaucratic corruption. The study recommended systemic overhauling of the Nigerian public service to stem out corruption to make it more efficient and effective in public service delivery. The study concluded that efficient and effective in public service delivery. The study concluded that efficient service delivery is guaranteed only in a corrupt-free public service system.*

**Key words:** Civil Service, Reform, Forth Republic.

## INTRODUCTION

From its inception, during the colonial era, the Nigerian civil service has been undergoing sonic reforms. As it were, any organization that intends to last or perpetuate must form time to lime undergo some reforms or adjustments. The Nigerian civil service is not an exception.

Especially Mosher (1965) as cited in Ohikeze and Anthony (2004) identifies four objectives of administrative reorganization. They are:

1. The need to change operating policies and programs.
2. The need to improve administrative effectiveness
3. The need to improve the performance, qualification, job satisfaction, and welfare of personnel, and
4. The need to respond to or anticipate criticisms or threats from the environment.

It is pertinent to add that, it is the government of the day which initiates the reform that will decide its approach and direction. It, therefore, follows that the ideological inclination and world view of the government in power will necessarily colour the administrative reform it initiates (Ohikeve and Anthony, 2004: 148).

## THE FOURTH REPUBLIC CIVIL SERVICE REFORMS IN NIGERIA

Nigerians fourth republic took effect from the 29<sup>th</sup> May, 1999, with Chief Olusegun Obasanjo reemerging as the President and Commander in Chief of the Armed Forces of the Federal Republic of Nigeria. And after two years in office, in August 2001, he forwarded an executive bill to the national assembly seeking yet another reform of the country’s civil service. The civil service as a professional body of individuals employed by the state in an administrative capacity.

According to Epelle (2009) “The rationale or this bill is the belief by the executive that efficiency can only be imbued into the civil service if the president is allowed to fire any civil servant he thinks deserves the big stick”. He further emphasized the moral justification of the president’s proposal which hinged on the provision in the 1999 constitution (section 171, Sub-section 5). Where the president derives the power to hire and fire some top-ranking officers in the federal civil service like Secretary to the Government of Federation (SGF), the Head of Civil Service of the Federation, Ambassadors, and Permanent secretaries. Furthermore, the constitution as cited above also specified that both the office of the SGF and those of the ambassadors are to elapse with the expiration of the tenure of the president that appoints them.

## **NATIONAL ECONOMIC EMPOWERMENT AND DEVELOPMENT STRATEGY (NEEDS)**

According to Dibia (2018, p. 387) “The bedrock of NEEDS is its vision of a Nigeria with a new set of values and principles, which will facilitate the achievement of national goals of wealth creation, employment generation, and poverty reduction”.

NEEDS, was articulated and design to address development challenges, NEEDS is nationally coordinated in close collaboration with the states and local governments (with the States Economic Empowerment and Development Strategy (SEEDS), and others stakeholders to consolidate on the achievements of the last four years 1999-2003, Oduola (2004), cited in Akani (2007).

In essence, NEEDS, is an instrument of making Nigeria the largest and strongest African economy and key player in the world economy. One of the challenges confronting NEEDS is political corruption. Igwe (2010, p. 6) opined that “state corruption remains the singular vice upon which all Africa’s political and socio-economic problems are predicated, and the sole progenitor of all other forms of corruption altogether”.

## **SERVICE COMPACT (SERVICOM) WITH ALL NIGERIANS**

Service Compact, with the acronym “SERVICOM”, was another thought-provoking attempt by the former president of the Federal Republic of Nigeria, Chief Olusegun Obasanjo, to reform the civil service system in the country. In March 2004, the import of the need for SERVICOM was specifically on attitudinal change and value reorientation among bureaucrats or public administrators in Nigeria.

According to Epelle (2009), the intention of the government in this new reform is to initiate in the nation’s civil servants the global convention that the civil service is indeed the servant and not the masters of the people, and hence owe the people the duty without coercion to serve them when called upon to do so. This was also geared toward addressing the recurring problem of inefficiency in the country’s civil service. SERVICOM, could then be the magic wand to remedy this anomaly. In order to achieve this, the SERVICOM charter was promulgated on July 1, 2004 and to be displayed in every government offices and a unit (Ministerial Service Unit) was created in every ministry with a deputy director as its Nodal Officer (the Servicom book, 2006: 8-9, as cited in Epelle, 2009: 128).

