

When Budget becomes racket

By Olusegun Adeniyi

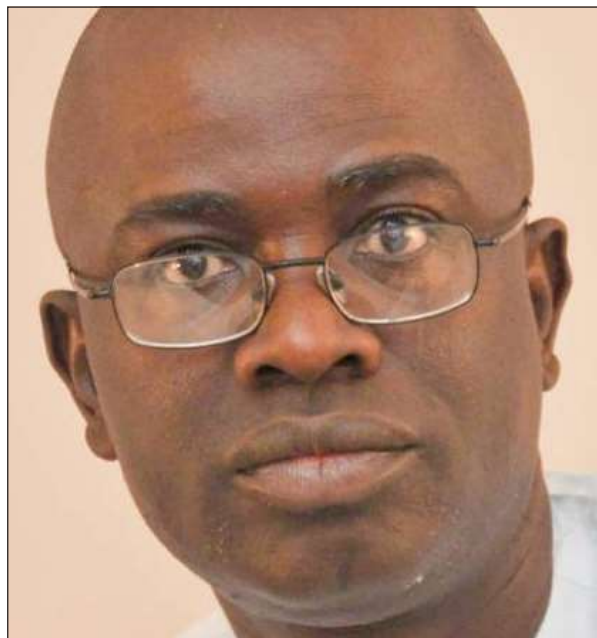
Given how a serious national economic planning instrument has been cynically subverted over the years, there cannot be a more apt summation of the futility of budgets in Nigeria than a 2019 Twitter thread by 'Laolu Samuel-Biyi. I have twice referenced his conclusion on this page: "If you want to keep hope alive in Nigeria, don't look at the budget". Difficult to fault him. When a national budget is reduced to sharing money between and among powerful interests, as in Nigeria, how can a society develop?

Not quite long, President Muhammadu Buhari presented the 2023 Appropriation bill to the National Assembly. It is his last and final one in office. The estimated expenditure for the 2023 fiscal year is N19.7 trillion with a proposed deficit of N10.78 trillion, representing 4.78 per cent of the estimated Gross Domestic Product (GDP). This is above the 3 percent per cent threshold set by the Fiscal Responsibility Act 2007. While I leave experts to continue their dissection of the 2023 budget which, in any case, will be reviewed when a new President takes over on 29th May next year, it may be important to look back before we leap forward.

That way, we will understand that we don't do budget in Nigeria. We simply share money.

For the current 2022 fiscal year, the sum of N17.3 trillion was appropriated by the National Assembly. N817.6 billion was for statutory transfers, N3.978 trillion for debt servicing, N7.108 trillion for recurrent expenditure and N5.415 trillion for capital development. Let's start with a few projections that tell compelling stories about our priorities as a country. The Nigeria Customs Service (NSC) is expected to bring in N1.032 trillion from import duty and N98.529 billion from excise duty. Since excise duty is paid for locally manufactured goods, it

is obvious that the federal government does not intend to encourage local manufacturing which is key to economic growth, job creation and the economic well-being of citizens. So, we have already made a statement of intent. Priority is given to the importation of products, which then explains why we have turned the Customs Service into a revenue generating agency rather than a development instrument to counter importation of products harmful to local industry or national security. We



will come back to this another day. Three weeks ago, the Senate Committee on Finance pledged that about 400 out of 541 Federal Government owned Ministries, Departments and Agencies (MDAs) identified by the Stephen Oronsaye-led Presidential Committee on Rationalisation of Agencies will be scrapped. According to committee chairman, Solomon Olamilekan, revenue generation is the most critical factor being considered by the federal government to decide which MDAs to retain or scrap. While we have heard this tale many times before, what Olamilekan failed to disclose is that dozens (may be

hundreds) of new agencies and federal institutions have been added to that list by the current administration in recent years.

