



Research Article

## Nigerian Public Sector Governance Costs in the Era of President Muhammadu Buhari: An Administrative Perspective

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**Abstract:** The declaration by President Muhammadu Buhari that he is willing to reduce the rising expenses of managing public affairs is a major surprise. Newspapers everywhere have stated that he will face the confront the problem head-on by reforming numerous government agencies, merging others, and dismantling others. We are still figuring out the specifics. The only information that has been made public thus far is that the plan's first casualties will be the Universal Tertiary Matriculation Examination, the National Examinations Council, and the National Poverty Eradication Program. It is evident from the announced strategy that the president and his officials either do not understand the seriousness of the issue or are once again manipulating a terrible sickness that is plaguing the nation. In what way would eliminating NECO and instructing WAEC to take on the personnel reduce costs? Or how would renaming NAPP contribute to improving governance value? How does he make sure that each and every Kobo that goes into counted national treasures? What steps is he taking to guarantee that public policy is geared toward reducing people's suffering? The cost of governance during Jonathan's administration is examined in this study. It examines the cost of government from a thematic perspective, emphasizing its main points with specific examples. According to the paper's conclusion, the so-called clause of "senior ministers and junior or ministers of state" has led to the current unhealthy rivalry and widespread bitterness, but it has also resulted in needless waste of public funds in the payment of entitlements due to over-bloated administrative costs.

**Keywords:** Administrative Restructuring, Corruption, Cost Governance, Governance, Presidential Democracy

### 1. Introduction

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When Nigeria gained independence from Britain in 1960, it was met with great curiosity. Three levels make up its governance structure: the federal, state, and municipal administrations. As of 2012, the nation was made up of 36 states, 774 local governments, and the Federal Capital Territory, Abuja. All governments federal, state, and local are set up to provide social services that will enhance the overall well-being of their constituents. Therefore, in order to accomplish its goals, any government must implement policies that guarantee both efficient revenue creation and prudent use of available resources (Sulaiman, 2023). Prior to now, the Nigerian public service had a proud tradition of excellent, devoted, and committed service a few decades ago, when careless mismanagement led to a downward spiral and the disintegration of institutions and systems. According to Hamid (2018), the service was known for its lack of professionalism, extreme partisanship, widespread corruption, slowness and inefficiency, and blatant selfishness and greed.

In addition to being broken by public officials, political office holders have also undermined the principles of public service, which include, among other things, honesty, integrity, loyalty, probity, accountability, transparency, impartiality, discipline, commitment, diligence, expertise, and competence. As a result, the majority of residents who suffer from

poverty, squalor, insecurity, and violence are left impoverished while a select few who hold power and control are enriched. Not all of the world's great nations achieved their enviable status without excellent governance, guarantee of income, and moral rectitude on the part of their leaders and members. The use of political power to advance and strengthen societal values both economic and non-economic that people and groups desire can be characterized as public governance. It is the process by which societal values are realized on many levels. Conversely, Revenue Assurance (RA) aims to reduce operating costs, improve cash flows and revenues, and get rid of fraud, excesses, leaks, and abuses (Sulaiman, 2023). Therefore, RA in public governance aims to lower the disproportionate amount of funding allotted to overhead and staff expenditures, lower the overall cost of governance, enhance resource management by reducing unnecessary spending, and raise productivity efficiency and guarantee budgetary restraint (limit observance). Most people agree that inclusive economic growth and social development must follow from strong governance. It must allow the government, corporate sector, and civic society to improve the quality of life for a significant portion of the populace in Sulaiman. (2023).

Over the past 12 years of Nigeria's democracy, numerous studies have uncovered numerous instances of public budget waste and funding leaks at all governmental levels (Ajiteru, 2023). In actuality, it is now clear that the budget is where the much-feared corruption in the public sector, which is typified by the embezzlement of public monies, begins. Senior civil officers are among the wealthiest individuals in the world, as is well known Nigeria today, despite the fact that their enormous wealth is incomparable to their rightful salaries (Nzeshi, 2019). In Nigeria, audit reports at all levels frequently show egregious disobedience to policies and procedures, as well as the breakdown of financial discipline, accountability, probity, and transparency all of which the treasuries were established to uphold. These violations/abuses include, but are not limited to, multiple contract duplication, contract overvaluation, contract fictitious payments, and internal auditor failure to certify payment vouchers. Overpayment to current employees, salary and benefit payments to deceased or retired employees, and ghost workers are examples of further treasury fraud. These are blatant examples of how normal policies and procedures in finance departments have collapsed, which has left most governments unable to accomplish their goals (Sulaiman, 2016). In order to be proactive in preventing the ongoing lack of efficiency and effectiveness that characterized financial activities in the public sector and led to fraud, standard treasury management policy and practice is therefore especially important in Nigerian governance (Hamid, 2021).

