



## Budget padding and good governance In Nigeria under The Buhari's Administration, 2015-2017

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### Abstract

Budget is an embodiment of a country's strategic and policy priorities; so that once the priorities are distorted, planned targets can hardly be met. To that extent, a budget is intimately associated with policy success or failure. It has become expedient, planning for governmental expenditure with the available revenue, which by the legislative power of scrutiny or Appropriation will be met with effectiveness and efficiency of fiscal policy and even development. Budgeting is an intensely political-cum economic process, as both revenues and expenditures are about allocation of resources among competing wants and constituencies within a political environment. Instead of supposed elected representatives, seeking to, through appropriation lay the foundation for the development of the country through proper legislation, they rather had been stocked in criminality, through the addition of unnecessary item or the repetition of items already contend in the budget known as "Budget Padding" which had resulted in subverting the common wealth for personal gain. The study examined the impact of budget padding on governance in Nigeria, with particular emphasis on Buhari's administration 2015 and 2016 budgets. Qualitative research design that is exploratory and historical in nature secondary sources that is based on documented materials and qualitative descriptive method of analysis were adopted. Anchoring our discourse on the Even Conspiracy theory, findings amongst others revealed that; inflation of budget for fraudulent private ends had gone on unobtrusively in the country, but it was only in 2016, with the emergence of President Buhari, that the odious practice of "Budget Padding" came to limelight, with the "Budget Mafia" being constituted not only by civil servants but also by some National Assemblymen, businessmen and contractors. The study recommended amongst other that; the National Assembly leadership should be committed to accountability and transparency in the budgeting process so as to help the government live up to its responsibility of providing good governance.

**Keywords:** Budget, governance, padding, good governance, accountability, Nigeria

### Introduction

Over the years, the success level of many modern democratic state, had mostly been predicated on how well her little resource are allocated, making for why achievement of even development and procurement of social amenities, which are the true evidence of a functional government are dependent on it. For this reason and also the need for proper check and balance in our process of governance, it has become expedient, planning for governmental expenditure, mostly in concomitant with the available revenue, which by the legislative power of scrutiny or Appropriation will be to meet effectiveness and efficiency of fiscal policy and even development too (Edame, 2011).

According to Nwabueze (2008) in Edame (2008) <sup>[12]</sup> The word "Budget" is derived from French word "Bourgettee" meaning leather bag or wallet. The term was used for the first time in 1733 by Mr. Walpole, the British Chancellor of Exchequer, because he used to carry a leather bag containing papers on the financial plans for the country to the House of Commons. So when he set off to place his financial plans before the house, he used to open his association of the financial plans with the "Bourgettees" that the financial statement of the country has come to be known as Budget. And so, the establishment of priority and prudent control of scarce resources believed to be unevenly distributed by nature have rather become a solution to the demanding task of good governance in every society. The government and even the entire society had learned that planning or budgeting could only be the most appropriate

way to escape the stress on how to evenly manage her little resources.

Budgeting is an intensely political-cum economic process, as both revenues and expenditures are about allocation of resources among competing wants and constituencies within a political environment (Robert Dahl's Who Get What, When and Why). Budget is an embodiment of a country's strategic and policy priorities, so that once the priorities as distorted, planned targets can hardly be met. To that extent, a budget is intimately associated with policy success or failure, for, as one scholar has succinctly observed:

Any talk of policy success or failure in developing countries is always with reference to budget project and programme implementation. Policies are translated into reality through project and programme implementation, and the very success or failure of a policy is determined by the way and manner in which budgets, projects and programmes are executed or not executed (Egonmwan, 2000:175).

Moreover, from the standpoint of president Buhari's Federal Government, the budget is "a serious article of faith with the Nigerian people". In particular, Nigeria's 2016 "Budget of Change" is a testament or ground norm by which Government would seek to fulfill its own side of the "Social Contract with All Nigerians" - a document everyone expects to remain sacrosanct, particularly given the fact that this document emanated from President Buhari - a man known for his penchant for incorruptibility, transparency and legendary life-style. The paper's focus is on "budget padding", with particular reference to Nigeria's 2016 Budget christened "Budget of Change".

However, to budget is to plan well and ahead for a proper achievement of goals and sustained development in our society, just like Joel (2011), had maintained that it is necessary for our finance, time, material, men and other resources to be budgeted for, which is in view that it is scarcely distributed by nature. To Budget or Budgeting according to the Institution of Cost and Management Accountant (ICMA) cited in Joel (2011) is a plan quantified in monetary terms, prepared and approved prior to a defined period of time, usually showing planning incomes to be generated or expenditure to be incurred for those objectives. Not only that, it is “the principle instrument of fiscal policy, which exercise control over sizes and relationship of government revenue and expenditure. Meaning that proper execution of government project, development and provision of social amenities in our society, can only be realizable if the process of resource allocation and appropriation is properly handled. Therefore, it is however of interest to appropriate seeing that social development and good governance can only be achievable in a situation where the annual appropriation is prudently prepared to meet the interest of the general public, which in the reflection of the drafted budget by the executive arm it must be scrutinized.

