



Connecting cost of governance with the politics of self-accounting in Nigeria: what has monetization of fringe benefits offered?

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Abstract

Over a decade plus, the Nigerian government introduced a policy on the monetization of fringe benefits of public officers. The monetization policy sets to contribute in the politics of self-accounting with the objectives of reducing waste, corruption and high cost of governance in running government affairs. The self-accounting is a public governance mechanism and practice that allows for monetization of fringe benefits in public service. The monetized benefits within this practice are referred as fringe benefits.. By this practice, governments pay the cash equivalent of what were earlier provided to public servants such as; accommodation, furniture, medical, utility allowances, telephone bills etc It is within this purview that this study assesses the implementation and compliance of the policy within the lens and theoretical perspective of new public management. The paper notes that monetization has to great extent achieved its purpose especially in waste and cost of service delivery. However corruption still pervades given that some public officials engage in manipulations of procedure for their advantage. This therefore accounts for what is described as "monetization by trading " that is, a process that allows government to procure such fringe benefits as cars at high cost and supply same to the beneficiary who at end of service repays less the cost to government. The study concludes that monetization of fringe benefits at the level of political appointees and civil servants can reduce waste and cost of governance if there is credible commitment and inspiring leadership and discriminatory practices especially at local government and state governments.

Keywords: Monetization, Fringe-benefits, Self-accounting and cost of governance

Introduction

The history of public service in Nigeria is replete with colonial, military and civilian administrative influences. The colonial regime, introduced indirect rule, that is an administrative mechanism whereby the colonial government used traditional institution and tribal leaders (Chiefs, Emirs and Obas where applicable) to administer services, especially at local levels. The gaining of independence in 1960 positioned Nigerian civilian government and administration to take charge of managing their affairs within the trajectory of the Westminster. This was cut short by military intervention in governance of

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Nigerian State from 1966 to 1978. However, between 1979 to 1983, the civilian regime ran the affairs of the country until another military coup of 1983. The common feature of these governments and administrations is that Nigeria's public administration is characterized by an attempt to use the apparatus of government to improve organizational performance. The success in this regard is reflected in the improvement of education, health, roads and transport systems, and modernization of telecommunication systems. All these and many more are made possible in part by the activities of their public administrations. (Nnoli 2003:249). Aside from these, much still remains to be accomplished resulting from the decline in honesty and integrity of personnel in public sector. Obviously, therefore, the reason is the struggle for personal advantage within Nigeria's public administration orchestrated by ethnic and political cleavages that intrude and as well as limit self accounting in public service.

The concomitant of this manifest in poor work ethics, where public officers do not take their public assignment with seriousness and commitment. Rather average public officer puts self above public service and works to exploit the system. To this end, another reason adduced is that Nigeria like other African countries' public administration is an inheritance of colonial administration. This by implication has caused alienation of the public personnel from the population and as such could therefore not inspire commitment in public service. Although it is noted that the government is Nigerian controlled, the colonial hangover still afflicts its administration.

The hangover reflects concern on benefits enjoyed by colonial government expatriate staff, which include among other things; decent accommodation in government reserved areas (GRA), official cars with driver, cooks, stewards, free medical services and so on. Other benefits were regarded as hazard allowance and had to be enjoyed as motivation and compensation by British personnel who considered themselves as working in unfriendly and unhealthy environment. It became a hangover because at independence, Nigerian personnel inherited all these benefits including the perception that public service is a job for personal aggrandizement. This attitude became the bane of Nigerian public service over the years and has consequently caused incredible loss and increased cost of governance for Nigerian state as a result of disregard to self accounting in public service delivery.

The increase in the cost of providing fringe benefits to public servants became so enormous that little fund was left for capital projects and even at that, the fringe benefits were abused. For example the Federal Government of Nigeria spent a reckless sum in procuring, maintaining and keeping state officials in affluent transportation, accommodation, medical services and so on. Between 1999 and 2002 only, there was massive increment in recurrent expenditure as it rose from 499.67 billion naira to aggressive 696.78 billion naira in 2002(in other words from about 47.45% to 68.44%) (Bello 2004). The payment of this money is one of the efforts, to improve the non- salary components of their wages and motivate to workers to perform better. Besides, the persistent increase in the cost of providing these benefits, the outcome remained abysmal productivity of the public personnel.

