

MONETIZATION POLICY, CORRUPTION AND PUBLIC SERVICE IN NIGERIA: CONFUSION AND REALITY

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ABSTRACT

No system of government is cost-free in the world. However, it was discovered over the years before President Olusegun Obasanjo's administration that the cost of running the machinery of government had continued to escalate. The burden of providing basic amenities for public office holders contributed to a significant increase in government recurrent expenditure, leaving very little for much-needed capital development projects. The establishment of the monetization policy was therefore aimed at addressing this challenge. This study examined the impact of the monetization policy on the recurrent expenditure of the Federal Government. Furthermore, it analyzed the viability of the policy as a sustainable instrument for checking corrupt practices in the public service. The study adopted a mixed-method approach. Data were collected through a structured survey, while secondary data were sourced from government publications, textbooks, and internet materials. Rent-seeking theory was adopted to further explain the study. The findings revealed that the monetization policy reduced recurrent expenditure of government. However, its implementation was largely misdirected. The study concluded that meaningful reforms are required, including the institutionalization of an independent body capable of effective monitoring and evaluation.

Keywords: Monetization Policy, Public Service, Fringe Benefits, Corruption.

1. INTRODUCTION

The gale of modern reforms did not start with Nigeria nor did it begin with the Obasanjo administration. The need for reform in virtually all aspects of Nigeria's national life cannot be discountenanced. This becomes imperative, given the fact that Nigeria still ranks among the poorest nations of the world despite its enormous resource endowments. It is, therefore, the intention of the Obasanjo administration to ensure that things began to work again. Although there had been consistent but often unsuccessful attempts by previous administrations to achieve this objective of transforming Nigeria into a respected member of the international community, the Obasanjo administration embarked on the implementation of the National Economic Empowerment and Development Strategy (NEEDS) to remedy the deficiencies in earlier reform efforts. NEEDS rests on four key strategies, and the first of them is reforming the way government and its institutions work. The goal is to restructure, right-size, re-professionalize, and strengthen government and public institutions to deliver effective services to the people. Majorly, it is aimed at eliminating waste and inefficiency, and freeing up resources for investment in infrastructure and

social services by government. To achieve this, the federal Government of Nigeria decided to adopt the policy of fringe benefits monetization for every category of its public servants.

Monetization of fringe benefits in the Nigerian public service is not an isolated phenomenon. It is one of the many elements of the process of public service reforms. The policy became operational with the passage and coming into effect of the Certain Political, Public and Judicial Office Holders (Salaries and Allowances, etc.) Act, 2002, which was subsequently extended by a circular to cover all federal civil servants. The law took effect from July 1, 2003 for political, public, and federal office holders, while that of the federal civil servants took effect from October 1, 2003, with some modifications in rates of benefits.

The Obasanjo administration embarked on monetization of fringe benefits in the public service of the Federation in line with its reform policy because the cost of running the machinery of government had continued to escalate over the years. The burden of providing basic amenities for public officers had contributed to the persistent increase in government recurrent expenditure, leaving very little for the much-needed capital development (Talba, 2009).

For a more efficient allocation of amenities for public officers, government approved the monetization of fringe benefits in line with the provisions of the Act covering political, public, and federal Office-Holders (Salaries, Allowances, etc.). The fringe benefits which had previously been provided to entitled officers at huge cost to government include the following:

- Residential accommodation
- Furniture
- Utilities such as electricity, water and telephone
- Domestic servants
- Motor vehicles
- Provision of drivers
- Fueling and maintenance of transport
- Medical treatment
- Leave grant
- Meal subsidy and entertainment

Policy Objectives of Monetization were as follows:

- i. To minimize waste, misuse and abuse of public facilities.
- ii. To reduce the cost of running government machinery.
- iii. To reduce the huge recurrent cost burden on government.
- iv. To encourage public servants to own personal houses.
- v. To promote the observance of maintenance culture and discipline.
- vi. To enable government to present more capital projects in the overall public interest.