In fact, it is constitutional for the executive to propose a budget, but rather the will of the masses to have a say in the areas she would like the execution of governmental policies to have effect in her daily live. This however, have given the power to the Legislative Arm of government to in line with the will of the masses, make Appropriation in such a manner that will suit the interest of the entire nation, which is to ensure the executive do not maneuver the resource of the nation to suit its personal benefit, and this makes Appropriation very important in our society. For our nation Nigeria, appropriation have always been part of governance ever since her independence in 1960, by Appropriation, the National Assembly has the legal power as encapsulated in the Section 4 provision of the 1999 constitution, to control the taxation and spending policies of the government (Collins, 2011). This control is informed to seeing that the executive arm of government do not spend our limited resources on projects and programs that will benefit nothing to the nation at large. It is also in other to ensure that the executive and its MDA's do not act out of law, to ensure that the principle of progressive governance and development is met. And for that reason, the financial power of government has been shared.

However, the problem is overwhelming in that the legislature had taken delight in structural institutionalization of corruption, set for their personal or selfish interest: through, the addition of unnecessary item or the repetition of items already contend in the buduci known as “Budget Padding”. They figure-game the finance, which they hide under the cover of appropriation to perpetuate; this they do in connivance with official from the ministries, parastatals and other contractors. Projects are duplicated, figures are inflated, but important project such as education, human capacity building, creation of employment and adequate health delivery are not given serious attention.

The implications of budget padding, becomes obvious, seeing that democratic value in Nigeria, most especially within her fourth republic (2011-2016) have more often than not be devoid of its integrity and transparency. Invariably, we can understand as noted by Gaskia (2016) that it could

has been because of this evil culture of padding within the Nigeria state that is behind the fact that amidst years of planning and trillions of Naira being invested on the reduction of poverty, creation of employment, improvement in the literacy level, attainment of a peaceful society, good standard of living, and even environmental cum socio-infrastructure development, which are the hallmark of good governance, Nigeria still account for over 60% of Nigerian graduates being unemployed, poverty on the increase, child mortality also on the hyper, total insecurity, all because the resources that could have rationally be invested to the achievement and solving of this national problems got carted away during planning by the elected representative in connivance with official from the ministries, parastatals and other contractors.

There are backload list of abandoned projects which the national assembly in previous budgets have cleared to have been completed all based on their interest, and these abandoned projects in most cases is believed to be ongoing; even after ten years have long passed after the supposed date for its completion but nothing have been done to savage it, instead those supposed completed projects are rather awarded and re-awarded year after year in order to steal from the national treasury, and in all the legislature claims to be functional in appropriation.

It is rather a high level of impunity and break of law in the national assembly, and this is quit alarming. This is so since the lawmakers have interchanged distinguished and well behaved culture for the padding culture (hyping budget figures for selfish benefits), forgetting that the right to appropriation is supposed to achieving capital, current and re-current balance, in expenditures and generated revenues and not to encourage white elephant projects here and there; or to gate way the act of corruption and embezzlement.

Deriving from the brief exposition above, this study seeks to provide answers to the following questions:

Is there a significant relationship between budget appropriation and the provision of infrastructure and social amenities?

The study has both broad and specific objectives. The broad objective of the study is to examine the effect of budget padding on governance in Nigerian Fourth Republic.

## **Conceptual and Theoretical Review**

### **Budget**

Budget has been defined by different scholars, with diverse approaches. However, these definitions are expressed in the direction of the purpose of its existence. Additionally, many reputable institutions have bared remarkable definitions. A budget is a framework for revenue and expenditure outlays over a specified period usually one year (Olurankise (2012). It is an instrument stipulating policies and programmes aimed at realizing the development objectives of a government. It is a comprehensive financial plan, setting forth the expected route for achieving the financial and operational goals of an organization”. Omolehinwa (2002) viewed Budget as the plan of dominant individuals in an organization expressed in monetary terms and subject to the constraints imposed by other participants and the environment indicating how the available resources may be utilized to achieve whatever the dominant individual agreed to be the organization’s proprieties”. Very recently, budgeting in Nigerian has continued to spring up various controversies as to the modality for preparation and

administration in the country due to continuous change in government and consequential change in policy and ideology.

Deduced from the above, budget can be viewed as the plan of the dominant individuals in an organization expressed in monetary terms, and subject to the constrain imposed by other participants and the environment indicating how the available resources may be utilized to achieve whatever the dominant individuals agree to be the organizations priorities Wildavsky in Omokhimwa (2000) advocates that, because a budget serves diverse purposes, it can mean different things to different people. Among the various possible interpretations given by him include:

1. A plan of work
2. A prediction
3. A link between financial resources and human behaviour to accomplish policy objectives
4. A mechanism for making choices among alternative expenditures
5. In the government, a record of preferences that have prevailed in the determination of national policy.