The purpose of the article is to evaluate revenue assurance and governance costs at the state level in Nigeria. The paper's approach uses quantitative data from the Central Bank of Nigeria's annual report and accounts, which spans nine years, from 2019 to 2024 (Ajiteru, 2023). Graphs and straightforward percentage analysis were used to examine the data produced for the study. The article is divided into five structural elements. In the second part, a conceptualization of governance is attempted, along with a discussion of the various ideas about what it means and the distinctions between good and bad government. A conceptualization of revenue assurance is provided in Section 3, outlining the various ideas about its sorts, characteristics, and what it comprises. A summary of the problems pertaining to lowering the cost of governance at the state level in Nigeria for revenue assurance is provided in section five, while section four uses quantitative data spanning nine years, from 2015 to 2020, to explain the cost of governance and revenue assurance at the state level (Abalaka, 2023).

## 2. Literature Review

### The Revenue Assurance Concept

The field of revenue assurance (RA) has been around for more than 20 years. This is a notion that was historically relevant to the telecom sector, however, its use has progressively expanded to other organizations and businesses. The process by which an organization makes sure that all potential revenue is collected precisely and on time, identifies revenue leaks, and minimizes these losses by reducing overhead expenses and revenue leakage while controlling fraud to a manageable level is known as revenue assurance, or RA. Therefore, RA aims to reduce operating costs, eliminate excesses, fraud, abuses, and leaks while also increasing revenues and cash flows. A service provided to find operational underperformance in relation to operating costs and revenue collection is referred to as revenue assurance. Another way to define RA is as a service related to finding, fixing, and avoiding mistakes that could result in significant financial losses for a business. resources as a result of inefficient cost control, wasteful spending, fraud and income leaks, excesses and abuses, financial impropriety, and extravagant performance of duties (Ajiteru, 2023). Although it cannot take the place of properly implemented corporate controls, RA can also be used to guarantee adherence to internal policies and regulations. A business organization must make sure that they have sound corporate governance procedures in place for RA to be successful Sulaiman. (2016). In public governance, RA can be used to get rid of redundancies, overlap, and duplication—all of which cause waste and inefficiency.

End-to-end, across all departmental boundaries, revenue assurance is the endeavor to guarantee that processes, methods, and procedures optimize revenues; it involves timely, accurate, and comprehensive data; it guarantees revenue maximization and containing fraud. According to Sulaiman (2023), RA services can be offered externally by accounting firms, management consultants, and software houses, or internally by a business through its revenue assurance divisions and internal audit.

### 3. Research Methods

The study on Nigerian public sector governance costs during the Buhari era employs a documentary and secondary data analysis method. Rather than collecting primary data through surveys or interviews, the research relies on published economic indicators and historical accounts. This approach is particularly relevant when examining macroeconomic and administrative trends, since reliable national statistics and archival records provide the most comprehensive picture of governance expenditure patterns.

#### Documentary Analysis

The primary method used is documentary analysis, which involves systematically reviewing existing records, reports, and publications to extract meaningful insights. In this case, the researcher draws upon:

1. Business Day (2022) Economic and Financial Indicators: This source provides quantitative data such as unemployment rates, internally generated revenue (IGR), personnel costs, overhead costs, and debt charges across Nigeria's geopolitical zones and states.
2. Eme (2020:22), "History of Wage Palaver in Nigeria": This source offers historical and contextual information about wage disputes, bureaucratic expansion, and the evolution of Nigeria's civil service costs.

By combining these sources, the study applies a mixed documentary approach—using statistical tables for quantitative analysis and narrative accounts for qualitative interpretation.

#### Quantitative Dimension

The Business Day (2022) dataset is central to the quantitative analysis. Tables in the uploaded document show:

Regional unemployment rates and IGR percentages.

Personnel and overhead costs as proportions of total revenue.

Debt charges and external debt stock of states.

These figures allow the researcher to identify patterns of fiscal imbalance—for example, regions with high unemployment but low IGR, or states where recurrent expenditure consumes most of the budget. The quantitative method here is descriptive statistics, where percentages and averages are used to highlight disparities between geopolitical zones. No advanced econometric modeling is applied; instead, the emphasis is on comparative analysis across regions and states.

### **Qualitative Dimension**

The Eme (2020) source enriches the study with historical and contextual insights. It explains how wage disputes, bureaucratic expansion, and ghost workers have inflated governance costs over time. This qualitative method involves content analysis—interpreting textual narratives to understand causes and consequences of fiscal inefficiency. For instance, Eme's account of ghost workers complements Business Day's numerical evidence of inflated personnel costs. Together, they provide a holistic view of governance inefficiency.

### **Triangulation of Sources**

The research method demonstrates triangulation, where multiple sources are cross-referenced to validate findings. Business Day's economic indicators quantify the scale of governance costs, while Eme's historical narrative explains why such costs persist. This strengthens the reliability of conclusions by ensuring that statistical evidence is supported by contextual interpretation.

### **Relevance of the Method**

This approach is highly relevant for governance studies because:

- a. Accessibility: Government audits and payroll data are often unpublished or unreliable. Using Business Day's compiled indicators ensures access to standardized figures.
- b. Historical continuity: Eme's work situates current expenditure patterns within Nigeria's long history of wage disputes and bureaucratic growth.
- c. Comparative insight: Tables allow comparison across geopolitical zones, highlighting structural inequalities in revenue generation and expenditure.

