

PUBLIC INTEREST IN SOCIAL WELFARE SERVICES PROVISION IN NIGERIA: A CRITICAL ANALYSIS

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ABSTRACT

In recent time, there has been increasing clamour for state withdrawal on social welfare services provision in Nigeria. The argument borders on efficiency, rationality, cost management and optimal resource allocation which is associated with privately provided social welfare services. This paper examines the situation in Nigeria. It explores the gains and losses that accrue to state withdrawal from the provision of social welfare service with a view to determining who benefits most whether it is the public or a privileged few in the society.

Keywords: Planning, Public interest, Social welfare

INTRODUCTION

The onus of providing social welfare service in any community or state overtly lies on the government. However some complementary efforts are made by the private sector in some regards, as in the case of housing, transport, Medicare and education. However, the bulk of social welfare services which include roads, national defence, health services, water supply, education, postal services, and waste disposal are provided by the public sector (Mitle, 2001).

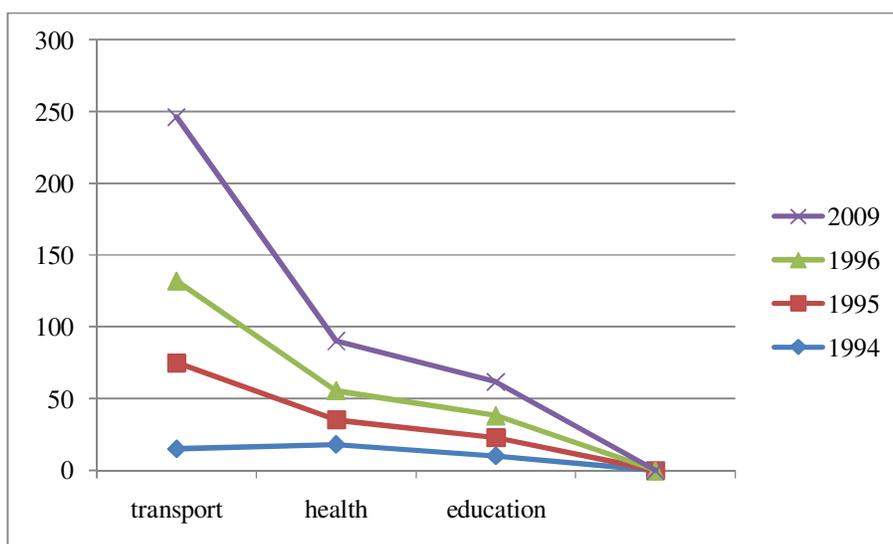
The State renders the aforementioned services through its departments and agencies. In Nigeria, the three tiers of government are involved in the provision and regulation of these services. Their involvements however vary and depend on the constitutional responsibility, financial disposition and the scale of delivery. Adejumobi (1996) noted that the tasks of waste disposal and primary education are responsibilities of the Local Government; major water supply is the responsibility of State Governments. It is worth noting that post-primary education and health care services fall under recurrent functions, which can be performed either by the state or the Federal Government or both.

In Nigeria, Agbola (2002) noted that successive governments in the country have made efforts in the provision of these services. However due to dwindling financial standing of the government, her achievements leaves much to be desired. Beside, current inclination towards economic liberalization, governments' ability in meeting up with this responsibility is undermined. This has forced private agencies to spring up and complement for the deficiencies in publicly supplied social services (Boreham, 2004). Table 1 analyzed the Federal Government of Nigeria budget on public social service spending in billions of naira. As can be seen from the table, health services dropped from 18.26 billion naira to 16.94 billion naira from 1994 to 1995, which is a clear case of withdrawal. In the same vain, transportation dropped from 59.88 billion naira to 57.20 billion naira.

Table 1. Nigeria’s budget for selected social services (billions of Naira)

<i>Years</i>	<i>Transportation</i>	<i>Health</i>	<i>Education</i>
1994	56.12	18.26	10.30
1995	59.88	16.94	12.70
1996	57.20	20.50	15.35
2009	114.2	34.5	23.3

Source: Bureau of Economic Analysis



Source: Bureau of Economic Analysis

Figure 1. Nigeria budget on public social service spending in billions of Naira

Although there has been arithmetic progression on the educational sector in the Nigeria budget, further research in Enugu State of Nigeria revealed that discrepancy exists between the budget of educational sector in 2009 and the actual expenditure in the same year as evident in table 2. The table shows that a total 2.67 billion naira was budgeted whereas only 1.66 billion naira was expended. This is also another evidence of government withdrawal in the provision of social services in Nigeria

Table 2. Enugu State Education budget and expenditure by type in 2009 (in Naira)

<i>Type</i>	<i>Budget</i>	<i>Expenditure</i>
Pre-primary and primary	690,458,108	389,705,478
Secondary	883,285,135	566,100,125
Tertiary	1,098,650,000	703,829,727
Total	2,672,393,243	1,659,635,329

Source: Educational Data Bank, Enugu State of Nigeria 2009.