Oke (2013) argued that budgeting and its process in Nigeria remain problematic both in the areas of preparation and implementation, hence, the need for adequate control aimed at improving effective resources utilization at the budget implementation stage. Fiscal policy is a fundamental instrument that can be used to lessen short-run fluctuations in output and employment. Meanwhile, in macroeconomic issues such as high unemployment, inadequate national savings, excessive budget deficits, and large public debt burdens, fiscal policy has been acknowledged, to hold center stage in policy debate in both developed and developing economies. During the global economic recession of the 1930s, the government sectors of both developed and developing economies played a vital role in stimulating economic growth and development. In such situations every economy attempted to promote its economic growth through increasing government expenditures and reducing taxes. Public expenditure is a fundamental instrument that influences the sustainability of public finances via effects on fiscal balances and government debt. Budget is traditionally generally seen from the phenomenon of shrink the target income, in contrast to the tendency to raise the expenditure budget target. This phenomenon helps to explain that the target revenue would be diminished if the area shows achievement in its realization. In Nigeria, before ministries and spending agencies of the government can incur an obligation to make expenditures, they must secure spending authorization from the Ministry of Finance through the use of warrants.

Budget padding is a systemic disease and works like a contagious virus, which has capacity to sully MDA's expenditure plans and records through procurement maneuverings, data mutilation, audit fragmentation, which affects every citizen, in the first instance. Secondly, it eats up scarce resources, causes syphoning and diversion of resources and poor implementation of appropriation plans. Budget padding is different from "legislative privileges" of nominating constituency projects into the national budget. No one should try to use advocacy jargons to mislead the public. Covetous hypocrisy is a form of corruption.

Being a federal fiscal disease, budget padding spreads through fiscal lifelines, assisting individuals and agencies

responsible for this malfeasances to hijack budget envelopes, distorting expenditure plans and cost templates, thereby; frustrating the core elements of MDAs' fiscal architecture and projections within the Medium Term Sector Strategies as encapsulated in the Fiscal Responsibility Act, the very law, passed by Nigeria's National Assembly. At the stage of budget conceptualization through the fiscal forecasts transmitted through the Fiscal Strategy Paper, being a process that captures several bureaucratic corridors of the MDAs, such are usually done with the axiomatic prayers, which says, may the democratic-god stand by this fiscal document, as unto God we commit (you) document, as we (MDAs) transmit thee to the National Assembly... Unfortunately, such fiscal materials are thoroughly abused through shrewd expenditure line tailoring that have put the lives millions of ordinary citizens in perpetual sufferings, rather than the expected democratic redemption.

### Governance

Before defining good governance, it is important to define governance in order to fully understand good governance. But before defining governance too, it is also important to differentiate it from government. The words governance and government are sometimes used interchangeably but do not mean the same thing. Government is a collective body of elected and appointed institutions empowered to legislate and adjudicate for the good of the society. While the concept of governance means different things to different people. In its simplest form, governance can be seen as the "existence of a multiplicity of agencies, which extend across conventional public and private sector boundaries, and which are collectively important for the development and delivery of public policy" (Rhodes, 1996:652) <sup>[45]</sup>. Following from this definition, Gbervbie & Iyoha (2007) sees governance as the activity of governing a country or controlling a company or an organization. In the context of this paper, for

For Olowo-Okereke (2005:2), governance' is defined within the framework of the three tiers of government - federal, state and the local governments as "the efficient, effective and accountable exercise of political, economic and administrative authority to achieve a society's objectives, including the welfare of the whole population, sustainable development and personal freedom".

Yaqub and Abubakar (2005) defined governance as the totality of the process of constituting a government as well as administering a political community. Similarly, Ninalowo (2005) <sup>[37]</sup>, defined governance as the totality of executive or administrative functions of the state, with a view of fulfilling terms of social contract or constitutional obligations to the citizenry. It is the process and system by which a government manages the resources of a society to address socio-economic and political challenges in the polity. For erstwhile governor of Lagos state, Bola Ahmed Tinubu (2008), governance is the process of decisions making and the process by which decisions are executed or not implemented. Therefore, governance is the sum total of ways by which the general affairs as well as the commonwealth is managed in the interest of all.

