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ESTABLISHING THE RIGHT OF REFUSAL: PUBLIC SERVICE REFORMS POLICIES AND THE THESIS OF IMPOSITION ON NIGERIA BY EXTERNAL FORCES

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Abstract

paper examined the claim that reform policies in the public service of Nigeria especially during the political dispensation between 1999 and 2007 were impositions of the external forces. It did a succinct comparative analysis of some reform policies of some countries including Nigeria taking cognisance of the International Financial Institutions (IFIs) interface relying on data from secondary sources and that of the interviews with sampled civil servants and trade unions officials. It was found out that some of the reform policies were actually beneficial to the service while the countries buying into the policies as "imposed" by the IFIs have a right of refusal.

KEY WORDS: public service, reform policies, MDAs, New Public Management

Introduction

There had been serious criticism of state-led development paradigms by neo-liberals joined by the World Bank (WB) and the International Monetary Fund (IMF). An IMF document in 1977 had indicated that the Fund would weigh in on the economic side of governance including the transparency of government accounts, public resource management effectiveness and regulatory stability of the private sector which would be handled with monitoring, advice on policies and technical aid, Corruption would be considered in cases where there was an indication of clear macro-economic implications … governance related conditionality has been in five general areas: fiscal and public sector reform, legal and judicial reforms, transparency and accountability in public management, banking and financial sector reforms and informational reforms"(Stein 2004:21). This agenda became a world phenomenon and was being embraced by the Third World countries many of whom are christened Highly Indebted Poor Countries (HIPC) with the highest concentration in Sub-Sahara Africa (SSA). In the civil service especially, The Commonwealth Association for Public Administration and Management had done an overview and reflected on the aspects of the new paradigm and came up with certain elements as constituting the components of new public management. These include provision of high quality services that citizens value; increasing autonomy for public service managers; reduction of central agency control; developing partnerships between the public and private sectors and the non-governmental organizations; improving the development of human and technological resources; the use of citizens' charters identifying service standards for public service agencies and mechanisms for complaints by citizens.

The reforms took its toll on several Latin American countries like Argentina, Barbados, Trinidad and Tobago, Jamaica, Guyana etc (Draper 2001: 18 – 24). The African continent with abundant human and material resources was not oblivious of the world trend and the need to address the economic crisis it was facing at the material time particularly on the issue of good governance which is rooted in the hardware politics of the International Finance Institutions

(IFIs). The African leaders, thinking that they could rise to the occasion to chart a course for Africa by setting a home-grown agenda assembled in Lagos in 1980: to articulate economic policy to bail the continent out of its economic crisis. The Lagos plan which came against the background of several decades of failed extroverted development recipes, laid emphasis on a strategy for self-sustained economic growth, intra-Africa cooperation to lessen dependence on the advanced countries of the global North. It projected the infusion of about 21.4 billion dollars into agro-allied activities by 1985 and aimed to achieve one per cent of global industrial output. By 2000, it envisioned a functional African Economic Community (AEC). These policies which were lauded by the IMF Director of Africa Department, J.B. Zulu fell victim of the inter - national system which is a system of power relation. That power structure favours a Western knowledge and Western representation of events and processes (Odion – Akhaine 2004:1).

The policies, no doubt, were bold and pragmatic agenda that were capable of liberating Africa, at least, from the development paradigm designed for Africa by the western powers without taking into consideration the peculiar circumstances in Africa that would inevitably hinder the workability of such agenda. That of course, would have commenced the re-writing of African history in its political economy sphere and repositioned it rather positively in the power structure of the world system. That was not allowed to be.

In 1981, the World Bank came out with a counter policy measure to negate the Lagos plan. The new approach was titled "An Accelerated Development in Sub-Sahara Africa: An Agenda for Action. The Bank argued in the report that although structural and exogenous factors had contributed to the worsening of the sub-regional economic crisis, in large measure, the crisis had been exacerbated by inappropriate government policies that had adversely affected the efficient functioning of the markets… (Rugumamu 2001:10; Odion – Akhaine 2004:2).

Despite the reactions of African scholars to this rather biased position of the World Bank notable among whom was Thandika Mkandawire who posited that the African policy environment such as the quest for legitimacy by post-independence African leaders which necessitated the dispensing of "public welfare which underlines the distribution policy thrust of the Africa states", "natural exogenous shocks in the forms of drought" that necessitated government intervention in form of relief materials and other welfare packages and so on, the IFI continued with their pre-determined agenda and "…from then onwards, the IFIs took effective control of a significant portion of the continent's economy, and these institutions imposed a comprehensive programme of currency devaluation, massive public service reforms, privatization, market pricing and macroeconomic stabilization …." (Rugumamu 2001: 11).

