

Causes and Effects of High Cost of Democratic Governance in Nigeria's Fourth Republic

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Abstract

Nigeria considering its forestry, aquatic and other natural resources in large deposits is a blessed country among other nations of the world. Since the discovery of crude oil in commercial quantity in the 1950s, the country has earned over \$400 billion. The problem of Nigeria is how to manage her financial resources to improve the lot of the citizens through prudent and efficient utilization of available funds by a visionary leadership. Unfortunately this has not happen. Rather, those who are privileged to occupy positions use the same to loot public funds for their own benefit. Their corrupt practices have led to an increase in the cost of governance in the country. This study is set out to examine the various causes and effects of the high cost of democratic governance in Nigeria's Fourth Republic 1999-2013. The study adopts secondary sources of data for the analysis of the findings. Findings of the study indicates that salaries and allowances of public sector workers, the maintenance of large size of executive cabinet, money spent on elections and election litigations, and corruption have been identified as some of the factors responsible for the cost of democratic governance in Nigeria. The cost on governance on the other hand has caused negative political and socio-economic effects on the country's political economy.

Keywords: Democracy, Governance, Cost, Economy, Corruption, Election and Development.

INTRODUCTION

There is a growing concern among democratic scholars and policy makers and analysts on the increasing cost of governance in Nigeria and the rest of sub-Saharan Africa. This concern has become imperative owing to the huge government spending on recurrent activities at the expense of capital projects. In Nigeria, governments at all level (Federal, State and Local governments) commits more financial resources to the maintenance of political administrative structures and institutions and their personnel than carry out developmental infrastructures in the various areas of jurisdiction. A Central Bank of Nigeria (CBN) report stated that the cost of running the government has increased dramatically over the years such that an increasingly reduced proportion of public funds are available to support and implement development projects (CBN, 2005, cited in El-Rufai, 2011). In the last decade or so, the share of government revenue allocated to recurrent activities is much higher than the share of revenue allocated to capital expenditure. In fact, since the returned to democratic rule in 1999, recurrent expenditure has increased steadily to over seventy per cent of the nation's annual budgets, while only about thirty per cent goes to capital expenditure (El-Rufai, 2011).

Government huge investment in recurrent expenditure has rendered the Nigerian State ineffective in responding to the demands of the citizens through the provision of human needs such as good roads, steady power supply, hospitals, quality education, quality shelter and other infrastructures. No country in the world including those of the developed countries can do anything meaningful where a large part of their earnings is spent on administrative structures rather than on capital investment. A situation where a country spend almost all its revenues on general administration, and very little is left for development, the obvious implications are daunting and severe on the political economy of that nation.

In Nigeria, most of the cost of governance stems from various factors. This study is set out to identify some of these factors and the effects on the political economy of the Nigeria State. It also discussed the role of the State and suggested some possible solutions to the problem. However, it should be noted from the onset that Nigeria for example, falls within the category of states that expend greater part of its financial resources on recurrent expenditure rather than developmental projects. Nigeria thus, rather than been a developmental state, the Nigerian state has become predatory and distributive in nature. A state base on redistributive politics at its best only raise the cost of governance and very little effort is put in creating wealth that would be of benefit to all, as much financial resources are directed away from investment in capital projects (Adewole and Osabuohiene, 2007). The study is purely a theoretical work as such it made use of secondary data to support the issues observed in the study.

THE EMERGENCE OF DEMOCRACY IN NIGERIA IN 1999

The end of the cold war with the demise of socialism/communism in the former Soviet Union dramatically opened up the political space in Africa and accelerated the processes of democratization in the continent. The 1980s and the 1990s saw a lot of African countries introduced measures aimed at returning their countries to democratic rule including Nigeria. In the process of returning to democratic governance, the military has consistently set the agenda and the tempo on the debate and discussions on issues bordering on democracy (Jega, 2007). However, the democratic process was subverted for a number of times by the same military institution who out of pretence claims to be democratizing by setting up institutions and other machineries towards democratic rule (such as political parties, etc). However, the military had little or no commitment and sincerity of purpose (Mimiko, 1996). For example, General Ibrahim Babangida's transition to democratic rule programme lasted for eight years (1986-1993), General Sani Abacha's transition programme lasted for five years (1993-1998). Irrespective of long periods of transition programmes and the huge resources expended on these programmes none could transit to democratic governance in Nigeria.

Even though, the military try to derail the process, they could not stop the process completely due largely to both internal and external pressures on African countries (Wenibowei and Nein, 2010). African countries Nigeria inclusive were forced to introduce both political and economic reforms and measures geared towards ending military dictatorship and one-party authoritarianism in their countries. It was during this period that in South Africa, apartheid was dismantled and in the place of the apartheid regime, majority government was established. Nigeria, Ghana, Ivory Coast, Niger, Togo, Benin Republic, Senegal, Congo Zaire etc. where all forced to introduced programmes of democratization (Wenibowei and Nein, 2010). In the Nigerian context, the internal forces can be attributed to the hash economic policies of the military government, abject poverty, and gross abuse of the fundamental rights of the citizens by military dictatorship, bad leadership, and mismanagement of the scarce resources galvanized protests and demonstrations from civil society groups, labour and student unions beginning from the 1980s. At the international scene, the realignment that was taking place in the international political arena as a result of the demise of socialism/communism in the former Soviet Union also affected the domestic politics of nations in the third world. Toyin and Wenibowei (2013) posited that,

The redefinition of political and trade relations in the global political economy were accompanied with conditionality. Thus, foreign investment, foreign aid, debt relief and or forgiveness were tied to a country's progress towards democratization.

Nigeria and the rest of Africa were therefore caught in a cobweb of internal economic dislocations and the emerging new economic realities of the global system. Consequently, African countries had no choice but to key into the redefining moments of the world system.