Due to the inherent diversity in national traditions and public cultures, there exist many definitions of governance in the literature, but it is possible to isolate just three main types of governance (Nzongola-Ntalaja cited in Nzongola-Ntalaja, 2003). First, political or public governance, whose

authority is the State, government or public sector, relates to the process by which a society organizes its affairs and manages itself. The public sector could be defined as “activities that are undertaken with public funds, whether within or outside of core government, and whether those funds represent a direct transfer or are provided in the form of an implicit guarantee” (Manning, 2006) <sup>[31]</sup>. Second, economic governance, whose authority is the private sector, relates to the policies, the processes or organizational mechanisms that are necessary to produce and distribute services and goods. Third, social governance, whose authority is the civil society, including citizens and non-for-profit organizations, relates to a system of values and beliefs that are necessary for social behaviors to happen and for public decisions to be taken.

Governance should not be reduced to government, as the three aspects of governance are interdependent in a society. Indeed, social governance provides a moral foundation, while economic governance provides a material foundation, and political governance guarantees the order and the cohesion of a society (Nzongola-Ntalaja, 2003).

However, the differences in the importance given to each of these three actors lead to some nuances in the definition of governance. On the one hand, considering these three actors at the same level leaves the concept of governance neutral. Thus, governance is the process whereby a society makes important decisions, determines whom they involve, and how they render account (Graham, Amos & Plumtre, 2003) <sup>[21]</sup>. More precisely, governance comprises complex mechanisms, processes, relationships, and institutions through which citizens and groups articulate their interests, exercise their rights and obligations, and mediate their differences. On the other hand, identifying some differences in the role and importance of public, social and economic governance in a society leads to accepting the preeminence of public governance. As it provides the organizational dynamics and political and jurisdictional systems for both social and economic governance, the State plays a more important role than the civil society or the private sector. Therefore, governance is not just about how a government and social organizations interact, and how they relate to citizens (Graham-Amos & Plumtre, 2003) <sup>[21]</sup>, but it concerns the State’s ability to serve citizens and other actors, as well as the manner in which public functions are carried out, public resources are managed and public regulatory powers are exercised (European Commission, 2003).

Governance became popular in the late eighties when it became apparent that resources of the State have to be judiciously used to fulfill the goals of development. Consequently, transparency and accountability in the use of power and resources of the State became prioritized. Thus, governance is viewed as the use of State resources and power in an accountable way to achieve and promote the well-being of the citizenry. The United Nations Development Programme (UNDP, 1997) asserts that governance is “the exercise of economic, political and administrative authorities to manage a country’s affairs at all levels”. No longer will the global system tolerate blatant abuse of State’s power, institutions and resources. Perhaps, this is what Hyden and Courts (2002) <sup>[23]</sup> have in mind when they aver that: “governance refers to the formulation and stewardship of the formal and informal rules that regulate the public realm, the arena in which State as well as

economic and societal actors interact to make decisions”. Here lies the imperative of popular participation. Popular participation is key to the governance agenda in the public realm. The people ought to be part and parcel of government decisions, programmes and projects for them to contribute to their efficient and effective implementation. In other words, the people should be carried along if they are to be beneficiaries of these activities of government. It is clear from these assertions that not only are there rules to regulate the public realm; such rules must be accounted for by those, who use them in the interest of the masses. Unless this is done, policies, plans and programmes of government may not benefit their intended targets. It would appear this was the case in the 70s and 80s that prompted the governance agenda. The utilitarian theory with a sprinkling of the popular participation theory appears to us heuristic for analyzing the subject matter of this investigation. The essence of government everywhere is to promote the welfare and well-being of the people under its authority that will culminate in the givable happiness for the greatest number of the people in the society. While this is assumed to be the popular motif of government, the reality often deviates from this norm. In most cases, the elite tend to dominate the masses leading to impoverishment and discontent. The civil service can resolve this anomaly if it carries out its responsibilities with a high sense of patriotism, transparency and accountability to members of the public it is meant to serve. Connecting with the people at all levels to bring about a change in their material condition, is crucial to overall societal development as the people are empowered to contribute to the evolution of social change in the society. Yet, formal organizations have to be structured in specific ways in order to achieve the goals of efficiency and effectiveness in administration. To this end, several models have been tried. However, for modern public organizations, Max Weber’s model appears most valuable. What is the nature of this model? Answer to this question forms the crux of the section that follows.

In discussing the structure of governance in Nigeria, Gberville & Iyoha (2007) <sup>[18]</sup> noted that at independence in 1960, Nigeria inherited the federal structure of governance from its colonial masters, which was organized around the parliamentary system of government and patterned after the British system. This lasted between 1960 and 1966. However, the period of 1966 and 1979 witnessed the military coming into politics. The military ruled the country under a unitary structure even though Nigeria is known in practical terms as a federal state. The reason for this can be attributed to the command structure of the military that corresponds with unitary structure of governance. And this unitary structure of governance of the country under the military continued between 1984 and 1999 when political power was handed over to the present democratic government.

