

# Cost of Governance in Nigeria: In Whose Interest?

Francis O. Iyoha, Daniel E. Gberevbie, Charles T. Iruonagbe, Matthew E. Egharevba

**Abstract**—Cost of governance in Nigeria has become a challenge to development and concern to practitioners and scholars alike in the field of business and social science research. In the 2010 national budget of NGN4.6 trillion or USD28.75billion for instance, only a panny sum of NGN1.8trillion or USD11.15billion was earmarked for capital expenditure. Similarly, in 2013, out of a total national budget of NGN4.92trillion or USD30.75billion, only the sum of NGN1.50trillion or USD9.38billion was voted for capital expenditure. Therefore, based on the data sourced from the Nigerian Office of Statistics, Central bank of Nigeria Statistical Bulletin as well as from the United Nations Development Programme, this study examined the causes of high cost of governance in Nigeria. It found out that the high cost of governance in the country is in the interest of the ruling class, arising from their unethical behaviour – corrupt practices and the poor management of public resources. As a result, the study recommends the need to intensify the war against corruption and mismanagement of public resources by government officials as possible solution to overcome the high cost of governance in Nigeria. This could be achieved by strengthening the constitutional powers of the various anti-corruption agencies in the area of arrest, investigation and prosecution of offenders without the interference of the executive arm of government either at the local, state or federal level.

**Keywords**—Capital expenditure, Cost of governance, recurrent expenditure, unethical behaviour.

## I. INTRODUCTION

NIGERIA is a nation in dire need of development like most other nations of the world. The dream of development for the improvement in the living standard of the people seems to be fading away. This could be ascribed to the inability of the various governments in the past to effectively utilize the available scarce resources to accomplish the desired goals of development in the society. One of the major reasons for this state of affair is the high cost of governance in the country [1]. The high cost of governance in Nigeria is particularly worrisome considering the fact that government expenditure in the past has not translated into any meaningful development in terms of the improvement in the lives of the people, as Nigeria still ranks among the poorest nations of the

world [2]. The implication of the above is that despite the existence of abundant human and material resources, majority of Nigerians still groan under the yoke of poverty. It has been observed that the prosperity of any nation hinges on efficient government. This is because it is the government that helps to sustain the social contract that binds everyone member of the state or country together [3].

In a bid to overcome the challenges of high cost of governance, successive governments in Nigeria, since the return to democratic rule in 1999, have talked about the need to reduce the country's high cost of governance as a strategy to make more funds available for development. The irony, however, is that rather than reduce it, every new government seems to increase it further than it inherited from its predecessor to the detriment of development and the people [4]. Research has shown that it takes 70 percent of the nation's revenue to maintain less than 20 percent of the Nigerian population that are public servants [5].

Arising from the above; the questions that come to mind are: has the high cost of governance in Nigeria translated into development and improved standard of living for the people? In whose interest is the high cost of governance in Nigeria? How can the cost of governance be reduced to encourage development in Nigeria?

## II. OBJECTIVE OF THE STUDY

Previous studies on cost of governance in Nigeria focused primarily on supplementary appropriation or extra-budgetary expenditure as a way of understanding the strategies used by governments both at the federal, state and local levels to increase high cost of governance in their favour [2], [6]. However, the objective of this study, therefore, is to examine how high cost of governance has created discomfort on the populace using such variables as the Human Development Index (HDI) Report, rate of unemployment, level of corruption and the persistent problem of violence and crime in the country, including how these have affected the development and quality of life of the people.

## III. METHODS AND STRUCTURE

The paper adopted the historical and descriptive research methods to analyse the data. Studies have shown that the historical research method involves investigating, recording, analysing and interpreting events with a view to arriving at an acceptable research outcome [7]. In addition, the paper is structured into eight sections. Section one serves as the introduction; section two states the objective of the study; section three identified the methods used and the structure of the paper; section four looks at the literature on governance and development; section five examines the theoretical

F. O. Iyoha, (Ph.D), is of the Department of Accounting, Covenant University, Ota, Ogun State, Nigeria (phone: +234-8033515869; e-mail: iyoha.francis@covenantuniversity.edu.ng).

D. E. Gberevbie, (Ph.D), is with the Department of Political Science and International Relations, Covenant University, Ota, Nigeria (phone: +234-8023628562; e-mail: daniel.gberevbie@covenantuniversity.edu.ng).

C. T. Iruonagbe, (Ph.D), is of the Department of Sociology, Covenant University, Ota, Ogun State, Nigeria (phone: +234-8033011400; e-mail: tunde.iruonagbe@covenantuniversity.edu.ng).

M. E. Egharevba, (Ph.D), is with the Department of Sociology, Covenant University, Ota, Ogun State, Nigeria (phone: +234-8035730381; e-mail: matthew.egharevba@covenantuniversity.edu.ng).

The authors are grateful to Covenant University Centre for Research, Innovation and Discovery (CUCRID), Ota – Nigeria for the funds released for this research work.

framework of the study; section six discusses the cost of governance on development in Nigeria; section seven analyses the outcome of the study and conclusion; while section eight gave recommendations on the way forward.