However, it may interest us to note that as laudable as SERVICOM seem to be, it died at the expiration of the tenure of the government that initiates it as the status quo is now the case.

## **BUREAU OF PUBLIC ENTERPRISE (BPE)**

Bureau of Public Enterprise (BPE) serves as the secretariat of the National Council on Privatization (NCP) and is charged with the responsibility of implementing the council’s policies on privatization and commercialization.

### **FUNCTIONS**

The Bureau of Public enterprise (BPE) performs the following functions:

1. Implementation of the national council on privatization policies on privatization and commercialization.
2. Preparation of public enterprises approved by the NCP for privatization and commercialization.
3. Advising the NCP on further public enterprises which may be privatized or commercialized.
4. Advising the NCP on the capital restructuring needs of Nigerian public enterprises to be privatized.
5. Account management of all commercialized enterprise for financial discipline
6. Vetting candidate for appointments as consultants, advisers, investment bankers, issuing houses, stock brokers, solicitors, trustees, accountants, and other

professionals required for the purpose of either privatization or commercialization.

7. To carry out all activities required for the successful issue of all shares and sales of assets of the public enterprises set out for privatization.
8. To oversee the actual sale of assets of the public enterprises to be privatized by issuing houses in accordance with the guidelines approved from time to time by the NCP.
9. To prepare public enterprises approved by the NCP for commercialization.
10. To ensure the success of privatization exercises taking into account the need for balance and meaningful participation by Nigerians and foreigners in accordance with the relevant laws of Nigeria.
11. To evaluate and recommend to the NCP whether or not a public enterprise is eligible for funding through grants, loans, subventions or equality, etc.

## **DEBT MANAGEMENT OFFICE (DMO)**

The Debt Management Office (DMO) was established on 4<sup>th</sup> October 2000 to centrally coordinate the management of Nigeria’s debt, which was hitherto being done by a myriad of establishments in a coordinated fashion. This diffused debt management led to inefficiencies. For instance, in the Federal Ministry of Finance alone, four different departments have functions for the managements of external debt in Nigeria in the following format:

**External Finance Department:** responsible for all Paris Club debt and for the management of public debt statistics.

**Multilateral Institutions Department:** Responsible for relationships with multilateral institutions.

**Africa and Bilateral Economic Relations:** Responsible for liaising with the African Development Bank (ADB) and its subsidiaries. ECOWAS, and all Non-Paris Club bilateral creditors.

**Treasury Department of the (OAGF):** Responsible for issuing mandate to the CBN for payment of all external debts.

**Foreign Exchange and Trade Relation Department:** Responsible for issuing reconfirmation for payment externalization CBN and for documenting repayment and servicing of external debts.

Due to the shortcomings associated with the initial arrangement of the DMO, government was constrained to support the establishment of a relatively autonomous debt management office which resulted in the formation of the DMO in October 2000. The need for the creation of a separate public debt management office was therefore aimed at achieving the following advantages:

1. Good debt management practice that make positive impact on economic growth and national development, particularly in reducing debt stock and cost public debt servicing in a manner that serves resources for investment in poverty reduction program.
2. Prudently raising finance to fund government deficit at affordable cost and manageable
3. Achieving positive impact on overall microeconomic management including monetary and physical policy.
4. Consciously avoiding debt crisis and achieving an orderly growth and development of the national economy.