Between 1979 and 1983; 1999 and now, Nigeria reverted to the federal structure of governance under civilian administration headed by Alhaji Shehu Shagari and Chief Olusegun Obasanjo respectively. The civilian administration that took over political power from the military was organized around the presidential system of government patterned after that of United States of America. The re-adjustment of the structure of governance in Nigeria by the military, from federal to unitary structure has affected

negatively the way the business of government is organized between the federal and the state governments and between the state and the local governments in the country.

Odo (2015) <sup>[43]</sup> argued that after 55 years of political independence, Nigeria continues to grapple, with the challenges of democratic transformation and good governance. All efforts by successive civilian governments to entrench true democracy and good governance in the country seem to have met brick walls in which for every gained step: two are lost. The generality of Nigerians had expected that the return of democratic rule to the country in 1999 will usher in a new dawn. Furthermore, Odo (2015) <sup>[43]</sup> noted that the following factors serve as obstacles to good governance in Nigeria; failure of leadership, corruption, skewed electoral system, rise of insurgency, and impunity.

Zartman (1995) specifically notes that the status of a state is reviewed as failed or collapsed when it exhibits inability to fulfill the functions of a state such as the sovereign authority, decision-making institution and security guarantor for its population. This can lead to structure, authority (legitimate power), law and political order falling apart.

The World Bank (1989) identified the following as the features of good governance.

- An efficient public service
- An independent judicial system and legal framework to enforce contract
- The accountable administration of public funds
- An independent public auditor, responsible to a representative legislature
- Respect for the law and human rights at all levels of government
- A pluralistic institutional structure and
- A free press

In the same vein, Sir Kenneth Stove (cited in Faradaus and Khan, 2006: 92), identified the following as features of good governance:

- Political freedom including free speech and a freely elected parliament
- Constitutional and judicial protection for the rights of the individual
- Maintenance of the rule of law by an independent judiciary
- Maintenance of stable currency
- Development of a society as a whole by education and health care and
- Executive accountability to a freely elected legislature.

According to Faradaus and Khan (2006), good governance is characterized by the following: participation, accountability, management effectiveness and efficiency, equity and inclusiveness, transparency, consensus orientation, and responsiveness.

The nature of governance in Nigeria has not instituted sufficient policies and programmes to alter the structures of imbalance and insecurity entrenched by colonialism and prolonged authoritarian military rule (Ibrahim, 2002:197) <sup>[25]</sup>. These structures are exclusionary and ill suited especially in a democratic system of governance. It has already been argued (Balewa, 1994) <sup>[8]</sup> that colonialism imposed on Nigeria a structural imbalance in the configuration of Nigerian federalism. This situation created a feeling of fear of domination and mutual suspicions

among the various ethnic nationalities. These factors, that is, the fear of domination and suspicions manifests in the political, economic and social dynamics of the country.

Consequently, the multi-ethnic nature of Nigeria and the failure of the governing apparatus to evolve a true nation and a corresponding national identity (Ibrahim, 2002:179-184) <sup>[25]</sup>, ethnic religious and other primordial elements have assumed points of relevance in Nigeria. Mijah (2009) argued further that the eventual transformation of identities along primordial lines and the entrenchment of negative identity politics have made ethnic and religious identities the basis of inclusion or exclusion in the distribution of resources. Thus, dominant ethnic groups systematically exclude minority ethnic groups from national and even regional or state processes and opportunities for individual and collective development. Thus, as a protection of communal and group resources, ethnic nationalities have defined citizenship along the lines of indiginity.

### Good Governance

It is imperative at this juncture to define good governance. The concept of good governance defies a precise single definition that commands universal acceptability. This has given rise to different meanings of the concept. The World Bank (2003) provided a simple definition of good governance and an extensive detailed analysis of its major components. Here the Bank contends that governance consists in the exercise of authority in the name of the people while good governance is doing so in ways that respect the integrity and needs of everyone within the state. Good governance, according to this conception, is said to rest on two important core values, namely: inclusiveness and accountability.

Madhav (2007) contends that good governance is tied to the ethical grounding of governance and must be evaluated with reference to specific norms and objectives as may be laid down. Ozigbo (2000) cited in Okpaga (2007) opined that before one discusses good governance, it is first necessary to examine the context of the term governance. According to him, governance denotes how people are ruled and how the affairs of the state are administered and regulated.

The basic features of good governance include the conduct of an inclusive management wherein all the critical stakeholders are allowed to have a say in the decision - making process. Accordingly, good governance is the process through which a state's affairs are managed effectively in the areas of public accountability, financial accountability, administrative and political accountability, responsiveness and transparency, all of which must show in the interest of the governed and the leaders. It, thus, means that good governance thrives in a democratic setting; hence to achieve good governance, there must be a democratic system in place. By this, it means where there is no democracy there cannot be good governance, which explains why democracy as a system of government commands such popular appeal among the countries of the world today. Although, the concept of good governance lacks any precise single definition that commands universal acceptability, there is little disagreement over its defining elements, which include accountability, transparency, predictability, the rule of law, and participation.