It should be noted that the preference for democracy as a form of government stems from the fact that democracy with its inherent virtues is believed to foster and promote development, encourages national unity and integration, and promote peaceful coexistence among diverse ethnic, religious and cultural people. However, the manifestation of these values in Nigeria and rest of Africa is still open for debate. Nevertheless, what is evidence is that the people of Nigeria agitated for democracy in the 1980s and 1990s basically for change, development and to end military autocracy. Therefore, the emergence of democratic rule in Nigeria in 1999 was the people's resolve to address the question of arbitrary rule in the Nigerian society. According to Moore (1966), the development of democracy is a long and certainly an incomplete struggle by many countries to do three basic but closely related things; (a) to check arbitrary rule; (b) to replace arbitrary rule with just and rational one; (c) to obtain a share for the understanding population in making of rule. Thus, the people of Nigeria look up to democracy for a better deal, for economic development, to end poverty, social inequality, to enhance popular participation, and eradicate corruption in their society.

RATIONALE OF THE STATE

Germane to the generation and use of state economic resources undoubtedly raise the fundamental question of the purpose of the state (the Nigerian state) in our own case. For example, what purpose does the Nigerian state exist? For whose interest does it actual exist for? The utility of these probing questions are anchored on the basic premise that the modern state needs total commitment, loyalty and obedience from the citizens. On the other hand, the citizens expect the fulfillment of their aspirations and hopes through the state performing its fundamental functions (Ajayi, 1997:65). Is the state, a means to an end, or an end in itself?

Perceptions and views in respect to the purpose of the state vary from author to author and from scholar to scholar. For example, Hegel cited in Sabine and Thorson (1973:271-274) advanced the position that the state is no utilitarian institution engaged in the common place business of providing public services, administering the law, performing police duties and adjusting industrial and economic interest. Hegel is of the opinion that all these functions belong to civil society. The state in Hegel's view only regulates these activities only when the need arise. Kant cited in Ajayi (1997:64-78) sees the state essentially as an instrument for the maintenance of freedom. Kant believes that mankind is essentially inclined to act selfishly, always placing his own personal interest high and

above the interests of others. Experiences in Nigeria have shown that members of the political class have acted in the most repressive ways, treating the masses as “merely as things, merely as a means of satisfying, their own inclinations”. In recognition of the greediness of mankind, Kant submitted that the purpose of the state should be to impose constraints that are necessary to protect and promote each person’s freedom. Jeremy Bentham and John Stuart Mills are two great political philosophers whose names are associated with the principle of utilitarianism. Their view is anchored on the reasoning that,

*All men desire happiness which may be defined as the supply of pleasure over pain.
Pleasure and pain are therefore the springs of human action (cited in Appadorai,
1976:42).*

Arising from this postulation is the question of the meaning of pleasure and pain. Who in a given society defines what is pleasurable as citizens and what constitute pain to the people. In the Nigerian context, does the ruling class sees what is pain to the masses of the people as pain to them? And what is pleasurable to the masses is pleasurable to them? In view of the above, the utilitarian theorist advanced the argument that the role of the state should be to remove both real and perceived disabilities in a system. In Nigerian, it is noteworthy to state that it is the existence of disabilities in the system that gives the privileged ruling class the opportunity to loot the state treasury.

Adam Smith in his opinion provides three essential responsibilities of the state (Smith cited in Ajayi, 1997:70). He considered these responsibilities as the reasons for any state to exist. According to Smith the state has the duty of protecting society from violence and invasion of other independent societies. It also has the duty of protecting every member of society from injustice; and has the duty to erect and maintain certain public works and public institutions for the general interest of the public. This in contemporary analysis is the developmental state. The modern state thus has become powerful engine for the modernization and facilitation of development in society (Ajayi, 1997:69).

The state in modern times is to create convenience which presupposes to mean the inclusion of security of lives and property and the administration of justice. However, it should be noted that the provision of public goods (roads, shelter, healthcare, power and other infrastructure) as well as the maintenance of public institutions and their personnel constitute the bedrock of government expenditure. Thus, given these huge responsibilities, the modern state including the Nigerian state is now empowered to raise and spend money for the development of society and the welfare of the people. Hence, cost of governance defined in monetary terms emanates fundamentally from the basis of the contemporary role of the modern state. Nevertheless, it is the extent to which the state fulfill these obligations that allegiance, loyalty and obedience to the state is sought for and advanced. On the contrary, when the state fails to act as expected in relation to these duties (bad governance), the cost both in monetary terms and otherwise is even more daunting and more expensive.

NIGERIA’S DEMOCRACY AND THE HIGH COST OF GOVERNANCE

Presently in Nigeria, there is a clarion call on government to minimize the cost of political administration in the country. The amount of money spent annually on running the administration of government at all levels is alarming, ostensible and unacceptable. This worry was expressed by the World Bank three years ago. The World Bank said that “Nigeria is unviable because of the disproportionate and unsustainable cost of its government (Eke, 2011:3). The International Financial Institution further stated that, “Nigerian government consumes about eighty percent (80%) of its revenue on unproductive activities” (Eke, 2011). Over the years, the country’s national budgets have shown large disparities in the distribution of financial resources between recurrent and capital expenditure with the former receiving more attention and more financial vote. The table below shows the Annual Budgets of Nigeria from 1999-2013.