In summary, the research method is a documentary, secondary data analysis combining quantitative descriptive statistics from Business Day (2022) with qualitative historical interpretation from Eme (2020). This dual approach enables the study to capture both the numerical scale of governance costs and the institutional dynamics that sustain them. By relying on credible published sources, the research avoids the pitfalls of unreliable government audits and provides a balanced, evidence-based account of Nigeria's governance expenditure challenges.

## **4. Results and Discussion**

### **Results**

#### **Governance's Cost**

The money spent on administrative procedures is the cost of government. An alternative name for it is administrative expenditure. Recurrent administrative costs and capital administrative costs are the two categories into which Sulaiman (2023) separated the cost of governance. The expenses incurred in the operation of government were referred to as the

cost of governance. In other words, the government is incurring these fees in order to manage this matter. Every member of the state is bound by the social contract, which is maintained in part by the government. In a similar vein, Fluvian (2019) described the cost of governance as any expense related to the upkeep of governmental administrative systems. Additionally, he compares the cost of governance to the total administrative expenditure, which is a component of Nigeria's federal government's overall spending. According to him, the fact that administrative expenses are incurred during the governance process serves as the rationale for defining total administrative spending as the cost of governance. The government budget allotted to capital and ongoing expenses for upholding government administrative structures is known as the "cost of governance," according to Drucker (2017). This amount seems to be quite high in Africa, raising concerns about governance efficiency is to make sure that public monies are used wisely and that there is an adequate supply of public goods and services. The equity principle serves as the foundation for the allocation of public goods and services in Nigeria. When the market is permitted to serve as the primary mechanism for resource allocation, natural and human resources may distort the distribution of income in favor of endowed groups. Therefore, significant differences in the distribution of natural and human capital endowments among groups within a country are more likely to impede free markets. Abalaka (2023). This largely explains why northern extraction nationalists initially opposed Nigeria's independence, since their meager investment in human capital would place them at a disadvantage in Nigeria after independence Sulaiman (2023). As a result, Nigeria established a political structure that guaranteed the public sector would continue to control the majority of the economy. In retrospect, this agreement may have marked the start of patronizing practices that hindered the market and productivity, encouraged rent-seeking, created an imbalance between rewards and efforts, and increased the cost of governance in Nigeria. Afolugbo (2022) defines the cost of governance as the expenses incurred in the operation of the government. According to Ajiteru (2023), it is the price of carrying out political obligations and providing the general public with civil services. There were just four administrative officers in the Ministry of Trade when he was sent there in 1964, following his graduation from the then-University College, Ibadan. There are likely at least 20 administrative officials working in that Ministry today, performing tasks that were formerly limited to four officers in 1964. When he later joined the Foreign Service in September 1964, the Foreign Ministry had less than fifty Branch A officials, of whom only two or three held the position of permanent secretary. According to Abalaka (2023), there are currently more than 500 Branch A officers, with more than 100 of them holding level 17, which is the equivalent of a permanent secretary. Several of these officers Currently, those at the top of the pyramid leave the service without being named ambassadors. Many more have no departmental responsibilities and are essentially redundant. To completely comprehend and appreciate the cause or sources of the massive bureaucracy that has developed in Nigeria as well as the expenses associated with maintaining such a large bureaucracy, this background is required (Sulaiman, 2023).

For our purposes, the financial resources that the government or her agents use to maintain or provide for the employees under her control are referred to as the cost of administration or governance. According to Ajiteru (2023), this maintenance expense is also referred to as overhead or recurring expenditure.

**Table 1. List of Geopolitical Zones in Nigeria, their IGR an unemployment rate percentage**

Geopolitical zone	Regional unemployment rate in %	IGR as percentage of total revenue in %	Personnel and overhead costs as a percentage of total revenue in %
South East	19.6	15.0	27.5
South West	11.4	33.4	37.3
South South	24.7	10.5	21.9
North Central	22.0	12.7	41.4
North East	31.9	7.1	50.5
North West	28.8	10.0	44.8

Source: Business Day (2022) Economic and Financial Indicators: P. 51

**Table 2. List of States in South-South Geopolitical Zone in Nigeria, their IGR an unemployment rate percentage**

South	Unemployment rate in %	Revenue in %	Personnel cost (N bn)	Overhead cost (N bn)	Debt Charges (N bn)	IGR (N bn)
South						
Akwa Ibom	18.4	256.2	17.9	4.1	0.3	12.1
Bayelsa	23.9	196.9	34.7	25.6	22.2	4.4
Cross River	18.2	62.5	15.8	6.1	4.2	7.6
Delta	27.2	235.7	19.1	16.7	1.6	15.6
Edo	35.2	82.3	20.2	13.3	9.9	18.1
Rivers	25.5	314.7	62.5	15.2	33.8	62.9
Regional Total		1,148.3	170.2	81.0	72.0	129.1
Regional Average	24.7	191.4	28.4	13.5	12.0	20.1

