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PROVISION

MPA754

PUBLIC ENTERPRISES MANAGEMENT

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Public Enterprises Management

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PUBLIC ENTERPRISES MANAGEMENT

MODULE 1 PRINCIPLES OF PUBLIC ENTERPRISES

Unit 1 Definition and Origin of Public Enterprises

Unit 2 Characteristics, classification, creation and reasons for the establishment of Public Enterprise

Unit 3 Problems of Public Enterprises in Nigeria.

UNIT 1

DEFINITION AND ORIGIN OF PUBLIC  
ENTERPRISES

CONTENTS

1.0 Introduction

2.0 Objectives

3.0 Main Content

3.1 Definition of Public Enterprises

3.2 Meaning of Public Enterprises

3.3 Origin of Public Enterprises

4.0 Conclusion

5.0 Summary

6.0 Tutor Marked Assignment

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1.0 INTRODUCTION

In this unit, you are introduced to the concept of public enterprise. This is to enable you know the definition meaning, and origin of public enterprises. The comprehension of any concept depends on analysis its features and this is the reason you are being introduced to them first.

## 2.0 OBJECTIVES

- At the end of this unit, you should be able to:
- Know the definitions of Public enterprises
- Understand the meaning of public enterprises
- Trace the origin of public enterprises

## 3.0 MAIN CONTENT

### 3.1 Definition of Public Enterprises

Public Enterprises can be defined as "an organisation that is set up as a corporate body and as part of the governmental apparatus for an entrepreneurial or entrepreneurial-like objectives." Public Enterprises are organisations which emerged as a result of government acting in the capacity of an entrepreneur. (Obikeze and Anthony 2004:248). Public Enterprises (also known as public corporation) is defined by Dimock and Dimock 1970:69 as publicly-owned enterprise that has been chartered under federal, state or local government law for a particular business or financial purpose According to Pfiffner (1964:40) "A corporation is a body framed for the purpose of enabling a number of persons to act as single person."

### 3.2 Meaning of Public Enterprises

Public Enterprises essentially has the features of several individuals who act as one. The enterprise, thus is viewed as an artificial person which is authorized by law to carry, on particular activities and functions. It is described as a corporate body created by the legislature with defined powers and functions and independently having a clear-cut jurisdiction over a specified area or over a particular type of commercial activity. (Ekhaton:2002:167).

Public Enterprises is part of government apparatus and three implications are hereby highlighted. First, a public enterprise, by virtue of its intricate relationship with government, is an instrument of public

policy and its primary mission is in connection with governmental objectives and programmes. It is therefore naturally under governmental control. Second, a public enterprise, by its nature, mostly manages public resources, especially public money and this means that attention must be paid to mechanisms for enforcing accountability. Third, the combination of financial and economic objectives with social and political aims invariably makes it difficult to devise appropriate performance measurement instrument. (Obikeze and Anthony: 2004: 248-249).

#### SELF ASSESSMENT EXERCISE 1

What do you understand by Public Enterprises

#### ANSWER

Public Enterprises is an organisation that is set up as a corporate body and as part of the government for an entrepreneurial or entrepreneurial like objective.

### 3.3 Origin of Public Enterprises

The origin of Public Enterprises could be traced to early twentieth century when government intervened in economic management through departmental organisations, which did not involve creating autonomous public bodies. In the alternative, it granted license to a private enterprise for the management of natural or national monopolies and where public bodies were involved in managing economic ventures, such bodies did not enjoy financial autonomy.

Public Enterprises made a very strong appearance after World War I for a variety of reasons, including managing the consequences of the war, especially the economic crisis of the 1930's. However, Public Enterprises sector developed rapidly because of the spread of Keynesian Interventionist.

Between the two years World War, political and ideological consideration prompted the establishment of parastatals in the former colonial metropolis. The movement toward the establishment of Public Enterprises received a new impetus after the World War II for reasons related to both ideological considerations and economic efficiency. Economic nationalism and the success of the soviet revolution paved the way for nationalization and strong state intervention in national economic management.

When the former 'European colonies in Africa became independent in

the late 1950's and the 1960's, there were only a few Public Enterprises in different countries. The Public Enterprises sector then developed at a tremendous pace in the immediate years after independence through the 1980s and a huge Public Enterprise sector was firmly established in most of the Countries. The weakness of the private sector, the lack of infrastructure, the low level of social and human development and the unfavourable social, economic, and financial environment are some of the reasons given to explain the proliferation of Public Enterprises in all areas of economic and social development. Other reasons include the urge to generate revenue to limit foreign economic domination, and to provide a substitute for private initiative where it was not forthcoming.

Public Enterprises in Nigeria back to the colonial era when colonial government established some public enterprises to provide essential services like electricity, railway and water. The post independent era marked a watershed in the growth and spread of Public Corporations. At Independence in 1960, Nigeria had fifty (50) Public Enterprises, 200 in 1970s and 1,500 in 1987 when government embarked upon economic reform programmes. The factors that account for the phenomenal increase include: the evolution of the Federal administrative structures

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(from four units in 1950s to twelve in 1967, nineteen in 1976, twenty-one in 1987, thirty in 1991 and thirty-six in 1996), the oil boom, and successive governments commitment to making public Enterprises an instrument of state economic intervention in the 1970s. (Adamolekun: 2002:33).

### SELF ASSESSMENT EXERCISE 2

State two main factors for the establishment of Public Enterprises

#### ANSWER

- The weakness of the Private Sector; and
- The urge to generate revenue by government.

### 4.0 CONCLUSION

Public Enterprises is a publicly-owned corporation, which manages public resources and subject to mechanism of accountability.

In the next unit, emphasizes would be made to classify Public Enterprises to enable you know how they operate.

### 5.0 SUMMARY

Public Enterprises are government interventionist efforts in

entrepreneurial ventures. They became prominent between the World Wars I and II. In Nigeria. Public Enterprises started during colonial era and increased rapidly after independence. subsequent reforms in Nigeria since 1980s equally affected the upward quantity of Public Enterprises.

#### 6.0 TUTOR- MARKED ASSIGNMENT

Discuss the origin of Public Enterprises in Nigeria.

#### 7.0 REFERENCES/FURTHER READINGS

Adamolekun, L. (ed) (2002). Public Administration in Africa: Main issues and selected country studies. Ibadan: Spectrum Books Limited.

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UNIT 2

CHARACTERISTICS, CLASSIFICATION,  
CREATION AND REASONS FOR THE  
ESTABLISHMENT OF PUBLIC ENTERPRISES

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Characteristics

3.3.1

Creating a Public Enterprises from scratch

3.3.2

Taking over Private Business

3.3.3

Dissolving a Public Enterprises

3.2

Classification of Public Enterprises

3.3

Creation of Public Enterprises

3.4

Reason for the establishment of Public

Enterprises

4.0 Conclusion

5.0 Summary

6.0 Tutor-Marked Assignment

7.0 References/Further Readings

1.0

## INTRODUCTION

Unit 2 introduces you to the characteristics, classification, creation and reasons for the establishment of Public Enterprises. This is to enable you fully comprehend the concept of Public Enterprises.

2.0

## OBJECTIVES

At the end of this unit, you should be able:

- know the different characteristics of Public Enterprises
- to understand the classification of Public Enterprises
- know how Public Enterprises are created
- To give reasons for the creation of Public Enterprises

3.0

## MAIN CONTENT

3.1

The Main Characteristics of Public Enterprises are:

i.

A Public Enterprises comes into existence as a result of an Act passed by the legislature or a decree under, military rule. Public Enterprise also defines its aims and objectives, powers and duties,

immunities, the form of management and relationship with established departments and ministries.

ii.

It is a legal person, capable of suing and being sued, entering into contracts, acquiring and owing property in its own name and can also dispose of property than ordinary government departments.

iii.

It is wholly owned by the state.

iv.

Except for appropriations to produce capital or to cover losses, a public enterprise is usually independently financed. It obtains its funds from the treasury or the public and from revenues derived from the sale of goods and services. It is authorized to use and reuse its revenues.

v.

It is generally exempted from most regulatory and prohibitory statutes applicable to expenditure of public funds. There are no hard and fast rules behind them in the matter of making contracts of buying and selling works, etc. Thus, a great deal of liability and discretion is left for the management in the matter of procedure.

vi.

It is ordinarily not subject to the budget, account and audit laws and procedures applicable to government departments. Their audit is to be done by the Accountant-General of Nigeria or any

other person appointed by him. However, both the accounts and audit, are commercial nature.

vii.

Excluding the offices taken from government departments on deputation the employees of public corporations are not civil servant and are not governed by government regulations in respect of conditions of service. The recruitment is not subject to civil service rules, promotion is by seniority and personnel can be fired easily if they are incompetent

viii.

Corporations are free from the control of the legislature.

(Ekhaton: 2002:168-169)

### 3.2

#### Classification of Public Enterprises

Public Enterprises are classified into three; namely public/statutory corporations, state-owned companies, and mixed economy enterprises.

They are explained below:

i.

Public/Statutory Corporation: These are enterprises, which arise when the government assumes responsibility for the management of an economic or social pursuit through a special entity that has its own legal personality and still keeps some of the special prerogatives or privileges associated with a governmental organisation. The blend of these features is aimed at enabling the organisation to function effectively as an autonomous body while it remains an instrument of government

policy. Enterprises that fall under statutory corporations include

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Central Bank of Nigeria (CBN), Nigerian Television Authority (NTA) and Federal Radio Corporation of Nigeria (FRCN) among others.

ii.

**State Owned Companies:** These are companies created by government under the provisions of ordinary company law, though they belong entirely to the government. They are registered in the registry of companies, with the government as the sole proprietor. Government, therefore, appoints the Board of Directors as is customary in private companies. Example of such companies include New Nigeria Newspaper Ltd, New Nigeria Development Company Ltd and Odua Investment Company Ltd.

iii.

**Mixed-Economy Enterprises:** These are enterprises where the government is the majority shareholder in a partnership with private entrepreneurs. In such companies, government usually dominates the board since it is the major shareholder. One example of such enterprises is Peugeot Automobile Nigeria Ltd. (PAN). (Obikeze and Anthony: 2004:249-250).

## SELF ASSESSMENT EXERCISE 1

Mention 3 types of Public Enterprises

## ANSWER

- Public/Statutory corporations
- State Owned Companies
- Mixed Economy Enterprises

### 3.3

#### Creation of Public Enterprises

The creation of a Public Enterprise raises some important legal issues.

Whether a government is setting up a parastatal from scratch or is taking over ventures belonging to private interest, the choice of the legal status of the enterprises depends greatly on the prevailing constitutional and legal provisions on government intervention in business and on private property protection.

#### 3.3.1 Creating a Public Enterprise from Scratch

In a democratic setting, the primary responsibility lies with the legislature. This is to restrict individual rights and Public Liberties, as it affects free competition and whatever reduces the freedom to embark on an economic activity in a society that recognizes private initiative must be backed by law.

#### 3.3.2 Taking over Private Business



The process of taking over private enterprises or transferring the ownership of private enterprises to government is called nationalization.

An enabling law \*is needed to effect such a transfer, which in some cases the enterprise being taken over is specifically mentioned in the law, but in other cases, some general criteria are indicated to delineate the activity or type of entities concerned.

### 3.3.3 Dissolving a Public Enterprise

Public enterprise can be dissolved by liquidation, a transfer to private ownership (privatization), or a merger with another Public enterprises.

In the last case, the executive arm of government can handle, but in other cases, an act of parliament is required. (Adamolekun: 2002:31-32)

### 3.4 Reasons for the Establishment of Public Enterprises

There are many reasons for the establishment of Public enterprises.

They are outlined below:

- The desire to use the Public Enterprise as an instrument of effective plan implementation in a context where it appears futile devise a development plan for the private sector.

- The need to secure economic independence

- The urgent desire to assure government control over "strategic" sectors of the economy (e.g Central Banking, Broadcasting, iron

and steel, roads, shipping, etc).

-The need to separate some activities from the civil service and allow more autonomy in their running.

-The perceived need to provide employment for the citizens in context where the private sector offers very limited employment opportunities.

-The need to ensure state control of key profitable enterprises with a view to generating revenues that will add to available national capital for financing development programmes and projects.

-The desire of some socialist-orientated regimes to use state control of key profitable enterprises to pursue the objectives of preventing the concentration of wealth or of the means of production and exchange in the hands of few individuals or of a group (i.e promoting equitable distribution of wealth). (Obikeze and Anthony: 2004:253).

## SELF ASSESSMENT EXERCISE 2

How are Public Enterprises created?