## **CONTRIBUTORY PENSION SCHEME (OPS)**

Prior to the Pension Reform Act 2004 (PRA), most public organization operated as defined (pay-as-you-go) system in which

final entitlement was based on length of service and terminal with Contributory Pension Scheme (CPS), to provide remedy. The CPS is fully funded and based on individual Retirement Savings Accounts (RSA) that is privately Managed by Pension fund Administrators (PFAs). While pension funds and assets are kept by Pension Fund Custodians (PR's), the Pension Reform Act 2004 decentralized and privatized pension administration in the country. The Act also constituted the National Pension Commission (PHNCOM), as a regulatory authority to oversee and check the activities of the registered pension fund administrators (PF'AS). The amount that has to be contributed towards the pension is 7% of an employee's pay check, and in event of an employee's death, the next of kin is to receive their pension and any benefits from their life insurance policy. The provision of the act covers employees of the public service of the federal government and private sector organizations. It also stipulated in Section 3(1), that no person shall be entitled to make any withdrawal from their retirement savings account before attaining the age of 60 years.

#### **NIGERIAN EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (NEITI)**

After about 50 years of oil and gas exploration in the country and which sector has continued to play a significant role in the economy and accounts for over 77% of total revenue accruing to the government is bedeviled with multifarious challenges in the use of funds resulting from sharp practices, corruption, unpaid royalties, fuel subsidies racketeering, crude oil and refined product theft, unpaid subsidies, etc by the Nigeria National Petroleum Corporation (NNPC) and its subsidiaries. Hence, the federal government, in line with global best practice, saw the need to establish the Nigerian Extractive Industries Transparency Initiative (NHITI), via an act on May 2007 NEITI, was established as a corporate body with perpetual succession with a common seal, self-accounting and autonomous, only answerable to the President and the National Assembly.

During its operation, NEITI, had succeeded in discovering USD 9.8 billion owed to the federal government by NNPC, of which USD 2.4 billion has been recovered.

#### **FUNCTIONS OF NEITI**

NEITI, in line with the provision of the act establishing it, performs the following functions.

1. Develop a framework for transparency and accountability in the reporting and disclosure by all extractive industries and companies of revenue due to or paid to the federal government.
2. To ensure transparency and accountability in the management of the investment of the federal government from all extractive industries, companies, taxes, royalties, dividends, bonuses, penalties, levies and such like are duly made.
3. Ensure that all fiscal allocations and statutory disbursements due from the federal government to statutory recipients are duly made.
4. Request from any company in the extractive industry or from any relevant organ of the federal, state or local government, an accurate account of money paid by and received from companies at any period, as revenue accruing to the federal government from such companies for that period.

NEITI, shall in each financial year appoint independent auditors for purpose of auditing the total revenue which accrue to the federal government for that year from extractive industries and companies in order to determine the accuracy of payments and receipts, etc.

#### **BUDGET MONITORING AND IMPLEMENTATION UNIT (BMIU)**

The purpose of this department is to improve the availability, quantity and dissemination of government performance information for accountability and policy improvement purposes.

#### **FUNCTIONS**

The budget monitoring and implementation and (BMIU), is saddled with the following responsibilities:

1. Develop and maintain a framework to support the monitoring, evaluation and reporting of government performance at the national and sub-national levels, in line with the national development goals and objectives.
2. Monitoring and evaluation of government performance at sectoral level, institutional level, program level, etc.
3. Develop and publish the Nigerian Country Report (NCR).
4. Develop and evaluate capacities across government at the federal and state levels to ensure that the quality, results, and impact of programs and expenditure can be measured at reasonable cost.
5. Develop the data management system for the national M & E system, including data collection tools, identification of data sources, frequency of data collection and data transmission plan.

#### **MONETIZATION POLICY**

Since the attainment of political independence in 1960, there has been a persistent decline in productivity in the public sector, marked by a colossal increase in the cost of governance, resulting to a plethora of policy prescriptions, to bail Nigeria from a state of suspended paralysis. The monetization policy is one of the most recent measures adopted by the Obasanjo administration to reduce the cost of governance, facilitate budgeting and budgeting control, minimize waste and abuse of public facilities, promote a culture of discipline and maintenance, etc.

Monetization policy is also referred to as monetization of fringe benefits, it is the quantification in money terms of those benefits which governments use to provide for certain categories of its workers as part of their condition of service. The proposal for this policy was initiated by the Revenue Mobilization allocation and Fiscal Commission (RMAFC), and debated in the National Assembly and passed into law as certain political, public and judicial office holders (salaries and allowances, etc) Act 2002. As a result of the act the purchase, construction or rentage of residential accommodation and other fringe benefits were quantified in money and given to such officers.