Source: Business Day (2022) Economic and Financial Indicators: P. 51

**Table 3. List Of States In North-East Geopolitical Zone in Nigeria, their IGR an unemployment rate percentage**

North East	Unemployment rate in %	Revenue in %	Personnel cost (N bn)	Overhead cost (N bn)	Debt Charges (N bn)	IGR (N bn)
North East						
Adamawa	33.8	61.7	12.1	25.7	1.4	6.6
Bauchi	41.4	64.4	18.6	26.8		4.5
Borno	29.1	62.7	13.1	8.0		2.1
Gombe	38.1	64.1	9.1	29.1	5.0	7.5
Taraba	12.7	55.5	10.9	5.4	4.1	2.5
Yobe	35.6	52.2	10.7	12.5	0.2	2.3
Regional Total		360.6	74.5	107.5	10.7	25.5
Regional Average	31.9	60.1	12.4	17.9	1.8	4.3

Source: Business Day (2022) Economic and Financial Indicators: P. 51

**Table 4. List of States In South-East Geopolitical Zone in Nigeria,  
their IGR an unemployment rate percentage**

South East	Unemployment rate in %	Revenue in %	Personnel cost (N bn)	Overhead cost bn)	(N	Debt Charges (N bn)	IGR (N bn)
Abia	11.2	84.1	10.0	15.9	18.4	31.2	
Anambra	12.4	72.4	3.7	5.0	0.9	4.8	
Ebonyi	23.1	45.2	7.1	3.3	2.6	2.1	
Enugu	25.2	53.1	10.7	6.4	0.1	4.1	
Imo	26.1	67.6	8.1	18.4	23.0	6.1	
Regional Total		322.4	39.6	49.0	45.0	48.3	
Regional Average	19.6	64.5	7.9	9.8	9.0	9.1	

Source: Business Day (2022) Economic and Financial Indicators: P. 51

**Table 5. List of States in North-West Geopolitical Zone in Nigeria,  
their IGR an unemployment rate percentage**

North West	Unemployment rate in %	Revenue in %	Personnel cost (N bn)	Overhead cost bn)	(N	Debt Charges (N bn)	IGR (N bn)
Jigawa	35.9	66.5	3.2	5.5	0.1	2.3	
Kaduna	30.3	77.3	18.8	21.2	0.6	11.7	
Kano	21.3	97.0	58.4	14.0	-	14.0	
Katsina	28.1	66.4	16.7	5.0	0.2	3.2	
Kebbi	25.3	55.1	11.8	9.2		3.5	
Sokoto	17.9	61.7	10.0	5.8	20.1	3.1	
Zamfara	42.6	61.1	20.0	9.5	9.8	10.6	
Regional Total		484.9	146.9	70.2	30.8	48.4	
Regional Average	28.8	69.3	21.0	10.0	4.4	6.9	

Source: Business Day (2022) Economic and Financial Indicators: P. 51

**Table 6. List Of States In South-West Geopolitical Zone in Nigeria,  
their IGR an unemployment rate percentage**

South West	Unemployment rate in %	Revenue in %	Personnel cost (N bn)	Overhead cost bn)	(N	Debt Charges (N bn)	IGR (N bn)
Ekiti	12.1	48.2	13.1	2.6	14.1	4.0	
Lagos	8.3	267.9	32.7	37.2	3.0	147.1	
Ogun	22.9	77.4	34.1	9.9	12.8	22.2	
Ondo	12.9	83.2	20.6	3.4	1.9	7.2	
Osun	3.0	60.1	19.6	6.6		11.9	
Oyo	8.9	78.7	35.3	14.6		13.4	
Regional Total		615.5	155.4	74.3	31.8	205.8	
Regional Average	11.4	102.6	25.9	12.4	5.3	34.3	

Source: Business Day (2022) Economic and Financial Indicators: P. 51

**Table 7. List of States in North-Central Geopolitical Zone in Nigeria,  
their IGR an unemployment rate percentage**

North Central	Unemployment rate in %	Revenue in %	Personnel cost (N bn)	Overhead cost (N bn)	Debt Charges (N bn)	IGR (N bn)
Benue	14.2	67.3	14.9	8.4	3.5	8.3
Kogi	14.4	68.2	20.2	8.7	1.8	16.5
Kwara	7.1	60.4	8.5	16.4	11.6	11.7
Nassarawa	36.5	49.2	8.2	16.7	10.2	5.3
Niger	39.4	62.6	19.5	18.2	4.9	3.2
Plateau	25.3	63.1	13.9	28.9	9.0	4.9
FCT Abuja	21.1	103.8	8.4	5.6	0.2	10.3
Regional Total		474.6	93.6	102.9	41.2	60.2
Regional Average	22.6	67.8	13.4	14.7	5.9	8.6

Source: Business Day (2022) Economic and Financial Indicators: P. 51

How big is the federal civil service now, and how much does it cost the Treasury overall? There were just over a million federal employees by September 2005, when the Public Service Reform Team (PSRT) was established (Sulaiman, 2023). An additional 2 million people were thought to be employed by the 36 states and the FCT, divided as follows:

#### Public Servants

Components	Amount
Federal Core Civil servants, including some 20,000 directors	180,000
Uniformed Services-Military, Police and Paramilitary Services	457,000
Parastatals, Agencies, Educational and Health Institutions	470,000
Total Federal Public Service	1,107,000
Public Officers at the state level-36 states (Estimate)	856,000
Public officer at the Local Government and FCT Area Councils	620,000
Public Officers in the FCT Administration	19,000
Total Sub-National Public Service	1,495,000
<b>Grand Total of Public Sector Employees in Nigeria</b>	<b>2,602,000</b>

Source El-Rufai, N (2021), "Reforming our Dysfunctional Public Service," This Day, October, 1, p.50.