Good governance refers to competent management of a country's resources or affairs in a manner that is open, transparent, accountable, equitable and responsive to the

yearning and aspirations of the people. According to Tinubu (2008), good governance means participation, rule of law, transparency, responsiveness, consensus oriented, equity and inclusiveness, effectiveness and efficiency and accountability. Healy and Robinson defined good governance as “the use of legitimate authority exercised in the application of government power and in the management of public affairs” (Obaidullah, 2001, p 9) <sup>[40]</sup>. Good governance means respect for the rule of law, accountability, transparency, delivery on election promises, and creation of an atmosphere for the flowering of freedom and for the achievement of the greatest good for the greatest number of our people.

Good governance plays an important role in the advancement of sustainable development. It promotes accountability, transparency, efficiency and rule of law. Besides, it allows for sound and efficient management of human resources for equitable and sustainable development. According to former United Nations Secretary General, Kofi Annan (1998) <sup>[6]</sup>, “Good governance is perhaps the single most important factor in eradicating poverty and promoting development”. Good governance enhances human development and human development is the pivot around which other developmental activities revolve. Human development is the channel through which other forms of development are achieved.

### **Good Governance**

For Sapru (2008:508-509) the concept of good governance is overlaid by the basic characteristics of accountability, rule of law, responsiveness, transparency and humane implementation of laws (policies). According to Mohit, (2006:407) <sup>[33]</sup> good public governance is defined by four, key elements which are: (i) Accountability, (ii) Public sector management, (iii) Legal framework for development (iv) Information and transparency. Public governance is typified by predictable open and enlightened policy making (that is transparent), a bureaucracy imbued with professionalism, an executive arm of government accountable for its actions; and a strong civil society participating public affairs with all acting in accordance to the rule of law. In the same vein, Ginikanwa using UNESCAPS, (2009) position maintained that:

For Governance to be termed “good” it must be participatory, consensus oriented, accountable, transparent, responsive, information sharing, capable of managing conflicts, effective and efficient, equitable and inclusive and follows the rule of law.

As Zarman (1997) has noted, governance is conflict management. Governing a state is the continual effort to handle the ordinary conflicts among groups and their demands which arise as society plays its role in the conduct of normal politics and not just the prevention of conflicts. We tend to agree with the position of Zarman because one of the major function of government is the mediation of conflicts between contending classes in the society, be it between the rich themselves, or between the rich and the poor, or between the poor themselves. In most cases, Nigeria especially, these conflicts always manifest from across ethnic or religious lines.

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A successful development effort requires good governance, managed by an enlightened political leadership operating in a stable political system that creates an enabling environment in which capable people have the incentive to work effectively. In the same vein, Diamond (2004:222), contends that the root cause of development failure is not a lack of resources or international isolation. Rather, it is lack of good governance. Good governance promotes development by generating and defending broad commitment to the public welfare.

Iheanacho (2013) <sup>[28]</sup> noted that credible leadership is a viable mechanism to enhance good governance in the on-going democratic process. It is a sad commentary that the inadequacy of the ruling political class in terms of lack of vision, competence, intellectual ability, democratic credentials and integrity further complicates the situation in the sense that elected, leaders have become patently incapable of addressing economic crisis and perpetual instability in the system (Jega, 2007) <sup>[29]</sup>. They simply act like the proverbial ostrich, oblivious of what is happening around them, and busily engaged in graft and advancement of selfish and parochial interest (Jega, 2007) <sup>[29]</sup>. Democratic practices and good governance flourish in an environment where elected and appointed government officials account for their actions and policies to the general population. They must demand regular meetings with their elected representatives at the constituency level. In Nigerian context, accountability is not feasible in democracy.

Elaigwu (2005) observes that “most representatives in the executive and legislative branches, once elected become masters. They do not believe in accountability. Some elected officials, once elected, never visited their constituencies until next election”. Based on their performance, many of these elected officials are not worthy to return to power, but because of the power of incumbency, they force themselves on the people again. They did not really account for their mandate. A serious challenge to good governance in the present democratic process is lack of efficient and effective legislative branch of government.

According to Ogundiya (2010), the legislative arm of government that would have provided adequate checks on abuses of power by the executive and recklessness of opportunistic politicians is also inefficient and ineffective. It is a fact that effective legislature results in good governance. Nigeria’s legislature is not only expected to make laws but also prudently manage the financial resources for the interest of the citizenry. It is not out of place to state that the legislative branch of government has failed miserably to discharge its functions. This has deprived the people the benefits of good governance. Instead of striving to achieve good governance through equitable distribution of resources, Nigeria’s legislature is busy on how to amass wealth at the detriment of the country. Another problem is

that the legislature in Nigeria is being teleguided, threatened and regarded as rubber stamp by the executive branch.