Another important factor that 'legitimized' and reinforced this position of the IFIs was the attachment of the Anglophone/commonwealth countries to Britain vis-à-vis the position of Margaret Thatcher's government to the reforms. It is abundantly reported in the literature that; Thatcher and Reagan's governments in fact, spearheaded the propagation of the 'ideals' of neo-liberalism. Thatcher's government was reported to have been particularly hostile to the senior civil servants for some reasons. One, the career civil service had captured higher ground than constitutional theory allowed (similar to the experience of the senior civil servants in the military regime of General Yakubu Gowon in Nigeria) and secondly was the political association perceived to exist between the senior civil service and the pre-Thatcherite political consensus which was structured along the Keynesian welfare state and thirdly, the personal anti-pathies – the intellectual arguments put forward by the neo-liberal new right against public bureaucracy. Consequently, there was a heavy clamp down on the civil service by Thatcher's government in Britain in the 1980s. She secured a 15 percent cut in the total staff of the civil service in the years 1979 – 85; civil service pay was de-linked from private sector pay and the civil service department was abolished while a new Efficiency Unit was set up (Ling 1994: 37- 38). As all these were going on, the National Audit Office and the Audit Commission were to conduct management audits which, among other things, were purposed to root out, completely, alleged imagine or real leftists, professional self-serving and bureaucratic inertia with the overall ideological underpinning of the enhancement of strategic control of the core over the state system.

The taking of cue after Thatcher's administration's reforms by the African continent portrays the African leaders as grossly incompetent. The foremost political economist, Claude Ake captures the scenario better where he says: The African political elites have been weakened by the sheer visibility of their lack of control, their poverty of ideas, and their humiliation. Everyone can see the tragic consequences of a grossly mismanaged economy, and those responsible for it do not know how to make amends. Everyone can see how agents of IFIs take over significant functions of government, approving tariff regimes, and deciding on subsidies, issues of trade, wage level, the choice of consultants for government projects, deciding the 'right' size of public service workforce and so forth (Ake 1997: 1)

This is perhaps the analytical explanation of the World Bank sponsored retrenchment reforms of the 1980s which was driven by the public choice (the minimalist state) vision which more than twenty SSA countries including Nigeria adopted hook-line-and-sinker between 1981 and 1990s with the aim of state neutrality in line with the original view canvassed by the Bank in 1981 that states were the major source of the poor performance in SSA. Good governance and a series of related projects which moderate public policies from various countries are aimed at ensuring that the state is kept in check to focus on its major neo-liberally defined role as impartial guarantors of private property rights with a properly operating judicial system (Stein 2004:24) even though state impartiality can be said to be a terminological hypocrisy in the process of guaranteeing property rights when it is well known that power brokers in Africa who are controllers of state imperatives and agents are themselves accumulators of property through hegemonic hold on the state to the detriment of the poor, the less privileged and the workers.

The Obasanjo civilian administration in Nigeria that commenced in 1999 till May 2007 has been a government of reforms and the various policies that have emanated from the administration since then are identifiable both in content and essence with the new public management.

Basic Assumption

The null assumption (H_0) states that external influence does not solely determine major civil service reform policies of the then political dispensation.

The research assumption (Hr) states that external influence solely determines major civil service reform policies of the then political dispensation.

In testing this assumption, we focused mainly on secondary data from relevant publications on the internet, relevant textbooks and primary data from interviews conducted with top civil servants and trade unions officials. We also looked at a number of reform policies in the civil service vis-à-vis similar reform efforts and programmes in other countries and the linkage they have with International Financial Institutions (IFIs).

It has been noted earlier that scholars have documented the current neo-liberal persuasion of the IFIs which emphasises the minimalist state ideology, the specific states reform policies fashioned along the New Public Management paradigm to that effect are hereby analysed to determine the veracity or otherwise of these assertions (that IFIs have been responsible for the reform policies).

Reform Policies

We start with the Pension Reform in the public service. The "Multinational Monitor" recorded as a result of its investigation that "Pension and social security reform has emerged as a high priority of the IMF and the Bank in recent years, with the World Bank taking the lead… The parameters of the systems need to be redefined and a mandatory defined contribution system based on individual capitalisation accounts introduced. The Bank recommended these accounts be managed by private companies determined through an international competitive bidding process…." (Lloyd and Weissman, 2001:1).

This system is also described as the "paradigmatic example of the World Bank 'three pillar model' of pension reform (Natali 2004:15). This simply means the state provides regulatory legal framework and institution, the employer and the employee contribute, the private companies manage.The World Bank has either through recommendation or instruction influenced pension reform, along the neo-liberal dictates, in many countries depending on their level of indebtedness to the IFIs (Fultz 2003:11).In 1996, Bolivia was recorded to have privatised its pension system under World Bank instruction. In 1998, an IMF document stated that in Turkey "a sweeping reform of the social security system was obviously needed while Nicaragua in 1999 was instructed by World Bank to change its social security parameters to conform to the 'modern' trend.