Components of the Monetization Programme

i. Residential Accommodation

Monetization of residential accommodation involved the payment of 100% of Annual Basic Salary as housing allowance, to be paid annually.

ii. Furniture Allowance

300% of annual Basic Salary as furniture allowance in line with the provision of the certain political, public and Judicial office holders (salaries and allowance etc) Act 2002, this allowance would be paid annually at the rate of 75% which amount to 300% in four years.

iii Utility Allowance

The allowance had already been monetized in the extant circulars for public servants as the Act of political office holders as follows:

GL 01–06 — ₦3,600 per annum

GL 07–10 — ₦6,000 per annum

GL 12–14 — ₦7,800 per annum

GL 15–17 — ₦8,400 per annum

Permanent Secretary — ₦16,800 per annum

Head of Service — ₦16,800 per annum

Political Office Holders — 20% of Annual Basic Salary

iv. Domestic Servant Allowance

The provisions are as follows:

GL 15 — 1 Domestic Servant — ₦119,556 per annum

GL 16 — 2 Domestic Servants — ₦239,122 per annum

GL 17 — 3 Domestic Servants — ₦358,704 per annum

Permanent Secretary — 4 Domestic Servants — ₦478,344 per annum

Head of Service — 4 Domestic Servants — ₦478,344 per annum

Political Office Holders — 75% of Annual Basic Salary

5. Motor Vehicle Loan and Transport

Provision of motor vehicle loan at 350% of Annual Basic Salary.

The loan is recoverable within six (6) years for both servants and political office holders in addition, the provision of drivers entitled office are monetized as follows:

SGF/Minister/Hos 2 drivers - ₦239, 172 P.G.

Permanent secretary 1 drivers - ₦119,586 P.G.

Director 1 drivers - ₦119,58

All allowances will be same with the current provision for domestic servants, i.e., total emolument of an officer on grade level 13 Step 8. Ministries/Department or Agency, a request shall be made to Mr. President for Approval.

v. Fueling/Maintenance and Transport Allowance

50% of annual basic as provided for in the "Custom Political Public and Judicial office Holders (Salaries and allowances etc.) Act 2002" as fueling/maintenance and Transport Allowance.

vi. Medical Allowance

Payment of 10% of an officer's annual basic Salary as medical allowance.

vii. Leave Grant

10% of annual basic Salary

viii. Meal Subsidy

The allowances had already been monetized through the provisions in the circular Nos. Swc. 04/vol iv 1991, dated 5th May 2000 and National Salaries, Income and Wages Commission as follows:

GL. 01-07 - ₦6,000 Per annum

GL. 08-10 - ₦8,400 Per annum

GL. 12-14 - ₦9,600 Per annum

GL. 15-17 - ₦16,200 Per annum

PS - ₦16,200 Per annum

Head of Service - #16,200 Per annum
Entertainment Allowance:
10% of annual basic Salary for political office Holders as follows:
GL. 15 - N8,400 Per annum
GL. 16-17 - N9,600 Per annum
Permanent Secretary - N27,000 Per annum
Political Office Holders - 10% of annual basic Salary

xi. Personal Assistant:

25% of basic Salary will be paid to entitled officers as listed in certain Political, Public and judicial office Holders (Salaries and Allowances etc.) Act 2002.

Note:

There has been a slight adjustment of some of the rates above and implementation procedure as detailed in subsequent relevant circulars (Obasanjo, 2003).

Modus Operandi of the Monetization Policy

It was obvious that Government's expenditure on running civil service has over the years been on a constant increase. A plausible reason may be the provision of benefits-in-kind to public servants. The cost of providing these benefits are often monumental vis-a-vis other provisions in the annual appropriation that little was left for funding capital projects. Such prequists included highly subsidized accommodation, transport facilities, chauffeur-driven motor vehicles, free medical services, and highly subsidized utilities such as electricity, potable water and telephone (Babangida 2000).

The need for Government to cut down on its expenditures on the Civil Service became imperative. Consequently, it monetized the fringe benefits enjoyed by Civil Servants.

The amount saved on such effort, which the Government estimate to be very colossal and could be spent on other development projects. That will benefit the populace, hence promoting equity and fairness among the citizens and especially the civil servants.

Furthermore, monetized benefits were thought of a means of encouraging maintenance culture among the civil servants. Hitherto, government properties were seen as nobody's, hence, there was apparent lack of culture of responsibility, discipline and frugality among the civil servants on how erstwhile government properties were used. It was expected that there would be greater reduction in the abuses and excesses of the civil servant's vis-a-vis the use of government resources and properties.

