PRUDENCE & ACCOUNTABILITY IN THE PUBLIC SECTOR FOR ECONOMIC DEVELOPMENT & GROWTH IN NIGERIA

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ABSTRACT

It is sad to note that according to stream of empirical evidence(s) and the backward economic state, a country as rich as Nigeria, inspite of all its natural endowments (resources) cannot find its footing in development because of Greed, Sectionalism, Nepotism, Corruption and Selfishness of those who were supposed to enforce the functions. The study on prudence and Accountability in Public Sector therefore becomes highly imperative as it shades more light on the discrepancies and misconceptions emanating from the naivety and share Greed of the Nigerian Economic Managers (NEM).

KEYWORDS: Prudence, Accountability, Public Sector, Economic Development, Growth in Nigeria.

INTRODUCTION

Economic development and growth is the desire and preoccupation of every good government. Every good government has the sole responsibility of ensuring the economic well being of the citizens in a society conducive and stable political environment. Economic development and growth can only be achieved where the leadership is prudent and accountable.

Accountability means responsibility and answerability, Olowo-Okere (1996). In this sense, accountability could be viewed as the responsibility for one's actions to someone else, in which case accountability could be seen as a routine and almost an automatic consequence of natural corporate values whether a nation succeeds in breeding thieves, spendthrifts and their fellow travelers of economic waste which largely depends on the kind of value(s) that have evolved, Osaze (1996).

Nigeria is the sixth largest producers of oil and gas in the world, notwithstanding, the average Nigerian on the streets are poor and the provision of basic infrastructure and amenities are completely ill equipped, schools are only just existing and children of the well to do are transported overseas to graduate from any type of universities in Europe within three years or two and a half years while their counterparts here are battling with strikes and some politicians are daily draining the government purse into their private use. This paper however, examines government efforts towards economic development and growth over the years, budgeting for economic development and

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growth, the management of accountability reports of the their stewardship and the conduit pipe i.e. how funds are stolen of carted away by the those placed in position of authority.

This paper reveals that the level of accountability in Nigeria is very poor because of lack of access to the relevant document concerning expenditure and income, lack of comprehensiveness, lack of relevance, quality, reliability and timely disclosure of economic, social and political information about government activities which are completely non-available or partially available for the citizens to access the performance of public office holders, most especially the politicians, Onuorah, A, & Appah, E. (2012).

**THE CONDUIT PIPE**

The Nigerian society is filled with pitiable stories and adventure emanating from fraudulent practices in and off the work place, embezzlement of public funds from those placed in positions of trust to clerks in the office, to the police and military. Infact, Nigeria stinks.

According to Bello (2001), huge amount of naira is lost through one financial malpractice or the other in Nigeria, which is to say the least, drains the Nations resources through fraudulent means with far-reaching and attendant consequences on the development or even socio-economic or political programmes of the nation. Appah and Appiah (2010) posits that cases of fraud are prevalent in the Nigerian Public Sector, so much that every segment of the public service, seem to be involved in One way or the other in some of these nasty acts. Billions of Naira is being carted away into foreign Countries or lost through undetected ways.

The oil boom years actually characterized the looting because Nigerian had structural defects and very weak Control Mechanism which allowed corrupt practices thereby creating very serious "Conduit pipe". This is coupled with the fact that there is a near total absent of the notion and ethics of accountability in the conduct of public affairs in the country (Bello, 2001).

Good governance is an essential part of a framework for economic and financial management which includes macroeconomic stability; commitment to social and economic equity; and the promotion of efficient institutions through structural reforms such as trade liberalization and domestic deregulation and poor governance may results from factors such as incompetence, ignorance, lack of economically inefficient ideologies, or misguided economic models which id often linked to corruption and rent seeking, Tanzi (1999).

Accountability reflects the need for government and its agencies to serve the public effectively in accordance with the laws of the land, Okoh & Ohwoyibo (2009).

Government spending is a very big business and the public demands to know whether the huge outlays of money are being spent wisely for public interest, Achia (2009).

Accountability is a fundamental value for any political system and citizens should have the right to know what actions are being taken in their name and they should be allowed to have the means to enforce corrective actions when government acts in an irresponsible, immoral, or Unjust Manner, Peters (1999).

