

## **Restructuring - Things Fall Apart or Fall into Place**

The Federal government is not working, in the sense that however much effort the respective cabinet members may put in, the results are not to the benefit of the populace. Over the last five years, unemployment has soared, and is now well over 50% among young people. At the same time, the naira has crashed against the dollar, ever more of the annual budget is being consumed to service existing debts, and capital expenditure has dwindled into insignificance. Seemingly, all federal government manages to do successfully is pay the salaries of government employees – but even that is now faltering.

Recently, as if out of nowhere, came the sudden realisation the country should double its spending on education. So next year the budget for education will be doubled. No targets or KPIs have been announced. No word of to which areas of education the funding will go. No clarification on whether the budget will simply be gobbled up by an already large ministry of education – that is not responsible for rolling out universal basic education anyway. This is reminiscent of the manifesto for the first period of the present administration, which promised to double spending on health. Nothing of the sort happened.

We can infer two possible statements from this: The Federal government is fatally flawed as an institution. Now, if this is indeed the case, then this would mean a separate institution is urgently required to discharge the functions of the Federal government. Many have been clamouring for more powers to be devolved to the state governments for this reason. The logical conclusion here would be that the states must be well-oiled functioning entities in their own right in those areas in which the Federal government is currently falling short?

The inefficiencies of Federal government seemingly coincide with an inability of government to meet its unitarian purpose and support all the geopolitical regions of the country in like measure. This has sparked what for want of a better word can best be described as reverse-irridentist movements that advocate the return of ruling power to their particular region, be it a real geographical region or a fictional entity. Things are falling apart, many say. But into what would perhaps be the more apposite question...

Let us play a thought experiment for a moment and assume the following: The state governments of the day are not performing any better than the Federal government. The paltry levels of IGR and the inability of countless state governments to provide the primary healthcare and primary education that is their core mandate would seem to be evidence of this. Some who support this assumption have suggested this means that the country's system of Federal vs. state and/or Federal & state (depending on your perspective) has failed and should be replaced by a parliamentary system of government such as pertained in the early days after Independence.

In other words, in the current situation where the nation is faltering on the brink of socio-economic disaster (mass unemployment, mass poverty, GDP levels that are back on a par with those for 1980), two possible solutions have dominated public debate and discourse: The first maxim offered is that we need to restructure the balance between Federal government and state governments. The second, alternative recommendation is that we rethink the very form of political system we use.

There are good grounds for assuming fundamental problems require fundamental solutions as the latter address fundamental causes. However, to date neither camp has presented compelling evidence in favour of their case. Nor has there been consideration of whether a time of crisis is really the most appropriate time to fundamentally alter your system of government. After all, the focus should surely be, as the pandemic has shown us, on containing the crisis before we set about addressing the weaknesses of the (health) system.

So let us review the situation. Is the root problem that of the structure of government per se? If we rephrase that question it could read: Do the three arms of Federal government do what they are supposed to do? Obviously, the one or other of them does not, otherwise the country would not be in a crisis not attributable to exogeneous factors. However, and this is an important point, will that detrimental state be altered by a devolution of powers? Surely the same interests, the same or similar persons and parties will persist.

The fact that the institutions of Federal and state government manifestly malfunction may not be connected in any way to their not being fit-for-purpose, other than in the sense they do not have the right in-built checks and balances to ensure that they function correctly irrespective of what regime or group of individuals is in power. We could conclude, therefore, that what we are seeing is not the failure of the system of Federal government or, for that matter, of state government, but the failure of the persons who populate that system.

The standard manner of checking the activities of the individuals populating governments (politicians and civil servants – yes, they are supposed to serve) is accountability. Indeed, accountability is at the core of all democracy. In the sense that the ultimate act of being held accountable for your actions is whether you are re-elected or not. At the lower levels, there is accountability in the form of being forced to resign or, in the case of civil /public servants being dismissed. In the final analysis, President Jonathan was held accountable for the actions of his cabinet and hangers-on, and voted out of office. Whether it would not be better for the strength of the democratic fabric of Nigerian society to have people removed from office by other means in-between elections is a moot point, as is the question of whether there can be accountability in the Nigerian setting if the political parties do not present ideologies and therefore choices. If there is no clear difference in ideology, then a party or programme can hardly be held accountable for system failure (i.e., macroeconomic

management failures at present), but only an individual. However, if you dismiss that individual, the party still remains in power, deriding the idea of accountability.