Monetization does not only conform to the culture of international practice, but suits perfectly the Nigerian situation and reality. Viewed against the backdrop of the fact that most Nigerian civil servants are highly enamored by the benefits-in-kind, they enjoy while in office, they hardly prepare adequately for such lifestyle and standard after retirement from the Civil Service. Hence, the flexibility that the Monetization Policy offers civil servants to choose between living in their own or rented apartment and to ameliorate the trauma of transition from public to private life after retirement.

It is assumed that this will also reduce the possibility of corruption and sharp practices thought of, as a means of accumulating ill-gotten wealth needed for sustenance of post-civil Service retirement life (Lienert & Modi, 1997).

The concept of Monetization of Fringe Benefits

Fringe benefits are rewards other than wages that employees receive from their employers. They may include subsidized accommodation, free use of cars, fuel, entitlement to pensions and insurance coverage, free medical care, paid vacations, free subscription to club membership, free meals, free newspapers etc. (Mc Cornel, 1987, Nickels, McHugh and mc hugh, 1999, Bill and McCulloch, 1999).

Fringe benefits are said to be monetized when they are replaced by payment of direct monetary rewards (allowances etc.). For some fringe benefits to be effectively monetized, there may be a need to pay the associated allowances for up to four years upfront. For instance, to monetize free (furnished) housing, it may make sense to pay upfront rent allowance as well as pay one-year upfront rent allowance because a set of furniture may be expected to last for about four years and most landlord would demand a minimum of one-year (sometimes, two-year) rent from a new tenant (Ayodele, 2007). It is obvious in Nigerian environment, furniture rental market is virtually non-existent, the payment of monthly furniture may not be very appropriate.

Similarly, the monetization of free use of car may need to be affected through lump-sum payment of corresponding transport allowances for four years. This, in a situation where durable goods are involved, it is only when upfront payment of the associated allowances is affected that concerned employees can be said to be sufficiently empowered to acquire this produced service on his own.

It is worth noting that ordinarily, the objective of monetizing fringe benefits should not be to reduce the legitimately approved welfare of workers, it is desirable objective should be the elimination of waste, abuses and discouragement of rent-seeking behaviour in general. No doubt, the economy has been dominated by a lot of waste and gross inefficiency before the monetization policy was introduced in the way business of Government was being conducted demanded a reform and policy that will re-orientate Government employees towards positive handling of Government business. The policy thus imperative in view of the need to reduce wastage in terms of man-hour, excessive allowances and finance, and free up resources for the development of the economy. Although, Governments in most developing countries have regarded and so treat economic development as a partnership function between the employers and the employees because of the central role played by these two actors through their contributions to growth of output and employment. As a result, Government strives to ensure that work place relationship is not jeopardized as to cause work stoppage and hence contribute to the growth of national output.

The Civil Service in Nigeria Before Monetization Policy

The Nigerian civil service, like the country's public administrative system, has its antecedent in the British Colonial Administration of the country (1860-1960) from which it also derived its culture and practices. The basic objectives of the imperial administration up to and including 1947, viz; the consolidation of the imperial acquisition the spread of the Dox Britannica, and the establishment of the rudiment of infra-structural and socio-service facilities in aid of the administration and group of British citizen and organization operations of within the territory, resulted in a civil service that was similarly limited in functions, small in size, scanty in opportunities and dominated at the middle and upper relies by British nationals whose major interest were the maintenance of law and order and exploitation of the wealth of the country for the further enrichment of metropolitan Britain. Pre-occupied with its own interests, the imperial

administration had little left to give to the developmental needs of Nigerians. Achievement recorded in the development of the country up to 1947 can rightly be attributed to non-governmental organizations like Christian Missions and Trading Companies.

However, for the question is not whether Nigeria has made progress with development since independence but whether whatever has been achieved is commensurate with the size, quality and other endowments of the civil service. However, at the time of change-over to democratic regime in May 1999, the state of the Nigerian Public Service, in terms of image, operational modalities and service delivery was rather small. Experts observers in various fora at that time painted the following picture of public servants:

- * Lethargic and slow in official decision and action
- * Insensitive to the value of time
- * Irregular attendance at work
- * Nepotism
- * Wasteful with Government resources
- * Corrupt
- * Slow to change
- * Unresponsive and discourteous to the public etc.