Table 1. Showing the Annual Budgets of Nigeria from 1999-2013

YEAR	RECURRENT EXPENDITURE (N) Million	CAPITAL EXPENDITURE (N)	TOTAL EXPENDITURE INCLUDING STATUTORY TRANSFERS AND DEBT SERVICING (N)
1999	449,662.4 Million	498,027.6 Million	299.0 Billion
2000	461,600.00 Million	239,450.9 Million	590.0 Billion
2001	579,300.00 Million	438,696.5 Million	874.2 Billion
2002	696,800.00 Million	321,378.1 Million	840.0 Billion
2003	984,300.00 Billion	241,688.3 Billion	1,446 Trillion
2004	1,110,643, 60.00 Billion	351,250.0 Billion	1,189 Trillion
2005	1,321,229.99 Billion	519, 470.0 Billion	1,618 Trillion
2006	1,390,101.90 Billion	552,385.8 Billion	1,88 Trillion
2007	1,589,269.80 Billion	759,281.2 Billion	2,3 Trillion
2008	2,117,362.00 Billion	960,890.1 Billion	2,45 Trillion
2009	2,127,971.50 Billion	1,152,796.5 Billion	3, 76 Trillion
2010	3,109,378.51 Billion	883,870.0 Billion	4,61 Trillion
2011	3,314,513.33 Billion	918,548.9 Billion	4.48 Trillion
2012	2.472 Trillion	1.32 Trillion	4.7 Trillion
2013	2.38 Trillion	1.62 Trillion	4.98 Trillion

Source: compiled by the authors 2013

The Governor of Central Bank of Nigeria (CBN) Sanusi Lamido Sanusi raised concerns over the high cost of governance in the country. He stated that it is increasingly becoming impossible for Nigeria to develop owing to the fact that over seventy percent (70%) of the nation's revenue is spent on recurrent expenditures and only about thirty percent (30%) is left for capital projects (ThisDay, 2012). He suggested that the civil service "should be halved to free up capital for infrastructure development to boost the economy" (ThisDay, 2012: 1).

Arguing along the same line with Sanusi Lamido Sanusi is a former federal minister of the Federal Capital Territory EI-Rufai. He submitted that the cost of governance in Nigeria is unacceptably high. In a statement in 2011, he argued that, "every Nigerian- all 162 million of us-man, woman and children will pay the Federal government the sum of N27,685 each for the running of the government, that is the budget for the year divided by our population, with 75 percent of it going into non-productive, non-capital spending" (EI-Rufai, 2011:2).

Nigeria, Africa's most populous country is undoubtedly blessed with both human and material resources. But the country has not been able to harness its available potentials to bring development to the masses. Nigeria is ranked one of world's poorest in infrastructure. The emergence of ethnic based violence, terrorism and other forms of social vices are attributed to the lack of development. It is the candid view of this study that this lack of development is as a result of over investment in the non-productive sector rather than investing in productive activities.

CAUSES OF HIGH COST OF GOVERNANCE IN NIGERIA

Observation indicates that the causes of high cost of democratic governance in the country vary from individual to individual and it is multidimensional in nature. The factors ranges from the number and allowances earned by legislators, cabinet members in the executive arm (political office holders) to corruption and the large number of ministries, departments and agencies (MDAs) in the country. In this session of the study some of the causes are identified and discussed.

Salaries and Allowances of Public Office Holders: Observations have shown that so much money is spent on maintaining the legislators at the national level and even at the state and local government levels. Similarly, the large cabinet maintained by the Federal, State and Local governments has also been identified as a contributing factor to increasing cost of political administration in Nigeria. For example, EI-Rufail identified government spending on the public office holders as the major cause of the problem. He put this succinctly when he stated that,

This is because our entire oil earnings for the year cannot pay the salaries and allowances of politicians and public sector workers and their overheads- their teas, coffee, travels and estacode, while the federal government spends over N381 million on behalf of Nigerians on its staff, offices, vehicles and the like, and none of this goes to build power plants, roads or railways (EI-Rufai,2011: 2).

Generally political office holders in Nigeria at all levels constitute less than 5% of the entire population of the country. They are just about 17,500 persons but they corner and pocket close to 80% of our public finances on annual basis in the areas of allowances and overheads (Nigeria Masterweb News,2013). These public officers

including 12,788 elected LGAs Chairmen, their deputies, and Councilors of the constitutionally recognized 774 local councils, the 1, 695 elected officials at the 36 States and Federal levels including 72 Governors and their deputies, the 469 Federal lawmakers and 1,152 state lawmakers and the President and his deputy. Also included in the list of the 17, 500 are the 3, 062 appointed executives at Federal and State’s levels including about 472 Federal executives excluding the President and his deputy , added also is 2,664 State executives excluding the 36 Governors and their deputies, 792 State’ judges and 142 Federal judges are also included. Based on their allowances and salaries as provided by the 2008 PAY ACT enacted by the National Assembly, the 17,500 top political office holders in the country goes home with the sum of N1.13 trillion (\$7 billion) naira every fiscal year with over 90% or over N900 billion going as allowances (Nigeria MasterWeb News, 2013:1). The table blow shows the annual salaries of some top public office holders in Nigeria.

Table 2: Showing the Annual Basic Salaries of some Political and Public office holders in Nigeria.

Category of officer	Amount Annually
President	3,514,705.00
Vice President	3,031, 572.00
Minister	2,026,400.00
Minister of State	1,957, 580.00
Special Adviser	1,942,875.00
Permanent Secretary	1,925,865.00
Chief Justice	3,363,972.00
Justice of the Supreme Court	2,477,110.00
President of the Court of Appeal	2,477,110.00
Governor of a State	2,223,705.00
Deputy Governor	2,112, 215.00
Local Government Chairman	908,312.00
Vice Chairman	853,056.00
Supervisor	809,300.00
Secretary to the LGA	809,300.00
Special Adviser	760,076.00

Source: CBN Bulletin, 2011

Heads of government agencies also enjoy a number of allowances including, transportation, meal, utility, furniture, domestic servants, drivers, security, vehicle maintenance, hardship, sitting allowances, wardrobe, medicals, newspaper, accommodation etc. and a number of personal aides. Similarly, the table below also shows the tour allowances and estacode for some category of government officials in Nigeria.

Table 3: Showing Tour Allowances and Estacode of some top public officers in Nigeria.