#### **NEW RETIREMENT POLICY**

The new retirement policy of the federal government of Nigeria for public and civil servants pegged the retirement age at 70 for academia, particularly for professors and 65 years for the non-academic cadre and also for the judiciary, judge's retirement age was put at 70 years. The policy also stipulated a mandatory service period of 35 years in which case an employee of the public sector is expected to quit the scene even when he or she has not clocked the age of 70 or 65 as the case may be.

#### **CONCLUSION**

The institutional framework of the Fourth Republic Nigerian Public Service is all-encompassing and far-reaching. It fundamentally covers virtually every aspect of public life and set a feasible paradigm for the sustainable development of the country. By implication, the Nigerian public service and its reform policies as embodied in this paper has recorded some success stories in the political and socio-economic development of the country. However, there is need to overhaul the public service system to

stem out political and bureaucratic corruption and makes its more efficient and development-oriented.

## RECOMMENDATION

Based on the above conclusion, the study hereby recommends thus:

1. The Nigerian government at all levels needs to carry out another civil service reform that would give Nigeria a 21<sup>st</sup>-century – digital civil service. This would reduce the problem of too much emphasis on paperwork and give it an online presence that would help the service to render services at cross-location to citizens both within and outside the country.
2. There is need to restructure NEEDS to make it a rural development (centered) programme: since it is designed to address the problem of poverty and generate employment etc. poverty, is pervasive in the Nigeria rural sector as majority of the rural dwellers are absolutely poor. Thus, making NEEDS a core rural development programme would help the Nigerian government to access the very poor population of the country and empower them for decent living.
3. SERVICOM is a noble idea that seeks to promote efficiency, transparency and incorruptible attitude among the civil servants. Thus, there is need to resuscitate SERVICOM and inculcate its objectives into civil servants using a pragmatic- training and retraining approach backed by punitive sanction for those who fail to imbibe its objectives in their dealings with government clients.
4. Privatization of public enterprises in Nigeria is mostly remembered for the loss of jobs and hike in the price of the designated goods and services. A case in point is the privatization of the Eleme Refinery and Power Holding Company in Nigeria (PHCN). The BPE, therefore, needs to review the privatization policy of the country to give it a human face so as to avert the issue of loss of jobs and hike in the prices of goods and services inherent in the privatization policy of Nigeria.
5. Available data shows that Nigeria is highly indebted as the country often use over 80% of her budget to service debt. By this, the DMO needs to initiate pragmatic steps towards securing debt forgiveness for Nigeria just as former President Olusegun Obasanjo did during his regime. Debt forgiveness will reduce the external debt rate of the country and give a succor to the Nigerian budget.
6. The contributory pension scheme is fraught with corruption and administrative inefficiencies given the corruption at National Pension Commission (PENCOM) Board. This explains in part why pensioners do not receive their entitlements as and when due. Moreover, some state governors do not often remit pension and gratuity as and when to the pension management institutions under PENCOM. There is therefore the need to overhaul PENCOM to reduce the corruption at the PENCOM Board and prevail on state governors who

often fail to remit pensioners' pension and gratuities promptly to do so in order to alleviate the suffering or plight of pensioners in the country.

7. There is need for NEITI to audit the financial operations of the oil investments of Nigeria, especially NNPC to put Nigerians in the know as regards the current financial dealings of the corporation.
8. The BMIU needs to work in paripassu with National Orientation Agency to consistently enlighten Nigerians on government and budget performance through all the mass media outfits especially social media and radio. The body also need to upload the central government budget and prevail on state governments to do same so as to make the budgets available for Nigerians, especially for academia.
9. The Nigerian government should extend the monetization policy to all public servants especially in the area of accommodation and other logistics to promote democracy in the public service in the area of authoritative allocation and redistribution of resources.
10. The new retirement policy is lofty, however, it does not seem to guarantee prompt payment of retirement benefits to retirees. It needs to be reviewed to accommodate this utmost important component of retirement.

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