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### ANSWER

- Created from a scratch, or
- Taking over private business

4.0

### CONCLUSION

The characteristics, classification, creation and reason for the establishment of public enterprises are discussed in this unit. This gives insight into how public enterprises are classified, their features methods and reason for creating them.

5.0

### SUMMARY

The eight characteristics of Public Enterprises were discussed and so the 3 types of Public Enterprises. Methods for creating Public Enterprises as well reasons for their creation were also analysed.

This gives you further explanation on the concepts of Public enterprises.

6.0

### TUTOR MARKED ASSIGNMENT

No Public Enterprise is established from nothing. Give reason for the emergence of Public Enterprises.

7.0

#### REFERENCES/FURTHER READINGS

Adamolekun, L. (ed) (2002). Public Administration in Africa: A Nigeria and Comparative Perspective: London: Longman.

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PUBLIC ENTERPRISES MANAGEMENT

UNIT 3

PROBLEMS OF PUBLIC ENTERPRISES IN  
NIGERIA

CONTENTS

1.0 Introduction

2.0 Objectives

3.0 Main Content

3.1 General Problems of Public Enterprises

3.2 Incomplete Management

3.3 Government interference

3.4 Monopoly

3.5 Conflict of objectives

4.0 Conclusion

5.0 Summary

6.0 Tutor Marked Assignment

7.0 References/Further Readings.

1.0 INTRODUCTION

The problems of Public Enterprises in Nigeria are many and also varied.

They include lack of proper objectives, uncoordinated development programmes, bad leadership, government interference, monopoly, inadequate infrastructure, conflict of objectives, among others. Some of these problems are discussed in this unit.

## 2.0 OBJECTIVES

For you to know:

- Problems of public enterprises
- Incompetent management convergences
- Government interference
- Evils of monopoly; and
- Conflict of objectives.

### 3.1

#### General Problems of Public Enterprises

The fundamental problems of Public Enterprises are the defective capital structures, excessive bureaucratic control or intervention, inappropriate technology, gross incompetence, mismanagement, corruption and crippling complacency which monopoly engenders.

Public Enterprises equally served as platforms for patronage and promotion of political objectives and therefore even when their

managements have the will and the capability to work honestly they will still suffer from operational interference by political appointees.

Furthermore, most of the leadership of public enterprises in Nigeria are corrupt and they feel only accountable to the political office holders who got them their jobs instead of serving public interest. (Ejiofor:1984:18)

### 3.2 Incompetent Management

It is mandatory for the management of every organisation to carry out its organizational objectives. Hence it is expected that the management would have the technical or managerial competence to do their duties. But in most Nigeria's Public Enterprises the management teams are not appointed on merit basis, rather appointments are considered on political connections or primordial reasons. Consequently, the appointees lack skills expertise or experience, and the management may end up mismanaging the enterprises. Similarly, Board members of public enterprises may not possess any requisite skills to perform their functions because they are politicians who are usually compensated for their political patronage or contribution. The Max Weber's assertion that candidates for position in organizations must be selected on the basis of technical qualifications is not adhered to in appointing both management and board members. This also results into recruitment and selection being based on emotive, primordial and purely sentimental reasons. The effect of incompetent staff is gross inefficiency in their operations. Moreover, political instability and lack of continuity of developmental programmes affect public enterprises in Nigeria.

## SELF ASSESSMENT EXERCISE 1

Mention one of the fundamental problems of public enterprises in Nigeria.

### ANSWER

One of the major problems of Public Enterprises in Nigeria is incompetent management.

### 3.3 Government Interference

With the limited autonomy granted public enterprises, they are expected to be free from the day to day bureaucratic bottle-neck of the mainstream civil service and government. In reality, however, political office holders regard public enterprises as their “property” and frequently interfere in their affairs. Ministers and/or commissioners who are managers of ministries of public enterprises interferes in issues normally within the jurisdiction of the board or management of political



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or personal reasons. Consequently, their interference could lead to distortion of policies, corruption and overstaff of public enterprises which often accounts for their inefficiency.

### 3.4 Monopoly

Most public enterprises operate as monopolies and therefore and therefore faced with the same problems which afflict monopolies. Since monopolies do not have competitors, they don't take the challenges to either innovate or offer better services seriously because they know that their customers have no alternative. Competitive market promotes efficiency since there are always options to choose from.

## SELF ASSESSMENT EXERCISE 2

How does government interference affect the performance of Public Enterprises in Nigeria

### ANSWER

Government interference can lead to distortion of policies, inefficiencies, corruption and bad leadership.

### 3.5 Conflict of Objectives

While Public Enterprises are established to provide essential services as a public utility, they are also expected to make profit as a business

outfit. These twin objective are contradictory and have been the main reason for non-performance of Public Enterprises. For example, despite political interference from government at the expense of economic rationality, Public Enterprises are still expected to make profits.

Economic and political rationalities are hardly compatible. (Obikeze and Anthony: 2004257 and 258)

#### 4.0 CONCLUSION

The problem of hindering the performance of Public Enterprises varies from one place to another. The basic ones, however are the political office holders interference, corruption, inefficiency, bad leadership, among others. Public Enterprises are also expected to make profit but government interference does not allow operating efficiently. Most demands of government officials from Public Enterprises management contradict their set up objectives but since they are government organizations, they have no option than to obey, though at public expenses.

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### 5.0 SUMMARY

We discussed the problems of Public Enterprises in Nigeria in this unit.

Such problems include: incompetent management, government interference, monopoly and conflict of objectives. From this lecture, you should have deduced the reason for the non-performance of Public Enterprises, especially in Nigeria.

### 6.0 TUTOR-MARKED ASSIGNMENT

Critically analyze the major problems of Public Enterprises in Nigeria

### 7.0 REFERENCE/FURTHER READINGS

Ejiofor, P.N.O. (1984), "Making Our Organizations Perform"

Anambra State Public Service Lecture. Enugu: Government printer

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PUBLIC ENTERPRISES MANAGEMENT

MODULE 2 PUBLIC ENTERPRISE REFORMS

Unit 1 Management and control of Public Enterprises

Unit 2 Performance, probes and commissions of inquiry  
into Public Enterprises

Unit 3 Privatization and commercialization of  
Public Enterprises

UNIT 1

MANAGEMENT AND CONTROL OF PUBLIC  
ENTERPRISES

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3.0 Main Content

3.1 Management of Public Corporations

3.2 Control of Public Corporations

4.0 Conclusion

5.0 Summary

6.0 Tutor-marked Assignment

7.0 Reference /Further Readings

1.0 INTRODUCTION

The management and control of public corporations are necessary in order to have effective and efficient Public Enterprises. The techniques therefore would be explained to you in this unit.

## 2.0 OBJECTIVES

After going through this unit, you should be able to:

- 

Know the management techniques of public corporations

- 

Know the control mechanisms employed by government in controlling public corporations

## 3.0 MAIN CONTENT

### 3.1

#### Management of Public Corporations

The management of public corporations are done through the management boards and the policy board. Each of them are briefly explained below:

a)

#### The Executive Board

In the Executive Board, majority of members of the board are staff of the same organisation. They are usually the heads of the various departments of the organisation. However, a few outside representatives are brought in to represent some outside interest. For example, the Nigerian Railway Authority is an example of Public Utility that has an Executive Board.

b)

#### The Policy Board

Majority of the members of the Policy Board are from outside the organisation with few members from within the organisation. The Policy Board is responsible for managing all the Policy decisions of the organisation, but the implementation of Policies and the

day-to-day operation of the organisation are carried out by the managing Director. This method is applied to most Public corporations in Nigeria.

(Ujo: 1994: 82).

#### SELF ASSESSMENT EXERCISE 1

Identify the two management methods of Public Corporations.

#### ANSWER

i.

The Executive Board – with majority members from the same organisation and a few representing outside interests.

ii.

The Policy Board-which has mainly members from outside the organisation with one or two of them from the organisation.

#### 3.2

##### Control of Public Corporations

Even though Public Corporations are created to enable them have some degree of freedom to manage their affairs, they are still subject to various levels of control.

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### (i) Ministerial Control

The supervising minister controls the Public corporations under his or her ministry in the following ways.

#### -By the Appointment of Board Members

Since the minister is politically responsible for appointing members of the Board, he can dissolve it if he is not satisfied with their performance.

#### -Through Direction

The minister ensures that Public Corporations satisfy the public interest they are created to serve and this is done by giving occasional directives, which the corporation must obey.

#### -Giving Specific Controls

Some form of specific controls may be exercised by the minister on public corporations under his ministry. These controls may include the appointment of external auditors to audit the account of Public Corporations, reorganization of departments and controls on borrowing.

### (ii) Parliamentary Control

The parliamentary Control is necessary to ensure that the operation of Public Corporations is in accordance with Public Policy. Such controls include the following:

#### -Through Annual Report



Public Corporations are expected to submit comprehensive annual reports of their activities to the parliament through the minister and such reports are to be tabled in the parliament.

#### SELF ASSESSMENT EXERCISE 2

A minister can control Public Corporation through directives. Explain.

#### ANSWER

A minister control Public Corporation through directives to ensure that they satisfy the Public interest they are established to serve.

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-Through Annual Report

A public corporation is required by law to submit to the parliament its annual account for a given financial year.

-Through Debates

Both annual accounts and reports submitted by Public Corporations to the parliament are subject to debate in the parliament. Such debates are done within the Policy framework of the corporations.

-Through financial committees

The senate House Committee on finance may summon the minister or chief executive of a particular public Corporation to explain or discuss issues concerning his corporation (Akpan, 1882 : 63).

### 4.0 CONCLUSION

Control of Public corporations is necessary to compel them to provide the services they are created to provide in the public interest. These controls could be done through management mechanisms or out right controls of public corporations in accordance with the laws establishing them.

### 5.0 SUMMARY

In this unit you have been told the management of Public Corporations as well as their control techniques. Specific management methods (Executive and Policy boards) were discussed. Furthermore, controls through ministerial and parliamentary systems were also analysed.

#### 6.0 TUTOR MARKED ASSIGNMENT

Identify and discuss three ways by which parliament controls public Corporations.

#### 7.0 REFERENCES/ FURTHER READINGS

Akpan U.N (1982) Public Administration in Nigeria. London: Longman

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UNIT 2 PERFORMANCE, PROBES OF PUBLIC

COMMISSIONS OF INQUIRY INTO PUBLIC

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Performance of Public Enterprises

3.2

Probes and Commissions of inquiry into Public

Enterprises

4.0

Conclusion

5.0

Summary

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7.0

## References/Further Readings

1.0

## INTRODUCTION

It is a fact that most Public Enterprises in Nigeria have performed below expectations. They have become so inefficient as epitomized by the epileptic services they render to the public. The poor performance led to some probes and commissions of inquiry into the services of affected Public Enterprises in Nigeria. The aspects are discussed in this unit.

2.0

## OBJECTIVES

After gone through this unit, you should be able to:

- Assess the performance of Public Enterprises in Nigeria.
- Probes and commissions of inquiry into Public Enterprises.
- Understand the government efforts in Public Enterprises.

3.0

## MAIN CONTENT

3.1

### The performance of Public Enterprises in Nigeria

Over the years the government has pumped in a lot of money into Public Enterprises in Nigeria. However, instead of improving their services, most of them seemed to be retrogressing and became drain pipes on the economy without making any meaningful contribution to the nation's economy development through service delivery.(Obikeze and Obi,

2003: 41).

Virtually all Public Enterprises in Nigeria render epileptic and unsatisfactory service to the people. Commenting on the issue of

inefficiency of Public Enterprises on Nigeria, Alhaji Ahmed el-Rufai stated that “one needs to review the level of coverage and inefficiency of our utilities measured against what they draw, directly or indirectly from the federal treasury for this point to be irrevocably settled”,(Obikeze and Obi, 2003:42).

Fubara (1983:16) said the performance of Public Enterprises in Nigeria was low because:

In most government owned companies, government determined the financial pricing and distribution policies. And various competing extraneous authorities like the head of government, the chairman of the ruling party, the ministry of finance and the controlling ministry all influence decision of the board, and therefore, keep the chief executive on his toes trying to manipulate their influence for his convenience. In effect because the chief executive has too many bosses whom he must please, he has little time to plan for the success of his company. Here lies the problem of government companies and their inability to perform efficiently.

It is in view of the above reasons that returns on investments of Public Enterprises had been very poor. In 2002, the Director-

General Bureau of Public Enterprises, Nasir Ahmed El-Rufai said that:

These Public Enterprises consumed over one-third of all the money we made from the sale of oil since 1973.