When some of us call for restructuring the country, it is essentially because of this misallocation of resources that has resulted in egregious behaviour in Abuja. For instance, according to the 2012 Oronsaye report, there are 106 public-funded core research and quasi-research centres spread across the country, including a full-fledged institute for the study of

Trypanosomiasis. But only about 10 percent of their funds is expended on core research work with the rest going to staff salaries and procurements. According to the Oronsaye report (which identified 50 agencies without any enabling laws and 55 others not under the supervision of any ministry), a common feature is the prevalence of high personnel cost as "many of them receive more budgetary allocations for personnel than they require because that component of their budget is usually inflated". Several of them are also "obvious duplications of existing bodies" which then underscores the fact of "overlaps and enormous wastage of scarce resources".

Four of these agencies are beyond scandalous: National Agency for Population Programmes and Development; Population Activities Fund; Population Fund Activities Agency and Population Research Fund!

Yet, as I stated earlier, many more of such agencies continue to be created. In the 2022 budget, for instance, the federal government featured a line item for the office of Retired National Assembly Clerks and Permanent Secretaries where over N581 million was allocated contrary to the Pension Reform Act 2004 (as amended in 2014). Ordinarily, these are/were

career civil servants who for 30 to 35 years have been contributing to their pension account. Suddenly, they exit the scheme and begin to enjoy full life benefit at public expense. Not only is this absurd but it is also against the spirit of the pension reform. But who can blame them in a country where a governor who had served five months was deemed to have occupied office illegally by the Supreme Court but awarded an annual pension of a hundred million Naira?

With the current clamour to be exempted from the Contributory Pension Scheme (CPS) by the police and other public institutions that want to eat their cake and still have it, President Buhari may have unwittingly lent his name to the gradual destruction of one of the few successful public service reforms ever undertaken in Nigeria. Meanwhile, in the service wide provision of N1.93 trillion in the 2022 budget, monitoring of Integrated Payroll and Personnel Information System (IPPIS) has a provision of N1 billion. Despite that jumbo sum of money, these 'monitors' could still allow the Accountant General of the Federation to 'misapply' N108 billion without detection!

Looking at the capital component of the 2022 budget, several programmes are captured under capital projects. A good example is the convention of Annual National Local Government Summit—an 'ongoing' capital project in the Ministry of Special Duties—although one can say that the sum of N10.029 million budgeted for it is small potato. The National Veterinary Infrastructure and Abattoirs/Slaughter Houses Development Programme is also captured as capital project in the sum of N310.114 million under the Federal Ministry of Agriculture and Rural Development.

In some cases, the budget provisions do not make any sense. For instance, in the Michael Imoudu Institute of Labour Studies under the Federal Ministry of Labour and Employment, the sums of N19 million, N14.25 million and N107.75 million were budgeted for the construction of office building, residential building and provision of

electricity respectively. The question then is, what type of office can N19 million build or what kind of residential building can be executed with N14.25 million in today's Nigeria? This type of ridiculous provision is replicated in virtually all the MDAs. Under the Ministry of Works, several new projects simply have sums of money thrown at them without design while ongoing projects are allocated ridiculously low amounts. The construction and rehabilitation of Lokoja-Obajana-Kabba- Ilorin Road described as ongoing has a provision of N3.35 million. Yes, N3.35 million! Besides, allocating equal funds to projects without regard to their scope, complexity and level of completion raises serious questions. The same amount of N208 million was allocated to both ongoing and new roads in Kano, Enugu, Kwara States with only N13.4 million for rehabilitation of Lafia-Obi -Awe -Tunga Road in Nasarawa State. All new projects in Akwa Ibom, Delta, Cross River, Kwara States also have equal provision of N50 million Naira. What kind of new road can N50 million deliver?

I can go on and on to list numerous aspects of the ongoing 2022 budget that make little sense. But I believe my point is made. Ordinarily, a national budget should reflect the federal government's fiscal and monetary policies that are targeted at economic development. That is not the case in Nigeria. Indeed, if the main objective of a budget is to reduce inequalities by mobilizing and allocating resources for investment in the public sector, then what we operationalize annually in Nigeria is more of a racket! While this anomaly has been with us for decades, redressing it must be part of the conversation we need to have ahead of the 2023 general election.