Nigeria is ranked 144 least Corrupt Nations out of 175 countries according to the 2018 corruption perception index reported by Transparency international. Corruption rank in Nigeria averaged 121.48 from 1996 until 2018, reaching an all time high of 152 in 2005 and a record low of 52 in 1997. The Corruption perception index ranks Countries and territories based on how corrupt their public sector is perceived to be, tradingeconomics.com (2019).
GOVERNMENT EFFORTS TOWARDS ECONOMIC DEVELOPMENT & GROWTH

The ultimate goal of government is to promote human welfare in the country. Government works as an agent of economic development and provides the legal and social framework, maintain the competition, provide public goods and services, national defense, income and social welfare, and stabilize the economy.

The government also provides policies to correct situations when the market fails. As well as, guiding the overall pace of economic activity, attempting to maintain steady growth, high levels of employment, and price stability, by applying the fiscal policy which adjusts spending and tax rates or monetary policy which manages the money supply and controls the use of credit, slow down or stepped up the economy’s rate of growth in the process, affecting the level of prices and employment to increase or decrease, Rima Doot (2017).’

FUNCTIONS OF THE GOVERNMENT

The functions of the state as listed by Rima, D (2017)

i. **DEFENSE**: Against external aggression and maintenance of law and order as there two are essential for economic development and growth.

ii. **SOCIAL SECURITY**: Assistance to the poor and needy, the sick, elderly and unemployed, provision of Education, Medicare, Housing, Public Parks, museums and insurance.

iii. **ADMINISTRATIVE FUNCTIONS**: Setting up agencies for administering and controlling the different departments in the country.

iv. **ECONOMIC FUNCTIONS**: Ensure growth by maintaining economic stability, Reduce economic disparities by minimizing the gap between the rich and poor and providing socio-economic justice, and finally assessing, exploring and making optimum utilization of national resources.

Above listed are some of the important functions expected by citizens from any responsible state or government to enhance economic development and growth. It is sad to note that according to the researcher, a country as rich as Nigeria, inspite of all its natural endowments (resources) cannot find its footing in development because of greed, Sectionalism, Nepotism, Corruption and Selfishness of those who were supposed to enforce the functions.

The issue of Nigeria according to the researchers is typical of what Thomas Sankara (1987) formal president of Burkina Faso wrote viz; “The rich man’s dog gets more in the form of food, vaccination, medicine and Medicare than the workers upon whom the rich man’s wealth is built”.

The researcher however, notes that a country or state that is morally bankrupt cannot have the strength to battle corruption and all the vices against development and economic growth because you may just probably be juggling in the jungle and finally chasing shadows.

According to Rima, D (2017), the state can accelerate economic development and growth through the following ways:

i. **ENSURING ECONOMIC STABILITY AND FULL EMPLOYMENT**

State intervention is a necessity in developed Countries which have free market economy. In underdeveloped nations it is achieved by dealing with poverty and unemployment and attaining higher standard of living.

ii. **CONTROL OVER MARKET FORCES**

Through this a high rate of investment and economic development can be achieved. The state interferes in the operation of economic forces with the system to check the structural disequilibria.
iii. **COMPREHENSIVE PLANNING**

Investment through a comprehensive state economic planning, the circle of underdeveloped equilibrium can be broken and economic forces can be checked.

iv. **PROVISION OF SOCIAL AND ECONOMIC OVERHEADS**

Since there is no immediate return on investment, the private enterprises do not like to invest in basic services like railways, Road transportation, telecommunication, Electricity, Ports, harbours, bridges etc. Hence, it is the responsibility, of state to invest in these social and economic overheads to promote the rapid economic development in the country.

v. **AGRICULTURAL DEVELOPMENT**

It is the duty of the state to undertake programmes for land reforms, productivity movement, consolidation of holdings, electrification, Minor irrigation programmes and frame such a national agricultural policy that may ensure the farmers fair prices for their crops in our markets and abroad. In India, 68% of the population depends on Agriculture and Agriculture Contributes 37% to its national income, slideshare.net (2017).

vi. **INDUSTRIAL DEVELOPMENT**

The state is expected to frame out a proper policy for industrial exploitation and development and set up industries to be utilized in the most profitable manner. Also, make a national monetary and fiscal policy to regulate and control private as well as public enterprises and stimulate and direct them for industrialization of the country.

vii. **ENTREPRENEURIAL FUNCTIONS**

The state should undertake the functions of planning, programming and entrepreneurship in developed countries. Reduce indivisibility and discontinuities in the economy, have an impact of values and offset certain other forces that may arise to depress the economic development and growth of the nation.