Estimates of the Vision 2010 committee indicate that federal government investments on Public Enterprises stood at over Us \$100 billion in 1996. The return on these investment averaged less than 0.5 percent per annum. (Obikeze & Anthony: 2004:255)

#### SELF ASSESSMENT EXERCISE 1

How do you rate the performance of Public Enterprises in Nigeria?



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### ANSWER

The performance of Public Enterprises in Nigeria has been very low in spite of huge government investment in them. The reasons of poor performance could be traced to corruption and poor management.

### 3.2

#### Probes and Commission of Inquiry into Public Enterprises in Nigeria

Due to problems faced by Public Enterprises in Nigeria in the recent past, which included corruption, inefficiency and poor management, the Nigerian government attempted to solve these problems by taking certain steps. A commission was set up under Michael Ani to look into the problems of Public corporations and make appropriate recommendations. The Ani commission had recommended that the responsibility for personnel matters be removed from the boards and entrusted to an independent body to be called the Statutory Corporation Service Commission (SCSC). The recommendation was implemented at both the Federal and State levels. However, after its review in the early 1970s, the Udoji commission recommended that it should be abolished. The government accepted the recommendation and SCSC was eventually abolished.

The second option to solve the problem of Public Corporations in the

Nigeria by the government was to invite foreign management consultants to manage some of them. In 1979, the federal government brought into the country some experts to manage Public Corporations. A two -year management services agreement was signed between the Federal Government and Rail India technical and Economic Services Corporation (RITES) for the management of Nigerian Railways Corporation. Another agreement was signed with the Metallurgical Engineering Consultants of India (MECON) to manage the Nigeria Steel Authority. The government later terminated these agreements and reverted to the previous methods of management (Ujo: 1994: 84).

#### SELF ASSESSMENT EXERCISE 2

Mention one solution adopted by the Nigerian Government to solve the problem of Public Enterprises in Nigeria.

#### ANSWER

One of the solutions adopted by the Nigerian government to solve the problems of Public Enterprises. Was the governments signed between Nigerian government and some foreign companies to improve their

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services. These agreements were later terminated because the situation did not change for good.

The third and probably the last solution to the problem of Public Corporations being undertaken by the Nigerian government is the privatization and commercialization which is in unit 6.

### 4.0 CONCLUSION

From the analysis of the various problems threatening the effective performance of the Public Enterprises in Nigeria, it became clear that only government support, because of the social objectives, has enabled some of these enterprises to survive till now.

### 5.0 SUMMARY

In the unit 5 he had discussed the performance of Public Enterprises in Nigeria and realized that it is low. In view of this fact, government signed few agreements and commission of inquiry to probe their activities which later came up with some recommendations and were accepted by government but eventually dropped because of lack of positive effect.

### 6.0 TUTOR - MARKED ASSIGNMENT

Why did Public Enterprises in Nigeria failed to perform effectively?

### 7.0

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UNIT 3

PRIVATIZATION AND

COMMERCIALIZATION

CONTENTS

1.0 Introduction

2.0 Objectives

3.0

Main Content

3.1 Privatization of Public Enterprises

3.2 Commercialization of Public Enterprises

4.0 Conclusion

5.0 Summary

6.0 Tutor – Marked Assignment

7.0

References/Further Readings.

1.0 INTRODUCTION

Privatization is premised on the fact that business should be left for those who are better qualified to handle them, which is the private sector, while the government concentrates on its core duty of governance. Governance in this sense entails law making, law implementation and adjudication. Government involvement in business takes the form of regulation and it does this through its agencies.

However, in a contest where the referee is grossly incompetent, biased or both, then a fair result will not be expected.

According to Anyanwu, (1993:16), government regulates business in order to among other things “achieve Public Policy objectives of financial stability, high economic growth, stable prices, full employment, levels of output and equilibrium, balance of payments position”. Thus privatization without adequate regulatory agencies and measures will mean allowing ‘Laissez-faire’ attitude pervade the economy and this may lead to economic disorder and chaos. For example, businessmen, driven by the pursuit of profit, employ both ethical and unethical means. It is only law that will restrain their activities thereby protecting the people, business and society in general (Obiajulus, and Obi:2004:273).

## 2.0

### OBJECTIVES

- 

To enable you know the definitions, meanings and objectives of privatization and commercialization.

- 

How privatization affects citizens and the economy; and

- 

The effects of commercialization on Public Enterprises

### 3.0

#### MAIN CONTENT

### 3.1

#### Privatization of Public Enterprises

When the Nigerian context, privatization involves the disposal of all part of shares held by the government directly or through any of its agencies in the concern under consideration to carry on business. In other words, privatization involves the sale of government shareholder in any enterprises to non-governmental entities (institutions or individuals).

Nigerian economy is non-cultural – being dependent on petroleum for over 90% of its earning from the rest of the world. It is like putting one's eggs in one basket. Thus, the so-called structural adjustment programme of government aims at correcting this defect in the commercialization of some of our Public Enterprises, had been put in place with the hope that they would bring about desired structural changes.

In July 1988, the federal Military Government promulgated Decree No. 25, privatization and commercialization Decree which gave a legal backing to the execution of the privatization and commercialization programme in Nigeria. The objectives of the programme are:

(i)

To re-orientate the enterprises for privatization and

commercialization towards a new horizon of performance improvement, viability and overall efficiency.

(ii)

To develop the capital market

(iii)

To restructure the capital of affected enterprises in order to facilitate good management and access to capital market.

(iv)

To restructure and rationalized the public sector in order to lesson the dominance of unproductive investments in that sector.

(v)

To ensure positive returns on public sector investments in commercialize enterprises.

(vi)

To check the present absolute dependence on the treasury for the funding by otherwise commercially oriented parastatals, and encourage their approach to the capital market.

(vii)

To initiate the process of gradual cession to the private sector of such Public Enterprises which, by their nature and type of operations, are best performed by the capital market.

(viii)

To promote wide share ownership. The Decree provides for the establishment of the technical Committee on Privatization and Commercialization (TCPC) which is vested with the responsibility of implementing the programme.

Details of the duties of the committee are spelt out in sections 54 (1) and



(2) of Decree 25 of July1988.

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SELF ASSESSMENT EXERCISE 1

What is privatization?

ANSWER

Of all or part of shares held by the government directly or in any of its agencies to non-governmental entities, institutions or individuals.

3.2

Commercialization

Commercialization, is the re-organisation of enterprises wholly or partly owned by the government in which such commercialized enterprises shall operate as profit making commercial ventures and without subvention from the government.

Objectives of Commercialization

The objectives of commercialization programme are:

(i)

To restructure and rationalize Public Enterprises to ensure an effective, cost conscious, and goal oriented management and staff whose future is linked with the fortunes of the organisation they

operate.

(ii)

To undertake a comprehensive review of the accounting and management information system of the parastatals with a view to installing and maintaining modern and effective accounting systems which will produce promptly the necessary data for monitoring their financial and operational performance.

(iii)

To re-orient the enterprises for commercialization towards a new horizon of performance improvement, viability and overall efficiency: through the enforcement of strict commercial principles and practices.

(iv)

To check the present absolute dependence on the treasury for funding the otherwise commercially viable parastatals through a more realistic capital structure which will enable them approach the capital market to fund their operations without government guarantees.

Commercialization in Nigeria began in 1990 in the following areas.

(a)

Use of financial resources

(b)

Profitability

(c)

Development of its functional strengths and elimination of its weakness;

(d)

Product / service range; and

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(e) Human resources and organisation

Problems of commercialization includes:

(i)

Policy environment (not being conducive)

(ii)

Special privileges to some groups (negating the objectives of the programmes)

(iii)

Capital markets (not – being-able-to-cope) social costs (labour unions objecting)

(iv)

Inadequacy of preparation (TCPC coping)

(v)

Administrative capacity (training may help)

(vi)

Transparency of the process (enlightenment campaign)

(vii)

Other forms of privatization (e.g. contract)

(viii)

Measures for improving those that remain (important, may be neglected): and

(ix)

Investment of proceeds

For the commercialization programme in particular, success requires that more attention be paid to the issues of the rate of return, profit, the role of boards of debtors and management capacity (Sexty, 1985:60)

## SELF ASSESSMENT EXERCISE 2

Define Commercialization

ANSWER

Commercialization is the reorganization of enterprises wholly or partly owned by the government in which such commercialized enterprises shall operate as profit making commercial ventures and without subvention from government

4.0

## CONCLUSION

Privatization and Commercialization are discussed in this unit to enable you know their advantages and disadvantages to Public Enterprises in Nigeria.

5.0

## SUMMARY

Privatization means government selling part or whole shares owned by it in a Public Enterprises to individuals or institutions. Commercialization, on the other hand, refocuses a Public Enterprises for profit making.



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### 6.0 TUTOR- MARKED ASSIGNMENT

What does privatization involves?

### 7.0 REFERENCES/FURTHER READINGS

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PUBLIC ENTERPRISES MANAGEMENT

MODULE 3

ORGANISATION

Unit 1

Definition, meaning and characteristics of

organisation

Unit 2 Analysis and types organisation

UNIT 1

ORGANISATION DEFINITION,

MEANING AND ITS CHARACTERISTICS

CONTENTS

1.0 Introduction

2.0 Objectives

3.0 Main Content

3.1 Definition and Meaning of Organisation

3.2 Characteristics of organisation

4.0 Conclusion

5.0 Summary

6.0 Tutor-marked Assignment

7.0 References/Further Reading

## 1.0 INTRODUCTION

Organization is the most significant and integral part of administration.

Without proper organisation, administration is no possible.

Administration involves cooperative effort by a number of persons to achieve certain objectives. It is a clear fact that a number of persons must be organized so as to achieve the desired goal. They should work towards the same goal. This is possible with the existence of an organizational structure wherein their energies are directed towards a common goal. Thus, organisation is prior to every administrative action for no administrative action can be implemented without an organization.

In view of the above facts, our discussion will focus on the following themes: meaning, characteristics and analysis, of organization. (Ekhtor 2003:149).

## 2.0 OBJECTIVES

To enable you understand the:

- Definition and meaning of organisation
- Characteristics of organization

### 3.0 MAIN CONTENT

#### 3.1 Definition and Meaning of Organisation

The word 'Organisation' is used to denote the construction of the organisation or the result of the administrative structure. Organization should, therefore, mean only 'designing' the administrative machine. Urwick (1944) defines organization as "determining what activities are necessary to any purpose and arranging them in groups which may be assigned to individuals."

Other definitions given by various scholars are as follows:

"Organisation is the form of every human association for the attainment of a common purpose" (Mooney 1947)

"Organisation is the arrangement of personnel for facilitating the accomplishment of some agreed purpose through allocation of functions and responsibilities" (White 1948).

Organisation structure is a pattern of interrelated posts connected by line of delegated authority.

"Organisation is the formal structure of authority through which work sub-divisions are arranged, defined and coordinated for the

defined objectives” (Gulick 1937).

## Meaning of Organisation

However, in common usage the term organization means the act of putting things in working order. In public administration this term is used in three different ways. In the first place, it is used as the act of designing the administrative structure in such a way that Mr. “X” is seen as a great organizing leader. In the second sense, it is used as designing and building the structure. In the third sense, the term refers to administrative structure itself, as when we speak of the organization of the government of Japan, USA, UK. Some thinkers like Urwick confine the use of the term ‘Organisation’ to the first meaning. But many other thinkers, like Gladden, Pfiffner, Simon, etc do not approve of this view and are of the opinion that Urwick has missed the human aspect of organization. (Ekator, 2003:149-150)

## SELF ASSESSMENT EXERCISE 1

Define Organisation.

ANSWER

Organisation can be defined as “determining what activities are necessary to any purpose and arranging them in groups which may be assigned to individuals.

### 3.2 Characteristics of Organizations

Most organizations possess certain basic characteristics. According to Spiers (1975) there are five basic characteristics of an organization.

These are:

#### i. Membership

Most organizations comprise of a group of persons. Spiers writes that in the case of organizations, knowledge of belonging is a necessary criteria, and membership is nearly always voluntary, in that people are free to withdraw. He mentioned certain exceptions, e.g. the state, or enforced membership of a military organization.

#### ii. Organizations are consciously purposive

Organizations are there to do something positive for their members, for society, or for both. Political parties contest elections and try to get control of government, business organizations produce goods, religious organizations save should, and minister to persons' spiritual needs etc.

#### iii. Formal structure

A very prominent feature of organizational life is the phenomenon of formal structure. Formal structure means the definition of functions in an organization and their arrangement into a total pattern. According to Spiers, the essence of formalism is that functions are defined primarily in relation to one another and persons are considered as fulfilling these functions.