The Rage of Nature. At a time, the country is yet to recover from the 2012 floods which claimed 363 lives, displaced over 2.1 million Nigerians, with losses estimated at N2.6 trillion, we are back to another deluge. According to the National Emergency Management Agency (NEMA), as of last weekend, flood levels in most parts of the country had risen above the 2012

threshold by 11 per cent. Counting the cost in human displacement, livelihood disruption, infrastructure damage and environmental dislocation, Permanent Secretary, Federal Ministry of Humanitarian Affairs, Disaster Management and Social Development, Sani Gwarzo, confirmed on Tuesday that so far, the flood has wreaked havoc in 31 states and the FCT. "Over 500 persons are reported dead; 1,411,051 affected; 790,254 displaced persons with 1,546 persons injured. Furthermore, 44,099 houses are partially damaged; 45,249 houses totally damaged; 76,168 hectares of farmland partially damaged and 70,566 hectares of farmland are completely destroyed by the great deluge," Gwarzo revealed.

At Ogbaru community in Anambra State last Friday, 85 people entered a boat to escape the rising water level. Only nine people survived to tell their story when the boat capsized along the floodplain. Same day in Kogi State, the Federal Road Safety Corps (FRSC) advised motorists and commuters to shun the Abuja-Lokoja highway and take alternative routes to avoid the gridlock that has already led to fuel scarcity in Abuja and environ. Not only are most parts of Lokoja now practically submerged, but dozens of residents cannot also be accounted for. In Nasarawa State, Olam Nigeria Limited, one of the foremost agro-business companies in the country has put its loss at over \$15 million worth of planted crops after flood submerged 4500 hectares of rice farmland. Since that represents just about 7 percent of the total farmlands affected across the country, one can only imagine the implication for food security in Nigeria.

The challenge at hand is monumental. When climate change results in high intensity rainfall, it is only natural for streams and rivers to overflow their banks with dire consequences for lives and livelihoods. But with rising death toll and increasing numbers of displaced people across the country, government at all levels must begin to find practical solutions to a problem that will not go away.

National Awards, National Scandal

By Hope O'Rukevbe Eghagha

It was with great incredulity and near hopelessness that patriotic Nigerians watched the greatest and most enduring and successful corruption-fighting President of Nigeria HE Muhammadu Buhari dish out national awards to some distinguished citizens and foreigners last week, as if all was well with the country and the men and women who had made it great needed to be congratulated and rewarded with garlands and words of appreciation in front of klieg lights as a parting gift in the last full year of the reign of the Grand Conqueror of Political Chicanery in Nigeria!

It was a wonderful assembly of the high and mighty in industry, politics, the arts, music, and administration in the 'annals of our history'. I scanned the list for the small people of society such as Ejiro Otarigho, the man who drove a burning tanker away from Agbarho Delta State to save lives of hundreds of innocent people. Was there a name of a primary or secondary school teacher or nurse who had distinguished themselves on the list? Luckily, I found such names as Josephine Agu the Lagos Airport cleaner who found \$12,000 in the toilet and returned it to the authorities. Also on the list was a security guard Mallam Musa Usman from Jigawa State and a bank security guard Muhammed Ibrahim. In my view such names ought to dominate the list! The gaudy ceremony was too comic to be classified as comedy. Perhaps it was an absurd drama of a degenerate and perfidious type, a rabid denial of truth and objective reality. A nation in the throes of death, gasping for life with all the inherent contradictions, awarding national honours to the persons who have either collectively or individually brought the nation to a sorry pass. No nation which takes its affairs seriously meanders into such dirty waters in the name of recognition of national heroes. US-based Nigerian Chimamanda Adichie did not show up for the award though by any standard she deserved an award. But I could imagine her standing shoulder to shoulder with wreckers of the nation's sociopolitical life receiving medals of honour? What honour? There is something like conscientious objection!