This was illustratively made manifest in the struggle of the federal legislature for its autonomy during the leadership of Senator Chuba Okadigbo and Alhaji Ghali Na' Abba (Adndona, 2012). The use of 'Ghana must go' bags to influence honorable members of the 6th National Assembly in Nigeria to change their leadership through impeachment by the executive branch is a fore pointer to this democratic deficit (Aondona, 2012). Central to democratic praxis and good governance is independence of the judiciary. In Nigeria, it is beyond doubt that the notion of independence of the judiciary is one that is yet to be fully imbibed by the political leaders. The judiciary in Nigeria is to a large extent, subject to the whims and caprices of the executive arm (Ogundiya, 2010). This is so because the judiciary is not only financially dependent on the executive but has also been excessively politicized (Ogundiya, 2010).

The net result of these is pervasive corruption among the judicial officers. It is no exaggeration that once the judiciary is financially dependent, it cannot have adequate freedom to dispense justice without fear and favour. Credible and conscientious media and media practitioners are indispensable for defence of democracy and good governance. Nigerian media houses have generally contributed to good governance and popular enlightenment. Nigeria has the most vigorous media in Africa (Jega, 2007)<sup>[29]</sup>. It has been observed that Nigerian media is being subjected to control and manipulation of the political elites. The prevailing tendency amongst the Nigerian media is to publish faction, which makes it increasingly difficult for the reader to separate facts from fiction (Jega, 2007)<sup>[29]</sup>.

benefits. At a time, when most Nigerians could not afford three square meals, the legislators were growing fat allocating to themselves juicy salary and retirement benefits.

### Empirical Review of Related Literature

Akpan (2005)<sup>[3]</sup>, used a disaggregated approach to determine the components (that include capital, recurrent, administrative, economic service, social and community service, and transfers) of government expenditure that enhances growth, and those that do not. The author concluded that there was no significant association between most components of government expenditure and economic growth in Nigeria. Castles and Dowrick (1990) used the shares of disaggregated public expenditure in health, education, and social transfers to explain economic growth. They found that social transfers and education had a positive effect on growth. Devarajan *et al.* (1996) also assessed the impact of different types of public expenditure on economic growth, but they did not find any significant relationship.

Dogan (2006) investigated the relationship between national income and public expenditures for Indonesia, Malaysia, Philippines, Singapore, and Thailand. Granger causality tests were used to investigate the causal links between the two variables. The result of Granger causality revealed that causality runs from public expenditures to national income only in the case of Philippines, and there was no evidence for other countries. Verma and Arora (2010) examined the validity of Wagner's law in India over the period from 1951 to 2008. Empirical evidences regarding short-run dynamics refuted the existence of any relationship between economic growth and the size of the government expenditure.

Afzal and Abbas (2012) reinvestigated the application of the Wagner's hypothesis to Pakistan over the period from 1960 to 2007 using time series econometrics techniques. The study found that Wagner's hypothesis does not hold for aggregate public spending and income for three periods (1961-2007, 1973-1990, and 1991-2007) while it holds only for the period from 1981 to 1991. However, when fiscal deficit is included, the results supported the existence of Keynesian views about public spending and growth.

### Importance of Good Governance

Good governance is about the processes for making and implementing decisions. It's not about making 'correct' decisions, but about the best possible process for making those decisions. It is in this context, the study of good governance has become very important in the literature of political science, Administrative Sciences and development studies. Good governance is important for several benefits. First and foremost, quality of governance has to be judged by the performance of the relevant institution. Therefore, the goal of the institution has to be clearly defined as a matter of priority Ali (2016). Then, steering towards that goal requires defining decision rights and processes, as well as establishing a feedback loop to - verify and control performance. Governance is how an institution is ruled; it is how the authority, responsibility, and controls are required in the institution. Governance is relevant to any institution, small or large; for profit or not; extending from a single family all the way to global institutions that have an impact on our lives. Hence, governance is relevant for humanity for quality of life now and for its sustainability in the future. It commonly acknowledged that in the absence of democracy, peace and good governance, sustainable socio economic progress is not possible.

### Summary

The power of appropriation, which lies with the National Assembly, is predicated on the fact that the Executive will initiate and lay before the National Assembly annual money bills with relevant expenditure heads. The National Assembly's duties include receipt, consideration, amendment, approval or rejection of appropriation bills; and monitoring to ensure efficiency, effectiveness and economy in the use of public resources. Non-adherence to this process is a recipe for avoidable conflicts between the Executive and Legislative Arms as it can manifest in budget padding, poor implementation of budgets, increase in budget deficit and public borrowing and neglect of the wishes of majority of the populace.