Officials	Duty tour allowance(per tour) (N)	Estacode (US Dollar)
Minister	35,000.00	1,000.00
Secretary to Government of the Federation	35,000.00	1,000.00
Head of Service	35,000.00	1,000.00
Chairmen of Committee	35,000.0	1,000.00
Minister of State	30,000.00	900.00
Special Adviser	25,000.00	800.00
Auditor Gen./Permanent Sec.	20,000.00	600.00
Secretary to State Government	25,000.00	600.00
Commissioners	25,000.00	600.00
Chairmen of Committees at State level	25,000.00	600.00
Special Adviser/Committee Membership	20,000.00	500.00
Auditor Gen/Perm.Sec.at State level	15,000.0	450.00
Supervisory Councilor	15,000.00	400.00
Secretary to the LGA	15,000.00	400.00
Special Adviser	10,000.00	350.00
Chief Justice of Nigeria	50,000.00	2,000.00
Supreme Court Justice	35,000.00	1,300.00
President Appeal Court	35,000.00	1,300.00
Justice court of Appeal	30,000.00	1,100.00
Chief judge of Fed. High Court	25,000.00	800.00
Federal high court judge	20,000.00	600.00
Chief judge of State	25,000.0	800.00
Judge of State high court	20,000.00	600.00
President State customary court	20,000.00	600.00
Judge State customary court	15,000.00	500.00
Speaker State Assembly	20,000.00	600.00
Deputy Speaker	17,000.00	500.00
President of the Federation	Not Available	Not Available
Vice President	Not Available	Not Available
Senate President/members	Not Available	Not available
Speaker Reps/members	Not Available	Not Available

Source: ThisDay Online 2013.

Thus, salaries and allowances of these public officers gulp so much money from the State which could have been use for the development of some crucial infrastructures in the country. The National Assembly is consists of two chambers (the Senate and the House of Representatives). The Senate has a total of 109 members, while the House of Representatives has a total of 360 members. The two chambers thus have a total of 469 legislators. According to El- Rufai a former Federal Minister of the Federal Capital Territory, that in 2011 alone, the sum of N150 billion was spent on the 469 members of the National Assembly (El- Rufai, 2011:3). Also a breakdown of the 2009 budget figures indicates that the National Assembly and a part of the personnel in the Presidency were to be paid N47.8 billion as emoluments (Ogundiya, 2010:206). In the same fiscal year, the members of the House of Representatives was to receive a total amount of over N26.67 billion and the sum of N16.3 billion was earmarked for the members of the House of Senate for the same period(Ogundiya,2010). Therefore, considering the budgetary allocation to the National Assembly, there is no doubt that it is high and this contributes to the high cost of governance. This informed Adejumo (2009:1) to assert that “one of the factors gulping the finances in Nigeria is the emoluments of public office holders. Adamu (2011:1) also agreed that in Nigeria “there are too many legislators and too many allowances and too high figures for salaries being paid to them.”

The Philosophical idea behind the provision and adoption of two chambers of legislative assemblies is to provide effective checks and balances system on the excesses of the Executive arm of government and at the same time to scrutinize bills to ensure the passage of more desiring and acceptable laws for the country. In countries like the US, Great Britain, India etc. the bicameral legislative system has worked effectively to ensure that laws made have and add meaning to the life of the average citizen without adding to unnecessary increase in the cost of governance. In the United States, for example, members of both Houses (Congress) are elected. The basic view

inherent in this is to uphold the essential democratic tenet that sovereignty resides with the people. Thus, in every modern democracy, the focus and the core responsibility of government is to translate the opinions and ideas of its citizens into concrete policy objectives and to implement the same to improve the standard of life in society. In other words, the essence of modern democratic rule is geared towards the development of the individuals and infrastructures in society. Thus, the provision of security, health, education, employment, infrastructures are all directed towards the improvement of the conditions of living of the people. However, those laws and policies needed to bring to pass these things, often emanates from the institutions of government. And in modern democracies, it becomes the responsibility of elected officials in the Executive and the Legislative arms of government. Upon the onus of these people also rest the duty of managing the limited resources of the state, albeit, prudently.

Unfortunately, elected representatives at all tiers of government in Nigeria have failed to implement policies that are directed towards the development of society at all levels. Instead, they have succeeded in instituting a Kleptocratic government at all levels (Adejumo, 2009:2). Therefore, rather than use the instruments of the state to improve the conditions of living of the masses in Nigeria, the Nigerian legislators and members of the Executive and their collaborating friends now explore the same instruments of the state to enrich themselves, their friends and family members. The Nigerian legislator is so concerned about self-satisfaction that they have almost forgotten their statutory duties of lawmaking and is now engage in the implementation of policies through what they called “oversight functions”. In addition to their corrupt practices, they have deliberately gone outside the constitution of the country to arrogate function of project implementation through “constituency projects”. In 2010 budget of the Federal Government the sum of N19.7 billion was earmarked for the execution of constituency projects for the 109 members of the senate, while the sum of N56.1 billion was given to the 360 members of the House of Representatives. Both the N19.7 billion for the senators and the N56.1 billion for the Reps members totaling N75.8 billion as constituency project funds are paid monthly to the members of the National Assembly. All these add to the total cost of administration in Nigeria.

Thus, the Nigerian state has become an instrument in the hands of the ruling class for primary accumulation (Ekekwe, 1986; Ake, 1981). This character of the Nigerian state in the Post-colonial era is still maintained in its entirety. This perhaps informed Ekekwe (1986:26) to posit that, “the Nigeria state maintain an order in which the interests of the ruling class are favoured, because it preserves the conditions under which it dominates”. In all these, one can state unequivocally that the Nigerian state’s authority and mandate lie in the creation and sustenance of the conditions of primary accumulation. In essence, the Nigerian state and its constituent units now provide what Ekekwe described as the “formal link between it and the members of the ruling class as a mechanism to have formal access to state power and resources.” (Ekekwe,1986:34). The dominant trend in the Nigerian body politics today is that, the elected officials now use their privilege positions and powers to advance their own economic interest and the interests of their collaborators. Undoubtedly, this has contributed immensely to the increasing cost of democratic governance in Nigeria.