As recourse to these afflictions, Nigerian government introduced several reforms that could improve organizational performance as well as reduce waste. A major pointer towards this is the policy to monetize fringe benefits of public servants introduced during the civilian regime of the former president of Nigeria, Olusegun Obasanjo on November 11, 2002. The committee chaired by then Secretary of the Government of the Federation, Chief J. Ekaette was charged with fashioning and implementing monetisation modalities to make the system self accounting. The policy was signed into law as political,

public and judicial office holders' salaries and allowances Act 2002 and became active from 1st July; 2003. It was however extended to civil servants from 1st Oct. 2003. This policy which has lasted for six years from 2003 to 2009 is one of the strong responses to the consensus that Nigeria public sector needs reform. It therefore deserves an appraisal to determine its contributions and challenges as well as identify possible areas of improvement.

The second objective of this study is to examine some conceptual elements on monetization of fringe benefits and self accounting nexus as an innovation for organization performance based on new public management approach. The third objective held in section three is to analyze, the contents and trend of monetisation of fringe benefits as formulated by Nigerian governments. The fourth section focuses on assessment of the extent to which monetisation policy is implemented in relation to organisational performance through self accounting in Nigeria. In conclusion, the paper summarizes the main arguments and contributions of this paper.

2. The Monetization of fringe benefits and Organisational Performance Nexus

The ultimate goal of public organisation is to provide quality services that improve the living condition of the entire population. The monetization of fringe benefits is designed along this policy direction with the expectation to promote self accountability and reduction in the cost of governance in service provisioning. The background to the monetisation of fringe benefits hinged on gross decline in organisational performance and lack of accountability among public officers allowances. On this note, we recall that the principle and practice of monetisation of fringe benefits is not a new in Nigeria. It has before the 2003 been operated at a limited level that covers leave grant, entertainment allowance, meal subsidy, domestic servant allowance and duty tour allowance. Therefore the monetisation as introduced in 2003 and practiced by Nigerian governments upon implementation is the full compliance of the policy.

However, let us start with the conceptualization of fringe benefits. According to McConnell (1987) fringe benefits refer, to the rewards other than wages that employees receive from their employers and which include pension, medical and dental insurance, paid vacations and sick leaves. In the related views of, Nickels, McHugh and Susan (1999) fringe benefits are benefits such as sick leave pay, vacation pay, pension's plans, and health plans that represent additional compensation to employees beyond bare wage. Fringe benefits can include everything from paid vacations to health care programs, recreational facilities, company cars, country club memberships, day care services, and executive dining rooms. Similarly, the New Lexicon Webster's Dictionary of the English Language (1991 Edition) defines fringe benefits as an equivalent to a payment over and above the basic wage, paid by employer, e.g. paid holiday, pension contribution, meal voucher. Equally, the Dictionary of Economic Terms (1966) defines fringe benefits as payments and benefits given to an employee by his employer in addition to his normal earnings; such benefits may include holidays with pay, pay sick leave, redundancy awards, subsidized canteens, travel concessions, free fuel or housing etc. Furthermore, the Dictionary of personnel and Human Resource Management (1992) says that fringe benefits are "emoluments that are taxed, but not at source under PAYE. Examples are living accommodation provided to employees and/or their spouses, gift vouchers, and luncheon vouchers (though the first part of the cost of these is entirely tax free)

These definitions by various authors are attempts to clearly illuminate the concept of 'fringe benefits'. It is clear from the various definitions and explications that the concept of fringe benefits is an extremely broad one that encapsulates virtually every payment or benefit other than the basic pay, basic wage, or

basic salary of an employee and could therefore vary in its chemistry from one country to the other. Generally, it can be said that a fringe benefit has to meet two tests: it must provide a specific benefit to an employee, and must represent a cost to the employer. Clearly included within this concept are payments to employees for various types of paid leave (vacation, holiday, and military duty, personal) and payments for various welfare benefits (retirement, health, life insurance, employment). The payment of these benefits in cash equivalent is therefore referred as monetisation.