#### IV. LITERATURE REVIEW

Throughout the world, the unevenness in economic development and social change presents us with the stark contrast with respect to comparing the differences between the developed and developing countries [8]. This division becomes even more disturbing within each nation when one considers the character of most African states and their capacity to deliver qualitative improvement in the life of their citizenry. Thus, a critical examination of issues that centre on development challenges in Nigeria reveal varied incidences of increasing absolute poverty, unemployment, poor sanitation, infrastructural decay, gross inequality and massive uneven income distribution [9]. For instance, since the return to civilian rule in 1999, the country has not fared better in the UNDP Human Development Index (HDI) ranking, such that today, over 70 percent of Nigerians live below the poverty line, infant/child and maternal mortality is still one of the highest in the world, more than 10.5 million children are out of school, unemployment is over 20 percent and life expectancy is less than 52years [10]-[12]. It is within this context that this paper seeks to examine the concept of governance and development and how it plays out within the Nigerian state in delivering the “dividends of democracy” for the populace. This is critical, given the current shift in development discourse from the focus on economic growth to that of promoting human development anchored on democratic governance, which emphasizes inclusive participation, the consent of the governed, non-discrimination, transparency, accountability and adherence to the rule of law [13]-[15].

##### A. *The Concept of Governance and Development*

There is the consensus among development scholars, institutions and policy makers that the prosperity of a nation has strong correlations to its kind of leadership, social policy framework and governance [16], [17]. Leadership is critical to providing better governance, which advances societal development, because it is a process of influencing the activities of an organized group towards goal setting and goal attainment. Thus, underlining the issue of effective leadership in modern societies is the nature in which politics is played and what the people who seek state power/authority use it for that ultimately shapes governance and development outcomes [18], [19].

Today, the issue of governance is attracting more and more attention within and among countries. As the number of democratic regimes continues to rise, good governance has become an important criterion to judge a country’s credibility and respect on the international scale. Good governance has been seen as the single most important factor in eradicating poverty, inequity and promoting development [20]. Since the word ‘good’ is a very subjective term, it is important to be

specific in its use. Good governance has certain qualities associated with it, which includes ensuring respect for human rights, equity and rule of law; strengthening democracy through public participation and pluralism; promoting transparency, accountability, anti-corruption policies and capacity in public administration [18], [19]. When governance is rooted in the above listed principles, it enables societies to move toward greater human development through poverty reduction, environmental protection and regeneration, gender equality and sustainable livelihoods [21]. Thus, the greatest threat to good governance today comes from corruption, violence and poverty, all of which undermine transparency, security, participation and fundamental freedoms. Since the 1980s, the issue of poor governance has been identified as the major cause of poverty and underdevelopment in majority of countries in Africa, Asia and Latin America [17]. The governance crisis in Nigeria and other African countries is evident in widespread corruption, conflict, inefficient public services, abuse of state power, impunity, lack of vision and institutional failure. For instance, in assessing the development challenges in Nigeria, there is a general consensus among scholars that the root cause of the nation’s predicament lay squarely at the foot of bad leadership which arises from lack of capacity to rise to their responsibility in the management of the nation’s resources and affairs at all levels [22].

Like the concept of democracy, governance and its related concept - good governance are essentially contested concepts [23]. Be that as it may, this paper sees governance as a political reality that involves rules, processes and outcomes [24]-[26]. According to the Organization for Economic Co-operation and Development (OECD), governance denotes the use of political authority and exercise of control in a society in relation to the management of its resources for social and economic development [27]. The World Bank Institute (WBI) assumes that governance is ‘the exercise of authority through formal and informal traditions and institutions for the common good, thus encompassing: (1) the process of selecting, monitoring, and replacing governments; (2) the capacity to formulate and implement sound policies and deliver public services; and (3) the respect of citizens and the state for the institutions that govern economic and social interactions among them [28]. Similarly, governance can also be viewed as the exercise of economic, political and administrative authority to manage a country’s affairs at all levels. It comprises mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet obligations and mediate their differences [28].

Furthermore, the African Peer Review Mechanism (APRM) views governance as mechanism for development in line with Sen’s formulation of development as freedom which requires public institutions and processes to promote, guarantee and secure the five distinct types of freedom which include: political freedom, economic facilities, social opportunities, transparency guarantees, and protective security [29].

These five types of freedom are not only the primary ends of development, they are also among its principal means.

Consequently, institutions and processes must be such that the 'exercise of freedom is mediated by values, which in turn are influenced by public discussions and social interactions, which are themselves influenced by participatory freedom' [30]. In short, what people can positively achieve is influenced by economic opportunities, political liberties, social powers and the enabling conditions of good health, basic education and the encouragement and cultivation of initiatives. The institutional arrangements for these opportunities are also influenced by the exercise of people's freedom, through the liberty to participate in social choice and in the making of public decisions that impel the progress of opportunities [30]. It is this realization and its concomitant application in the discharge of public affairs that emphasize the concept of democratic governance anchored on accountability, rule of law, participation and inclusion [30].