Where are the heroes of state? Where are the men of honour who have folded up their sleeves to deal with the frightening level of insecurity? Which sector of the economy, which aspect of our national life can we beat our chest and say has done well in the last seven years for managers to given honours?

Are the rulers of Nigeria aware of the mass exodus of professionals from the country? Is this government aware of the ennui which has enveloped the nation in the last seven odd years? Has there been any real governance in the country? What has become of education under the current managers of the country both at state and national levels? Which country honours a Minister with a national award when universities under his watch had been on strike for eight months? The farce was complete with the award of a 'Grand Commander of the Federal Republic! What has been grand about the managers of Nigeria and which Republic? The one that is tottering? Indeed, the national honours exercise ought to be permanently suspended until the nation finds itself!

To be sure, there are millions of people, especially ordinary Nigerians and private citizens who have heroically contributed their quota to national development. Such people have thrived despite government not because of government. Daily, government constitutes an impediment to personal growth. The same occurs at state and national levels. Daily, citizens do battle with government incompetence and ineptitude. Ineptitude in managing the economy. Ineptitude in security management. Ineptitude in managing ethnic relations. Ineptitude in building or maintaining state infrastructure. Ineptitude in the Army, Navy, Airforce, and Police. Yet some officials who represent all these institutions all lined up last week to receive garlands! This is not an attempt to discredit all persons who showed up in Abuja last week to pick up laurels. Some hard working and sincere officials deserved their awards. So too artistes and businessmen. There are some government officials, elected and appointed, who work with sincerity and commitment. Most of them never come to the limelight. They work behind the scenes. Often, they do not get recognition. There are some exceptional civil servants in protocol, the intelligence services, the Armed forces, and the Police. Insiders know about outstanding Permanent Secretaries or directors and other cadres. Most of the statutory recipients of national awards in Nigeria are rewarded for the privilege of attaining the height either through clannish patronage or by the grace of politics.

A national honour is the highest form of honour which a country bestows on a citizen for their services to the country. It could also be awarded to foreigners who have distinguished themselves while residing in

the awarding country. National honours are awarded for excellence, for patriotism, selfless and meritorious service, to reward hard work and to encourage people to work hard for the development of the country. The National Honours Awards was established by Act No 6 in 1964 and took retroactive effect from October 1, 1963. So far, 5341 persons have received Nigerian honours since its inception according to the Ministry of Special Duties and Intergovernmental Affairs. The honours in Nigeria are Member of the Order of the Niger (MON), Member of the Order of the Federal Republic (MFR), Commander of the Order of the Niger (CON), Commander of the Federal Republic of Nigeria (CFR), Grand Commander of the Order of the Niger (GCON), and Grand Commander of the Federal Republic of Nigeria (GCFR). Let it be said that it is not only people who are appointed or elected to political positions that deserve national honours. The rulers and leaders of this country have not discharged themselves in a fit and proper manner to the people of this country. Achebe states it clearly when he argued that the problem of this country is leadership. So, we are awarding National Honours to the problem makers of this country! What a contradiction!

If the country has so many excellent persons in office, why are we groping in the dark and groveling in the mud? It is my view that all national awards, especially the ones that are attached to offices, should be suspended for now. I am almost sure that a time will come when a radical government would emerge in Nigeria and would not only reform the National Honours criteria but may also annul some of the previously awarded ones. The future of Nigeria is uncertain. Let honours return to the National Table of Nigeria. The National Awards should be suspended for now until we allow honour to return to the National Awards. The National Awards should not be tied to positions. They should be determined by merit and outstanding contribution. Buba Galadima, erstwhile close ally to President Buhari went the extreme when he released this thunderbolt on Arise TV The Morning Show: "Let me tell you, of the 447 people that were given these national awards, I think 440 of them need to be in prisons rather than parading themselves as people who deserved an honour. It is a reward for the boys! Indeed, the last national award was a national scandal!"