#### iv. Value system or Ideology

Spiers argues that all organizational life implies some reasonably coherent value system. The existence of such ideologies is equally observable in administrative and the political sphere. These ideologies affect the life and structure of organizations.

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v.

### Corporate status

Organizations almost always have some legal status by which they can be treated as social and legal entities, irrespective of the persons who might be said to inhabit them. (Ekhaton, 2003: 151)

## SELF ASSESSMENT EXERCISE 2

List 2 characteristics of an organization.

## ANSWER

i.

Membership: Most organizations comprise of a group of persons

ii.

Organizations are there to do something positive for their members, for society, or for both.

4.0

## CONCLUSION

Organization means the act of putting things in working order and is prior to any administrative action, hence its definition, meaning and features are discussed in this unit.

5.0

## SUMMARY

The importance of organization in administration is discussed as well as its meaning and features. Without organisation, nothing shall work out fine. More analysis of organisation shall be made in the next unit.

6.0

## TUTOR-MARKED ASSIGNMENT

Organisations precedes any administrative process. Discuss.

7.0

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## UNIT 2 ANALYSIS AND TYPES OF ORGANISATIONS

### CONTENTS

1.0 Introduction

2.0 Objectives

3.0 Main Content

3.1 Analysis of Organizations

3.2 Types of Organisation

4.0 Conclusion

5.0 Summary

6.0 Tutor-marked Assignment

7.0 References/Further Reading

### 1.0 INTRODUCTION

There are many literatures on the analysis of organisation. However, here, organisation is described in various ways and the significant consequences of organisation theories for practical administration.

### 2.0 OBJECTIVES

For you to know:

- Some analysis of organization and; and
- Types of organizations

### 3.0 MAIN CONTENT

3.1 Analysis of organizations

Spiers (1975) describes six such ways of looking at these organizations:

i. Organization as machines

The most basic of all approaches to the study of organizations assumes that organizational behaviour can be considered broadly in mechanistic terms. That is to say, the organization is considered to be most usefully described in terms of machines. According to him, if one supposes that organizations can, in some sense, be perceived as machines, the following consequences ensue. First, the conception of organization as a system of interrelated parts predisposes one to think that coordination is a primary task in the evaluation of organizational behaviour. Second, this necessitates the definition of functions in relation to work to be done, both for separate parts of the organization, and for interrelated parts. Third, behaviour and activity

are viewed primarily in term of their work coordination. Fourth, unsatisfactory circumstances are viewed in the same mechanical sense, i.e. as functional problems rather than any other way.

ii. Organizations as needs and responses

There are certain thinkers who give more emphasis to structure and function in the interpretation of organizational behaviour. The functionalist approach mainly concentrates on needs and responses to needs. He defines needs in terms of the "goals" or "purposes" of (a) individuals, (b) groups within organization, (c) organization as a whole,

(d) a group wider than the organization but less than society, and (e) society itself.

iii. Organization as societies

This analysis closely resembles the functionalist approach. It views organization as a miniature society. The functionalists believe that the central problem for society as a whole is the reconciliation of varying needs and interests of its members. The social functionalism, as it may be called, points out the prior necessity of a shared value system in order that such a reconciliation may take place.

The broad administrative consequence of this kind of approach is that there is a predisposition to see the organization not simply as a system of relatively discrete and interrelated parts but as a community of people. The structure of this community is analogous to the structure of

society at large. This conception aids in understanding the internal life of an organization.

#### iv. Organization and individual persons

Instead of seeing organizations as elements in society-wide systems, this approach concentrates on the experience of the individual member. This human relations approach stresses the need for organizations to make provision for the adjustment of individual psychological needs as expressed through small group relationships, to the wider needs of an organization's behaviour.

#### v. Organization and the technological core

There are some theorists who give importance to the concept of sociotechnical system. This means that in any organization, there is always a kind of technological core. In administration, the work processes of routine information systems could be regarded as the technological core.

They state that the consideration of internal technology must have certain important consequences for administrative action. First attention is shifted to the physical environment of the work process; secondly, the conception of the person and his physical environment leads to much more flexible possibilities to see that changing technology or even the technical expression of changing economic circumstances may have psychological effects because of its impact on the system.

vi.

#### Organization as Culture

This theory states that the activities of persons in organizations cannot be understood apart from meanings given to them by the persons themselves, colleagues, supervisors and official; goals which chiefly condition their actions and relationships.

The main impact of this cultural approach is that individuals and groups are seen as constrained, not by formal structures or even beliefs, but by roles and expectations, personally conceived, which in turn determine norms in an essentially relative fashion. Secondly, it is assumed that the organizational change and possibilities for change have to take account of these roles and expectations. Next, it diverts attention towards the exploration of internal subcultures and subtle cultural factors which determine norms and attitudes to work, authority, and Types of Organization. (Ekhtator, 2003:151 -152)

## SELF ASSESSMENT EXERCISE 1

Describe 2 ways of looking at organizations

### ANSWER

a.

Organisation as machines means that organizational behaviour can be considered broadly in mechanistic terms.

b.

Organizations as needs and responses are mainly of the functionalist approach. Needs here “goals or purposes of individuals, groups and organizations.

### 3.2

#### Types of Organizations

Maurice Spier (1975) mentions five types of organizations. These are:

firms engaged in goods production: In this category are included

i.

Business firm engaged in goods production: in this category are included those forms which may not produce goods but are

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concerned with the provision of services, e.g. newspaper agencies.

ii.

Those organizations that handle the administration of public services under this category are, the government Ministries/departments created to this laws and regulations of a country.

iii.

Other types of organizations are the religious organizations: According to Spier, these are among the most influential bodies in terms of numbers,

iv.

Private political organizations such a political parties: These include the pressure groups or interest groups. The main activity of these groups is to mobilize and represent the opinions of members.

v.

Military organization, i.e. armies These organizations are geared towards Welfare activities. (Ekhaton, 153)

## SELF ASSESSMENT EXERCISE 2

Itemize 3 types of organisation



## ANSWER

i.

Business firms engaged in goods production.

ii.

Organisations that handle the administration of public services

iii.

Religious organizations

4.0

## CONCLUSION

The analysis and types of organisation discussed as a necessity to enhance your knowledge on the importance of organisation.

5.0

## SUMMARY

The unit discussed both the analysis and types of organisation for your further understanding.

6.0

## TUTOR-MARKED ASSIGNMENT

How many types of organisation are mentioned in this unit

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### 7.0 REFERENCES /FURTHER READINGS

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PUBLIC ENTERPRISES MANAGEMENT

MODULE 4 THE CIVIL SERVICES

Unit 1 Definition and principles of civil services

Unit 2 Features and functions of civil service in Nigeria

Unit 3 Evolution h of the civil service

Unit 4 Nigerianisation policy

UNIT 1

DEFINITION AND PRINCIPLES OF CIVIL

SERVICES

CONTENTS

1.0 Introduction

2.0 Objectives

3.0 Main Content

3.1 Definition and Meaning of Civil Service

3.2 Principles of Civil Service

4.0 Conclusion

5.0 Summary

6.0 Tutor-marked Assignment

7.0 References/Further Reading

1.0 INTRODUCTION

The Civil service is the umbrella organisation in which the executive

arm of government utilizes to implement the rules and regulations as made by the legislatures.

## 2.0 OBJECTIVES

At the end of this unit, a student should be able to:

- 

Define and state what a civil service is.

- 

Discuss the salient principles guiding the civil service especially in Nigeria.

## 3.0 MAIN CONTENT

### 3.1 The Definition and Meaning of Civil Service

The civil service is a term used to cover these public servants who are direct employees of the federal and state governments, other than the police, the armed forces personnel, the judicial personnel and the teachers. Its usage excludes also employees of statutory corporations and boards (Nwosu 1977). According to Adebayo (1986) the civil service comprises all servants of the state, other than those holding political appointments, who are employed in a civil capacity and whose remuneration is paid out of (money voted by the legislature.

Adamolekun (1983) sees the civil service as "the body of permanent officials appointed to assist the political executive in formulating and implementing governmental policies". He also sees the second usage of the term as referring to "the ministries and departments within which specific aspects of government are carried out".

Though people often see the civil service and the public service as the same thing, they are technically, not the same. Public service as a term is broader in scope than civil service. Hence it includes not only those who work in the regular government ministries and departments but also statutory corporations, boards and the armed forces. Hence Adamolekun (1983) defines it as the , totality of services that are organized under government authority. It can therefore be said that civil service is narrower in scope and excludes some government employees who are public servants. (Obikeze & Anthony, 2004:140)

## Meaning of Civil Service

The civil service is the administrative structure employed in civil capacity to fulfill government policies and programmes. This can be viewed in terms of structures i.e. ministries, departments, etc. or the human occupants of public offices i.e. permanent secretaries, ministers, and higher administrative staff. The Nigerian Interpretation Act of 1964 does not expressly define the term civil service. However, section 2 of the pensions Act of 1951 defines the 'civil service, as the service in a civil capacity under the government of the federation or in a college University or a pensionable employment under local authority."

The civil service is distinguishable from the military service and police service in that while the latter two are principally concerned with the safeguard of the country from external and internal dangers, the former is concerned with purely civil and non-technical affairs of the state.

Members of the civil service are employed in a civil capacity as distinguished from military, judicial or police capacity. Military officers, judicial officers, police officers and many other technical officers like doctors, engineers, and draughtsmen are, strictly speaking, not civil

servants. Civil servants are mainly of two categories: lower clerical staff and higher administrative staff. The higher administrative staff is directly responsible to the political head of department. The lower clerical staff helps the administrative staff and works under its direct supervision and control. The State reaches the citizens through the civil servants who are well trained, skilled and permanent body of professional class of officials, and who have taken government service as a career. (Ekhtor, 2003: 254)

### 3.2 The Principles of the Civil Service

The civil service is guided by Vile trip, impartiality. The principle of permanence is also seen as part of the maxims. We will now explain all of them.

**Anonymity:**-the principle of Anonymity states that civil servants should be seen and not by principle be heard. Though they advise political office holders on issues relating to government they neither take the blame nor the glory of such policies. They are not expected to be seen defending such policies. That job is better than left for political office holders and not the career officers. Civil servants as far as possible, are anonymous, and should not be seen as craving for publicity.

**Neutrality:** The civil servant must be politically neutral. His job is to serve the government of the day with full dedication irrespective of what

he feels about that particular government. He ought not allow personal prejudices to colour his dedication to his duty. He is not expected to be a card carrying member of a political party or get involved in partisan politics though he is expected to vote at election times. The essence of making the civil servant politically neutral is hinged on the fact that since he does not leave with a change in government, he is not expected to have a strong attachment to any particular government so as to enable him give his best to make government policies succeed irrespective of his personal feelings towards such policies or government.

Impartiality:-Civil servants are paid from tax payers money which does not belong to anybody or group in particular. They are therefore expected to discharge their duties without fear or favour. Since the constitution emphasizes the equality of all citizens, they are supposed to be treated equally by the civil servants.

In rendering service to the public, the civil servant is expected to treat everybody with a high degree of impartiality. Favoritism is against the principle of the civil service and should not be encouraged in any guise whatsoever.



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Permanence:-The civil service is often defined as a permanent body of officials that carry out government decisions: It is permanent and its life is not tied to the life of any, particular government. Governments come and go but the service remains, or to use the; Nigerian Jargon, 'soldier go, soldier come but barrack remains'. The civil service in this regard, is the barrack that remains. (Obikeze & Anthony:2004)

### SELF ASSESSMENT EXERCISE 2

How many principles of Civil service are mentioned in this unit.

### ANSWER

They are four, namely:Anonymity,  
Neutrality, Impartiality and permanence

4.0

### CONCLUSION

The definition and principles of civil service introduced you to the concept. More analysis of civil service shall be discussed in subsequent units.

5.0

### SUMMARY

The concept of civil service is briefly discussed hereby discussing its definition and principles.

6.0

TUTOR – MARKED ASSIGNMENT

Mention three principle of civil service

7.0

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UNIT 2

FEATURES AND FUNCTIONS OF CIVIL  
SERVICE

CONTENTS

1.0

Introduction

2.0

Objectives

3.0

Main Content

3.1

Features of Civil Service

3.2

Functions of Civil Service

4.0

Conclusion

5.0

Summary

6.0

Tutor-marked Assignment

7.0

References/Further Readings

## 1.0

### INTRODUCTION

The civil service has features and functions. Both of them are discussed in this unit for your understanding.