As for development, it entails a condition in which people can meet their basic needs for existence and live an improved quality of life. Development, basically, is a process of institutional change. It is a result of the combined effects of numerous economic, demographic, political and social factors. It involves a far-reaching transformation of human groups' social regulation systems. In defining development, Adedeji quoted a simple definition used by a Somali elder of Baidoa, who said that development was defined as the basic provision of water, food, good health, education, peace and order [31]. Development is impossible if these basics are not universally available or are absent. Similarly, development can also be seen as a multidimensional process involving major changes in social structures, popular attitudes, and national institutions as well as the acceleration of economic growth, reduction of inequality and the eradication of absolute poverty [32]. Thus, identifying development with the gross national product or with the rise in personal incomes, or with industrialization or with technological advance, or with social mobilization is seen as a narrow view of development. While growth of GNP or of individual incomes can, of course, be very important as a means to expanding the freedoms enjoyed by the members of the society, but freedom depends on other determinants such as social and economic arrangements (for instance, facilities for education and healthcare) as well as political and civil rights (for example the liberty to participate in public discussion and scrutiny) [13].

#### *B. Governance and Development Attainment in Nigeria*

The debate about the fragile future of Nigeria is closely related to the failure of governance. Nigeria's human and infrastructural development trajectory is on the downward trend, despite the upswing in oil revenue over the last three decades. Evidently, the activities of political and economic managers, who depend largely on oil rent, have subjected the Nigerian State to oil resource curse [33]. Governance, in its widest sense, refers to the various ways through which social life is coordinated. It is a process of social engagement between the rulers and the ruled in the society. In other words, governance system is determined by the relationship between the ruling class and the ruled class [34].

Governance is also the process of exercising power and decision-making for a group of people, and includes the processes by which such decisions are implemented or not implemented [35]. One recurrent issue on the constitutional framework of Nigeria since 1922 when the first constitution was made by the colonialists, up to 2010 when sections of the extant 1999 constitution were amended, is that, all the constitutions, without any exception, are impositions on the people by the dominant force that organizes or constitutes the Nigerian state at any point in time. Thus, all the constitutions enacted in Nigeria reflect not the interest of the people but of the dominant constitutive elements of the Nigerian State [36]. The elitist, non-inclusive and undemocratic approach to constitution making has largely influenced public policy making as it reflects the will of the dominant class in society.

Nigeria has been rated one of the worst governed countries in Africa based on the Ibrahim Index of African Governance [37]. In the report, obtained by Premium Times, Nigeria is rated 45.8 per cent as against the African average of 51.5 per cent and ranked 37<sup>th</sup> out of 52 in the overall governance scale. The country scored lower than the regional average for West Africa which stands at 52.2 percent and ranked 12<sup>th</sup> out of 15 in the region. While Nigeria got the damning rating by the IIAG, Mauritius is adjudged the best governed country in Africa, with 81.7 per cent, followed by Cape Verde, with 76.6 percent.

Other countries that made it to the top of the list included Botswana which is rated the third best governed country in the continent with 76.2 percent and South Africa which comes fourth with 73.3 percent. Ghana is rated 7<sup>th</sup>; Rwanda 11<sup>th</sup>; Benin Republic 18<sup>th</sup>; Egypt 26<sup>th</sup>; Mali 28<sup>th</sup>; Niger 29<sup>th</sup>; Liberia 31<sup>st</sup>; Cameroun 34<sup>th</sup> and Togo 36<sup>th</sup>; all ahead of far more endowed Nigeria. With a population of 173.6 million and population growth rate pegged at 2.8 percent, Nigeria's Gross Domestic Product, GDP, is put at USD3013.3, while inflation and unemployment rates stand at 8.5 percent and 13.7 percent, respectively. Nigeria also received appalling ratings in such categories as safety and the rule of law where it is rated 44<sup>th</sup> with 38.1 per cent, 32<sup>nd</sup> in the rule of law with 41.0 percent and 30<sup>th</sup> in accountability with 36.6 percent. The country got its lowest rating in personal safety where it is ranked 49<sup>th</sup> with 16.5 per cent and second lowest in national security where it is ranked 48<sup>th</sup> with 58.2 per cent. Under participation and human rights, the country is rated 26<sup>th</sup> with 46.9 per cent, 31<sup>st</sup> on sustainable economic opportunity with 43.3 per cent and 34<sup>th</sup> in human development with 53.0 per cent. Nigeria's 37<sup>th</sup> position among 52 African countries surveyed on public governance practices show that the government needs to stop living in denial, adopt global best practices and drop the corruption and ineptitude that have impoverished the majority of the population.

#### V. THEORETICAL FRAMEWORK

The cost of governance can be examined within the Public or the Group Interest Theory. However, considering what government is expected to do (up-holding the welfare of the

society in all ramifications), the Public Interest Theory is relevant for the purpose of this study.

#### A. Public Interest Theory

In the public-interest view, government is seen to be made up of individuals whose desire it is to serve the public by doing what is "right." In this context, the government becomes an instrument that will or should improve the welfare of society. The society does not expect any unintended and unexpected consequences of government actions to arise in the course of the discharge of responsibilities. Hence, individuals in government being rational, should be able to provide answers to a number of questions such as: what is the right cost of governance, does current output correlate with level of spending, could more be achieved with current spending and could the same output be achieved with less spending? It is in this connection that, under Section 16 (1) of the 1999 Nigerian Constitution, the states are required to (a) utilize the resources of the country to advance the prosperity of the country (b) secure the economy such that the welfare, freedom and happiness of every citizen will be maximized while ensuring social justice and equal opportunities for all citizens (c) provide shelter, food and other amenities for all citizens [38]. From these provisions, it is clear that governance entails ensuring just and egalitarian society, which the public interest theory should exemplify.