Several other countries have adopted the pension reforms as dictated by the World Bank and the

IMF at various times e.g. Hungary (1998), Poland (1999), Bulgaria (2000), Latvia (2001), Estonia (2002), (Fultz 2003:6) etc. The table below shows the contribution rates by employers and employees in some European Union applicant countries.

Table 5.18: Pension Contribution Rates in European Applicant Countries, 2002

Country	Employers %	Employees %	Stat	Tota
Bulgaria	21.75	7.25		29
Cyprus	6.3	6.3	4	16.6
CzechRepubl	19.5	6.5		26
ic	20	23		43
Estonia	18	8		26
Hungary	22.5	2.5		25
Lithuania	10	10	10	30
Malta	16.26	16.26		32.5
Poland	23	12		
Romania	21.6	6.4		35
SlovakRepub	8.85	15.5		28
lic	11 – 13	9		24.3
Slovenia				
Turkey				20 –

Source: Fultz (2003). Recent Trends in Pension Reform Implementation in the European Accession Countries; ILO; May

On the "right-sizing" which is a euphemism for down-sizing, retrenchment, or layoffs, the policy was also linked to the dictates of the IMF and World Bank to countries that are indebted to them, imposing on them (the countries) to reduce the size of government as part of the various loans conditionality.

The multinational monitor research also documented a number of countries in this regard. "In Nicaragua, the Chamoro administration… worked with the IMF to slash the public sector… from 290,000 to 107,000 resulting in loss of employment for more than 63 percent of the Nicaraguan public workers and through 1999 the government eliminated more than 18,000 additional jobs" (Lloyd and Weissman 2001:2). Many other countries were recorded to have witnessed similar emaciation of the public sector under IMF and World Bank tutelage.

In Uganda, by early 1997, the size of the civil service was cut by more than 53 percent from 320,000 to 150,000 and the government set a target of 58,100 by June (Lloyd and Weissman 2001:3; Kisubi 2002: 351). In Zambia, 20 percent of the public sector was laid off in 1998 and 1999 while an IMF loan document set a goal of reducing government employment from 110,000 to 12,000 or 10,000 by the year 2000 (Lloyd and Weissman 2001:3). In Tanzania, there was 30 percent reduction in the size of workforce from 355,000 in 1992 to 270,000 in 1998, while the traditional civil service had been reduced to 50,000 or 17 percent of the total workforce (Kiragu 2002:335). In Malawi of about 9 million population, there were about 110,000 workers in the civil service (1995 civil service census data), 14,000 temporary workers in the civil service were retrenched in 1996 while the Ministerial restructuring that resulted in a reduction from thirty to twenty-one ministries led to staff cut by about 20,000 workers (Adamolekun and Mvula 2002:282). The Ghanaian experience was not dissimilar to the other countries'. There was an agreed retrenchment programme involving 15,000 public servants by 31 October, 1987 and another incidence of privatisation that led to the retrenchment of a rough estimate of more than 40,000 employees (Ayee 2002: 264 – 265). In fact as Howard Stein succinctly put it: For the Bank, the state retrenchment of the 80s was also driven by a public choice vision (the minimalist state)… Between 1981 and 1990, 20 sub-Sahara African (SSA) countries undertook World Bank sponsored retrenchment reform… (Stein 2005:24). If as many as twenty (20) SSA countries adopted the policy under the tutelage of the World Bank, Nigerian case can hardly be isolated from the lot particularly with the experience in the civil service between 1999 and 2007.

According to the claims of the Director General of Bureau of Public Service Reforms (BPSR) in Nigeria, Dr.GokeAdegoroye, there were about 150,000 workers in the Federal Civil Service and parastatals. The government planned to lay off 118,000 representing 78.7 percent in 2006. As at the date of the interview with him by the Punch newspaper, about 82,700 had been retrenched. The core civil service provided 44,700 of the affected workers and the parastatals 38,000 whereas the projected number from the parastatals was 65,000 (The Punch, 10 May 2007, page 5).

On some of the reform policies, the opinion of majority of the top civil servants interviewed were at variance with that of the trade unions officials interviewed. For instance, on the pension reform act 2004, various heads of departments who were due for retirement by December 2008 or shortly after opined that if the IMF and World Bank have tutored Nigeria to adopt that policy, they have introduced a policy that have finally removed that nightmare of retirement. That their respective ministries have nothing to do again with the processing of retirement benefits any longer was a big relief. Perhaps what would have made the policy almost flawless was to make the contribution of the employer (the government) a higher percentage than that of the workers. For anything enjoyed, there must be a cost or price. The cost should have been a minimal contribution by the workers. While some suggested 5 percent contribution by workers and 10 percent by government, others suggested 2½ percent to 12½ percent as it was in the case of the armed forces and the police.