The maintenance of large number of Aides by Government officials: Besides the allowances and overheads, there are over 35,000 personal aides working for the 17,500 public office holders on average of two per political office holder (Nigerian Masterweb News, 2013). Sometimes, as many as six (6) aides working for a political appointee or elected member. This over 35,000 aides is serviced monthly through allowances included in the budget. Each of these aides received between N30, 000.00 to N100, 000.00 and sometimes even more monthly. It is estimated that between N1 billion and N3.5 billion is spent monthly in the maintenance of these personal aides of public office holders, and between N12 billion and N42 billion a year to foot the bills of this set of people (Nigerian Masterweb News, 2013). By the provision of the Federal Constitution of 1999, it is only the position of Special Adviser for the Governor, the President and their deputies that are recognized by the constitution. But in practice there are Special Advisers for Legislators, Ministers, Commissioners, Chairmen and Heads of some key Parastatals, Departments and Agencies of Government etc. There are also motley of “Senior Special Assistants”, “Special Assistants”, “Executive Assistants”, “Personal Assistants” and so on. The salaries and allowances of these people somehow find its way into the budget of LGAs, States and the Federal Government which invariably increases the cost of general administration.

The conduct of elections: The study discovered that an important area that has contributed to the high cost of governance in Nigeria is the conduct of election and the resultant litigations in tribunals and courts. It should be stated that the conduct of open, free, fair and competitive election is sine qua non in a democratic society. Democracy as a form of government is costly to run as it demands the commitment of huge financial resources for successful operation whether in Nigeria or elsewhere. Most of the cost of democracy as a governing phenomenon occurs in the area of the conduct of elections. For example, the system demands the conduct of periodic elections as prescribed by the country’s constitution. In Nigeria, general elections are conducted in every four years for State Governors, State Assemblies, National Assembly members and the President of the Federal Republic. Therefore, the conduct and management of elections in a vast country like Nigeria requires huge sums of money.

Nevertheless, such elections should not be costly both to the government and the individuals. In a situation

where the administration of elections and the subsequent litigations becomes a burden to the parties involved, it becomes a problem both on the economy and the electoral process. However, our observation indicates that at the individual level, elections are very costly as candidates often spend huge sums of money to contest an election. Amuchie for example, observed that in the South-East of Nigeria, governorship election campaign in 2007 cost between N1.5 billion and N2.0 billion, in the Northern part, the same position cost between N1.0 billion and N1.1 billion, while in the South West and the South/South the figure is between N1.0 billion and N1.5 billion (Amuchie, 2010:5). This amount excludes the high fees charged on nomination and expression of interest forms of the various political parties. Some political parties charge as high as one million naira (N1million) for nomination form. The prohibitive cost of elections now scares Nigerians as it could derail democracy in the country. Besides, it has excluded honest and sincere Nigerian citizens from participating in elections. The important implication here is that, while the cost may not have direct impact on the physical development of the country, honest and sincere Nigerians who could have use their wealth of experience to contribute to the development of the country are usually denied the opportunity to serve their own country as political godfathers controls the machineries of the country. Secondly, the cost of running an election tends to determine, to a large extent, the outcome of the type and direction of a given government. As it has clearly played out in the Nigeria's Fourth Republic, the high rate of corruption in the country has been attributed partly to the high cost of elections. This argument is premised on the reasoning that most Nigerians who have interest in politics do not usually have the financial resources and the necessary connections at high levels to achieve their political ambitions do to the high cost of elections. For this reason they often times relied on a godfather who sponsor them into office and in return asked for juice contracts which they often times do not carry out and yet nothing happen to them.

Election Litigations: Another area the study discovers that borders a lot of people is the area of post-election litigations. The failure of the umpire body INEC for instance, to conduct credible elections have given rise to series of election litigations by aggrieved candidates and parties. Observations made by Amuchie (2010:2) indicate that after the 2003 general elections, over 300 suits were filed at various election tribunals across the nation. This number rose to 7,000 in 2007, but dropped to a little above 1,000 cases after the 2011 elections. With all intents and purposes these figures are high as such cases in tribunals became very expensive as the candidate who pays the highest amount of money wins the case. Judges and other members of election tribunals jettisoned "natural justice" based on point of law for "jungle justice" based on the highest bidder. Many tribunal members saw it as an opportunity to join the millionaire or billionaire club. They are ready to collect bribe from parties and candidates who are desperate to win petitions in courts.

Federal Government Grants: The Federal Government usually gives out grants to regulatory bodies such as the Independent National Electoral Commission (INEC), and also gives grants to the various political parties during elections. The Nations Newspaper observed in 2010 that between 1999 and 2009, the Federal government disbursed over N133.27 billion to INEC and over N4.2 billion has also been disbursed to the various political parties over the same period (The Nations, 2010:2). Meanwhile, in the 2010 Appropriation Act the sum of N630 million was earmarked for disbursement to the political parties for the purposes of that year's general elections. The idea of government grants to political parties in a democratic system is meant to prevent the emergent of the control of political parties by few wealthy people "money bags" in society. In other words, is to ensure greater participation of the citizenry in party democracy. The reason is that when political parties are owned and sponsored single-handedly by an individual or a few persons mass participation becomes difficult as the individual or the few who controls the machinery of the party decides who becomes a candidate on the platform of the party to contest election. In this regards, many political parties in Nigeria and elsewhere, usually resort to undemocratic methods of selecting candidates to contest elections on the platforms of their parties. However, it should be noted that in spite of government grants to political parties in Nigeria, parties are still been controlled by very powerful and influential persons (godfathers). Thus, the reason for financial support to political parties has not achieved the purpose in Nigeria. However, this phenomenon has contributed to high cost of political administration in the country. What need to be known is that government grants to INEC, and party spending as well as individuals who invest their money on election campaigns and litigations goes into the non-productive sector of the economy. Thus, it increases the cost of governance.