The nations of the world are divided between developed and developing nations. The developing states are in regard to the economic wellbeing of the nations, e.g. the living standard of the citizens, methods of production, the average value of output per worker, the Gross Domestic Product (GDP), the per Capita income which are the parameters for economic development and growth measurements, Osaze, A. (1996). In Order to manage scarce resources optimally and lead to economic development and growth, Osaze, A (1996) opined that a nation must have values which shall guide all decisions and all policy executing development and growth, various governments in Nigeria have embarked upon National development plans as a strategy for economic development and growth.

**Brief History of Development Planning in Nigeria**

According to Sheriff (2018), the importance of development and growth and sustenance of any and every nation cannot be overemphasized and the ideal government strives to achieve a favorable and commendable level of development so much so that as the president body leading them.

National development planning in Nigeria can be divided into three different phases according to the time in which they took place and the manner of development planning which was involved in each phase.

The phases are:

1. The era of fixed Medium-Term Planning (1962-1985)
2. The era of Rolling Plan (1990-1998)
3. The new Democratic Dispensation (1991-Tilldate)
The Era of fixed Medium-Term Planning (1962-1985):

This era played host to four (4) plans that were all a success, viz:

c) Third National Development Plan 1975-1980

The fourth National Development Plan however, emphasized greater self reliance and reduced dependence on foreign assistance and its long term goals were:

i. Increasing the real income of the average citizen;
ii. More even distribution of income;
iii. Reduction in the level of unemployment;
iv. Increased in skilled manpower;
v. Diversification of the economy;
vi. Balanced development (by sector and regional spread)
vii. More private ownership and Management of the productive enterprise;
viii. Greater self Reliance (Developing our own technology);
ix. Protection of discipline; better attitude to work and cleaner environment.

However, by the end of 1985, it became very obvious that nothing less than comprehensive Structural Adjustments would effect the desire to turn around the economy. It was in this regards that the 1986 Budget set the tone for a two year Structural Adjustment Programme (SAP) which was launched in July 1986, Ibiyeme, I (1997).

The aim of the Structural Adjustment Programme (SAP) was to among other things include:

1. To restructure and diversify the productive base of the economy in order to reduce dependence.
2. To lay the basis for sustainable non-inflationary or minimal inflationary growth.
3. To achieve fiscal and balance of payments viability over the period.
4. To lessen the dominance of unproductive investment in the Public Sector, improve the sector’s efficiency and intensify the growth potential of the Private Sector.

Nigeria in the process of trying to attain the developed Nations Status, had vigorously embarked on various reforms:- Economic, Political, Financial Sector, Civil Service etc,. Unfortunately, the researcher observes that the more Nigeria tried to embark on these laudable programmes, the more the Nation was plunged into a very hopeless situation because of greed, Corruption, Lack of capital Punishment for offenders, poor budgeting and implementation (Budget Padding as known in Nigeria).

CONCLUSION

The article is not attempt to sensitize Nigerians to the reality of scarce economic resources and the challenges of economic development and growth. It is therefore, very obvious that the public sector is presently the larger spender in trying to achieve the developed countries status. The concept of prudence however, plays a major role in the Private Sector Management because the private sector appears to be more serious and devoid of fraudulent and sharp practices. The bulk of the problem lies with the Public Sector where similar approaches earlier adopted in the private sector remains unworkable because of greed, nepotism, favoritism fraudulent practices, etc.

RECOMMENDATION

Based on the conclusions the paper however, recommends that for Economic Development and growth to thrive in Nigeria, there must be prudence and accountability in handling public funds, there must be reduction in fraud and the
level of corruption, improvement in Public Sector Authority Standards and the necessary checks and balances be adopted, especially in making the work of politicians and political appointees less lucrative.

REFERENCES