It was also surprising that some of the interviewed senior civil servants blamed the workers more than they did the government in the retrenchment aspect of the reform. They blamed the government for equating the reforms to only rightsizing. They opined that anytime the government was talking about a Ministry being reform compliant, they were invariably talking about the number of workers the Ministry had been able to lay off. But on the side of the workers, some of them wondered why a finance officer in charge of salaries and accounts of an outstation establishment (MDA) who is on grade level 10 and had worked for over twenty years would still be parading a school certificate of three credits without improving himself/herself. They are in support of flushing such "deadwoods" out of the system. They opined that people must possess commensurate qualifications for the jobs they do. This position was contradicted by the trade unions as flouting the scheme of service and described it as tantamount to change of rules at the middle of the game. They opined that they were qualified when employed and had acquired experience over the years. Such experience, they opined cannot be bought or got by new entrants even with degrees. Some unions were blamed for not encouraging their members to acquire further qualifications so they would not lose them to other unions.

There was a convergence of opinion among all the interviewees on both the unions and the administration side (except one from the Accountant – General's office) concerning the pay system reform known as Integrated Personnel Payroll Information System (IPPIS). The general opinion was that it has solved the problem of delay in the payment of salaries, it has unified the pay-day among the pilot MDAs and a situation where some highly influential persons would first trade with workers salaries leading to months of delay has been eliminated. The only dissenting voice criticised the policy for creating redundancy that when other MDAs were brought into the IPPIS it would lead to further retrenchment of many workers.

When alerted about the reform policies as instructed by IFIs in some countries and how the reform had impacted negatively on the people, some faulted the IFIs while others would not blame them but blamed the leadership of such countries including Nigeria. Those who blamed the IFIs were of the opinion that IFIs were agents of the international capital and the membership though mainly of the global North but with formidable accomplices and willing tools among the elites of the global south including Nigeria. They opined that retrenchment will eventually add to the already saturated unemployment market thus enhancing cheaper labour for their business interests in such countries and elsewhere. The pension Act was also to shift the responsibilities of the employer regarding the payment of gratuity and pension to the employee. This position was mainly canvassed by trade union officials. Those who held the contrary view opined that before the IFIs would recommend reforms, the institutions of governance of a country must be dysfunctional and near collapse. If the leaders are corrupt and the entire system is rotten and a rescue team is approached, why blame the team? When a country approaches a lender or a donor agency and the agency says before I render assistance to you, certain conditions must be met or if I give you this loan, you must prune down your public sector so that my funds would not go down the drains. If the state is so weak that it could not survive or does not have the institutional capacity to operate without the lender or donor agency, who do you blame? Even when the reform policies are accepted, they can be modified to suit the conditions of the people where the leadership is committed to the well-being of its people. This is what we decided to refer to in this work as 'policy domestication'. For example the pension reform policy that workers should contribute more than the employers or at worst have equal contributions towards the pension fund had been debated in many countries. Some had declined to adopt the policy wholesale particularly Czech

Republic, Slovak Republic, Romania etc. though many of them are former communist countries (Fultz 2003: 6 – 7). It was also recorded that the World Bank recommended similar reform agenda to Cote d'Ivoire. The country by 1991 had total number 118,000 civil servants with an annual growth rate of 8.75 percent. It was further recorded that by mid – 1998, it had not adopted a comprehensive reform programme comparable to other countries. Its "commitment to the fundamental reform of the civil service remained rather weak". It only achieved minimal staff reduction through employment freeze, non-replacement of staff leaving the service through retirement but did not embark on retrenchment (Yahaya 2002: 220 – 221).

The immediate foregoing is a proof of the fact that the level of weakness of a state particularly the focus and vision of the leadership, the interest it represents (whether it is that of the masses of the populace or that of their own economic interest and of their international cohorts) would determine the level of acceptance of reform policies when they are instructed, recommended or imposed by the IFIs.

Findings and Conclusion

We can then conclude that the reform policies of the dispensation between 1999 and 2007 in Nigeria were both externally influenced (by IFIs) and internally accepted by the weak Nigerian state. We therefore accept the null assumption (H_0) that external influence does not solely determine major civil service reform policies of the current political dispensation, and reject the research assumption (H_R) formulated at the beginning of this work.

Also found out was that the IFIs have substantial influence on states' reforms policies but the influence was not in absolute terms. We observed modifications to some of the policies in European Union applicant States while a tactical rejection was witnessed in the case of Cote d' Ivoire. In countries where the policies were implemented wholesale, they were either highly indebted to the IFIs or the policies favoured the economic interest of a segment of the local political elite who had plundered the wealth of the state and dragged it and the mass of its citizens into abysmal poverty. To sum it up, countries regardless of their status in the comity of nations have the right of refusal to any reform policy espoused by the IFIs or any other external force for that matter.

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