Monetisation implies "the pervasiveness of money as a medium of exchange in the economy at large, the attributes of what we call the modern monetary system, including the credit system". (Ake1990: 33). According to the monetisation policy document of Federal Republic of Nigeria of 2002, monetisation is the "quantification in money terms of those fringe benefits which government used to provide for its workers as part of their conditions of service" In his view, Onu (2006:275) defines monetisation as "the process of converting fringe benefits attached to workers salaries into cash incentives. The cash incentives are paid in swoop or instalmentally depending on the financial strength of the paying body ".All these definitions boil down to one and same thing. In relation to monetisation as a reform agenda in Nigeria, it is the quantification in money terms of those fringe benefits which government used to provide for its workers as part of conditions of service.

In our recollection, monetisation as important as it is conceived is a means to tackling the high cost of governance, improving organisational performance through self accounting. Self accounting is the capacity of public personnel to render explanation and justify appropriately how the resources within his control are expended. Self accountability is essential in organisational performance because it guards public personnel against misconception of the public interest, corruption and subversion. Accountability, though always viewed from financial and accounts standpoint is more than that. As Abdusalami (1999:72) notes accountability "is linked to government obligation to some external force or an acceptable standard or conduct". In furtherance, Robertson(1993:3)classifies accountability into two; first there is the standard meaning, common in democracies that those who exercise power, whether as government, as elected representatives or as appointed officials ,are in a sense stewards and must be able to show that they have exercised their powers and discharged their duties properly. Secondly, accountability may refer to conformity between the values of a delegating body and the person or persons to whom powers and responsibilities are delegated. Similarly; Ezeani (2003:4) defines accountability as "answerability for ones actions or behaviour before a group of persons entitled to it". Considering these definitions, accountability could be summed as greater commitment to value, liable for ones responsibility and higher standard of morality for effective public service delivery. In this case, monetisation is introduced in Nigeria's public service to achieve these values that are virtually lacking among public officers. However, if these are the expected end product of monetisation of fringe benefits for increased organisational performance in Nigeria, there is need to examine the theoretical perspective driving monetisation of fringe benefits.

b. Theoretical Perspective

In accordance with a perspective based on performance and results, monetisation of fringe benefits is the key variable of accountability and organisational performance. The new public management (NPM) is championing this in public sector. The NPM which traces its roots to early 1990's in United States of America is a critic of traditional approach that promotes and primarily conforms to process rather than

achieving results. In the words of Rosenbloom and Kravchuk (2002:21) NPM "starts from the premise that traditional, bureaucratically organized public administration is "broke" and "broken" and consequently the public has lost faith in government". "It (NPM) favors external oversight by legislature that assesses performance but opposes that which focuses on internal managerial matters, including spending, personnel administration and organisation". (Rosenbloom, D.H and Kravchuk, R,S (2002:573). This perspective argues that accountability in public organisation can be achieved through market mechanism and customers' judgements. As Stoker (1998) argues the New Public Managements (NPM) describe models of public service that reflect a 'reinvented' form of government which is better managed. To this end, some have hailed NPM as a "paradigm shift" from the bureaucratic model and attempts to transform the public sector through organizational reforms that focus on results in terms of efficiency, effectiveness, and quality of services. (Osborne and Gaebler 1992; Borins 1994; Hughes 1998). As Peters and Pierre (1998:232) note that NPM "replace highly centralized, hierarchical structures with decentralized management environment where decisions on resource allocation and service delivery is made closer to the point of delivery". Accordingly the objectives of NPM as a perspective for organizational performance include; making public administration better through market like competition in provision of goods and services, increased citizens value by making service delivery customer driven, adherence to norms, identification of mission, building accountability, Separating service from control, expanding customer choice, Providing incentives , analyzing results and feedback. By this, the new public management has come to dominate thinking about public sector reform by practitioners and academics alike. New public management reforms, it is said, "are a common response to common pressures-public hostility to government, shrinking budgets, and the imperatives of globalization" (Polidano, 1999:2)

Aside the promises of New Public Management (NPM) there has been a protracted, ideologically stimulated discourse about the intrinsic worth and drawbacks associated with it. Be that as it may, the argument of exponents and Nigeria's government confirms that the theory of new public management is certainly a driving force for monetization of fringe benefits of public officer in Nigeria.