## 2.0

### OBJECTIVES

At the end of this unit, you will know the:

- Features of civil service
- Functions of civil service

## 3.0

### MAIN CONTENT

#### 3.1

##### The Features of Civil Service

The administrative institutions in Nigeria are a legacy of the British model. Since Nigeria inherited virtually all administrative institutions from Britain, her erstwhile colonial rulers, the Nigerian Public service is based on the West Minister model. The main characteristics of the Nigerian public service includes the following:

##### (i)

Professionalism: The most significant feature of civil service is that it is a professional. class of officials who are trained and skilled. Like other professional groups of people engaged in different profession, the profession of civil servants is to run the administration. It does not mean that civil service is a single

profession like shoe-making or brick laying, rather, it is a sum total of multi-profession ranging from mail delivering to administering a local government area council, all engaged in a single aim, i.e the execution of public policy.

(ii)

Hierarchy. Hierarchy is the second fundamental characteristic found in civil service. By hierarchy we mean the separation between superior and subordinate offices, i.e. each lower office is under the control and supervision of a higher one. Then, there exist fixed salaries which are paid in accordance with the nature of the job and responsibility as well as the social status. In addition, there are chances of promotion and career advancement based on seniority and merit. Moreover, there is a right of appeal and statements of grievances from the lower to the higher authority.

(iii)

Legal basis: The civil service system is always provided with a legal basis. This may, to a large extent, be customary and uncodified or it may be in the form of ministerial regulations as in the United Kingdom, or it may be set forth in considerable detail in a written constitution for the political jurisdiction. Generally, it possess a statutory base either in an elaborate civil service code or in a collection of civil service laws.

(iv)

Personnel agency: In some countries there is a provision for a central personnel agency or agencies who are in charge of maintaining the civil system. To this end, usually the British

model is adopted by a large number of countries, where the responsibility of selection of civil servants is given to the civil service commission. In Nigeria, the Federal Civil Service Commission and state's civil service commission are made responsible for recruitment of federal and state civil servants.

(v)

Security of tenure or permanence: This means that changes in government do not bring about changes in public servants.

Governments come and go, public servants remain as long as they perform their work properly. The public service is a career to which the public servants can devote their time and energy until they attain retirement age. It is only in very serious cases of mis-behaviour that they can be dismissed or retired. (vi) Political neutrality. This means that public servants should not be member of any political party. They should not take part in partisan or party politics. They cannot contest election or comment publicly on political matters. If they wish to do so, they have to resign their appointment.

(vii)

Impartiality: The public servants are expected to apply the laws of the land without any fear or favour to any person or group of persons in the society. Thus, the public servants should serve all members of the public to the very best of their ability. They

should act with maximum fairness towards all members of the society. There should be no discrimination of any kind.

(viii)

Anonymity: This means that they must work without any aim of making fame or name. They should remain anonymous, whatever blame or praise for any act of omission or commission will directly go to the minister who is the political head of the department:

(ix)

Meritocracy: Another significant characteristic feature of the public service is that both recruitment from within and recruitment from without are based on merit. To be recruited into the service one has to satisfy certain given standards such as educational qualifications, good performance in the qualifying examination and interviews. Above all, promotion within the system is based on seniority, efficiency and experience.

(x)

Established procedures of work: In a developed civil service system, well established procedure are planned for the conduct of common personnel transactions such as recruitment, training, promotion, demotion, dismissal, performance evaluation, compensation etc. These standardized methods provide objectivity in the choice of entrants to the civil service and also



help in offering equal treatment to everybody already in service.

(Ekhtator, 2003: 255-256)

#### SELF ASSESSMENT EXERCISE 1

How many features of civil service are mentioned in this unit? List any five

#### ANSWER

They are ten, any five mentioned is okay.

#### 3.2

##### Functions of Civil Service

The functions of the civil service may be discussed under the following main heads:

(i)

Advice: The primary function of the civil service is to advise the, political executive. Ministers depend on the advice of their higher administrative staff who are the reservoir of information and wisdom regarding the subject matters which they administer. Even to formulate his own programme, the political executive rely on the civil service officials. While administering many

problems arise which are usually solved by the civil service before reporting to the political head, if at all, for approval or mere information.

(ii)

Programme planning: Broadly speaking, planning is the duty of the political chief executive; planning and periodic adjustments of the revenue structure is a responsibility of the minister for finance, agricultural prices and water policy, a function of the minister for Agriculture and Water resources, petroleum policy, a function of the Minister for petroleum, etc. But there is a field where the civil servants also perform the function of planning, and this is the field of delegated legislation. The legislature makes laws in broad outlines for execution and implementation of which certain basic rules and regulations are required. The civil servants who execute those laws determine the specific steps to take in order to bring to fruition a policy or a law already agreed upon. To the extent that the policy decision is ambiguous or vague, programme planning may actually affect policy though in principle. Its purpose is merely to effect policy. Programme planning involves a careful analysis of the job to be done. It is a deep perception of the whole operation. The success of any new policy will depend

ultimately upon good programme planning. Good performance planners develop by experience. They learn the art by daily practice and not by reading from books.

(iii)

Policy formulation: The civil servants advise their political head, the minister, on a wide range of policy matters. Thus, the civil servants play a crucial role in policy formulation.

(iv)

Drafting bills: Top civil servants aid their political boss to draft bills or to prepare legislative proposals. This is a usual practice in a parliamentary democracy.

(v)

Policy, implementation: Once a minister has decided on what to do, it is the responsibility of the civil servants to carry out such decisions.

(vi)

Budget preparation: The civil servants prepare the annual financial statements of their respective ministries: This annual financial statement which is technically called the yearly budget comprises income and -expenditure of government. The various financial statements from the various ministries are integrated into one document known as the budget.

(vii)

Law making: Besides bill drafting, the civil servants now make minor laws known as delegated legislation.

(viii)

Negotiation with outside groups: Civil servants discuss, bargain or negotiate with interest groups, other governments and international organizations on behalf of their own government.

(ix)

Quasi -Judicial Function: In recent times, civil servant protect civil liberties by institutional administrative inquiries into alleged wrong-doings of public officers and where such allegations are proved right, they recommend disciplinary actions to be taken against the affected officers.

(x)

Production: Another important function of the civil service is production. Goods produced may be tangible goods like kilograms of rice and kilometers of concrete roads, and less tangible services such as cases of legal disputes decided or school children educated. Every official involved in administration needs work standard to enable him to determine whether his organization is reasonably living up to mark, whether his subordinate staff are competent and whether there is a rise or fall in the level of efficiency and output.

(xi)

Organization and Methods: The primary purpose of which a civil service is set up is to effect improvement of working methods so as to remove waste and loss of efforts and secure complete utilization of available resources. This function is performed with the aid of units specialized in what has come to be known as organization and methods of work often called O & M. (Ekhaton, 2003: 257-2458)

#### SELF ASSESSMENT EXERCISE 2

Mention any 2 functions of the civil service

ANSWER

Any two discussed should be acceptable.

4.0

#### CONCLUSION

The features and functions of civil service are important in its understanding, hence they are analysed for you.

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### 5.0 SUMMARY

Extensive analysis of the features and function of civil service are discussed in this unit. The evolution of civil service shall be discussed next.

### 6.0 TUTOR-MARKED ASSIGNMENT

Itemize five (5) functions of civil service.

### 7.0 REFERENCES/FURTHER READING

Ekhaton, V.E. (2003), Rudiments of Public Administration. Kaduna: Joyce Graphic Printers & Publishers

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UNIT 3

EVOLUTION AND STRUCTURE OF THE

CIVIL SERVICE IN NIGERIA

CONTENTS

1.0 Introduction

2.0 Objectives

3.0 Main Content

3.1 The Evolution of civil service in Nigeria

3.2 The structure of Nigerian civil service

4.0 Conclusion

5.0 Summary

6.0 Tutor-marked Assignment

7.0 References/Further Readings

1.0 INTRODUCTION

Nigeria was colonized by Britain and the civil service in Nigeria was modeled after that of Britain. The evolution of the civil service in Nigeria started from colonial period and has undergone many processes. You are being treated to these process to enable you know how the civil service had evolved over the years.

2.0 OBJECTIVES

- To enable you know the evolution of Nigerian Civil Service;

· The Structure of the Nigerian Civil Service.

### 3.0 MAIN CONTENT

#### 3.1 The Evolution of Nigerian Civil Service

In tracing the emergence and growth of the civil service in Nigeria, Nwosu (1977) started from 1900 when Britain formally established her authority in most of the area that had then become Nigeria. The British divided the country into three for administrative purposes. They were the colony of Lagos and the protectorates of Northern and Southern Nigeria. Later in 1906 the Lagos colony was merged with the southern protectorate and renamed the colony and protectorate of southern Nigeria. In 1914 the two protectorates were amalgamated, and subsequently became known as the colony and protectorate of Nigeria.

In order to be able to administer the territory, Britain imposed a unified alien civil service on Nigeria without giving much thought to its impact on the Nigerian traditional communities with their conflicting values,



interests, norms and authority structure. (Kinglsey 1963). It must be pointed out that despite the amalgamation and its attendant unification of the civil services of the North and South, the two areas still developed, at their own pace.

The major function of the civil service was mainly the maintenance of law and order and raising enough revenue to sustain the colonial authorities. according to Okoli Onah (2002), the service was geared towards the negative policy of preventing trouble in the areas under its administration. Economic and social development was never a ' major objective of the administration.

Nwosu (1977) outlined the structure of the colonial service thus, At the head of the public service was the Governor-General, who was accountable to the colonial secretary in London. The colonial secretary was himself accountable to the British cabinet and the parliament. The Governor-General delegated his authority to the Chief Secretary, who was the effective head of the service.

The chief secretary coordinated the entire service which was divided into two major parts-the Departmental and the political administration. The Departmental administration covered the technical and professional

functions of the colonial regime. Such as Education, Health, Agriculture, Treasury Forestry Public works and Audit. Assisting the chief secretary were the various departmental heads. In the absence of elected representatives of the people, they not only advised the Governor, but initiated policies, participated in legislation, and supervised the execution of enacted bills and approved policies. While the heads of technical departments operated from the central secretariat in Lagos, their subordinates were in charge of field offices. Considering the 'authoritarian' nature of colonial regimes and given the limited scope of colonial policies, the technical and professional heads of departments carried their duties without deference to any organized clientele or public; the constraints and contingencies that stemmed from the wider environments were tackled by the field administrators.

The field officers referred to above were the lieutenant Governor, the residents, and the District officers. These officers who were the pillars of colonial administration were fully responsible for the maintenance of

law and order and the mobilization of resources, which in any case were the main goals of colonialism. In explaining the importance of these officials in colonial administration, Kingsley (1963) stated that

The president and the governor,, each in his geopolitical area, was concerned And more often than not, in more remote areas, a strong administrative officer was the government. In the real sense of it.

These field officers it must be pointed out did not rule the people. Indirectly, instead they ruled them through their own people indirect rule in the north it was fairly easy since the emirs were already fully in-charge before the advent of colonialism. They had almost questionable powers an also had a system of taxation. In the west where the Obas were fully in charge, (though with some measure of checks and balances) the indirect rule system was also successful. The east provided a different scenario all together. With the exception of few areas, where established traditional authorities were already in existence, the diffused authority system which was described as segmentary or fragmented (Ubikeze & Obi 2003) made it difficult for the indirect rule system to be introduced. However, this did not deter the colonial officials from building a structure on which their administration rested. They created the 'Warrant Chief's and made them to perform the roles that their counterparts in other parts of the country had been performing. It

undoubtedly encountered much problems.

The fusion of western administration with the traditional African, System, produced a new structure which Nwosu (1977) says corresponded with Fred Rigg's description of the pattern of role differentiation in a traditional society. Riggs (1963) said that:

We find, then, in the transitional society a dualistic situation. Formally superimposed institutions patterned after, western models coexist with earlier indigenous institutions of a traditional type in a complex pattern which was heterogeneous over lapping. The new patterns thrive best at the center in the higher levels of society; the alder patterns persist most vigorously at the periphery, in the rural hinterlands and the lower levels of society, but the mixture is everywhere present and produces new forms characteristics of neither the western -nor the traditional institutional systems.

At this early period, Nigerians were restricted to the lower echelons of the Civil Service. Though the south and the north were amalgamated in

1914, both regions still had their separate civil services. In fact Odumosu (1963) states that departments like education, policy and prisons in the north were separated in policy and control from their southern counterparts.