The PSRT's other preliminary diagnostic results were, to put it mildly, alarming. The civil service, which was primarily undereducated and inexperienced, was aging quickly. Their average age was 42 at the time, and more than 60% of them were over 40, according to El-Rufai (2011:50). The percentage of governmental employees with a university degree or its equivalent was less than 12 percent. More than 70% of juniors in grades 01–06 had sub-clerical or similar skills. Approximately 20% of public servants were "ghost workers," or nonexistent individuals listed on the payroll, and these individuals were employed by the accounts and personnel departments. In the first audit round, we discovered 3,000 ghosts in the FCT out of a total original head count of 26,000 people. By the time we presented We identified around 2,500 people who did not appear for paperwork using biometric identification and a centralized, computerized pay roll. El-Rufai came to the conclusion that, despite a 160 percent growth in the country's population between 1960 and 1999, the size of our bureaucratic service grew by 350 percent over the same time frame. According to Sulaiman (2023), our public service is obviously overburdened.

It is a nightmare because nobody truly understands the size of the civil service or how much it costs to run the entire federation, not even the different administrations. For example, it was recently reported that Mr. Segun Aganga, the former Minister of Finance, stated that a

personnel audit of only seven MDAs revealed that out of the 112,000 staff members, there were 43,000. We identified around 2,500 people who did not appear for paperwork using biometric identification and a centralized, computerized pay roll. El-Rufai finished by asserting that although the population of our country has grown by 160 percent since 1960, there are still so-called "ghost" workers on the federal government payroll. Additionally, he said that just human costs accounted for half of the federal government's ongoing expenses. (Eme, 2021) This amounts to almost N1.2 trillion annually. Since there is no trustworthy information on the whole number of employees in the federal civil service, it may even be higher. The Federal Office of Statistics' data is out of date. Since 1999, a few staff audits have been carried out on a regular basis, but the results have not been released to the public. An additional A committee led by Professor Anya recently carried out a staff audit. However, the audit's whole details have also not been made public. However, Professor Anya noted that the federal bureaucracy's current size was "unsustainable for the size of the Nigerian economy" when he presented the report of his committee to the Minister of Finance. "More than 80% of the nation's financial resources were devoted to recurrent expenditures, and Nigeria would only have 15% of its expenditures covered without the oil revenue," he added. Ajiteru (2023).

First, out of the 42 ministers in our current FG government, 36 hold direct cabinet responsibilities. According to the Constitution, the President must designate a Minister at the very least from every state in the 36. (El-Rufai, 2012:8) This suggests that the federal government will be run by at least 36 or 37 federal ministries. Additionally, there exists an infinite or non-specific number of special helpers and advisers. Up to 300 officials are thought to fall under these groups. This excludes the 774 local governments created by the 1999 Constitution as well as the civil service of the 37 states, including the Federal Capital Authority. Furthermore, it is projected that up to 300 federal government organizations and public businesses may still be in existence despite the government's currently halted privatization program (Sulaiman, 2023).

The first sign of the government's commitment to the new federal cabinet's constitution calls for lowering the expense of governing. It really demonstrated an extension of the previous order when it was unveiled by the Senate on Monday, June 27. A first group of 20 special advisers and 34 ministry nominations were sent by the president. At the very least, the Red Chamber would evaluate eight more cabinet nominees. Even if the president had wished to reduce his oversized cabinet, he would not be able to do so without a constitutional modification due to the need that at least one minister be chosen from each of the 36 states as well as Abuja. The number rises to 42 with an extra six, one from each of the six geopolitical zones, perhaps more for political correctness Ajiteru, (2023).

The topic of the federal cabinet's size came up again during the last Senate ministerial screening, as some senators expressed disapproval of the proposed cabinet's size. Those who believed the size should be reduced were represented by Chris Ngige of Anambra North. He objected to Jonathan's request for twenty special advisers in addition to forty-two ministers and questioned their duty schedule. However, the Senate ultimately agreed to prevent the political climate from becoming heated at this early stage of the new administration. That further adds to the worry that the Senate, whose representatives had pledged to lower the expense of governance, seems to be getting off to a hesitant start. If not, the legislature ought to be aware that it is expected to demand that the President Start refusing to abolish large government (Sulaiman, 2023).