According to Ekaete,(the then Secretary of Federal Government of Nigeria,) "the government of Nigeria is convinced that monetization will reduce to barest minimum such negative fiscal challenges and in the stead, enhance efficiency in resources allocation in order to move the economy forward". (Guardian, 2004:12) Furthermore, the Federal Government of Nigeria policy document (2002:15) note that monetization will;

- (i) enable government to get the true pictures of what it costs to maintain a political office holder or public servant and therefore lead to a more realistic planning, budgeting and budget implementation. It will also enhance fiscal discipline which positively impact on the national value systems and ethics.
- (ii) Put corruption on check thereby enhancing efficiency in the public service.
- (iii) Ensure equity in the allocation of scarce resources
- (iv) Help public officers to develop and imbibe a culture of maintenance, discipline and frugal use of public utilities.

Taking these intrinsic worths into consideration, let us examine the policy content of monetization of fringe benefits as designed by Nigeria government.

1. The Monetized Fringe Benefits for Nigeria's public officers

Monetisation of fringe benefits as a reform policy in Nigeria looks at the cost of service delivery by the government of the federation of Nigeria. The monetized fringe benefits for public servants entitlement includes; residential accommodation, furniture allowance, utility allowance, medical allowance, leave grant, meal subsidy, domestic servants allowance, motor vehicle loan and fuelling, Maintenance of official vehicles and transport allowance, meal subsidy and entertainment allowance.

a. Residential accommodation

The residential accommodation of public officers is monetized at 100% of the annual basic salary .This amount due to each person is expected to be paid en block every year to enable the concerned officer take care of his /her residential matter. Nonetheless, the persons occupying government houses were to have their 100% of annual basic converted to rent for the first year of the monetization. The option was to ameliorate the inconvenience the government quarter occupant could pass through. On the other hand government residential houses in the country are to be sold to interested public at the end of the first year of the introduction of the policy. However the occupants are equally given the first privilege of buying the concerned house at government evaluated price.

The civil servant who buys his house or quarter is expected to pay 10 percent of the cost as initial payment in order to own the house. In addition to the owner-occupier right, Government would provide sites and service schemes in satellite towns nationwide in order to assist public servants, who would prefer to build their own houses. Apart from political, public and judicial officers, other civil servant had to pay a subsidized cost of their annual basic salary as shown below;

- (i) Grade level 01 -06 = 50% of Annual Basic Salary
- (ii) Grade level 07-14 = 60% of Annual Basic Salary
- (iii) Grade level 15 and above = 75% of Annual Basic Salary.

b. Furniture Allowance

The payment of furniture allowance was equally categorized into two .The first recipient are political, public and judicial officers who will receive 300% of Annual Basic Salary as recommended by "Certain Political, Public and Judicial Office Holders (Salaries and Allowances etc) Act, 2002".To avoid exerting too much pressure on government if the allowance is paid en bloc, the payment is staggered for four years at the rate of 75% of annual basic salary, which amounts to 300% in four years.

As for the second group of beneficiaries, their furniture allowance will be paid in this order;

- (i) Gl.01-06 = nil
- (ii) GL 07-14 200% of annual basic salary in five years .(i.e 40% per annum)

C. Utility Allowance

The utility allowance for political, public and judicial officers will be paid 20% of annual basic salary. Others will continue in different order of;

- (i) GL.OI-06 =N3,600 per annum
- (ii) GL07-10 =N6,000 per annum
- (iii) GL12-14 =N7,800 per annum
- (iv) GL15-17 =N9,600per annum
- (v) Permanent Secretary = N16,800 per annum
- (vi) Head of Service = N16,800 per annum

d. Domestic Servant

This allowance is monetized before this policy regime. The act only confirmed it for retention. However, only the very senior civil servant within the grade levels of 15 -17, permanent secretaries, heads of service and public officers are entitled to this allowance. In this case, political, public and judicial officers their domestic allowance is monetized at 75% of annual basic salary.