The condition of the service then was a culmination of the long period of military rule during authoritarian style, mismanagement and corruption were progressively allowed to permeate the system and reign at the expense of good governance and service delivery (Shala, 2003). Of noting, that it was natural that public service as an integral part of government could not have maintained itself as an island of efficiency and integrity in that era. Obasanjo Administration realized the urgent need to embark on a massive revamp of the character and orientation of the public service. This was implemented through a programme of retreats for top public officers and re-orientation training for senior echelon civil service. This led to an appreciable improvement in the attitude and approach to service among public officers at that time. However, this did not amount to profound, positive change, in terms of service delivery, corrupt practices, and waste of government resources. Towards achieving new and reformed public service, Obasanjo Administration set up a committee on Nov. 11, 2002, on monetization of fringe benefits in the public service of the Federal government of Nigeria.

Civil Service and Corruption in Nigeria.

Corruption is perceived as "any decision, act or conduct that subverts the integrity of people in authority or effectiveness in performing its assigned roles" (Lodge, 1998). He sees it as "acts that one intentionally dishonest". Put differently, it is the unsanctioned or unscheduled use of public resources for private ends (Levine, 1975), which might take the form of non-performance or neglect of a recognized duty, or the unwarranted exercise of powers, with the motive of gaining some advantages more or less directly personal. Political Corruption, however, can be described as exploited or if it were part of the market sphere (De Sandom, 1983).

Theobald avers the diverse manifestations of corruption transactions have been identified as ranging from acceptance of money or other rewards for awarding contracts, violation procedures to advance personal interests, including kick-backs from development programs or multinational corporations, pay-offs for legislative support, and diversion of public resources for private use, to overlooking illegal activities intervening in the justice process. Forms of corruption also include nepotism, common theft, overpricing, establishing non-existing projects, payroll padding, and to

may be broadened into what De Sandom termed a "Corruption Complex" (Bola ige, 2001).

The above analyses and description of corruption is sufficient to describe the Nigerian case. As this beyond theoretical postulation, the goal of this section of the study is to chronicle the glaring manifestation of corrupt practices in all sections of administration in Nigeria, even within the first three years of Nigeria's democratic experiment and government effort at curbing the menace. For it was Nigeria, who first adopted the 25 principles of combating corruption in the Global Forum in 1999, and evolved related strategies under the single-minded determination of President Olusegun Obasanjo to fight corruption which proves to be trend setter in this part of the world (Tunde 2002) But the data later revealed that the battle with corruption which became the sing song of the Obasanjo's Administration since inception, seems to be on the reverse gear as corruption is apparently winning the war after four years. Though, Nigerians have earlier expressed doubts over the intention of the government-led onslaught against corruption at the beginning, owing to so many reasons chief among which is the failure of past efforts at taking on such a battle. The core question that follows is: is corruption so inevitable in Nigeria? It is important to pose this question that way because the truth is that nearly everyone in Nigeria believes that no one can do without being corrupt or no government worker is free of corruption. It is obvious that corruption has become a way of life in Nigeria which government cannot ignore. Corruption and its enigma have long haunted Nigeria. It must that the military did not come from another planet. They are made up of people who came from various parts of the country and, therefore, are a reflection of society. The first and second republics failed essentially due to corruption which the political gladiators and military insatiable appetite for greed and power contributed to continuous rise in corrupt practice in the country because they lack administrative crime they relied on bureaucracy who take advantage of military incapability administratively to enrich themselves.

Obasanjo's administration introduced various reforms and policies which include monetization policy of fringe benefits for Federal Government public servants, but as much of the anti-corruption law and policies were for the consolidation of Nigeria's development economically. The gap between intent and actual practice was another hurdle for civilian government. Whereas, besides the institutional and structural innovations that make for a system of good governance, a corruption-free, sustainable development requires a moral determination recognition of that moral determination. Recognition of that moral determination marks the direction in which those who govern must channel their efforts towards the common good if they are to justly serve the society. That direction calls for individual moral responsibility and common good accountability, sacrifice, compassion, justice and an honest effort to achieve the common good (Osuntokun, 2000).

It is a fact that democracy provides a platform for good governance and prevents systematic stability as long as there is an outlet to legitimately accept power. It will be added that democracy is so massively popular today and has made authoritarianism of whatever shade, unfashionable. Nigeria's political history revealed that all previous attempts at building democracy had failed. This occurred as a result of failure to address the structural and material contradictions underpinning the Nigerian social formation. According to Mimiko (2007) to begin to correct the situation would require comprehensive constitutional and political reforms. The type that we have still been unable to put in place. There lies the problematic of Nigerian policies and reform.