The high level of corruption: Our investigation shows that successive governments in Nigeria have been corruption friendly. And corruption is one of the major factors or causes of high cost of governance. Corruption has eaten deep into the fabrics of Nigerian society. It is visible in everywhere and at all levels of government. Since the country's returned to democratic governance in 1999, every successor government has proved more corrupt and has become a greater financial burden to the nation than its predecessor. This is worsen once a particular administration is given a second chance (second term) in office. The over \$400 billion that has accrued to the country through the sale of crude oil and gas from the 1960s to date Nigeria remains one of the poorest in the world and indebted to multilateral financial agencies such as the world Bank and International Monetary Fund. The First and Second Republics collapsed essentially do to corruption. The various military regimes have not fared better and the current civilian dispensation is also bedeviled and infested by the same virus of corruption. In 2011

Nigeria was rated 143 out of 183 most corrupt countries in the World by Transparency International (TI) (2011). Botswana top Africa as the least corrupt country in the continent followed by Cape Verde, Mauritius and Namibia as the top three least corrupt nations in Africa. While Nigeria occupy the same position as Mauritania at the bottom as one of the most corrupt nations in the world and 15th in Africa. A study carried out by Nigerian Survey and Corruption Study in 2003, the report rated the following government institutions as the most corrupt in Nigeria.

Table 4: Showing the most corrupt government institutions in Nigeria in 2003

RATE	INSTITUTION
1	The Nigerian Police
2	Political Parties
3	National & State Assemblies
4	Local & Municipal Governments
5	Federal & State Executives
6	Traffic Police & FRSC
7	POWER HOLDING COMPANY OF NIGERIA

Source: Corruption survey, 2003

Corrupt practices are carried out through frivolous trips abroad by elected officials. For example, over N300 billion was expended on chartered air craft in 2011, while the presidency is expected to spend much more this year (2013) thus wasting public funds. In 2010, the Federal government earmarked for spending the sum of N159 million for the ten (10) year celebration of democratic rule in the country. Also, corrupt practices are carried out through inflation of contract values. For instance, the official resident of the Vice President was initially put at N7.0 billion; however, the sum of N9.0 billion was added to the initial sum of N7.0 billion thereby bringing the total sum of the contract to a whopping N16.0 billion. (ThisDay Online, 2011). The identity card scandal is another case of high profile corruption perpetrated by top public office holders during the Obasanjo led government. In 2001, the Obasanjo administration awarded the \$214 million National Identity Card project to SAGEM S.A. A French company under controversial circumstances because the Nigerian Security, Printing and Minting Company (NSPMC) bided for the same at a lower rate, was not obliged. At the end, the company SAGEM did not deliver what was expected of the contract. Yet the huge sum was scuttled and nothing happened. Again, throughout the eight years of Olusegun Obasanjo tenure in office, he took charge of the Petroleum Ministry where high level corrupt practices took place with impunity. The over \$400 million invested on the turn-around maintenance and repairs of refineries failed to yield positive result, and contractors awarded contracts for the repairs and maintenance were never brought to book (Adekeye, 2003:3). Over \$6 billion dollars was squandered in the power sector since 1999 and the chunk of this money is believed to have been stolen by public office holders in collaboration with contractors.

Similarly, through public hearings which ordinarily supposed to afford legislators the opportunity to investigate and get more facts that will enable them enact acceptable laws, the same process has become a money making venture for members. Depending on the magnitude and scope of its mandate, committees draw a budget of between N3 million and N7.0 million per public hearing. Such allocations are purportedly spent on publicity, press conferences, feeding, official reporters, entertainments, consultancy, contingency and travels. And such committee members often times have been accused of having received bribes from invited companies, individuals and corporate organizations for smooth presentations on the floor of the House. A case in mind is the indictment of the House of Representatives Committee on Subsidy of over \$162,000 by Nigeria's business mongo Chief Otedeola in 2012.

In 2002, a consultant was reportedly paid the sum of N3, 240,000 to assess the impact of the National Assembly in the politics of the nation. Similarly, the speaker of the House of Representatives said to have received the sum of N3, 240,000 and N500,000 to assess the impact of the National Assembly in the politics of the nation and for the maintenance of his official quarters which includes the purchase of toiletries and the feeding of animals respectively (The Guardian, 2000:8). During the same period, the Deputy Speakers office expended the sum of N226, 000 to pay for hotel bills of his visitors (The Guardian, 2000:8). Thus, a culture of impunity spread throughout the political class in the country. While it may not be disputed that these leadership positions are honourable offices in modern democratic governance, which must be accompany with some special privileges and honour, the level of affluence must be comparable to the material wellbeing of those whom they claim to serve. In all these, what the people simply need are basic amenities that will bring about improve conditions of life in society. Undoubtedly, wasteful spending through corrupt practices by our political leaders is causing high cost of governance. So much of our financial resources are committed to non-productive activities, while the productive sector suffers.

That corruption is the bane of Nigeria's socioeconomic development is to state the obvious. Today, there is a general consensus among Nigerians that corruption has inevitably become a major clog in the quest for sustainable growth and development in the country. Corruption and corrupt practices remains a crucial impediment to achieving most of our desired goals as a nation. Corruption like a deadly virus, it attacks the vital structures and

systems that engender progressive functioning of society. The corruption scourge has largely retarded social development, undermines economic growth, discouraged foreign investment and reduced the resources for infrastructural development, public services, and poverty reduction. Thus, corruption is a crucial factor for high cost of governance in Nigeria as resources for development is persistently siphoned into personal pockets by the leadership class.