Deriving from the above, the study examined the effect of budget padding on governance in Nigerian Fourth Republic. The study set out to achieve the following specific objectives, to: examine whether there is a significant relationship between budget appropriation and the provision of infrastructure and social amenities; determine whether the insertion of unwanted items into the budget (budget padding) has hindered the financing developmental projects by the government of Nigeria; and ascertain whether the budget padding with the connivance of the members of the National Assembly has hindered the provision of good governance. The discourse in this study was anchored on Barkun's event conspiracy theory, while qualitative research design that is exploratory and historical in nature was

adopted, secondary sources was used to generate data and qualitative descriptive method used to analyse the data generated for the study.

### Conclusion

The study has provided gory details of the attempted “padding” of the 2016 Budget before President Buhari called for the “illegal” or “strange” injections to be expunged. The antecedents of this odious practice and the acquiescence of the National Assembly in the version of the 2016 Budget as insisted on by the factor in the burgeoning budget stalemate. The panel set up by the Presidency had examined critically, Ministry-by-Ministry, the 2016 Budget Estimates/Proposals and what was contained in the final budget provision, and the grey areas were resolved by both the Executive and the Legislature. The most conspicuous and controversial omission from the 2016 Budget was the Lagos-Calabar Standard Gauge Rail Project, whose 1460 Billion Counterpart Funding was a crucial component of the proposed \$2 Billion (J4400 Billion) loan from China. The Culprits detected in the process, about 184 bureaucrats, were reposted out to innocuous areas within the establishment.

It is the Mohammadu Buhari administration that has exposed, and is trying to exorcise the ghost of “budget padding” in Nigeria. For decades, inflation of budget for fraudulent private ends had gone on unobtrusively in the country, but it was only in 2016, with the emergence of President Buhari, after his unprecedented victory in the 2015 Presidential Election, that the odious practice of “budget padding” came to limelight, with the “budget mafia” being constituted not only by civil servants - bureaucrats or technocrats in the MDAs - euphemistically referred to as “evil servant” as “the enemies within,” but also by some National Assemblymen, particularly Chairmen and Members of the Appropriation Committees of the Senate and House of Representatives, businessmen and contractors (other conspirators who collaborated with civil servants, whom we identify as “enemies outside”. As one Nigerian poignantly observed:

It was only when change was in place that Nigerians came to the knowledge (of their operation) and realization that a group of untouchables, easily referred to as ‘the budget mafia’ took control of the budget, forging figures in clandestine ways. This has been going on for so many years. A lot of Nigerian resources... have been taken over by the budget mafia through their padding of our budget for so many years (Danbatta, 2016).

Thus, the 2016 Budget, the first Budget of the Buhari Administration, dubbed “Budget of Change” - was almost marred by a crisis of confidence and credibility over whether it was “missing”, “doctored” or “padded” and over which version was the “authentic” copy. Even after the passing of the N6.06 Trillion Budget, the “budget padding” controversy remained very much alive in the law court, in the National Assembly and as a problem to be solved by a Special Investigation Panel (SIP) of the Nigeria Police.

For about a decade too, the National Assembly has operated on a single-line, block sum budgetary provision that is abysmally lacking in public accountability and transparency. Unfortunately, the opacity continues even under Buhari’s regime of change, despite Senate President, Bukola Saraki’s promise to start on a clean slate, in terms of the transparency of National Assembly budget. This is so because of National

Assembly’s insistence on drawing up and making secret its budgetary provision, ostensibly based on the principles of separation of powers and independence of the Legislature - principles which have been quoted to buttress opacity in budgetary matters since 2000 (Aiyede in Ojo, 2006:150)<sup>[1]</sup>. But experience with Nigeria’s budgetary process reveals that sanctimonious pronouncements and immutable principles cited by National assemblymen are no more than a technical legal cover or a convenient cloak for shielding their odious, self-serving acts (and sometimes murky deals) regarding the budget. After all, the three arms of government (Legislature, Executive and Judiciary) has absolute powers under the principle of separation of powers, checks and balances.

### Recommendation

1. Members of the “budget mafia” should be thoroughly investigated, their bank accounts frozen, their assets probed with a view to affecting forfeiture. They should be treated as economic saboteurs that they are.
2. The power of the National Assembly to usurp the function of the Executive by removing projects from Estimates and substituting projects preferred by the National Assemblymen is unconstitutional and should be stop.
3. The odious practice, copied from Lagos State some years ago when the Lagos State House of Assembly invoked the double veto to forcibly entitle each of its members to implementation of Constituency Projects, often in violation of the Public Procurement Act, is in flagrant violation of the Executive’s right to exercise proprietary right to propose projects for inclusion in the Annual Budgets.
4. According to one report, the “budget mafia” is domiciled in the Legislature (National Assembly) while spreading its tentacles to the MDAs. National Assemblymen conveniently exploit the constitutional powers of the Legislature on appropriation matters, leading to possible Executive-Legislative confrontations. It is contended that the “budget mafia” cannot be tamed unless
5. The National Assembly leadership should be committed to accountability and transparency and to dismantling the “budget mafia” within them.

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