### VI. COST OF GOVERNANCE

By way of theoretical background to this study, we present an overview of the concept of cost of governance and the challenges facing the country. Cost of governance is proxied by public expenditure which refers to the expenses government incurs in the discharge of its legal and imperative duties. Public expenditure is categorized into recurrent expenditure and capital expenditure. Recurrent expenditure is usually expended on items that recur while Capital expenditure refers to expenditure on capital projects. In line with this, cost of governance is seen as "any expenditure (government budget) in maintaining government administrative structures" [39], [40].

It is established in public finance literature, that cost of governance is associated with current expenditure, which is "the expenditure ascribed to the maintenance of government itself and not for the benefit of the society and the economy as a whole" [41]. However, it is argued that "increase in government expenditure on socio-economic and physical infrastructure encourages economic growth" [42], [43]. It has also been noted that "where a rising proportion of government budget, at whatever level, is used to support the administrative structure of government, poverty is bound to be pervasive as economic growth slows down or even stagnates" [43]. Under such conditions, citizens would be inclined to regard government as a burden.

Table I shows evidences that the recurrent expenditure has been rising in Nigeria especially since 2008 while capital expenditure has been sacrificed. This could be attributed to the major reason why the economy, political institutions,

education, health, security and governance structure have all 'broken down'. Hence the need to interrogate the interplay between governance and development in Nigeria, using certain indices such as the human development index, rate of unemployment, level of corruption and the ever persistent violence and crime in some parts of the country. These variables could be understood in the context of the various forms of government failure. There are two types of government failure - government's involvement in activities in which she is not best suited and failure to perform its primary functions or to do so in a sub-optimal way [44]. The failures have adverse consequences on growth and development. For instance, government intervention in economic activities creates monopoly rents which motivate government officials to take bribes [45], [46]. This appears to be the case with the privatization of government owned enterprises in Nigeria. The discourse below provides evidence that governance in Nigeria has failed in both respects.

TABLE I  
THE EXPENDITURE PROFILE OF NIGERIAN GOVERNMENT BETWEEN 1999 AND 2012 [57]

Year	Total Expenditure (N'm)	Recurrent Expenditure (Percent)	Capital Expenditure (Percent)
1999	947,690	47.45	52.55
2000	656,059	63.50	36.50
2001	1,018,025	56.91	43.09
2002	1,018,155	68.44	31.56
2003	1,225,965	80.29	19.71
2004	1,384,001	74.62	25.38
2005	1,743,240	70.20	29.80
2006	2,694,880	49.02	50.98
2007	2,814,492	49.39	50.61
2008	3,576,611	44.43	55.57
2009	3,576,611	57.20	42.80
2010	3,469,627	63.76	36.24
2011	1,848,849	71.23	28.77
2012	1,384,821	86.86	13.14

#### A. Human Development Index

The human development index (HDI) is a composite index measuring average achievement in three basic dimensions of human development such as a long and healthy life, access to knowledge and a decent standard of living. The 2014 Human Development Report – Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience put Nigeria as one of the countries with low human development at 152<sup>nd</sup> position out of 187 countries considered; which is a step better than the previous year. The above situation is confirmed by the UNDP

Multidimensional Poverty Index, which indicates that Nigeria is one of the countries among 91 others in which almost 1.5 billion people are living in poverty with overlapping deprivations in health, education and living standards.

For instance, the 2013 HDI report indicates that life expectancy in Nigeria is 52 years, while other health indicators revealed that only 1.9 per cent of the nation's budget was expended on health. Also, 68.0 per cent of Nigerians were stated to be living below \$1.25 daily while

adult illiteracy rate for adult (both sexes) was 61.3 per cent. When this is considered against the reported growth rate of GDP of 6.99 per cent in the fourth quarter of 2012, it is a poor result.

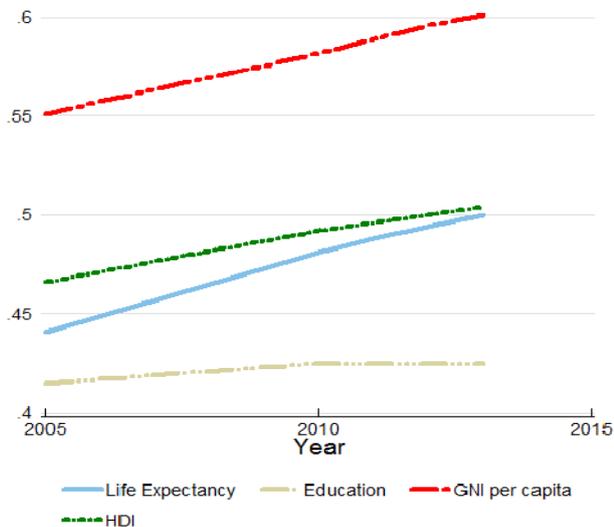


Fig. 1 Trends in Nigeria's HDI component indices 2005-2013 [58]