The multiplication of ministries and extra-ministerial bodies: Besides corruption, the large number of ministries, Departments and Agencies of government has also been identified as a major problem of the high cost of governance in the country. The establishment of numerous parastatals and the appointment of political loyalists into the boards of these organizations cost additional burden to the government. The history of public corporations and other agencies of government started in the colonial era. These bodies were established to provide essential services (e.g. water, electricity, railway, health, etc.) to the people. However, the post independent era witness a watershed in the increase in these agencies and ministries. For instance, there were only about 50 of these corporations at independence in 1960. But by 1991 the number of corporations has increased to over 1500 including those of the Federal Government, the State and the Local Government (Obikeze and Anthony, 2004: 252). At present, there are about 541 public corporations and agencies owned by the Federal Government. Therefore, the Federal government will have to appoint over 5,000 persons into the over 541 corporations and agencies. And all the salaries and allowances are paid through the provision made in the annual budget. Worst still is the fact that some of these parastatals are duplicated as they perform the same or similar functions (e.g. WAEC and NECO, ICPC, EFCC and the Code of Conduct Bureau, Minister, Minister of State, etc). However, the study accepts the fact that the creation of more corporation and parastatals somehow provided employment for few persons. Nonetheless, in actual fact these bodies are created to provide the avenue to pacify loyalist and through them accumulate wealth. Ake (1981) advanced the argument that the national petit-bourgeoisie which inherited political power from the colonial masters only used these organizations to accumulate wealth to consolidate their political power. Thus, they use the instrumentality of the state to empower themselves economically. As it was in the early post-colonial time, so also it is even today. These parastatals and corporations remain a conduit pipe in the hands of the political class to loot the treasury of the Nigerian State. In Nigeria, it is not uncommon for a political leader to channel more financial resources to corporations where he or she has collaborators even when such organizations are not performing. The aim is to siphoned money into their private pockets. It all adds to the cost of governance.

EFFECTS OF HIGH COST OF GOVERNANCE IN NIGERIA

Important findings of the study are the numerous effects the huge financial spending on non-productive activities can cause in society. In the context of Nigeria, high cost of governance indicates huge negative effect on the entire Nigerian society, in politics and socioeconomic spheres of the Nigeria society.

POLITICAL EFFECTS

1. **Politics of self-aggrandizement:** In respect to politics, the study discovered that, our politicians who now occupy elective offices and positions rule society for their personal interests. They are more concerned with maintaining their economic interest and the interest of their families and friends. In effect, Nigerian politics is self-serving rather than see themselves as a call to service. This situation informed Adejumo to opined that, “public office holders live far above the citizens they are expected to serve, thus becoming disconnected from the sufferings and yearning of the people” (Adejumo, 2009:2). There is actually a disconnect between those who hold power positions and use the same to the benefit of the citizens in the Nigerian society.

2. **Centralization of political power:** Irrespective of the adoption of a federal constitution and administrative structure, economic resources are been owned and controlled by the central government. In recent times the country has witnessed increasing centralization of economic power at the center (the National Government). The national government has become so powerful as a result of the concentration of both political and economic power. This has created a situation of fierce struggle among ethnic groups and individuals to have control over the center for the distribution and redistribution of the limited resources of the nation.

3. The gradual development into a one-party state as the ruling People’s Democratic Party (PDP) controls more than 70% of the 36 states of the Federation including the Local Councils, State Assemblies and the National Legislature. And there are virtually no organized, well coordinated and effective oppositions either at the national or at the sub-units.

SOCIO-ECONOMIC EFFECTS

1. **The emergence of dominant classes in society:** In the economic sphere, the Nigerian society is further polarized as the dominant class becomes more dominant and the lower class in society continues to go down the drain. That is we can see that two dominant but unequal economic classes exist in Nigeria. First, the ruling class who are also economically powerful. Majority of the members of this class accumulated wealth using the

instrumentalities of the state. Second, the masses that has no formal link to state resources but depend mostly on their labour power. However, because of the Kleptocratic governing system in Nigeria, the gap between these two classes in Nigeria is getting wider by the day. In other words, the rich is getting richer and the poor getting poorer. That is the inequality in income and wealth gap between the haves and have not is getting wider in Nigeria. This phenomenon tends to also explain the increasing number of poor in the society. This situation is heightened with the increasing levels of unemployment in the country. Development Economists such as David Seers argued that development is directly linked to the degree or level of inequality gap, poverty level and the level of unemployment in a given country. According to him, when all three are low, it then means that, that country is experiencing a period of development (Seers, 1969:3 cited in Ujo 1994:6). On the other hand, "if these central problems have been growing worse, especially if all three have, it would be strange to call the result development" (Seer, 1969:3). Therefore, following the assertions of David Seers, it would be totally strange for anyone to say that Nigeria is experiencing a period development in the Fourth Republic when known very well that poverty, inequality in income and wealth and unemployment is getting worse, as a result of non-investment in productive activities.

2. Low agricultural activities: Huge spending on recurrent activities has affected the country's agricultural sector over the years. Agriculture used to be the main stay of the nation's economy before the oil boom in the 1970s and 1980s. Agriculture used to contribute over 60 per cent of the nation's Gross Domestic Product (GDP) and over 85 per cent employment in Nigeria. But today, the same sector now contributes less than 40 per cent of GDP as a result of years of neglect and non-investment in the sector by government.

3. Low industrial activities: Equally, the industrial/manufacturing sector is dead as hundreds of industries have folded up due to problems closely associated with the high cost of doing business in the country as companies needs to generate power all on their own through generating sets to keep their businesses on. Besides the high cost of doing business, another problematic area is the hostile nature of the environment. A lot of foreign companies had to leave the country for other African nations as a result of violence in many part of the country when the nation returned to democratic rule in 1999. The important implications are that, it affected the rate of employment in the country and reduced the rate of industrial activities in Nigeria.