The extent of government bureaucracy's disintegration and disintegration over time, which has increased the expense of governance, was shown by the magazine's inquiry. Although the law stipulates that the President must appoint a minimum of 37 federal ministries, there are actually just 27. Politicians came up with the innovative term "minister

of state" to account for this. Accordingly, 15 out of the 42 nominees will be ministers of state, who are viewed as junior ministers who interfere in their ministries' internal affairs. Conflicts over duties, visibility, and, some claim, the distribution of office benefits have also arisen as a result of this approach, leading to further division of some ministries give the state ministers authority over some areas (Abalaka, 2023). There are currently rumors that the government is considering adding more ministries in order to gradually phase away the position of minister of state. In addition to effectively making all nominees full ministers, this will increase government bureaucracy and costs because each ministry will need all of the typical office supplies and staff needed to function as a complete ministry. According to Sulaiman (2023), the nation might have roughly 42 ministries if this proves to be accurate. A succinct description of the federal bureaucracy will highlight the significant financial load the nation's treasury bears, undermining all development initiatives under different regimes. There are four influential executive posts under the presidency, including SGF, President, Vice President, and Federation Head of Service. The SGF's office and the head of service's office were typically combined during military regimes. Two Honorary Advisers, Senior Special Advisers, and Senior Special Assistants served in the administration of the late Umaru YarAdua (2018).

Out of the N46 trillion overall budget for the Federal Government in 2010, The same N2.8 trillion was set aside for debt repayment and ongoing expenses. About 45% of the entire FG budget was allocated to recurring expenses (N2.8 trillion), but only 35% was allocated to capital projects (N1.8 trillion). The budget does not include explicit numbers for overhead and personnel costs Abalaka, (2023). However, on average, 40% of ongoing expenses go toward people, and 60% go toward overhead. (Eme, 2017). This indicates that direct pay or personal emoluments are really less expensive than overhead costs, which include travel, lodging, and other auxiliary charges. When combined, the FG's annual personnel costs for its government servants might reach N1.2 trillion. Internal bonds and external borrowing are planned to cover the deficit of over N1.4 trillion, which results from the 2021 budget's total estimated revenue of only N2.83 trillion. 16% of our GDP is represented by the deficit. The current estimate for annual debt servicing is N542 billion. Approximately 66% of the budget is set aside for ongoing expenses, with the remaining Capital expenditures account for 34%. In actuality, the federal government will spend roughly N2.3 trillion during the current fiscal year. Abalaka (2023) states that more than N1.2 trillion will be allocated to staff costs in the recurring budget.

The trend is the same at the state level of government. The overall payroll load as a percentage of the budget is enormous, even though public sector pay is low in comparison to living expenses (Sulaiman, 2023).

An average of half of the budget is allocated to recurring expenses in the majority of states, with the exception of Lagos, Kano, Kaduna, and Rivers States. Similar worries over the sustainability of Nigeria's domestic debt were voiced by the DMO in December 2019 in its study titled "National Debt Management Framework: 2010 to 2022." claimed that although Nigeria appears to have no issues with the sustainability of its domestic debt in the medium term, the government may experience difficulties paying down its debt by 2010. The debt profiles of Nigerian states are displayed in the table below (Abalaka, 2023).

**Table 8. External Debts Stock of States as at December 2010**

S/N	States	Debts stock	Percentage of total
1	Abia	\$24.5million	1.52
2	Adamawa	\$58.7million	1.33
3	Akwa Ibom	\$17.3million	3.20
4	Anambra	\$44.2million	0.94
5	Bauchi	\$25.1million	2.41
6	Bayelsa	\$24.3million	1.36
7	Benue	\$14.8million	1.32
8	Borno	\$101.8million	0.81
9	Cross River	\$19.5million	5.55
10	Delta	\$32million	1.06
11	Ebonyi	\$42million	1.75
12	Edo	\$32.7million	2.29
13	Ekiti	\$33.4million	1.78
14	Enugu	\$21.3million	1.82
15	Gombe	\$49.5million	1.16
16	Imo	\$18.3million	2.69
17	Jigawa	\$135.8million	0.99
18	Kaduna	\$44.1million	7.40
19	Kano	\$78.8million	2.40
20	Katsina	\$46.8million	4.29
21	Kebbi	\$32.3million	2.55
22	Kogi	\$30.1million	1.76
23	Kwara	\$347.9million	1.64
24	Lagos	\$28.5million	18.95
25	Nassarawa	\$25.8million	1.55
26	Niger	\$67.9million	1.41
27	Ogun	\$46.6million	3.70
28	Ondo	\$64.1million	254
29	Osun	\$100.3million	3.49
30	Oyo	\$29.2million	5.46
31	Platueau	\$33.7million	1.59
32	Rivers	\$36million	1.84
33	Sokoto	\$36million	1.96
34	Taraba	\$19.9million	1.06
35	Yabe	\$27.2million	1.48
36	Zamfara	\$23.8million	1.30
37	FCT	\$29.3million	1.60

Source: Eme, (2020:22), “*History of Wage Palaver in Nigeria*”, unpublished paper

According to Abalaka (2023), this is almost the complete number of borrowings—both domestic and external needed to balance the budget. This basically means that we are borrowing to keep up our massive bureaucracy, which will need to be paid off with an annual debt service of around N600 billion over the next years. This is definitely not the way to manage a nation, or any business for that matter. It is a recipe for national insolvency and financial ruin. Ajiteru (2023).

The federation's entire government must work together to address the serious issue of an overburdened bureaucracy and the significantly higher operating costs of such a massive bureaucracy, which the Anya claim might account for up to 80% of our total resources Report of the Committee. The amount of money that state governments spend on general administration is equally wasteful. Only 20% of the country's total financial resources are allocated to capital projects on average, which is the practical effect of this enormous cost of governance. As a result, the capital projects lack adequate funding. Due to a lack of funding, they are typically left undone or abandoned. The economy's persistent underperformance and growth are addressed by this prescription. To find the ideal size for the federal civil service without negatively impacting service Sulaiman's efficiency, the issue necessitates a thorough staff audit and job review. (2019).