e. Motor Vehicle Loan and Transport

Prior to the introduction of monetization policy, government provides chauffeur-driven vehicles for its entitled senior officials. Also government provided for 3% minimal vehicle loan for senior officers. In this dispensation public officers will be provided with vehicle loan at 350 % of the annual basic salary as stipulated in salaries and allowances act of 2002. The loan is repayable in six years at 4% rate of interest as contained in the regulations on motor vehicles advance.

However the monetization policy removed the incentives of government official, that is being chauffeur-driven in government vehicles, and car loans will not be granted by government to senior officers, rather such loans can be obtained from financial institutions.

The practice does not apply to chief executives ranging from the president and aides and other chief executives in charge of Ministries, Departments and Agencies (MDA's), In addition, no ministry, extra-ministerial department, federal government agency or parastatal will procure any new vehicles unless on the approval of the president at instance of need . Other issues of concern introduced in the monetization policy include;

- Each ministry/agency will be allowed a specific number of vehicles tours and including buses for essential office services as well as out of station duty tours.
- Government approved that all excess vehicles are to be disposed at 50% to other public servants not entitled to official vehicles and 50% to dis-engaged drivers and the general public.
- Service and staff vehicles will be pooled under the management and control of the office of Head of Service of the federation.
- Excess drivers with relevant and required certificate will be deployed to office where their services are needed.
- Those that are not redeployed will be rationalized and assisted with "KEKE NAPEP" (tricycles)

f. Fuel / Maintenance and Transport Allowance

The persons concerned with these allowances are public servants who will receive 10% of annual basic salary while the political, public and judicial officers will receive 30% of basic salary per annum.

g. Medical Allowances

The medical allowance is monetized for all categories of public personnel at the rate of 10 % of basic salary per annum. However, there is an exception to this. The exception is only in a case of life threatening diagnoses. In this regard, government pays the medical bill of the affected person(s) on condition that the staff will not enjoy the 10% basic salary allowance per annum.

While these are the monetized fringe benefits for public personnel in the public service of Nigeria, there are other outstanding benefits already monetized before this policy. They include leave grant, meal subsidy and entertainment for the concerned category of staff. The tabular detail of the monetized fringe benefits is shown below.

Table 1 Monetized Fringe Benefits for Civil/ public Servants in Nigeria

S/NO	TYPE OF ALLOWANCE	GRADE LEVEL	RATE PER ANNUM
1	Accommodation	01-06 07-14 15 & above	50% 60% 75%
2	Transport	01-17	25%
3	Meal subsidy	01-06 07-10 12-14 15-17 Perm. Sec. etc	N6, 000.00 N8, 400.00 N9, 600.00 N1 0,000.00 N 16, 200.00
4	Utility	01-16 17 & above	15% 20%
5	Domestic Servant	15 16-17 PS above	1 GL 3 step 8 2 GL 3 step 8 3 GL 3 step 8
6	Leave Grant	0 1 & above	10%
7	Medical Allowance	01 & above	10% (to be paid to NHIS)
8	Furniture allowance	01-06 07 & above	NIL 200% in 5 years (i.e. 40%)
9	Vehicle loan	01-05 06-07 08 & above	100% 150% 200%
10	Driver	17 & above	1 GL 3 steps

Source: Nigeria: The Obasanjo Reforms: Monetization Policy. A publication of the Federal Ministry of Information and National Orientation. 2004:18-19

4. Assessing the Implementation of Monetized Fringe Benefits

Given the nature and content of monetization policy of fringe benefits for public personnel in Nigeria, this section of the study asks; has the governments of Nigeria achieved the objectives of monetizing fringe benefits? The answer to this question determines the extent and compliance in the implementation of the policy on the monetization of fringe benefits. The benchmarks for the assessment reflect concern on the following set of objectives

- (i) To enable government to get the true pictures of what it costs to maintain a political office holder or public servant and therefore lead to a more realistic planning, budgeting and budget implementation,
- (ii) To enhance fiscal discipline which positively impact on the national value systems and ethics.
- (iii) Put corruption on check thereby enhancing efficiency in the public service,
- (iv) Ensure equity in the allocation of scarce resources
- (v) Help public officers to develop and imbibe a culture of maintenance, discipline and frugal use of public utilities.