TABLE II  
WEST AFRICAN COUNTRIES: HUMAN DEVELOPMENT INDEX TRENDS 1980-2011 [59]

S/N	Country	Average Annual HDI growth percent			
		HDI Rank	1980-2011	1990-2011	2000-2011
1	*Cape Verde	133	-	-	0.75
2	*Ghana	135	1.10	1.23	1.66
3	Cameroon	150	0.85	0.58	1.11
4	Senegal	155	1.20	1.10	1.28
5	Nigeria	156	-	-	-
6	Mauritanian	159	1.01	1.20	0.92
7	Togo	162	0.73	0.80	0.58
8	Benin	167	1.71	1.44	1.10
9	Gambia	168	1.41	1.35	1.41
10	Coted'Ivoire	170	0.45	0.50	0.61
11	Mali	175	2.37	2.74	2.47
12	Guinea Bissau	176	-	-	-
13	Guinea	178	-	-	-
14	Sierra Leone	180	0.99	1.61	2.65
15	Burkina Faso	181	-	-	-
16	Liberia	182	0.06	-	0.64
17	Chad	183	-	-	1.26
18	Niger	186	1.67	2.05	2.33

\*Only Cape Verde and Ghana are in the Medium HDI while others including Nigeria are countries in the Low HDI group.

The position depicted in Tables II & III indicates that Nigeria has not improved in its human development Index. Furthermore, the HDI position of Nigeria as compared with both the Economic Community of West African States (ECOWAS) and the Organization of Petroleum Exporting Countries (OPEC) cohorts indicate that Nigeria is not faring well. For instance, among ECOWAS members; out of the 15 member countries, Nigeria ranks 5<sup>th</sup> position despite her vast

human and natural resources. Furthermore, among ECOWAS members; only Cape Verde and Ghana are in the medium Human Development, while others including Nigeria are among countries in the low HDI group. Also, among OPEC members, Nigeria ranks 12<sup>th</sup> out of the 12 countries considered.

TABLE III  
HDI INFORMATION ON ORGANIZATION OF PETROLEUM EXPORTING COUNTRIES (OPEC) [59]

S/N		HDI Rank	Average Annual HDI growth percent		
			1980-2011	1990-2011	2000-2011
1	United Arab Emirate	30	0.96	0.97	1.06
2	Qatar	37	0.54	0.54	0.53
3	Saudi Arabia	56	0.55	0.50	0.55
4	Kuwait	63	0.32	0.31	0.74
5	Libya	64	-	-	-
6	Venezuela	73	0.54	0.74	1.04
7	Ecuador	83	0.64	0.59	0.69
8	Iran	88	1.57	1.35	0.97
9	Algeria	96	1.40	1.13	1.03
10	Iraq	132	-	-	-
11	Angola	148	-	-	-
12	Nigeria	156	-	-	-

\*Gabon and Indonesia terminated their membership of OPEC in 1995 and 2009 respectively.

### B. Unemployment in Nigeria

Unemployment is one of the major challenges facing Nigeria today even though several efforts have been made by governments at various levels to proffer solutions. It is a paradox that a country which reports strong economic indices such as strong real GDP growth of average 6.5 percent in the last decade still has unemployment rate that continues to rise annually from 11.9 percent in 2005 to 19.7 percent in 2009, and over 37 percent in 2013 [47]-[49]. The intriguing issue about increase in unemployment rates as stated above is the controversy over the authenticity these values. As at 2013, the Nigeria Bureau of Statistics gave the unemployment rate in Nigeria as 23.9 percent, while at the same time, the Minister of Finance and the Chairman of the Economic Team indicated that the rate is 37percent. It is however believed that the current level of unemployment in Nigeria is above 40 percent [48].

Non-the-less, this situation is pathetic. South Africa has unemployment rate of 25.2 percent, while on the average, Ghana has 22percent. Nigeria is blessed with a lot of human and natural resources capable of providing employment for the teeming youths in the country [49]. The fundamental question is: why is there so much unemployment in the midst of a perceived strong GDP growth? The answers are legion and include the following: corruption, neglect of the agricultural sector, infrastructural decay, unfavourable government reforms, and systemic problems in education among others [49].

### C. Corruption in Nigeria

The Corruption Perception Index 2013, published by Transparency International indicates that Nigeria occupies the

144th position in the world. This plunged downward further from the 137th out of 177 countries surveyed in 2012. Public policy in Nigeria is oriented towards the 'affluent few' and only pays lip service to the 'afflicted majority.' The rapid transfer of public wealth to the ruling elite and their cronies under the cloak of privatization, the allocation of 25 percent of the recurrent expenditure of the Federal Government to just 469 members of the National Assembly attest to this fact [50].