In light of the above brief remarks, intended merely to question the givens in the current discourse, and address 'restructuring' differently as an issue. If we construe the allocation of national resources in the form of a budget, then the mark of efficiency would be if the budget items make a positive difference and promote the wellbeing of Nigerians. It is a logical imperative in such a view that restructuring must automatically guarantee better service delivery or there is no point in it. Put differently, those calling for restructuring must assume that today's civil service, if structured more in terms of subsidiarity, will provide better public service. Looked at this way, we can reformulate the original approach to restructuring and ask: Will resources be better used (or wasted less) if the division of responsibilities between state and Federal governments is changed more in favour of subsidiarity and less in favour of a unitarian system? This avoids the 'restructuring discourse' getting ensnared in a debate over 'state policing' vs. the NPF as the best antidote (or placebo, depending on your viewpoint) for insecurity.

Now adjudicating on efficient allocation of resources and their effective delivery (public service) is something that can only take place rationally on the basis of hard data. In other words, we need to reformulate the 'restructuring' debate even further and discuss the pros and cons of the various iterations of a new states/federation balance in terms of what the data shows. To that end we need to analyse why neither the Federal nor the state governments have delivered / have been able to deliver good primary healthcare or primary education (the constitutional obligation of both and two fields in which they explicitly interact). The data shows neither has performed with particular merit. Disease patterns, maternal and infant illnesses, illiteracy, etc. can all be cited as indicators of systemic failure.

The fiscal data is similarly disheartening. The Federal government has federal ministries and agencies devoted to health and education. All the states have education and health commissions or ministries. Yet the Federal budget allocations for the two ministries together was N 779bn in the 2019 appropriations bill from a total of N 8.9tr., meaning that health and education at the Federal level were considered worthy of only 8.75% of the national budget. Now, if we remember that capital expenditure was just under 23% of the total and extrapolate the ratio to the health and education budgets, we get N 179.17bn in capital expenditure on these two key fields. Capital expenditure on two fields critical to human wellbeing in Nigeria was exactly 2.01% of the budget.

How much the states allocated to the two cannot be ascertained in the absence of data - most of the states are notorious for not providing any financial transparency. Added to which, in some instances they can simply refer to the Federal government when it comes to

handling both primary healthcare and primary education – passing the buck as it were. This overlap of responsibilities between the Federal government, state governments and in some cases government agencies makes for a manifest lack of accountability.

Subsidiarity as practised does not work. People are made responsible for things for which other people are already responsible. The existing triumvirate of Federal/state/LGA creates a murky morass of uncertainty, where transparency is as good as impossible. It is hardly surprising that it is not in any of the players' interest to provide hard data on how budget allocations have turned into socio-economic progress. Such an unfortunate concatenation of agents merely ensures that no one can be held accountable. And here we come full circle. It follows that adjusting the dial away from the centre (federal) to the left (LGAs) or right (state governments) and claiming this would be subsidiarity is merely window-dressing. The person who is ostensibly responsible changes, yes. But does the efficiency? No. After all, merely passing responsibilities back and forth does not address the inefficiencies in the system. On the contrary: It leaves them intact. And allows Federal government in five years' time to point the figure at the state governments, pronounce "Fail!" and call – for restructuring. There are two possible reasons a system is inefficient. Firstly: It is per se inefficient. There is no data to suggest this is the case in Nigeria. Therefore, subsidiarity will generate the same results. Or the system is structurally sound, it just has to be used the way it was designed to be used. This is the case in Nigeria. Meaning: The restructuring debate should be a debate about the users of the system, not about the system.