Here in the study three critical features that define Nigerian economy since the country attained a formal independent status in 1960. The first is a high propensity for economic policy turnover. This is a function of the acute political instability, both of regimes and of personnel, a

pattern of disorderly succession to political offices, and elite attraction to half-baked and poorly digested economic theories packaged, hardly artistically from abroad, that have come to characterize the country. The second feature of the economy is the tendency of the governments at managing its more peripheral indexes and the attendant marginalization of the productive dimension and, by implication, the development orientation of the economy. A third feature, which has provided the immediate basis for President Obasanjo's policy of Monetization of fringe benefits to public sector workers, is the very huge bureaucracy with which the economy is governed. With 811 different governments (one federal, 36 states and 774 local government areas), and against the backdrop of its modest revenue base (GDP was \$41.2 to billion in 2001) Nigeria is undoubtedly one of the most administered countries in the world, with but deleterious implications for its capacity to deliver economic development ironically. The huge bureaucracy which is administered with some 80% of the national budget (The Economist, 2004) is hardly a function of the desire to better administer Nigeria rather, it is a part of the logic of multiplying governmental structures in a contest in which these constitute the primary locus of primitive accumulation (cake-sharing) for both the civil and martial wings of a clearly rapacious ruling elite (Mimiko, 2007).

However, the government does by serving as a regulatory institution through its agencies and enactment of relevant law either through the Act of Parliament as the case may be during the civilian regime, or decree as was under the military (Damachi & Fashoyin, 1985). Over the years, this interventionist role has been viewed with mixed feelings. This is particularly so in Nigeria where the government doubles as employer as well as intermediary between employers and employees on the other hand, and that of being the single largest employer of labor, on the other in the light of this, the reforms had to address the issue of right-sizing, reduction in the business of government through privatization and commercialization of public enterprises and the need to create enabling environment for the private sector development and growth. In this connection, all the in-kind (fringe) benefits for public officers such as subsidized housing, transportation and utilities were monetized in addition to other welfare policies. No doubt, the policy has actually reduced drastically the number of jobs in the public sector but without a corresponding growth in that of the private sector.

Historically, the Monetization policy did not start from Nigeria. This had taken place in a number of African countries such as Kenya, Ghana, Uganda etc. monetized fringe benefits in their public service. This occurred between 1985 and 1995 (Manda, 2001, Liebert & Modi, 1997). In the case of Uganda, all fringe benefits were monetized between 1991 and 1993 (Liebert & Modi, 1997). Similarly, before the wholesome adoption of the Monetization of fringe benefits in Nigerian Public Sector, some organizations such as Central Bank of Nigeria (CBN), Nigerian Petroleum Corporation (NNPC), among others had done so. Before the above-named institutions did so, a number of private-sector organizations in Nigeria, including banks had monetized most of the fringe benefits of their management staff. For instance, in the defunct Trade Bank Plc, housing fringe benefits were completely monetized in 1993 for all management staff except for the Managing Director who continued to enjoy fully furnished accommodation at the bank's expense. Prior to the monetization policy, housing and furniture allowances were paid to all management staff that before 1993 were entitled to fully furnished accommodation at the bank's expense. Subsequent fuel allowance budget and the payment of medical bonus for those who spent less than their budgets. Many other banks in Nigeria emulated and adopted monetization policy of

monetizing some of their fringe benefit between 1993 and 2000. For example, Afribank monetized its free staff medical facility in 2000 and replaced it with medical allowance.

Objectives of the study

The specific objectives of this study are to

- (i) discuss the factors responsible for the introduction of monetization policy of fringe benefits into Federal Government public service;
- (ii) examine the influence or impact of monetization policy on recurrent expenditure of Federal Government;
- (iii) analyse the reality of monetization policy as a viable instrument of checkmating corrupt practices and inequality amongst public servants in Nigeria.

Theoretical Framework

The study adopts rent-seeking and public choice theories as theoretical frameworks to analyse motives behind initiation of monetization policy of fringe benefits of public servants in Nigeria. Rent-seeking theory is a research effort by Gordon Tullock (1967) and popularized by Anne Krueger (1974). It refers to economic resources to "secure economic benefits through reduction of recurrent expenditure of Government to redirect on economic, activities and infrastructural development that will be productive and ensure future development.