The objective one centers on cost of managing political office holders and need for fiscal discipline in governments. In view of this there is need to recount the trend before monetization. Accordingly, the recurrent expenditure stood at 80.5% of total expenditure in 1970 as against 19.5% for capital expenditure. In 1971, it increased to 84.6%, while capital expenditure was 15.9%. The slight decline to 64.6% of recurrent expenditure in 1980 could not be sustained as it again increased to 73.2% in 1981. In 1990, it stood at 60.1% while it declined to 52.8% in 1991. The decline to 52.8% in 1981 was of no significant advantage if viewed against the percentage denial that such figure contributed in capital project execution (Central Bank of Nigeria. 1996). This trend continued till 2000 when Nigeria's total recurrent expenditure stood at an alarming level of 65.84% of the total budget.

However, as at 2011, the recurrent expenditure of the Federal Government of Nigeria stood at 74.4 percent (Federal Ministry of Finance, 2011). This entails that the policy direction of reducing cost of personnel emolument and fiscal discipline through monetization of fringe benefits is at crossroad with its objective as the present reality shows.

On objective two and three, monetization is expected to positively impact on national values as well as reduce corruption among public office holders for efficient public service delivery. On the strength of this, the policy has achieved a relative reduction in corruption practices such as over invoicing, changing the engine of government vehicles and other related vices in the process of enjoying fringe benefits. The improvement in corruption perception index of Nigeria from the rank of 147 out of 172 countries studied in 2007 to the rank of 121 scoring 2.7 with confidence rate 2.3-3.0 in 2008 attest to this. (Transparency International corruption perception index report of 2007 & 2008) (http://www.transparency.org/news_room/in_focus/2007/gcb_2007 retrieved on 10/07/09). Though corruption is still high given this rating, by and large, there is improvement and there is no doubt that monetization policy of fringe benefits has contributed to this little success in public sector.

In relation to the objectives four and five that sets to ensure equity in the allocation of scarce resources and help public officers to develop and imbibe a culture of maintenance, discipline and frugal use of public utilities, the monetization policy has performed impressively in promoting self accounting among public personnels. This aspect of monetization is most successful given the human nature of selfishness and self preservation is captured by this policy. This therefore separates the notion that public service is for government not the individuals in the job. As such public officers by the practice have redefined their lifestyle with their expenditure in a view to save and preserve resources due to their offices.

While we note to a great extent, success in issues that are of personal interest to public officers in the monetization policy, aspects that impact on public interest, especially as it concerns the private sector and the unemployed lacks the total commitment of public officers. This reflects in the progressive and

constant increase in recurrent expenditure of governments across the federation against the decline in capital expenditure. Furthermore, this explains that Nigerian State is interested in consumption rather than maintain and improve on the poor condition of infrastructure and utilities.

On the ground of unified implementation and compliance to the principles of monetization, there are contradictions in the pattern at National, State and Local governments. This study notes with observation that national government has in a great extent implements the policy with pockets of disagreements as recent strikes in demand for compliance trailed some Ministries, Departments and Agencies. At State and Local governments' levels, the degree of implementation and compliance is so low that most political office holders have their fringe benefits monetized. As a follow up, a policy of this nature ought to be shared by all tiers as a mark of commitment to fighting the common vices that bedevil public service delivery in Nigeria. Rather most state and local government see it as a 'Presidency thing' that is, treating the policy as a policy of the office of the President of Federal Republic of Nigeria alone. This attitude has resulted to lack of uniformity in where it is implemented and total disregard of the policy in some federating units. The challenge of comprehensiveness also extends to the civil servants who ought to be properly consulted in the policy process bearing in mind that they are the custodian of public sector as well as the prime target benefactors, (see Guardian .Wednesday .July 16,2003:15,Guardian,Tuesday .August 5,2003:3)