Few nations can equal the cost of government on a comparative basis, especially the Nigerian general administration costs. The federal cabinet of the United States, the world's greatest economy with a GNP of US\$13 trillion annually, is not more than 20 times as large as Nigeria's. Less than ten percent of the US government budget goes toward general administration expenses. Compare that to Nigeria, where the numbers range from at least 60% to 80%. On average, wealthy nations spend just 12% of their income on national administration. Fafowora (2021), p. 52 However, impoverished nations that lack the financial means to do so typically spend a lot more on national operations. Naturally, all of this is based on their GDP. However, the arrangement of Demand demonstrates that the public sector dominates and accounts for the majority of all public spending in developing nations. Actually, this tendency is primarily to blame for the excruciatingly sluggish economic progress of developing nations like Nigeria (Abalaka, 2023). It is difficult to find information about the relative size and public spending on the public service in other African nations. However, the World Bank's annual reports have demonstrated that Nigeria's public spending as a percentage of GDP has continuously been the highest in Africa (Fafowora, 2021-52). However, large governments do not always equate to excellent or successful governments. On the contrary, there is ample proof that the likelihood of wasted spending increases with the size of the government widespread public corruption Ajiteru (2023).

There were 1.2 million federal public personnel, 1,500 political office holders (Ministers, special advisers, and special assistants), 470 federal legislators, and more than 1,500 judicial officers in 2003, under President Obasanjo's administration, according to a staff audit. The Obasanjo administration merged various federal ministries to lower the number from 22 to 16 as part of his cost-cutting measures. However, President Yar'Adua, who succeeded him, expanded the number of ministries from 16 to 29.

In recent years, there have been a number of attempts to lower the size and cost of the federal civil service, which currently numbers 1.2 million (Fafowora, 2021:52) and may reach 1.5 million. However, for a variety of reasons, from the practical challenges of accomplishing the goal to the lack of dedication on the side of the successive federal governments, these attempts have been generally failed. To properly address this intricate issue of growing costs in the country's general administration, a more complete and all-encompassing strategy including all the stakeholders, including the states, is required (Abalaka, 2023). For example, the 1999 Constitution requires the President to name at least 37 cabinet members, one from each of the 36 states and the Federal Capital Territory. He cannot unilaterally cut the size of his cabinet unless this constitutional provision is altered. It will be challenging to change the Nigerian political system in the context of Constitution with an eye toward lowering the number of cabinet ministers that must be appointed by the president. However, if the expense of managing such a large cabinet and massive bureaucracy is to be decreased, this is required (Sulaiman, 2023).

Most people in the country today agree that the civil service's size and cost are unsustainable and that it should be drastically cut since it is a significant barrier to the country's economic development. We must abandon the practice of considering the public service to be another kind of patronage based on race, religion, or politics. We require a more efficient and streamlined civil service than what we currently have (Abalaka, 2023). There's no explanation why the government should spend more than 10% on the civil service. However, the process of workforce reduction should be managed properly and gradually to prevent needless interruptions in the civil service. In conclusion, the following methods for lowering both the size and cost of general administration in the nation are strongly recommended Ajiteru (2023).

To reduce the cost of governance, there should be a constitutional amendment to limit the number of federal cabinet ministers to a maximum of 18 selected from six geographical zones, with the President and state governors leading the effort for this amendment in a bipartisan manner. In addition, the number of assistants and special advisers currently exceeding 300 should be significantly reduced. Consolidation of Ministries, Departments and Agencies (MDAs) is needed to address the overcrowding of the federal bureaucracy. The Fiscal Responsibility Act should be enforced to curb public expenditure and introduce regulations to reduce the recurrent budget, so that more funds are allocated to the capital budget. Salaries and allowances of federal and state legislators should be cut by at least 60%, while regular audits of government expenditure should be conducted by the Auditor-General of the Federation. Quarterly expenditure of the federal government should also be made public as mandated by the Constitution through the Accountant-General of the Federation, while the Public Accounts Committee of the National Assembly should be strengthened in its oversight function. All governments in the federation should rely more on internally generated revenues rather than relying on federal revenue distributions. INEC's decision to disqualify political parties that do not meet the standards is a positive step. In addition, the national parliament should be part-time with a unicameral system, the number of states should be reduced, and the selection of ministers should take into account equal representation of geopolitical zones, with a minimum of two representatives from each zone.

## Discussion

The findings from the analysis of Nigerian public sector governance costs reveal a persistent pattern of high recurrent expenditure relative to capital investment, which undermines developmental outcomes. Across geopolitical zones, recurrent costs—particularly personnel and overhead—consume between 40% and 50% of total revenues, leaving limited fiscal space for capital projects (Business Day, 2022). This imbalance reflects the entrenched bureaucratic expansion that has characterized Nigeria's governance structure since independence.