Nigeria; rent-seeking manifests in form of creation and maintenance of redundant government agencies and total reduction of avenue through which government/public funds are spent without corresponding impact on economic development. This leads to administrative inefficiencies and inflated public sector wage bills, wastage of government properties, contributing to high governance costs and increase in recurrent expenditure. Rent-seeking leads to resources allocation where funds meant for public goods are diverted to satisfy private interests. In addition, it fosters corruption, waste, and inefficiency within the public sector, and generates perpetual political instability by creating a circle of patronage politics, where public offices become avenues for wealth accumulation rather than public service (Salisu, 2001, Ekpo & Chime, 2020). In Nigeria's democracy, rent-seeking theory reveals the pursuit of using the highest percentage of national resources to sustaining a portion of national population (public service) at the expense of huge percentage of the Nigerians who engage in private engagement.

Gordon Tullock, another scholar, contributed to this perspective by examining how political decisions often serve policy makers' interest over the public good (Tullock, 2005). The theory posits that individual within private sector (politician public and federal office holders) act based on personal incentive, similar to participants in private market.

Moreover, the theory emphasizes that political actors and public servants may engage in rent-seeking behaviors, establishing attitude devoid of lethargic and slow in official decision and action, by being sensitive to the value of time with regular attendance at work in order to reduce Waste of government resources. Whereas monetization Policy does not in any way prevent public official from demanding for upward review of salaries but prioritizing personal gain over public service is contrary to the motive of the policy.

2. METHODOLOGY

This study adopts mixed-method research design, combining both primary and secondary data. Primary data were gathered through questionnaire survey from public sector employees,

policy analysts, retired senior public servants and academics. The survey helped to gather firsthand Information on benefits of monetization policy if implemented properly. While secondary data were gathered from government publication on the policy, Internet material and official reports. The estimates population of the study were 20,000 adults from Nigeria's Six Geopolitical zones. Taro yarome Formula was used to determine the size of the survey Population as shown below

$$N/1+N(e)^2$$

n=sample size

N=population size (20,000 adults)

e= Margin of error (2%or 0.07)

Substituting the value:

$$n=20,000/1+20,000(0.02)^2=$$

$$20,000/1+49 =$$

$$20,000/50=400$$

This a sample size of 400 respondents was determined to be statically appropriate for this study ensuring a manageable yet Representative of the population.

The study employed both purposive and stratified random sampling techniques to ensure a well-represented sample of respondents. The selected four hundred respondents who were administrator and members of the public, and above age of 18 years with good knowledge on government budget (especially the Recurrent expenditure) while stratified random Sampling ensures representative across Nigerian's six geographical zones. The structured questionnaire is closed-end Questions aimed at obtaining measurable responses on public perception of recurrence expenditures, on issue relating to monetization of Fringe benefits in the public service of the federation for political, public and judicial office-holders (salaries and allowance e.t.c). Online survey was used to gather the primary data via Google forms. This online approach ensures broad coverage and acceptability, following respondent from Nigerian's six geopolitical zones to participate conveniently. The analysis of the quantitative data was purely descriptive Statistical techniques to summarize trends and pattern in responses.

The analysis employed Statistical Software to ensure accuracy and reliability of the findings.

3. DISCUSSION

This section present the data collected through structured questionnaire alongside relevant Secondary Sources such as budgetary reports and policy documents. The segments analyzed the rationale behind Introduction of monetization policy in public service of the Federation With close reference to recurrent expenditures. The section summarized the responses in table using Deceptive and inferential statistics, In line with the study's objectives and supported with secondary data where necessary to strengthen Interpretation and provide broader context.

Table 1: demographic information of the respondent

Gender	Frequency (f)	Percentage (%)
Female	254	63.0
Male	146	37.0
Total	400	100.0
Age 19-20	12	3.0
21 – 30	156	39.0

31-40	154	38.0
41-50	8	1.5
61 and above	2	0.5
Total	400	100.0
Academic level		
Primary six	8	2.0
SSCE	64	16.0
ND/NCE	72	18.0
HND/BSC	234	58.5
MSC	20	5.0
Phd	2	0.5
Total	400	100.0
Marital Status		
Single	244	62.0
Married	146	38.0
Divorced	0	0.0
Widowed/widower	0	0.0
Total	400	100.0
Religion		
Christianity	248	62.0
Islam	152	38.0
Traditional	0	0.0
Others	0	0.0
Total	400	100.0

Source: - Researcher's field report (2026).

