

**INTERROGATING THE ADMINISTRATIVE ABSURDITY(IES) OF
MONETIZATION POLICY OF OBASANJO'S ADMINISTRATION;
THE WAY FORWARD**

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Abstract

This paper is on Interrogating the Administrative Absurdities of Monetization Policy of Obasanjo's Administration and the Way Forward. The Philosophy behind Obasanjo's monetization policy was to reduce wastage and improve on the performance of public servants. The policy attracted several positive effects both to the public service of Nigeria and to the Nigerian economy even though we know that no policy is perfect. The paper adopted Fredrick Winslow Taylor Scientific Management Theory as its Theoretical Analysis due to it's scientific theory of the science of work. The paper relied on secondary method of data collection with textbooks, research papers, magazines, newspapers, government publication and the world wide web as its sources. There is no gain stating the obvious that there are several absurdities that bedeviled the monetization policy of Obasanjo, no wonder the policy could not outlined Obasanjo. It is based on these absurdities as highlighted above that this paper want to suggest that there should be revisiting of the monetization policy to accommodate all categories of personnel within the public service in Nigeria. the reason for this is to minimize or eliminate bias by other agencies that were not captured by the monetization components.

Keywords: Monetization, Fringe Benefits, Policy, Motivation, Performance.

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1. Introduction

The Nigerian Bureaucracy is one of the largest in Africa and among the tenth largest bureaucracy in the world. This of course made the budget of the public service to increase overtime and this was beginning to be cause of concern to for military administration and

civilian administration to be apprehensive on what can be done in maintaining the size of the Nigerian bureaucracy especially considering that large chunk of its annual budget is dedicated to recurrent budget.

Over head cost in various government agencies, ministry and parastatals continue to increase, maybe without corresponding increase on output of government functions and performances overtime. So the emergence of President Olusegun Obasanjo in May 29, 1999 became a “watershed” aimed at dealing with administrative and management wastages envisaged in the Nigerian bureaucracy. So much so that in 2003, President Obasanjo introduced the Monetization Policy of the Civil Service of Nigeria. The hope to cut down bureaucratic wastages and ensure administrative performance was among the major philosophy behind the introduction of the monetization policy of the administration so that the policy was popularly refereed to as Obasanjo Monetization Policy. The policy was forced on the Civil Service Management with the motive of saving cost for government.

The paper which is on interrogating the administrative absurdities of the Monetization Policy of the Obasanjo's Administration, 1999 – 2007, did the policy fail? Did the policy succeeded, what are the like “pit-holes” that is absurdities of the policy. Is there any lesson(s) to be learnt and how can these absurdities be mitigated form part of the problems that will guide this paper.

Objectives

The purpose for which this paper is written is among other thing to;

- i. examine the monetization policy document.
- ii. examine the success and otherwise the challenges of the policy.
- iii. examine the impact of the policy to Nigerian bureaucracy.
- iv. examine the lesson learnt and by the end of the paper provide suggestions by way of recommendations that will act as wayward in dealing with the “pit-holes” associated with the monetization policy.

Methodology

The methodology is on the method used in arriving at data used. The secondary method of data collection was used in this paper. The presenter relied on the public and private library in search

of relevant data in order to provide discussions, explanations and analysis on the topic under review, textbooks, papers, newspapers and government publications form part of the sources of data as well as the world wide web.