The fallout of this has caused industrial disharmony among workers as the policy has been greeted with incessant and series of industrial disputes by various working groups with their employers across the nation. This is not limited to federating units alone. A case in point includes the industrial strike by eight different trade unions were not paid the arrears of monetization of policy. The groups include; Radio, Television and theatre workers union (RATTAWU), Senior Staff Association of Universities(SSANU),Maritime Workers, Nurses and Midwives and medical workers and others. These groups of worker embarked on industrial Strike on 6th of July 2009 in protest of over two years of arrears of monetization of fringe benefits due to them. There is no doubt that this is lack of insincerity on the side of Nigerian government, especially when by August 2008, these unions had called government to pay the affected workers the amount owed to them.

Therefore if the entire policy is borne out of the conviction of state authority to enhance organization performance in public service delivery, then its discriminatory implementation should not rear its ugly head in the agenda of political leaders. Compliment to this is the assertion of Omema (2007:28) that, in Nigeria, most reforms are talked about at the strategic rather than operational level. Yardsticks are not in place to demonstrate advantages of the reform that mean something to ordinary people. This observation is quite in order as it is obvious from table 1 that greater number of the beneficiaries is those at the top position in government who enjoy higher percentage of the monetized allowances from accommodation down to furniture allowance. What we can deduce from these comments and reports is that public trust which new public management advocates is lacking in implementing monetization of fringe benefits in Nigeria. This lack of integrity of process and purpose on the side of government is exposed by the report of the Guardian, Sunday January 16, 2005:44) which describes the sale of 1004 Housing Estate, and Federal Government properties in Lagos as scandalous. The houses were reported to have been sold to several well-meaning Nigerians, and their companies, allegedly without due process. The monetization policy gives opportunity for owner-occupier bases, that is, the civil servants occupying government quarters have the right for the first refusal. This was not followed in the sale of 1004 Housing Estate.

Rather the United African Company of Nigeria (UACN) that bided the House for N7 billion as the highest bidder bought the houses, while the civil servants have raised N8 billion to pay for the Housing Estate, based on the right of first refusal, but the government disregarded that provision and threatened to evict them forcefully because the building is located in a choice area of Lagos, the largest industrial and commercial city in Nigeria.

Having looked at the question raised, the reports gathered establish that there is more rhetoric than sincerity among the political leaders in implementing monetization policy in Nigeria as it tends to confirm the fears of some critic that the policy is not properly articulated before embracing it. According to The Guardian report, when policy was introduced "government has at present N3.5 billion available for the entire exercise of reform programme, while the estimated amount of N60 billion is needed"(Guardian on Sunday, September 4, 2005:1). Also, the Permanent Secretary, Federal Ministry of Education in a seminar, "Building Effective Government" (2004), said government needs N8.5 billion (US \$62.96 million) to pay the requisite allowances to the top-most echelon alone. This means government have to source for fund to execute the monetization policy, and government has not been able to find the funds to pay civil servants all their entitlements. The implication is that the desired objectives of this policy are lost to lack of commitment, bandwagon effect of imitating developed nations without critical study of policy environment.

Conclusion

As we have already seen, governments have been reluctant to the course of monetization policy. Though this may seem strange as a reform intended to introduce results-oriented public governance turns out to be long on rhetoric and short on results. Having reviewed issues of concern, we note that monetizing of fringe benefits is desirable and appropriate if properly implemented. As the paper has gathered that situations before monetization and now are convincing that right steps have to be taken and strongly positioned with commitment and determination to contribute to credible organizational performance. But let us note that administrative reform has always had a high failure rate, in developing countries. The challenges that confront monetization policy are not an exception to similar reforms and government polices that have failed or have been failing. So if one is to argue that monetization policy is inappropriate for Nigeria on the basis of its poor record of implementation, one may as well say the same for any kind of policy. Therefore let us consolidate the gains while providing solutions to the threats of monetizing fringe benefits.

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