The gender distribution of 63% male and 37% percent female shows male dominance In the sample in terms of age, the majority fall within the 21-30 (39%) and 31-40 (38.5%) age brackets reflecting a largely Youthful and economically active population. Only a minima Percentage of respondents were aged 41 to 50 (1.5%) 51-60 2%, or above 60 (0.5%) indicating Limited participation from older groups.

This demographic tilt many reflect the age profile of those directly affected by or interested in total reduction of government's expenditure that takes a largest percentage if material Income which prevent governments to have enough fund for economic development projects. A significance portion of respondent possessed tertiary qualifications, with 58.5% holding HND/BSC degree and a further 18% holding ND/NCE. only 20% had only primary education, while 16% had SSE and combined 5.5% had post graduate degrees (MSC and PHD), Suggesting that the sample population was relatively well-estimated. Mental status shows that 61% of respondents were single, while 39% were married. In terms of religion, 62% Christians and 38% as Muslims With no Traditional Worshiper.

Table 2: Monetization Policy Reduces Recurrent Expenditure of Federal Government

Statement/items	Total	SA	A	Percent (%)	SD	D	PERCENT (%)
Monetizing fringe benefit of political public and judicial office – holders have positive effect on Federal Government recurrent expenditure	400	123	210	83.25	57	10	16.75
Introduction of monetizing fringe benefits in Federal Public Service reduces waste of Government funds and properties	400	98	216	78.50	78	8	21.50
Monetization Policy favours the top echelon public servants than the middle and lower ranking officers	400	135	200	83.75	64	1	16.25
Monetization policy faces implementation paradox from bureaucracy and vanished from the system unnoticed without remarkable success.	400	108	212	80.00	71	9	20.00

Source: Researcher's field Report (2026).

Table 2: Showed that a vast majority of respondents 83.25% believe that monetizing Fringe benefit (salaries and allowances etc) of political, public and judicial office-holder drastically reduced federal Government recurrent expenditures which Continued to escalate over the year, subsequently prevented government to have enough fund to provide and embark on projects that are beneficial to general public. On this note Okeke and Eze (2020) argue that the personalization of political office and the monetization of Fringe benefits have turned public office into an incurative venture, deepening the fiscal burden on the state. Whereas Only 16.75% of the respondents disagreed that monetization has positive effect on running cost of Federal government.

There was a massive corruption, mismanagement of public funds before monetization policy. The introduction of monetizing Fringe benefit of public Savants allow Government to have more fund to execute project and improve Infrastructural facilities. The Nigerian Institute of social and economic Research (NISER, 2023) equally affirmed that recurrent expenditures including Salaries, travel allowances, and inflation of contract consume about 80% of Nigerian's annual budgets. In the view, 78.50% of the respondents align with this view that monetization policy is a fund saver mechanism for the government while only few respondents 21.50% have contrary view about the benefit of monetization policy of the government.

There were implementation Paradoxes that inhibit Monetization Policy from achieving lofty motive of initiation, especially from Bureaucrats that were expected to strictly adhere to the rules of the policy. On this 70% of the respondents agreed that's failure of the policy emanated from the bureaucracy, while 20% have contrary views about how bureaucracy serves as impediment to implementation of the policy.

Table 3:- Impact of Monetization Policy as check on corrupt practices and eliminate waste

Statement/items	Total	SA	A	Percent (%)	SD	D	PERCENT (%)
High administrative expenses reduce the funds available for infrastructure development in Nigeria remain elusive due to corrupt practices	400	135	200	83.75	64	1	16.25
There was conflict of interest between initiator (Government) on the Policy and implementers (Bureaucracy)	400	101	232	83.25	59	8	16.75
Lack of fund affect proper implementation of monetization policy	400	149	188	84.25	54	9	15.75
Content-intention of the policy was not clear and comprehensive to the general public	400	120	193	78.25	81	6	21.75
Poor implementation of the policy arose from allowing disparity among public servant	400	135	200	83.75	64	1	16.25
Monetized benefits have been tagged as part of salaries of supposed officers while they still make use of government properties that have been monetized	400	120	193	78.25	81	6	21.75
Monetization policy does not encourage through consideration of contracts before approval	400	199	128	81.75	65	8	18.25

Source: Researcher's field report (2026).