The Richards' constitution of 1946 marked a watershed in the political and administrative history of Nigeria. The constitution provided for a House of Assembly for each of the regions plus a House of Chiefs for the northern region: It equally provided a legislative council at the centre with an African unofficial majority. The councils were to advise the Regional Governors on any matter referred to them. The Governors were however not bound to accept their advice.

According to Arthur Richards the objective of the 1946 Constitution was to Create a political system which is in itself present advance and contains living possibility of further orderly advance -a system within which the diverse elements may progress at varying speeds amicably and smoothly towards a more closely integrated economic, social and political unity without sacrificing the principles and ideals inherent in their divergent ways of life.

(Obikeze and Obi, 2004: 142-145)

## SELF ASSESSMENT EXERCISE 1

When do you think the evolution of civil service started in Nigeria?

ANSWER

1900 when Britain formally established her colonial authority in Nigeria.

### 3.2 The Structure of the Nigerian Civil Service

Prior to the Udoji Commission Report of (1974), the Nigerian civil servants were divided into two separate groups -the Administrative group and the professional group. Both groups were hierarchically organized. While the administrative group was made up of the administrative class, the executive class the clerical class and the manipulative class, the professional group consisted of the professional class, the technical class, the auxiliary class and the minor technical class.

Each of the classes within the two groups operated so rigidly that it was very difficult for a civil servant to move from a lower to a higher class.

This implied that a civil servant once recruited remained in the same class or grade throughout his service career.

However, in 1974, based on the recommendations of the Udoji Commission on the re-organization of the civil service, the Federal Government of Nigeria abolished the former four classes and replaced them with a unified grading system in which all the jobs or positions in the service were graded from levels 01-17, grade level 01 being the lowest while grade level 17 represents the highest position in the civil service. With this development, an employee can now join the service at level 01 and climbs upwards to his ability before retirement.

In spite of this significant change, five main classes of civil servants still exist today in Nigeria, though not officially: These include the administrative class, the professional class, the executive class, the clerical class, and the manipulative class.

Let us briefly explain each of these classes;

i.

The administrative class: This is the most prestigious and remunerative class in the civil service. Civil servants in this class are very close to the political head, i.e., the ministers/commissioners. Their main function is to advise the

political head on policy matters. To be recruited into this class, the applicant must possess at least a second class honours degree from a recognized University and must in addition pass the interview conducted by the civil service commission.

ii.

The professional class: This class consists of specialists like doctors, lawyers, engineers, surveyors, architects, etc., who are charged with the responsibility of advising the government on technical matters. These experts help the government in construction of roads, houses, run hospitals, engage in agriculture, etc.

iii.

The executive class: The executive class consists of such positions as the executive officer, higher executive officer and senior executive officer. Civil servants in this class are involved in general administration and are charged with the actual implementation of government policies and programmes.

The executive class used to be recruited from among people with good Higher School Certificates or General Certificate of Education, Advanced Level or a Diploma in Public Administration.

These days, however, it has become the preserve of the people with



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less than a second class lower degree as well as that of Higher National Diploma Holders in the relevant fields.

iv.

Clerical class This class is made of a large number of subordinate staff who perform supportive functions to the government.

v.

The manipulative class: This class is made up of all the skilled and semi-skilled workers who abound in the various ministries and departments. These include the drivers, cleaners, guards postmen, gardeners, etc. who represent the manual labour forces of the government. (Ekhaton, 2003:259-261).

### SELF ASSESSMENT EXERCISE 2

List 5 main classes of civil servants

### ANSWER

i. The Administrative

ii. The Professional Class

iii. The Executive class

iv. The Clerical class

v. The manipulative class

#### 4.0 CONCLUSION

The evolution of civil service in Nigeria started in 1900 when Britain formally colonized Nigeria. Since then many reforms had changed the features of the civil service in Nigeria. You are treated to these changes in the civil service to enable you know its evolutionary process.

#### 5.0 SUMMARY

In this unit, we discussed the evolutionary and structural processes of the civil service in Nigeria. Main features and events were highlighted and discussed.

#### 6.0 TUTOR-MARKED ASSIGNMENT

Who were the field officers during colonial administration?

#### 7.0 REFERENCE/ FURTHER READING

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UNIT 4 NIGERIANIZATION POLICY

CONTENTS

1.0

Introduction

2.0

Objectives

3.0

Main Content

3.1

Nigerianization Policy

3.2

Nigerianization of the Higher Ranks of the Federal

Republic Services 1958 – 1963

4.0

Conclusion

5.0

Summary

6.0

Tutor-marked Assignment

7.0

References /Further Readings

1.0

## INTRODUCTION

The Nigerianization policy was an effort made to indigenize the Nigerian Civil Service as a result of 1954 Federal Constitution which established a true federal structure for Nigeria, and made provisions for both the federal and regional civil services. We shall go through the process to see how it affected Nigerian federalism.

## 2.0

### OBJECTIVES

At the end of the lecture, you will be able to know:

- 

Nigerianization policy; and

- 

Nigerianization of the Higher ranks of the Federal Public Service

1958 – 1963

## 3.0

### MAIN CONTENT

#### 3.1

##### Nigerianization Policy

Another important development in the civil service in the period was the period was the indigenization of the service. This phenomenon is popularly known as "Nigerianization". The 1954 federal constitution which established a true federal structure for Nigeria, made provisions for both the federal and regional civil services. The Nigerianization policy moved. with considerable speed in the eastern and western regions because of the availability of qualified personnel.

However, the northern region preferred another opinion. Due to the educational backwardness of the region compared to other regions, their civil service became heavily dominated by southerners. This situation was simply unacceptable to the leadership of the region. Instead of

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"Nigerianizing" their civil as others, they decided to 'northernize' it. The northernization policy stipulated that

If a qualified northerner is available, he is given priority in recruitment, and if no northerner is available, an expatriate may be recruited or a non northerner on contract terms.

Nigerianization as a policy, originated through the Foot commission. This commission was set up by the colonial government in 1948 to look into the complaints of Nigerian nationalists about the dominance of the expatriates in upper echelons of the Nigerian civil service, despite the availability of qualified Nigerians.

The commission headed by the-Chief Secretary to the Government, Sir Hugh Foot recommended among others that appointment of Nigerians into the senior civil service should be hastened as soon as people with the right qualifications are available. It also recommended that in order to make the suitable candidate available, more scholarships and training courses should be provided for Nigerians. After the introduction of the 'federalist' Macpherson Constitution in 1954, the various regions started the process in their own various ways.

In order to further the 'Nigerianization' policy, a Nigerianization officer was appointed in 1937. In March 1958, the House of Representatives in

response to political pressure, appointed a special committee to study the progress of the policy. The report of the committee which was published in 1959 decried the fact that of the 73 super scale posts in the administrative service, only 10 were held by Nigerians or other West , Africans as compared with 63 held by expatriates. Nigerians held only 1 of 14 posts of permanent secretary, 6 of 35 posts of Deputy permanent secretary, and 6 of 34 posts r senior assistant secretary (Nnoli 1978).

This unfavourable report, made the government to order an acceleration of the exercise. Thus in August 1960 the Nigerianization officer reported that the proportion of Nigerians in Senior posts of the federal public service was about 60 percent and the majority of expatriates are on short-term contract (Sklar 1963)

#### SELF ASSESSMENT EXERCISE 1

What is Nigerianization Policy?



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ANSWER

Nigerianization Policy was a policy made to fill the vacancies especially senior posts by Nigerian if qualified to the civil service

3.2

Nigerianization of the higher ranks of the Federal Public Service, 1958 – 1963.

NIGERIANIZATION OF THE HIGHER RANKS OF THE  
FEDERAL PUBLIC SERVICE 1958 – 1963

Year

% Post held by Nigerians

1958

48.1

1959

49.3

1960

64.0

1961

74.0

1962

78.0

19.63

87.0

Source: A Kirk Greene, "the Higher public service" in Frank Blitz, ed, the politics and Administration of Nigeria Government London: Sweet and Maxwell 1965, cited in Nwosu H.N. political Authority and the Nigerian civil service Enugu fourth Dimension

Despite the achievement of indigenization of the civil service with the Nigerianization, the Policy was meant for, some noticeable negative effects were also apparent.

The policy was not really interested in standards but in Nigerianizing the service. This lowering of standards did not make for an effective and result oriented one and this may have contributed to the poor performance of the Nigerian civil service from independence till date.

Also in trying to achieve representativeness of all the regions, merit was thrown over board. As Nwosu (1977) argued in pursuit of Nigerianisation, "the principle of merit was diluted into the one of representativeness and thus obviously attached the quality and output of the federal service between 1954 and 1966." We may equally add that since this dilution is still going on under the quota system or federal

character, this still affects the quality of service delivery in the civil service today.

By far the highest impact of the policy on the country then was its effects on Nigerian unity Nnoli (1978). (Obikeze and Obi 2004; 145)

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### SELF ASSESSMENT EXERCISE 2

How many %posts were held by Nigerians in 1958 and 1963?

ANSWER

1958 48.1%

1963 87.0%

### 4.0 CONCLUSION

The Nigerianization policy was made to fill the vacant positions by Nigerian if qualified. The policy geared towards indigenizing the Nigerian Civil service.

### 5.0 SUMMARY

The Nigerianization policy was discussed to further enhance your knowledge of what obtained in the Nigerian Civil Service before and immediately after independence in October, 1960.

### 6.0 TUTOR-MARKED ASSIGNMENT

Was Nigerianization policy necessary? Explain

### 7.0 REFERENCES / FURTHER READING

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MODULE 5 CIVIL SERVICE REFORMS IN NIGERIA

Unit 1 The Udoji Commission

Unit 2 The 1988 Civil Service Reforms

Unit 3 The 1994 Review Panel on civil service Reforms

(Ayida Panel)

UNIT 1 THE UDOJI COMMISSION

1.0 Introduction

2.0 Objectives

3.0 Main Content

3.1 The Udoji Commission

4.0 Conclusion

5.0 Summary

6.0 Tutor-Marked Assignment

7.0 References/Further Reading

1.0 INTRODUCTION

The significant milestone in the reforms of the civil service comes with the Udoji Commission of 1972. It was a thorough –going Public Service review which introduced a unified salary grading system and advocated new management techniques. It also introduced the open report system to replace the age old confidential reporting, sought to make

prescriptions for optimum utilization of manpower and to evolve a development oriented public service. The commission also undertook the regarding of all posts in the public service, job evaluation of all posts and recommended salaries applicable and payable to each post

## 2.0 OBJECTIVES

- 

To review the Udoji commission

- 

To enable you understand the Udoji commission

- 

To enlighten you on the contributions of Udoji Commission to the development of Civil Service in Nigeria.

## 3.0 MAIN CONTENT

### 3.1 The Udoji Commission of 1972

A Public Service Review Commission was set up in September 1972 to carry out comprehensive review of the nations Public. The commission was later customarily referred to as the Udoji Commission, after it's chairman Chief Jerome O. Udoji.

More than any other commission before it, the Udoji Commission had the highest wide ranging terms references. The commission was mandated:

(i)

To examine the organization and structure of the public services.

(ii)

To investigate and evaluate their methods of recruitment, conditions of service and staff development programmes;

(iii)

To examine existing pension and superannuation schemes in the public and private sector;

(iv)

To make recommendations that would facilitate inter-sectoral mobility, without detriment to the retention of efficient and qualified personnel in the public services; and

(v)

To undertake regarding of all posts in the public services and establish appropriate salary scales.

Many scholars who studied the commissions report felt that the terms of references was too broad, and it affected the quality of work done by the commission connecting on this, Williams (1979) said that;



Whilst there is much sympathy for a reform that is based on a careful consideration of inextricable bound social factors, a commission that has an elastic terms of reference increase the likelihood that myriad social factors would intervene to distort objectives.

Williams further asserted that the commission regards development as it's main concern and viewed the reform of the public services as instrumental to this. Consequent upon this, the commission terms of references can be seen as consisting of two parts;

i.

The fundamental and effective – which seeks to facilitate social development and

ii.

The incidental and effective which seeks to renovate the public services a instrument for development.

The commission submitted its report on 25th September 1974, exactly two years after it was established. True to its terms of reference, the commission reviewed every aspect of the country's public service including: Recruitment, Career and staff development superannuation, and salary, gradings. Every sector of the public services, the Public Enterprises, the teaching service, and the various Local Government Administrations. The report was released in December 1974, with the Government white Paper on it (entitled Government views on the Report of

the public service review Commission)

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A summary of the Commission report is as follows;

i.

That the concept of result – oriented management be adopted

ii.

That a unified structure be introduced

iii.

That Administration be transformed into ‘management’

iv.