Governance, in Nigeria, as rightly observed, is about 'creating affluence for a few, not about eliminating affliction for the many.' Rather than governance being anchored on common good, it has turned the common wealth of all into an arena of personal accumulation [50]. That is why it has been argued that the bane of Nigeria's development is that critical institutions of government are superintended by a ruling class that lacks governance fitness and contract management culture [34]. One of the areas where corruption has become endemic is the privatization programme of the government. It is one area where the Nigerian State 'cannibalized public corporations and parceled them to or among leading members of the ruling class' [36].

#### *D. Violence and Crime Rate in Nigeria*

Violent crimes such as murder, armed robbery, kidnapping and terrorism are the most inhumane crimes that continue to plague Nigeria. Lately, kidnappings for ransom and terrorism have taken the centre stage leading to bloodshed and economic set-backs [51]. The UN-Habitat study on crimes and violence stressed that socio-economic inequality and the lack of opportunities for social advancement and employment are some of the root causes of crime and violence [52]. Indeed, the Boko Haram insurgency poses a great threat to human development in Nigeria. Boko Haram insurgency is not only leading to heavy loss of human lives and property. In the Catholic dioceses of Maidiguri, the Boko Haram sect killed 146 persons and displaced 33,169 between 2013 and 2014 alone [53].

There is also the problem of millions of persons who have been rendered homeless and are now refugees in their homeland [33]. Livelihoods of over six million persons have been affected and economic life in North Eastern Nigeria has been crippled. Investments in the Nigeria are already threatened even though government promises that it has what it takes to curtail the threat.

### VII. DISCUSSION AND CONCLUSION

This study has provided evidence that Nigerians are at the mercy of the individuals in government. This is explained by the failure of the public interest theory to explain the legitimacy of governance. Rather, it would appear that the Special Interest Theory, which says that government purposefully bestows wealth on those in government at the expense of the average citizen, is relevant in Nigeria. This is possible because the individuals in government have the power to use coercion to achieve whatever they desire. From the analysis of the issues contained in this study, those who are involved in government have the same motivations that

those in the private sector have. That is, they are motivated by a narrow concept of self-interest: wealth, fame, and power, which represent the act of balancing one's budget at the expense of the generality of the populace. If there is a conflict between the public's interest and the private interest of governmental decision-makers, the public's interest will lose. This has been amply displayed in the conduct of those in government as presented in the various sections of this paper.

All these presuppose that Nigeria is gradually becoming a failing state, which denotes a state in transition to a failed state status. Here while the state remains nominally a sovereign entity and fulfills a measure of the functions of a sovereign government, the central government has become so weak and ineffective that it has little practical control over much of its territory, leading to an upsurge in pervasive insecurity such as kidnapping, organized assassinations and robberies. A failing state is also characterized by a weak ability to provide basic public services and widespread corruption as people think of themselves first, following the failure of the state to perform its traditional functions [54]. It is therefore imperative to state that, while Nigeria is not yet a failed state, it could arguably qualify as a failing state where the government seems to have lost control over Boko Haram and its activities with the inability to rescue the 276 Chibok girls abducted since April 14, 2014, including the spate of bombing and wanton loss of lives and properties. In all, what this implies is that governance shaped and sustained by elitist preferences cannot engender sustainable development in the society.

Taking a critical look at violent crimes in Nigeria and the factors responsible for them, we can place the blame for most of these atrocities on the whole range of economic conditions associated with poverty, social injustice and inequality. Though not excusable, the problem of violent crimes in Nigeria has been exacerbated by the high rate of unemployment and economic hardship, which has pushed many jobless youths some of whom are graduates into various deadly crimes. It is obvious that no nation can achieve meaningful economic development in an atmosphere of violent crimes, such as armed robbery, terrorism, arson, militancy and kidnapping. The increase in crime and violent behaviour could be attributed to the disillusionment of the "have nots." across the length and breadth of the country [55].

A fundamental outcome of national insecurity is an unstable polity where societal norms and values are put under severe stress. Failure to restore order to society will culminate in anomie, which invariably will be inimical to the peace and progress of the society. At present, the ability of the Nigerian Police Force (NPF) to effectively play its constitutional roles of maintaining law, order, safety, security of lives and properties have become a subject of intense debate in view of the prevailing insecurity in the country [55], [56]. Based on the preceding discussion, it is evident that the high cost of governance in Nigeria is in the interest of the individuals – the elites in government and not in the interest of the people – the masses.

### VIII.RECOMMENDATIONS

The current situation cannot be allowed to remain for too long. The government and the governed have their respective roles to play in this regard. The following solutions are offered as having the potential to reduce cost of governance in Nigeria for development:

- (i) The formulation of policies and laws that could help improve the economic and social wellbeing of citizens should be a joint responsibility of both government and the governed.
- (ii) The citizens should take active part right from the local level in the issues that affect them
- (iii) The corrupt individuals amongst the populace should be regarded as common enemies and not voted into power in subsequent elections.
- (iv) Assets of corrupt government officials should be confiscated and converted to public use.