4. Increase in unemployment: The lack of government investment in capital projects has led to an increase in the rate of unemployment in the country. Observation indicates that over 25 million Nigerians are believed to be unemployed, while the 103 universities and the over 100 polytechnics and colleges of educations turns out over 150,000 graduates yearly (Nigerian Masterweb News, 2013). This is partly because of the almost non-existence of the private sector in the Nigerian economy. This made the public sector the largest employer of labour. In every economy, that wants to develop needs an effective and active participation of the private sector, Nigeria should not be an exception to this rule. This is against the backdrop that the public sector employment as it stands now is less than 10 million including Federal, State, and the Local Government civil servants. This is gross inadequate considering the large number of graduates produced in our tertiary institutions every year.

5. Increase in poverty: The high cost of democratic governance in Nigeria has increased the poverty level. Available data put the national poverty level at 54. 4 per cent (National Bureau of Statistics cited in Nigerian Masterweb News, 2013). Furthermore, Nigeria lags behind other countries in human development indicators. For example, while China and Thailand are in the 5th and 22nd positions respectively, in the 2009 Global Hunger Index, Nigeria was ranked 46th. This can be attributed largely to the huge infrastructural deficit, rising insecurity, mass corruption and widespread poverty. In a lecture delivered at the convocational ceremony of the University of Nigeria Nsuka, (UNN), Eze Ekwesileze cited in Akinyemi (2013:2) gives a succinct picture of the poor state of the Nigerian people among countries of the world. Statistics figures shows that in 1978, only about 1.7 million Nigerians were below the poverty, by 1985 this number had increased to 34.5 million, in 1992 it was 39.2 million, in 1996 it was 67.1 million, by 2004, the number further increased to 68.7 million, at present over 112.47 million Nigerians are classified as poor people out of a total population of about 140 million people (Akinyemi, 2013). A Report released by the United Nations Human Development Index (UNHDI) on human capital development ranked Nigeria 156 out of 186 countries studied across the world. Third world countries such as Angola (148), Bahamas (153), Bangladesh (146), Botswana (118) Cameroon (150), Cape Verde (133), Congo (137) Egypt (100), Gabon (106), Ghana (135) to mention but a few are all ranked higher than Nigeria (Akinyemi, 2013).

In the same Vein, life expectancy in Nigeria is about 51.9 years compared with Ghana, 64.2 years, Cape Verde 74.2 years, Morocco 72.2years and Egypt 73.2years,. for every 1000 births Nigeria records 138 deaths, as against Senegal's 93, Madagascar's 58, Bangladesh's 52, Sao Tome and Principles 78, Kenya's 84, Swaziland's 73, Ghana's 69, Cape Verde's 28, and against Zambia's 48 (Akinyemi, 2013). Thus, these statistical figures only show the level of economic rot Nigeria has found herself. Obviously, in all ramifications, Nigeria has performed absolutely below expectations.

6. Increase in domestic and external debts: Nigeria's foreign reserves have depreciated from over 60 billion dollars in 2007 to about 42 billion dollars in December 2009. Our foreign debts have also increased from about \$3.2 billion in 2007 to about \$5 billion in 2010. Similarly, our local debts have also recorded a sharp increase from N1.7 trillion or \$10.02 billion in 2006 to about N3.2 trillion in December 2009(Nigeria Masterweb News, 2013).

Nigeria also spends nearly a trillion naira every fiscal year to service both domestic and foreign debts. This is because in most cases the Federal Government is left with no funds thus resort to borrowing to finance capital projects earmarked for the fiscal year. This state of affairs has put the nation in perpetual state of indebtedness. And this is affecting the nation's economic development negatively.

7. Infrastructural decay: Obviously too, with all the waste and profligacy, corruption and mismanagement, there is hardly any funds left to carry out vital infrastructural development at all levels of government. Hence, we now see poor and moribund state of our roads, railways, hospitals, educational facilities, low agriculture and industrialization, poor power supply in Nigeria etc. The government simply lacks the requisite financial resources to do anything about the provision of social amenities because large chunk of its financial resources are often times siphoned into private pockets. Adewole and Osabuohien (2007:157) observing the situation stated that "the cost consequences are enormous and represent a diversion of resources from developmental activities to the financing of non-productive projects." When poverty, unemployment and inequality are high in society, there is every possibility for the emergence of violence in its numerous forms (e.g. ethnic, sectarian, and religious) thus society can easily become insecure. The emerging sectional, ethnic, and religious violence in Nigeria may be understood from this point of view

Concluding Remarks

Finally, the findings of the study indicate that the solution to the problem of high cost of governance is good governance and good leadership. Our leadership should live above self-interest through primary accumulation using the instruments of the state. Instead, those who are privilege to see themselves in power positions should use their offices to better the life of the people. Our understandings of modern democracy is the highly upheld view and believe that the more paramount function of government is the effective and efficient utilization of scarce resources to bring about improvement in the conditions of life of the majority. This means that every single naira of public fund should be spent in such a way to bring about maximum benefits to the majority of the people. However, democratic rule in Nigeria has not been able to deliver to the people good governance, effective leadership, social amenities which could have help improve standard of living among the people. Rather, what Nigerians have come to know and understand is the obvious fact that politicians are concerned about their own economic interest and the interest of their family members. This situation has galvanized in Nigeria's body politics, the polarization of the entire population into two distinctive classes (the ruling class and the non-ruling class). Each class is characterized by some distinctive elements that clearly separate the two from each other. One dominated by the economic and politically well positioned in society (the haves) and the have not. Under this circumstance, violence and other forms of social vices are inevitable. The study advanced the argument that the ongoing ethno-religious crisis in Nigeria may not be unconnected with the prevailing economic situations of the people.

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