That pay be dependent upon job content and performance

v.

That promotion be based on merit and not seniority

vi.

That public sector compensation be related to private sector  
compensation

vii.

That financial management be strengthened and modernized

viii.

That personnel management practice be modernized. (Obikeze  
and Obi; 2004:153)

## SELF ASSESSMENT EXERCISE 1

Mention 2 of the major contributions of Udoji Commission to Civil  
Service reforms in Nigeria.

## ANSWER

i.

Unified salary grading system; and

ii.

New management techniques.

Incidentally immediately the report was released, several groups in the public sector, raised a lot of dust about it. The private sector that was not covered by the public sector would cause them. The mass discontent and industrial unrests which the report caused made the government to set up a new Review Panel to handle public discontent on the government white paper on Udoji Report. The committee was headed by Mr. Akintola Williams, the doyen of the accounting profession in Nigeria.

In a nutshell, the Udoji Commission in its pursuit of a development oriented public service recommended the adoption of modern management techniques like the Planning, Programming, Budgeting Systems (PPBS), Management by Objectives (MBO) and project management in the Nigerian Civil Service. It equally advised that the dual hierarchies in ministries be abolished, while training should be intensified in order to make workers suitable to handle senior management positions. It reviewed and simplified the wage scales in the public service and reduced it from over a hundred to just seventeen.

It must be pointed out that despite the fact that the issue of wages was the fourth issue in the commission's term of reference; the issue of

wages almost over-shadowed the other aspects of the commissions work and report. The result is that today, whenever Udoji Commission is mentioned, people think more about 'salary awards.' Perhaps the fact

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that many previous commission before Udoji Commission into a wage commission. Also the fact that the awards had very adverse effect on the economy in terms of inflation has left most analysis of the commission in most texts to concentrate on the awards.

By way of innovations, the Udoji Commission introduced a number of key features in the Civil Service, notably the opening of the post of Chief Executive of the Ministry referred to as permanent secretary, to both administrative and professional/specialist staff; the harmonization and unification of job grading and salary system throughout the service; the introduction of a new code of conduct for all public officers.

Since the commission work was mainly on increasing efficiency and effectiveness of the public service, one will conclude by saying that though some minor improvement were made, the public service remained almost what is was before Udoji in terms of service delivery. (Obikeze and Obi; 2004:154)

### SELF ASSESSMENT EXERCISE 2

How did the Udoji Commission contribute to the development oriented programmes in the public service?

ANSWER

By prescribing optimum utilization of manpower and to evolve a development oriented public service.

#### 4.0 CONCLUSION

The Udoji Committee has been analysed for you to understand the past efforts of government in improving the civil service in particular and public service in general.

#### 5.0 SUMMARY

The Udoji Commission which was set up in 1972 made far reaching recommendations to enhance the civil service, which this unit has highlighted.

#### 6.0 TUTOR-MARKED ASSIGNMENT

When did Udoji Commission set up and submitted its report?

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7.0

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### UNIT 2 THE 1988 CIVIL SERVICE REFORM

#### CONTENTS

1.0 Introduction

2.0 Objectives

3.0 Main Content

3.1 The 1988 Civil Service Reforms

3.2 An evaluation of the 1988 Reforms

4.0 Conclusion

5.0 Summary

6.0 Tutor-Marked Assignment

7.0 References/Further Reading

#### 1.0 INTRODUCTION

The 1988 Civil Service Reform was to professionalize the Civil Service.

The position of permanent secretary became political and was designated Director-General. Ministers became the accounting officers instead of permanent secretary as it used to be before them. These features of the 1988 Civil Service Reform and other major changes in it are discussed in this unit.

#### 2.0. OBJECTIVES

The objectives of this unit are:

- To analyze the 1988 Civil Service Reform for your understanding.

- Do an evaluation of the 1988 Reform for your better comprehension

### 3.0 MAIN CONTENT

#### 3.1 The 1988 Civil Service Reforms

The Federal Military Government in 1984 set up a panel to study the structure, staffing and operations of the Federal Civil Service and make appropriate recommendations which will enhance efficiency, effectiveness and productivity in the service. The panel equally submitted its report in 1985. it

#### SELF ASSESSMENT EXERCISE 1

Mention one fundamental factor that attributed to the failure of Civil Service Reforms.

#### ANSWER

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Corruption it had become so deep in the Civil service that the 1988 reforms could not change it, more so, the military regimes were highly corrupt themselves.

Military President, General Ibrahim Babangida announced the reform package.

As at the time the reforms were introduced in 1988, the Civil Service was already in a terrible state characterized by:

Over-centralization; incessant conflicts between the cadres;  
Scant emphasis on results and concrete performance;  
excessive focus on compliance with regulations, forms and procedures, counter-productive separation of authority from responsibility at the top of the Civil Service hierarchy;  
dangerously low staff morale and productivity: inappropriate staff deployment practices which often ignored the profession or specialization of staff, thereby putting square pegs in round holes in critical areas outside of the traditional registrable profession fields; and increasingly patent inability to cope effectively with the challenges of modern, complex and development hungry society (Philips).

The above inevitable state of the nation's civil service resulted from long

years of neglect by successive government that never bothered to invest in the civil service in the forms of office space, equipments materials, staff training, modern operational techniques, adequate staff remuneration and so on. The 1975 civil service purge by Murtala Mohammed equally adversely affected the civil service. These coupled with the fact that the Babangida regime embarked on a socio-economic restructuring of the nation through SAP and the fact that it was realized that a presidential system of government cannot be run successfully with a white hall civil service necessitated the reforms.

The forms sought to;

Considerably enhance the degree of professionalism in the civil service;

ii.

Align the service with the form and spirit of presidentialism;

iii.

Ensure that it's management and control systems are such as would no longer. separate responsibility from authority at the top of the civil service hierarchy;

iv.

Install accountability (not only for money, but also for performance) as the unmistakably hallmark of the civil service systems;

iv.

Ensure that the systems significantly enhance the degree of efficiency, effectiveness, promptness and speed of civil service operations

vi.

Introduce considerable delegation of functions and power not only at the top but further down the line in the service;

vii.

Install appropriate checks and balances to prevent misuse or abuse of authority, but without jeopardizing the efficiency, speed and effectiveness of the service;

viii.

Minimize, if not eliminate, areas of conflict, particularly at the top of the civil service;

ix.

Significantly insulate the civil service from partisan politics, but at the same time, erect a smooth and efficient bridge between the civil service and the political/ruling class

x)

Put the civil service in a form and shape which would enable it to meet the challenges of the modern age, with it's emphasis on high technology, speed of decision-making, efficient information systems and achievement orientation;

Implement the reforms without jeopardizing the unity and integrity of the civil service. (Philips 1988).

In order to achieve the above aims, the reforms emphasized four main elements. There were;

i.

enhanced professionalization of the civil service;

ii.

rationalization of authority and responsibility at the top level of a ministry by making the minister instead of the permanent secretary as hitherto the Chief Executive and Accounting officer of his ministry; and re-designating the permanent secretary as Director-General who will now serve as the minister's deputy

iii.

installation of a strong scheme of checks and balances to prevent misuse or abuse of power especially on the part of the minister

iv.

enhancement and strengthening of the economic and financial management apparatus of the presidency by placing the Central Bank of Nigeria and the planning and budget office directly under the president.

The plank on which the entire reform rested was on the professionalization of the civil service, for the Dotun Philips report recommended an enhanced professionalization of the civil service through the following measures:

i.

the staff structure has been changed, so that there now existed in the civil service three basic staff categories, namely; Assistant, Officer and Director, (each at different grades); the Assistant is a

sub-professional, the officer is a full professional, and the Director is a full professional with general management responsibilities;

- ii. Staff nomenclatures have been changed to reflect areas of specialization, profession or basic function;
- iii. The horizontal and vertical structures of the ministry have been changed to reflect professional and specialized operational areas;
- iv. the central pooling and central deployment of staff have been discontinued;
- v. each staff is now to spend his entire career in his ministry or extra, ministerial department;
- vi. much greater emphasis is now to be placed on staff training, which is now to be obligatory and systematically periodic for every staff in the civil service;
- vii. performance evaluation schemes at institutional and individual levels are being revamped to reflect overriding emphasis on concrete performance and accord less weighty than hitherto to politics, seniority and subjective factors
- viii. much greater decentralization is being introduced in personnel, finance and operational matters (Philips 1988) (Obikez and Obi 2004: 155-157)



Who became the accounting officer in a ministry after the 1988 Civil Service Reforms?

ANSWER

The Minister before then, it was the Permanent Secretary

### 3.2 Art Evaluation of the 1988Reforms

The reform package despite it's lofty look failed almost completely in achieving it's aims people now remember it mainly for the change in the nomenclature of permanent secretaries to Director-Generals and for politicising the civil service.

Many factors have been adduced as reasons behind the failure of the reforms.

We look at a few of them.

The first facto is corruption. This corruption ate deep into the civil service and rendered it impotent. The civil service became a hot bed for

corruption and as such the efficiency and effectiveness which the reform sought to achieve remained a pipe dream. Nobody, : was interested in the lofty ideals of the reforms. People were more interested in lofty ideas of the reforms. People were more interested in looting the public treasury.

Another factor that accounts for the failure of the reform is the politicization of the appointment of Director-Generals. Through the reforms objective of trying to “align the service with the form and spirit of presidentialism might look lofty; its implementation left much to be desired. If was hoped Governors who were now empowered to appoint Director-General from where they deemed fit, would consider merit in exercising such powers. However in actual practice, they saw it as an opportunity to reward political lackeys and errand boys. The position of Director General became highly politicized. In some cases, fresh university graduates who had no experience at all were appointed to head ministries that had craked and experienced civil servants, who in some cases had over thirty years experience. As expected, there were a lot of frictions. This manner of appointments naturally affected morale of the top echelon of the civil service. Some of them felt that politics and politicians have invaded and desecrated the hallowed grounds of the service. Accusations of insubordination, sabotage, and lack of commitment became the order of the day. In such circumstances the reform couldn't have achieved anything meaningful.

Thirdly, the reform according to Okoli and Onah like its predecessors

was based on faulty assumptions. The liberal approach of the reforms focused on the perceived problems of the civil service which were lack of appropriate managerial and professional skills, absence of organizational machineries needed for social change lack of appropriate management techniques, antiquated personnel and financial management strategies and techniques, poor wages and inadequate incentives, inefficiency, ineffectiveness and low productivity. By focusing on these problems the reform failed to ask the important questions of:

a) Why many professionalized and well trained public officers

failed to perform in the past

b) Why existing machineries for public accountability were weak,

c) Why corruption persists

d) Why existing punitive measures were ineffective

e) Why existing management practices and techniques do not work

satisfactorily, and

f) Why some civil servants misused their enormous administrative

powers.

The reform simply failed to address these issues and could not see the limitation: of the civil service in a neo-colonial capitalist state.

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Another factor which was reinforced by the corruption of that era was Executive job insecurity. Citing Abubakar (1992) Okoli and Onah (2002) see the Babangida's government penchant for frequent change in executive leadership as a factor for the failure of the reform. Due to the fear of job security, those that occupied executive positions were much more pre-occupied with how much they will make before they will be removed, than with implementing government policies. The frequent changes which were necessitated by the need to allow the pie go round the 'boys' made every top government functionary believe that the position he is occupying. is meant for him to better himself through corrupt practices and that he had just a little time Could do this before it gets to another persons turn. Under this 'chop and go' attitude, it was just not possible to achieve the activities of the reform

### 4.0 CONCLUSION

The unit has discussed the features of the 1988 Civil Service Reforms for you to know its problems and prospect.

The reform had since be Reformed by the Ayida panel of 1994 which is the next and last unit to be discussed in the course.

### 5.0 SUMMARY

The 1988 Civil Service Reform and its evaluation were disused since no reform has overall solution to problems, the 1988 reforms was not an exception, and therefore, its shortcomings were remedied by the 1994.

## 6.0 TUTOR – MARKED ASSIGNMENT

In the 1988 reforms what was the new name and role of permanent secretaries.

## 7.0 REFERENCES /FURTHER READINGS

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Report:

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### UNIT 3 THE 1994 REVIEW PANEL ON CIVIL

#### SERVICE REFORMS (AYIDE PANEL)

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##### 3.3 Other Matters

##### 4.0 Conclusion

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##### 7.0 References/ Further Reading

#### 1.0 INTRODUCTION

The 1994 Review Panel on civil service reform which was referred to as the Ayida Panel, named after its chairman. Alison Ayida, actually submitted its report in June 1995. It was later in 1997 that the government began to gradually implement its recommendations.