### REFERENCES

- [1] D. E. I. Gberville and F. O. Oyoha, (2007) "Corruption and Cost of Governance in Nigeria." In A. S. Akpotor, A. O. Afolabi, M. O. Aigbokhaevbolo, B. O. Iganiga and O. S. Odiagbe (eds) Cost of Governance in Nigeria: An Evaluative Analysis. Ekpoma: Ambrose Alli University Press.pp. 400-418.
- [2] O. C. Agu, (2013) "Democracy and the Cost of Governance in Nigeria." Journal of Culture, Society and Development." Vol. 2, pp. 41-51.
- [3] S. Ejubekpokpo, (2012) "Cost of Governance on Economic Development in Nigeria." Global Journal of Management and Business Research. Vol. 12, Issue 13, pp. 19-23.
- [4] O. B. Enwegbara, (2013, September, 1) "High Cost of Governance in Nigeria." The Nigerian Punch Newspaper Online. Accessed on 9th October, 2014 from (<http://www.punchng.com/business/global-finance/high-cost-of-governance-in-nigeria/>).
- [5] S. L. Sanusi (2012, December 18) "Cost of Governance." Thisdaylive Online. Accessed on 9th October, 2014 from <http://www.thisdaylive.com/articles/cost-of-governance/133904/>
- [6] C. T. Ofuani, (2013) "High Cost of Running Government in Nigeria." Being a lecture delivered at the Conference Organized by Campaign for Good Governance: Transparency, Equity and Justice. Benizia Hotel, Asaba, Delta State Capital, Nigeria. 3rd May.
- [7] A. U. Osunde, (1993). "Historical Research." In E. T. Ehiemetalor and M. Nwadiani (eds.) A Guide to Research in Education and Social Sciences. Benin City: NERA Publications. pp. 33-43.
- [8] Douglas, K. and Alejandro, P. (1994) Comparative National Development: Society and Economy in the New Global Order, Chapel Hill, N.C: University of North Carolina Press.
- [9] Egharevba, M. E. and Chiazor, I. A. (2013) Democratic Governance and Human Development Sustainability in Nigeria, Crawford Journal of Business and Social Sciences, Vol. 3 (2): 111-148.
- [10] UNDP (2010) Human Development Report, Oxford, Oxford University Press.
- [11] UNICEF, WHO, World Bank, the United Nations Population Division (2010) Levels and Trends in Child Mortality Report, 2010.
- [12] National Bureau of Statistics (2013) Population and Vital Statistics, Abuja.
- [13] Sen, A. (1999) Development as Freedom, New York: Random House.
- [14] Todaro, M. P. and Smith, S. C (2011) Economic Development, USA: Pearson Education Limited.
- [15] Kaufmann, D., Kraay, A. and Zoido-Lobaton, P. (2000) "Governance Matters", World Bank Policy Research Working Paper No.2196, Washington DC: World Bank.
- [16] Kaufmann, D. (2003a) "Rethinking Governance, Empirical Lessons Challenge Orthodoxy", Discussion Paper, Washington DC: World Bank Institute.
- [17] Bardhan, P. (2005) Scarcity, Conflicts and Cooperation Essays in the Political and Institutional Economic Development, Cambridge, MA: The MIT Press.