2. Conceptual Clarification and Analysis

For the purpose of this paper the concept that will be clarified are monetization, fringe benefits, policy, motivation, performance.

i. Monetization

The term monetization is defined by various scholars and bodies in various ways. The Chambers Dictionary defines Monetization as "Something that gives the character of money to an economic policy", while some scholars see monetization as a systematic replacement of work benefits with cash payments. Monetization can be defined as the payment of cash to public servants in lieu of fringe benefits i.e. payment of all their benefits and entitlements in one take-home package Adekeye (2003:12).

ii. Fringe Benefits

Mathis and Jackson defined fringe benefits as an additional or indirect compensation given to an employee as a reward for being a member of an organisation in a form other than money. According to Nickels, McHugh and McHugh's fringe benefits means an additional compensation given to employees beyond bare wages, they believed that fringe benefits can include everything from paid vacation to health care programmes, recreational facilities, company cars, day care services etc Aluko (2003:23).

iii. Policy

Policy can be generally defined as a system of law, regulatory measures, the course of action, rules, strategies, and guiding principles etc. that have been officially agreed upon or chosen by a political party, business organisation or government. It is the guiding principle which governs what the government is doing or intends to do. The Monetisation Policy is a working document of the federal government of Nigeria which spells out the procedure and manner through which the fringe benefits given to civil /public servants in Nigeria are converted into cash payments Animasun (2003:34).

iv. Motivation

Motivation is an abstract term; it is the act of giving somebody a reason or motive to do something. It is a feeling of enthusiasm, interest or commitment that makes somebody wants to do something or behave in a particular way, (Microsoft Encarta 2003). Motivation impacts incentive that requires a response on the part someone else to achieve a defined goal. Motivation is the inner power or energy that pushes one towards performing a certain action, motivation strengthens ambition, increases incentives and gives direction to courage, energy and the persistence to follow one's goals Ayapere (2015:45).

v. Performance

Performance can be defined as the way in which something or somebody functions, operates, or behaves. Performance can be judged by its effectiveness. Thus job security, high wages, predictable promotion practices, comfortable working condition, provision of fringe benefits and so on were believed to lead to higher job satisfaction, which in turn increases productivity and improves performance Bakare (2011:56).

The Genesis of Monetization Policy

According to Aduma (2016), most colonial countries adopted the political and administrative systems of their erstwhile colonial Lords (Kibria, 2000). In that vein, the Nigerian Civil Service can be traced to the administration of Lord Lugard the then Governor General of the amalgamated administration of the Northern and Southern Nigeria with the guided policy of indirect political system (Omoleke, 2003:46). The present nature of remuneration in the civil service is also traceable to same colonial policy. According to Ayapere (2015, p. 107), the colonial administration "provided their expatriate staff - the "White" civil service administrators - with free housing, free transportation free house helpers, etc. Residential Quarters were provided, furnished and maintained by government". Ayapere (2015:23) continued that colonial government foot other bills including electricity, water and telephone services, facilitated procurement of vehicles to its officers at generous rates that could be conveniently deducted from their salaries. All these were for administrative convenience and was the genesis of monetization policy Ekaette (2003:67).

The policy gained more ground with the second coming of Olusegun Obasanjo in 1999 as the political head of Nigeria. Fayomi (2013) was of the opinion that Obasanjo's desire for a more

proactive and result-oriented public service moved the regime to introduce and implement monetization policy on the Nigeria public service in 2003 Ekaette (2003:78).

Monetization policy in the real sense of the word is a policy adopted to stem the spiraling government expenditure especially on recurrent over capital projects. Fayomi (2013) revealed that at the end of 2001, over 85 percent of government expenditure went to recurrent costs. These costs include constructing, purchasing or renting of residential accommodations for public servants; renovation, maintenance and furnishing of these residential accommodations; fueling and maintenance of official vehicles of public servants; paying of medical bills of public servants and their families, etc Fayomi (2013:89).

As Fayomi (2013) puts it "the main consideration underlying the implementation of the monetization policy is the desire of the government to reduce the pressure on public resources arising from government involvement in the physical provision of fringe benefits for the public servants". In that regard, instead of government providing residential accommodation to its workers, the workers themselves shall provide their accommodations with allowances given to them by government to that effect. Ayapere (2015:86) opined that these workers shall receive between 50 percent and 75 percent of their annual basic salary as accommodation allowance, depending on seniority level. On furniture, 300% of Annual Basic Salary to be defrayed in four years at the yearly cost of 75% of the basic annual salary was recommended and implemented. On domestic servants, only senior civil and public servants at GL 15 and above and political office holders are entitled to monetary benefits in lieu of domestic servants. Furthermore, vehicles, medical, meal and entertainment benefits were all monetized according to grade levels. In the final analysis, monetization policy has its root in the colonial administration but was made more potent and enhanced by the Obasanjo administration Iyida (2015:98).