According to Otoba (2002) the two key features of the 1988 reforms which the Panel reaffirmed were the personnel management board in each ministry and the devolution of authority to incur expenditure to certain categories of senior management staff specifically to the level of

assistant director and above. The Panel also made a case for upward review of pay and other incentives for civil servants in view of the serious decline in the value of the naira caused by Inflation and devolution

The Panel also addressed the issue of federal character and corruption in the bureaucracy. The abuse of the federal character principle had led to low morale and performance in the civil service, thus making One panel to recommend that recruitment into the civil service, especially at the entry grades of professional cadres, should as much as practicable be based on a combination of merit and federal character so that the best candidates from each state are selected on a purely competitive basis. It equally recommended that in order to eradicate the wide spread corruption in the civil service, strict sanctions be applied against those caught in corrupt practices, while the remuneration of civil servants should be sufficient enough to discourage corruption. It needs be pointed out that politicization of the civil service, as regards appointment of Director-Generals has since been reversed to the status-quo. the career permanent secretaries have since been restored. (Obikeze and Obi, 2004:158-9)



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2.0

### OBJECTIVES

To enable you know:

- 

Why Ayida Panel was set up in 1994

- 

Civil Service Reforms as a result of the panel's recommendations in 1997

- 

Other features of the reforms.

3.0

### MAIN CONTENT

3.1

#### Civil Service Reforms of 1997

The following are the decisions of the Federal Government from the white paper published in June, 1997 on the recommendations earlier submitted to it by the Ayida Panel in June, 1995.

i.

Ministries and extra-ministerial departments should be structured according to their objectives, functions and sizes and not according to a uniform pattern.

ii.

The Minister should no longer be the accounting officer of the ministry. This function now becomes the responsibility of the director-general. The Minister should continue to be the head and chief executive of the ministry while the director-general is the chief adviser to the Minister and the accounting officer.

iii.

Government accepted the recommendation that the title of director general should revert to permanent secretary. This will remove the confusion between the directors-general of ministries and those of parastatals and myriads of government agencies.

iv.

Government accepted the recommendation that the post of permanent secretary should be a career post. Appointments will be made from among serving senior officers in the civil service on the advice of the Head of the Civil Service and the Chairman of the Civil Service Commission.

v.

Government accepted the recommendation that the post of Head of Civil Service should be restored, and that he should be from among permanent secretaries or officers of equivalent ranks. The panel had recommended that both the post of Head of Civil Service and that of the Secretary to the Government should be filled from among the permanent secretaries or officers of equivalent rank. While government accepted the commendation on the appointment of the Head of Civil Service it rejected the recommendation on the-Secretary to the Government. This latter post will remain a political appointment to be filled at the

discretion of the President.

vi.

vii.

The panel recommended and government accepted that the following parastatals be scrapped:

(i) National Council on Inter-governmental Relations

(ii) National Committee Against Apartheid

(iii) Centre for Democratic Studies.

The Panel had been astonished to discover that the Office of the Secretary to the Government of the Federation supervises about forty parastatals and agencies. This has made the office complex and unwieldy and has led to duplication of functions, lack of clearly defined lines of authority and conflict of roles. Besides, parastatals and agencies prefer to hide-under the Presidency to avoid close scrutiny and supervision by ministries and to facilitate, obtaining funds through the Presidency.

Apart from the three agencies approved for scrapping above, government approved that twelve other parastatals and agencies be transferred to relevant ministries connected with the functions

viii.

of each agency.

Government accepted the recommendation that the Federal Executive Council should meet at least fortnightly so as to enhance the coordination of government policies. The panel got to know that the Federal Executive Council hardly ever met.

There was no coordination of policy, there were frequent frictions between Ministers and each Minister contrived to see the Head of State and get approval for whatever he wanted, while there were some Ministers who never succeeded in getting to the presence of the Head of State.

ix. Government accepted the recommendation that the "Guidelines of Administrative Procedure of the Federal Government" should

x.

be updated and applied in the conduct of government business.

The document stipulates the procedures and rules for the conduct and interrelationship of various arms of government.

Every ministry and extra-ministerial department should have the following staff committees for dealing with personnel matters:

(a) Management Staff Committee for officers on

G.L. 14-17;

(b) Senior Staff Committee for officers

07-13;

on G.L.

(c) Junior Staff Committee at Headquarters for officers on

G.L. 01-06;

(d) Junior Staff Committee at out-stations for officers on G.L.

01-06.

xi. Recruitment into the civil service at the entry grades should be based on a combination of merit and federal character, but for further progression thereafter it should be based normally on merit.



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xii.

Maturity period for promotion of staff should

be:

G.L. 01-06 -2 years.

G.L. 07-14 -3 years.

G.L. 15-17 -4 years.

xiii.

The Pool System which was abolished by the 1988 Reforms was

restored in respect of the following cadres: Accountants,

Administrative Officers, Auditors (External), Executive Officers

(Account and General Duties), Information Officers, Legal

Officers, Librarians and Library Officers, Medical, Health and

Auxiliary Officers, Engineers, Architects, Surveyors,

Technicians, Secretarial and Typist cadre.

xiv.

Government observed that the present 10 per cent of annual

personal emoluments, set aside for training appears grossly

inadequate. Government therefore directed that adequate

provision be made in each department's budget until the training

need of the civil service is well addressed.

xv.

A senior management course should be introduced for all officers

who are expected to attend it before entering the senior

management category on G.L. 14.

xvi.

Study leave without pay was restored as a way of encouraging offices to improve themselves to render valuable service.

xvii.

Government accepted the recommendation that the Centre for Democratic Studies be scrapped, As for the recommendation that the premises be converted to start a Civil Service College, government noted that the premises had already been handed over to the Nigerian Law School. However, government directed that the development of a Civil Service College at Abuja should be given priority attention.

xviii.

Ministries and extra-ministerial departments should set targets for themselves, their departments and divisions as well as individual staff, and each ministry should submit an annual report of its activities to the government within the first quarter of the succeeding year.

xix.

Retirement age in the civil service should be 60 years irrespective of the length of service.

xx.

Government accepted the recommendation that there should be no retirement of any civil servant without following all laid-down procedures. This is to prevent indiscriminate and arbitrary retirement of civil servants.

xxi.



Pensions should continually be reviewed upwards immediately salaries and allowances are reviewed, and in particular government accepted the recommendation that pension rates of those who retired since 1991 be harmonized.

xxii.

A funds Allocation and Budget Committee should be established in every ministry, extra-ministerial department and parastatal and

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its recommendations should be submitted to the Minister of  
Chairman, as the case may be for approval.

xxiii.

Powers to approve expenditure should be devolved down to G.L.

14 officers and heads of out-stations.

xxiv.

Government approved that tenders procedures should be followed  
strictly in the award of contracts. (Adebay, 2000:217-8)

## SELF ASSESSMENT EXERCISE 1

Why was Ayida Panel set up?

## ANSWER

To correct the inadequacies of 1988 Civil Service Reforms.

## 3.2

### Moral and Corruption in the Public Service

The major problem in the civil service in Nigeria today and even in the  
past has remained corruption. Instituting various reforms without  
tackling this monster called corruption will simply remain an exercise in  
futility.

It is only when corruption is eradicated that we can talk about actually reforming the civil service to be people-oriented and capable of living up to it's billing as it is in other parts of the world. The Nigerian Civil Service today has both the managerial and the technical capacity to excel to very high standards, but that will be only and surely if corruption that has been applying the brakes on this reservoir of human knowledge and intellect is given a killer punch.

The following are further recommendation of Ayida Panel accepted by the Federal Government;

a.

Government approved the recommendation that job security should be restored in the civil service and that normal disciplinary procedures should be followed in dealing with erring staff.

b.

Basic facilities like stationery, typewriters, telephones, photocopiers, etc., should be made-available to enable staff perform their duties efficiently.

c.

The problem of transportation affects efficiency when staff find difficulty in being punctual because of transportation problems or have to spend so much of their meager salary on buses and taxis. This leads to truancy and absenteeism.

To remedy the situation, "Government agrees to provide adequate and coordinated transportation facilities by road, rail and waterways for Civil Servants and other urban dwellers. In the meantime, government directed that each ministry/extraministerial department should provide and maintain adequate staff bus services for its staff. Furthermore, government Will encourage the administration of the Federal Capital Territory and other major cities improve mass transit services in the nation's urban centres."

d.

Merit awards should be instituted for long-serving and outstanding civil servants. But government will no longer allow public officers to accept traditional titles in any form.

e.

The panel had recommended that there should be upward review of Housing loans and motor vehicle advances in view of the high rate of inflation in the country.. Government, on its part, said that it is aware of the present high cost of building houses and purchase of vehicles in the country and that it has become increasingly difficult to fix adequate level of housing and vehicle loans because of the recovery terms.

In view of this, government directed a comprehensive review of

the existing situation by the Ministries of Works, Finance and National Planning, and the Head of Civil Service and a Report to be submitted to government for consideration and approval.

f.

Government accepted the recommendation that the suspension placed on promotion be lifted.

g.

In order to improve morale and reduce corruption, the panel recommended that salaries and allowances of civil servants should be substantially reviewed upwards. Government said that it "is aware that the public officer is the least paid worker in the economy" and that "consequently adequate measures will be taken to redress the situation."

h.

On the recommendation that civil service salaries should be adjusted annually to accord with inflation in the economy, "Government accepts in principle, the idea of annual 'review of salaries and allowances in the civil service, and directs the National Salaries, Income and Wages Commission to advise accordingly, taking into account productivity and government revenue profile to support the policy."

i.

The panel recommended that education allowance should be introduced as an item in the pay package of civil servants. Government noted this recommendation and directed the National Salaries, Income Commission to advise accordingly.

j.

The panel recommended that government should embark on a commitment to eradicate corruption both in the public service and in the larger society. Government accepts this recommendation"

and also observed that "as a matter of fact government has put in place a policy on War Against Indiscipline-and Corruption which Should be intensified."

k.

Government accepted the recommendation that government leaders, should lead by example.

L.

Government-accepted the recommendation that political office holders and other public functionaries should be made to adhere strictly to the rules and regulations guiding the conduct of government business.

m.

The panel recommended and government accepted the strict sanctions should be applied against those found to have engaged in corrupt practice and they should be publicly exposed.

n.

Government accepted the recommendation that public functionaries found to have corruptly enriched themselves in the past should not be appointed to any public post or fraternized with by government. (Adebayo 2000:219-220)

Mention 2 decisions of 1988 reforms reverted by 1997 reforms

ANSWER

a.

Director – General reverted to permanent secretaries and no politicisation.

b.

permanent secretaries once again became accounting officers which were given to ministers in the 1988 reforms.

3.3

Other Matters

Other recommendations of the Panel accepted by the Federal Government were:

i.

Government accepted the recommendation that basic working too and facilities should be adequately provided to enhance efficiency in the civil service.

ii.

Government accepted the recommendation that the housing loan entitlement of civil servants should be increased substantially and the fund allocation to the staff housing scheme should be increased. Government accordingly directed-the Federal Staff Housing Loans Board to liberalize its terms.

iii.

In the spirit of deregulation of labour whereby each tier of



government is independent and is required to negotiate with its staff based on its ability to pay, government decided that the decisions of the Federal Government on the panel's report should not be made mandatory on state and local governments. State and

local governments should be free to adopt or adapt any of the recommendations in the report-as they may deem suitable.

iv.

Government accepted the, recommendation that an implementation committee be constituted to implement the accepted recommendations of the panel's report.

4.0

#### CONCLUSION

The 1997 reforms of the civil service went to the roots of the problems militating against efficiency and devotion to duty in the civil service. However, it is another to ensure that the prescription are carried out. Compliance with any reforms of civil service must spring from the mental attitudes of the civil servants. It must be informed by a conscious determination on the part of the rulers to the state and federal levels to maintain and uphold an enlightened and honest public service.

5.0

#### SUMMARY

Irrespective of the different orientation of the various civil service reforms in Nigeria in both pre and post independence the basic fact remains that the main aim of all of them had always been to make the civil services more efficient, effective and result oriented.

However, it quite appealing that despite all the resources sunk into the civil service in Nigeria, it has failed to live up to expectations of the people as the engine of growth and development. The various reforms of the service have not helped in any significant way in brining about the desired state. Worse still, some have even seen the reforms as a way of creating jobs for retired bureaucrats and political cronies of the governments that interest such reforms.

6.0

#### TUTOR-MARKED ASSIGNMENT

What is the major problem of the civil service?

7.0

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