- [18] UNDP (1998) Human Development Report, Oxford: Oxford University Press.
- [19] World Bank (1989) "Sub-Saharan Africa: From Crisis to Sustainable Growth: A Long-term Perspective Study", Washington DC: World Bank.
- [20] Khan, M. H. (2007) "Governance, Economic Growth and Development since the 1960s", in Jose, A. O., Jomo, K. S and Rob. V (Eds.) Growth Divergences: Explaining the Differences in Economic Performance. Hyderabad, London and Penang: Orient Longman, Zed Books and Third World Network.
- [21] UNDP (2000) Human Development Report, Oxford: University of Oxford Press
- [22] Achebe, C. (1984) The Trouble with Nigeria, Enugu: Fourth Dimension Publishers.
- [23] Landman, T. and Hausermann, J. (2003) Map-making And Analysis of the Main International Initiatives on Development Indicators of Democracy and Good Governance, Colchester: Human Rights Centre, University of Essex.
- [24] North, D. (2005) Understanding the Process of Economic Change, Princeton University Press.
- [25] North, D. (1994) Economic Performance Through Time, American Economic Review 84, June: 359-68.
- [26] North, D. (1990) Institutions, Institutional Change and Economic Performance, Cambridge University Press.
- [27] OECD (1995) Participatory Development and Good Governance, Development Cooperation Guideline Series, OECD.
- [28] UNDP (2007) Governance for Sustainable Human Development, A UNDP Policy Paper.
- [29] Economic Commission for Africa (2012) African Peer Review Mechanism (APRM) Best Practices and Lessons Learned, the Economic Commission for Africa.
- [30] Kaufmann, D., Kraay, A. and Mastruzzi, M. (2005) "Governance Matters IV: Governance Indicators from 1996-2004", World Bank Policy Research Working Paper, Washington DC: World Bank.
- [31] Adedeji, A. (2006) A keynote Address at EISA Symposium "Challenges of Democratic Governance and Human Development in Africa, Johannesburg, South Africa, 8th - 10th.
- [32] Todaro, M. P. (2000) Economic Development, New York: Longman.
- [33] V. Nyewusira and K. Nweke (2014) "Nigeria and the attainment of Sustainable Development in the 21st century". Mediterranean Journal of Social Sciences. Mediterranean Center of Social and Educational Research. Vol. 5, No. 4. MCSER Publishing, Rome-Italy.
- [34] V. Nyewusira (2007) "Selected Socio-Political Issues in Nigeria: Religious Institutions as Agents of Change. Journal of Pedagogy and Educational Development. Vol. 12, No. 1, pp. 29-36
- [35] A. A. Okerengwo (2011) "The Importance of Good Governance". In M. Anikpo (ed.) The 2009 ASSU Strike: Issues, Intrigues and Challenges. Port Harcourt: Freedom Press and Publishers.
- [36] B. Aturu (2010) "Nigerian Labour Movement and the Making of an Authentic Constitutional Framework for the Development of Nigeria. Lagos.
- [37] IIAG (2014) "Nigeria, One of Africa's Worst Governed Countries". Ibrahim Index of African Governance. Premium Times. October 1. [www.premiumtimesng.com](http://www.premiumtimesng.com)
- [38] C.T. Ofuani, (2013). "High cost of governance in Nigeria: Impact and Remedies". Being a lecture delivered at the conference organized by Campaign for Good Governance at Benizia Hotel Asaba. May. The Constitution of the Federal Republic of Nigeria.
- [39] G. Fluvian, (2006). "The Rising Cost of Governance in Africa "Journal of Public Administration, 22(9), 441 - 463.
- [40] P. Drucker (2007). "Governance". Harvard Business Review, 45, No 2, 82- 98.
- [41] A. O. Chigozie (2013). Democracy and Cost of Governance in Nigeria. Journal of Culture, Society and Development- Vol.2, No 2. 41-50
- [42] A. Nurudeen and A. Usman (2010)." Government Expenditure and Economic Growth in Nigeria, 1970-2008: A Disaggregated Analysis". Business and Economics Journal, Volume 2, No 4 pp 1-11.
- [43] M. A. Adeolu and S.C. O. Evans, (2007). "Analysis of the Cost of Governance and Options for Its Reduction in Nigeria". Nigerian Journal of Economic and Social Studies, Vol. 49, No. 1. Retrieved on 14th April, 2012.
- [44] S.I. Ibi-Ajayi (2002). "Institutions, the missing link in the Growth Process". Presidential Address, Nigeria Economic Society.
- [45] P.M. Emerson (2005). Corruption, Competition and Democracy. Working paper, University of Colorado, Denver.

- [46] International Monetary Fund (2005). IMF- Nigeria consultation. Article IV concluding statement. IMF External Relations Department, Abuja. March 8-25.
- [47] Aganga, O. (2010). Rising Unemployment Rate is Unacceptable – Goodluck Jonathan. Business Facts and Figures Magazine September, 2010, p. 15
- [48] O. Ogunmade, (2013) \$600bn Stolen by Nigerian Elite since Independence. ThisDay LIVE. Retrieved on 19/6/13 [www.thisdaylive.com/article/\\$600bn-stolen-by-nigerian-elite...2014](http://www.thisdaylive.com/article/$600bn-stolen-by-nigerian-elite...2014).
- [49] K, Asaju, S, Arome, and, S. Anyio (2014). “The rising rate of unemployment in Nigeria: the socio-economic and political implications” Global Business and Economics Research Journal, Vol 3, No2, pp 12-32.
- [50] O. Ibeanu (2008) “Affluence and Affliction: The Niger Delta as a Critique of Political Science in Nigeria An Inaugural Lecture of the University of Nigeria, Nsukka. Delivered on February 20, 2008.
- [51] O. O. Ajaegbu (2012) “Rising Youth Unemployment and Violent Crime in Nigeria”. American Journal of Social Sciences & Humanities. Vol. 2 (5), pp. 315-321. September.
- [52] UN-Habitat (2008) “Crime and Violence versus Employment Opportunities in Cities and Towns. The 2nd African Ministerial Conference on Housing and Urban Development. Abuja, Nigeria.
- [53] A. Soyinka, (2014). Untold story of Boko Haram victims Tell Magazine September 22, No 38 pp. 24-25.
- [54] J. Adibe (2009) Pervasive Kidnapping in Nigeria: Symptom of a Failing State? [www.hollerafrica.com](http://www.hollerafrica.com)
- [55] F. Attoh (2012) “Rethinking Crimes and Violent Behaviour in Nigeria: An Appraisal of the Challenges and Solutions. British Journal of Arts and Social Sciences. British Journal Publishing Inc.
- [56] D.E. Gberevbie (2014) “Democracy, Democratic Institutions and Good Governance in Nigeria.” Eastern Africa Social Science Research Review. Vol. 30 (1) January. pp. 134-152.
- [57] CBN (2013) Fiscal review of the Nigerian Government. Central Bank of Nigeria: Quarterly Statistical Bulletin. Vol. 2 (2). Statistical Department: Garki, Abuja.
- [58] UNDP (2013) The Rise of the South: Human Progress in a Diverse World. Human Development Report. [www.hdr.undp.org](http://www.hdr.undp.org)
- [59] UNDP (2011) Sustainability and Equity: A better Future for All. Human Development Report. [www.hdr.undp.org](http://www.hdr.undp.org)