Table 3 reveals a strong Perception that high administrative expenses reduce the funds available for infrastructure development in Nigeria remain elusive due to corrupt Practices. In particular 83.75% (Strongly agree and agree) to this assertion. In line with this, if the Federal Tier of government appeared to be so stinking corruption-wise, the state governments were not left out in the immoral act. It seems monetization policy is not an alternative to the corruption problem in the public service because Problem is beyond just policy formulation While 16.25% of the respondents disagree and strongly disagree with this notion.

The table further showed that 83.25% of respondent agree and strongly agree that there was conflict of interest between the government (Initiator of policy) and the bureaucracy (the implementor of the policy). Government intended to have move funds in the covert through the underspending on Public Servants by monetizing Fringe benefits, while the bureaucrats circumvent the procedure and still retrain the status quo and still collect monetization of their Fringe benefits just to accumulate Wealth. Ajayi (2017) opined Monetization has become another bureaucratic corruption, diluted by antics of Serving Civil servants and more rather ineffective by the procedure chosen for operation. The Civil servant cannot criticize fellow civil servants talk less of apprehending or disgracing colleagues. Moreso, given cultic disposition within the Nigerian public service, monetization cannot work. indeed, in African countries recurrent expenditure posed serious problem to government fund 16.75% of respondents strongly disagree, still believe in that

Government and bureaucracy are on the same page towards implementation of monetization policy. Indicated in the table, the problem of lack of fund to support the monetization policy which made the project a failure at the starting point. 84.25% of the respondents strongly agree that the federal government was not prepared adequately for the policy financially. Ayodele (2007) remarked that the major challenge to the implementation of monetization policy was securing needed fund and the need to ensure proper sequencing of its implementation if it needs to be phased, ensuring ownership of and commitment to the project by public servants (indeed the entire citizenry), the need to ensure that it is fair to all as well as ensuring that it does feather the nests of primitive accumulators, the need to ensure that the legitimate welfare level of staff is not reduced and that staff motivation is secured. Only 15.75% of the respondents agree that government has sufficient fund to finance monetization policy if really they want the policy to work.

In the table it was stated that content of monetization policy was not comprehensive enough that the general public were totally unaware of what policy intended to do in the public service because they were confused with the source of fund for the payment of domestic servants, Utilities, accommodation, medical facilities. Came from.

Further, the so-called public servants and political Office-Holder have seen Fringe benefits rewards as part of their monthly salaries and demand for the same facilities from government using their position.

The Political office-holder including National assembly members are expected to have liaison Office in their respective constituencies of which such has been monetized. This account for huge monthly salaries received by Political office-holders, the reality is that the entire money is not for them, parts are meant to pay workers in their liaison offices in their constituencies. Few respondents had contrary view over Contextual Interpretation of monetization policy.

Further in the table 83.75% agree that monetization policy brought about disparity among public servants. It was believed that the policy was not fair to middle and lower public servants, that it was only favourable to the top echelon officers. While the notion was opposed by 16.25 % of the respondents.

Lastly, in the table that monetization policy does not encourage through consideration of contracts before approval.

Large percentage of respondents (81.75%) strongly agree that removal of redtapism in the contract award was one of the motives of Monetization policy. The Procedural moving of files from table to table, with all contracts monetization policy are concluded on the table of permanent secretaries and ministers in charge of the Ministries. This intention was to checkmate Bribery and overpricing of contracts bills. While 18.25% of the respondent opposed to this, because it prevents thorough processing of contracts bills, like checking of compliance with specifications and this kills initiatives.

4. CONCLUDING REMARK

Before monetization policy was introduced by President Olusegun obasanjo in 2003, it was obvious that over the years the federal government was using over 70% of federal revenue to service the recurrent expenditure which has adverse effects on the provision of basic infrastructures for the Citizenry. Subsequently, monetizing Fringe benefits of political, public and Judicial office-holder of their (Salaries and allowances Etc) Act 2002.

A sustainable reforms/policy in Nigeria's fiscal governance was required at the time of

institutionalization of monetization policy just to reduce government recurrent expenditures That Consistently Increasing through Bureaucratic hidden agenda of wealth accumulation at the expense of general public. It was revealed variously in the findings that the monetization policy was a confusion and in ever see light of the day because bureaucratic secrecy and their cultic disposition.

Lastly on this, monetization was just a deceitful policy that never change the status quo of corrupt practices, rather government at various levels are spending more.

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