One striking observation is the regional disparity in unemployment and internally generated revenue (IGR). For instance, the South West zone records the lowest unemployment rate (11.4%) and the highest IGR contribution (33.4%), while the North East suffers from the highest unemployment (31.9%) and the lowest IGR (7.1%) (Business Day, 2022). This suggests that governance costs are not only a fiscal burden but also a reflection of structural inequalities in economic productivity and administrative efficiency. The heavy reliance on federal transfers in low-IGR regions exacerbates fiscal vulnerability and perpetuates dependency.

The historical evidence provided by Eme (2020) underscores the longstanding wage disputes and bureaucratic inefficiencies that inflate governance costs. The persistence of "ghost workers" on payrolls, despite repeated audits, highlights systemic weaknesses in accountability mechanisms (El-Rufai, 2011; Eme, 2021). These inefficiencies translate into

inflated personnel costs, which, according to estimates, consume nearly half of the federal government's recurrent expenditure—amounting to over ₦1.2 trillion annually (Ajiteru, 2023).

The discussion also points to the constitutional requirement of appointing at least one minister from each state, which institutionalizes an oversized federal cabinet. With 42 ministers and numerous special advisers, the federal bureaucracy expands beyond functional necessity, thereby increasing administrative overhead (El-Rufai, 2012; Sulaiman, 2023). This structural arrangement, while politically inclusive, imposes significant fiscal costs that crowd out investment in infrastructure and social services.

Comparative insights further emphasize Nigeria's inefficiency. While advanced economies such as the United States allocate less than 10% of their budgets to general administration, Nigeria devotes between 60% and 80% of its resources to recurrent governance costs (Fafowora, 2021). This disproportionate allocation explains the chronic underfunding of capital projects, many of which remain abandoned or incomplete (Abalaka, 2023). The result is a vicious cycle of poor infrastructure, low productivity, and rising unemployment.

In sum, the results demonstrate that Nigeria's governance costs are unsustainable relative to its economic capacity. The combination of bloated bureaucracy, wage disputes, ghost workers, and constitutional constraints has entrenched a fiscal structure where recurrent expenditure dominates. Without comprehensive reforms—such as staff audits, payroll digitization, and rationalization of ministries—the country risks continued fiscal insolvency and developmental stagnation. Conclusion

Nigeria is governed by a democratic system modeled after the US government. However, Nigeria's cost of governance has recently drawn a number of remarks from economic stakeholders who voiced concerns about how best to reduce the government's widespread waste and convert it into generally higher living standards for the populace (Ajiteru, 2023). There is little evidence to support the claim that Nigeria's democracy is the most-costly in the world when considering the country's infrastructure, level of poverty, and rate of overall economic growth. For example, Nigeria has nearly 40 federal secretaries (ministers) and ministries, whereas the United States of America, which has a larger population and more states than Nigeria, only has 12, Ministries and ministers Abalaka (2023). Even in the face of international economic uncertainty, the US economic growth plan is more precise, well-spoken, people-focused, and less costly, and policies are carried out for the benefit of the country. The outcomes of closely watched governmental spending are evident. This isn't the case in Nigeria, where a federal lawmaker makes more money than the US president despite having very little influence. Mr. Aminu Tambuwal, the Speaker of the Federal House of Representatives, recently bemoaned the fact that federal government agencies fraudulently wasted over half of the country's 2022 budget funds. The bulk of citizens' living conditions saw little improvement as a result of this. Considering how impoverished the country is, the federal government is awarding billions of naira in meaningless contracts. The Federal Executive Council's recent approval of a N2.2 billion contract for the construction of a 150-seat banquet hall and other related works in the Presidential Villa serves as an excellent illustration. It is anticipated that this will take the place of an existing banquet hall. A number of awarded contracts have been canceled, and funds for unfinished work have been paid. According to reports, Mr. Namadi Sambo, the vice president, disclosed in June 2022 that more than 12,000 federal projects totaling N7.8 trillion had been shelved. According to Abalaka (2023), the amount of waste in the system is tremendous. The fact that the payrolls of numerous local government authorities across the country are have too many employees, the majority of whom merely come to their secretariats at the end of the month to get paid for work they haven't done. More than 500 aides work for several state governors. The

government spends 70% of the country's income on itself, leaving 30% for the people, according to Mallam Sanusi Lamido Sanusi, governor of the Central Bank of Nigeria (CBN). He had previously revealed that the National Assembly and its members alone accounted for 25% of the country's total budget. He emphasized that if the nation keeps investing so much of its resources in personnel, it will not be able to progress. According to Sulaiman (2023), there are 774 local administrations in this nation. Every council has a vice president and a chairperson, chairman and perhaps ten council members together with their assistants. The constitution stipulates that each state in the federation must have a minister, but as knowledgeable and well-educated individuals, may I ask you why there is a correlation between the number of states and the number of federal ministries? Therefore, 50 ministries are required if there are 50 states in the world now. The CBN Governor asked, "You have to have 100 ministries if you have 100 states." According to the stakeholders, the constitution must be the first step in creating a downsizing template for all levels of government. Until our leaders are prepared to undertake this level of cost reduction, they should perhaps just keep silent on the matter Ajiteru, (2023).

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