3. Theoretical Analysis

Taylor's Scientific Management Theory

This study adopts the Scientific Management Theory as bases for theoretical analysis and the proponent of the Scientific Management Theory is Fredrick Winslow Taylor observed that the principal objective of management is to secure the maximum prosperity for the employer, coupled with the maximum prosperity for each employee.

The principles thus devised by Taylor as a solution to problems of management are briefly as follows:

- a. The development of a true science of work. All jobs are to be observed and analyzed in order to determine the best way of accompanying them. That is, developing the best or ideal method of doing a task and determines "scientifically a standard";
- b. The scientific selection of workers, or the scientific selection and progressive development of workman. That is, a careful selection of employees and development of employees to enable them attain their optimum potentials. To select the best man for the task and train him in the best way to achieve the task;
- c. The scientific education and development of workers. The bringing together of the science of work and the scientifically selected and trained men. That is, combining the scientific method with the selected and trained men and to be followed by paying them on incentive basis;
- d. Intimate and friendly cooperation between the management and workers. The division of work and responsibility between management and workers. Management should recognize these in order to carry out their duties properly.

e. The Implication of Taylor's Theory to the Monetization Policy

The application of Frederick W. Taylor's Theory to explain the link between it and the Monetization Policy, it should be noted that there is a strong linkage between them. In the first instance, the theory places strong emphasis on money or financial incentives which is primarily the thrust of the problem solving and decision making as it makes such absolute management responsibility.

4. Body of Work

Components of Monetization Policy of Obasanjo

The components of monetization policy of Obasanjo as shown in the table below;

S/N	TYPE OF ALLOWANCE	GRADE LEVEL	RATE PER ANNUM
1	Accommodation	01 - 06	50% of Annual Basic Salary
		07 - 14	60% of Annual Basic Salary
		15 & above	75% of Annual Basic Salary
2	Transportation	01 - 17	25% of Annual Basic Salary
3	Meal Subsidy	01 - 06	N6,000.00
		07 - 10	N8,400.00
		12 - 14	N9,600.00
		15 - 17	N10,800.00
		Permanent Secretary	N16,200.00
4	Utility	01 - 16	15% of Annual Basic Salary
		17 % Above	20% of Annual Basic Salary
5	Domestic Servant	15	1 Grade Level 3 Step 8
		16 - 17	2 Grade Level 3 Step 8
		Permanent Secretary & above	3 Grade Level 3 Step 8
6	Leave Grant	01 - 17	10% of Annual Basic Salary
7	Medial	01 - 17	10% of Annual Basic Salary To be paid to NHIS
8	Furniture Allowance	01 - 06	Nil
		07 - 16	40% of Annual Basic Salary
		17 and above	200% in 5 Years (i.e. 40% of per annum)
9	Vehicle Loan	01 - 05	100% of Annual Basic Salary
		06 - 07	150% of Annual Basic Salary
		08 and above	200% of Annual Basic Salary
10	Driver	17	1 Grade Level 3 Step 8

Source: Federal Ministry of Information and National Orientation (2007:19)

Success of the Obasanjo's Monetization Policy

According to Tunde (2016), monetization policy has become a reform meant to downsize government's expenses and excesses. In more specific terms according to Ayapere (2015:43), "monetization of facilities, such as housing, furniture and vehicles will reduce capital cost, maintenance and running costs". Fayomi (2013:23) gave more detailed effects of monetization policy as:

- (a) It helps to minimize unauthorized journeys at government expense.
- (b) It helps to ensure equity in the allocation of scarce resources.
- (c) It helps to ensure that public officers develop and imbibe discipline culture of frugal use of public utilities.
- (d) It helps to encourage public officers to own their vehicles, houses, furniture and thereby assist them to plan better for their retirement.
- (e) It helps to enable the public servants to plan for a more comfortable post-service life.
- (f) It helps to encourage increased productivity because of the euphoria of increased income (Fayomi, 2013:63).
- (g) It helps government to get the true picture of what it costs to maintain a political office holder or public servant in office and therefore lead to a more realistic budgeting and budget implementation.
- (h) It helps to provide the most transparent avenue for disbursement of remuneration and fringe benefits from employers to employees.
- (i) It helps to curb the excess of public officers. For example, unlike in the past, political office holders are now to drive to office and back in their personal cars.
- (j) It helps to correct the wrong public perception of government utilities such as telephone, electricity, etc as limitless resources which hitherto were used without caution.

(k) It helps to stop the practice where, in renovating official quarters and changing furniture items, the discarded items were in many cases not accounted for, giving room for abuse Izueke (2014:87).

Absurdities on Monetization Policy

The absurdities that is associated with Obasanjo's Monetization Policy of 2003 is one that provides a lesson for other upcoming presidents who may want to pursue similar policy on monetization. This is due to the absurdities associated with the Obasanjo's monetization policy Kibria (2001:76). These absurdities are;

i. To spread the monetized benefits over the 12 calendar months of a year, instead of the earlier decision to pay it en-bloc to the workers Rabi'u (2013:43).

ii. The transport loan of 350% of the annual basic salary of each worker in the monetization agenda was struck out, and directed that only worker who desire vehicle loan should arrange it with his/her bank while the interest payment is pegged at one digit number Rao (2009:32).

iii. Utilize revenue accruable from the outright sale of the government property like houses and vehicles which have been monetized for workers Omoleke (2003:54).

iv. Government parastatals that were self-financing or not drawing from the government annual budget were directed to service the payment of the monetization of benefits of their staff i.e. the National Maritime Authority (NMA), Nigerian National Petroleum Corporation (NNPC), Central Bank of Nigeria (CBN) Rao (2009:33).

v. Mass retrenchment of workers that are tagged as "outsourcing" that were lower cadre of salary Grade Levels 01 - 07 such as gardeners, cleaners, drivers, clerical assistants etc while other criteria were used to ease out other cadres of Grade Level 08 and above from the public service of Nigeria Okoli & Onah (2002:65)."

5. Conclusion And Suggestions

The monetization policy of Former President Olusegun Obasanjo was aimed at reducing cost of administration in the public service on one hand and saving cost on the other hand. No doubt the policy was able to achieve certain purpose in government, but it ended of creating another problem. The inability to achieve proper evaluation of what to monetized and who to get what a particular time was one of the numerous challenges. The absurdities associated with monetization policy is one that provide a lesson to those that may want to go through that road like Obasanjo, considering the pitfalls associated with Obasanjo's monetization policy. This paper wants to make recommendations by way of suggestions as a way forward.

- i. There should be revisiting of the monetization policy to accommodate all categories of personnel within the public service in Nigeria. the reason for this is to minimize or eliminate bias by other agencies that were not captured by the monetization components.
- ii. Monetization policy need to have legislative backup meaning that monetization policy should be covered by an Act of Parliament. The idea is to criminalise those officials of government that circumvent the component of monetization policy and when this is achieve, it will really help in saving cost for government to meet up other economic challenges.
- iii. The monetization policy of Obasanjo need to be revisited with the attitude of wanting to cut down the cost of governance in the present day Nigeria where Nigeria is operating a deficit budget and the monetization should be holistically carried out without any form of bias across all cadre in the civil service and public service.

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