A Historical Perspective of State's Stand on Social Services

According to Adejumbi (1996), four reasons account for the publicly supplied Social Welfare Services in Nigeria. First is the historical antecedent of colonial rule. Under colonial rule, the responsibility for providing social services of roads, railways, education, etc. lay with the colonial regime, although this was done with harsh measures which include forced labour and taxation. The goal of the provision of these services was mainly to facilitate colonial exploitation (Adejumbi, 1996). In other words, the delivery of social service was not meant to better the lots of the people but to enable the colonial masters to perpetrate her exploitative tendencies. For instance the construction of railway lines in Nigeria reflects colonial exploitation. It was meant to facilitate easy evacuation of mineral deposit and agricultural products from the hinterland to the coastal ports (Yahaya, 1993). The consequence of the aforementioned is that social services provided during the colonial era were grossly inadequate and also fell short of the standard required.

In order to bridge the evident gap in social service requirement and that supplied in quantity and quality, the post-colonial state had to invest heavily in the provision of social services like health, education, housing, roads, water supply and irrigation (Galai, 1993).

The second is the aspiration of anti-colonial struggle by the African people which was intended to realize better living standards for all. Though this called for huge investments in human capital and in the social sector, it was necessary to position the African man on a standing that would help him realize his dreams and aspirations (Ayodele, 2002).

Thirdly the huge capital outlay required in the delivery of some of this service made it almost impossible for the private bodies to handle it if the required development for the nation was to be attained. In addition, Adejumbi (1996) noted that economic nationalism, which gained prominence in the immediate post-colonial era, required that the state controlled the commanding heights of the economy and prevent external control by multinational firms. Hence, Nigeria's National Development Plans between 1962 and 1980 emphasized a central role for the state in economic planning and development. This also account for why the Nigerian government under successive Plans allocated substantial funds to build roads, invest in telecommunications, water supply, drainage, health and educational facilities, in order to facilitate economic progress and social development in the country. According to Onokerhoraye (1984) in the First National Development Plan (1962-1968), a sum of 667.9 million naira was allocated to the social sector; this increased to 16 572.9 million naira in the Second National Development Plan (1970-1974). Ever since then the figures has increased quite significantly under successive Development Plans including the present plan of vision 2020.

Fourthly, African culture and social values tend to place tremendous emphasis on the human element in the society, which partly defines the social welfare approach to development adopted by most post-independent African leaders. Against all odds the post colonial leaders placed overriding concern for the human element and social existence and well-being in the state.

THEORETICAL FRAMEWORK

In theory, the notion of the state providing social services has its roots in the philosophical conception of the state which lays credence on social contract. According to Rousseau (1913), the state evolved through what he called a "general will" in which the individual surrenders some of his rights and privileges in a social contract to the state, and thus in turn, enjoys some social benefits. Such as: guarantee of law and order, human dignity and social

welfare. Indeed, for Rousseau some of the social values which the state must always strive to protect are: life, liberty and welfare.

Two schools of thought have dominated the 'social contract theory' in the last two centuries. The liberal theory to which Adam Smith belonged suggest that the state performs three central functions in any capitalist society which include: the guarantee of law and order, the administration of justice and the erection and maintenance of public works, which would be beneficial to society, but may be uneconomical or unattractive to the private sector (Smith, 1936). In the latter regard, (ie, social works) Adam Smith was referring to activities in the social sector which are instrumental to capital accumulation, but less desirous of capitalist investment. This school of thought admitted the need for government participation in the supply of social goods like roads, railways, security and defence and other such goods and services, the production of which fail to attract the interest of the private producer.

The proponent of neo-classical theory of Keynesianism, argue that the state plays a vital role in the social sector as a means of facilitating economic development. They argue that although free market is indispensable in the capitalist economy to allow the forces of demand and supply to regulate price, there is also the need for state intervention to balance and streamline the market. This is why Petelis and Clarke (1993) argued that state intervention in the capitalist economy is very important key in bringing about better deal in the market, creation of employment, improvement in the standard of living and stimulating economic and physical development via articulated social welfare delivery.

Adejumobi, (1996) argued that, the increasing centralization and concentration of capital and declining profit rate generate simultaneous demands by capital and labour on the state, aimed at enhancing its relative performance through the provision of infrastructural and social welfare services meant to facilitate capital accumulation and augment the productive capacity of labour.

State Withdrawal from the Provision of Social Welfare Service in Nigeria: Public or Private Interest

Acceptably, a decision is said to be in the public interest if it meets the needs of the whole public rather than those of some fraction of the society. While we agree that common needs are likely to be very general or vague in their formulation, we should also note that the greatest happiness of the greatest number of those who constitute the public is paramount. The principle of utilitarianism, suggest that for one to decide whether or not a decision is in the public or private interest, the gains and losses in utility that are likely to be caused by the issue are properly identified.

Having established this, worthy to note is that diverse arguments have been made on state withdrawal from the provision of social welfare services in Nigeria. One school of thought states that there are more benefits from the state withdrawal from the provision of social welfare services. Ajomale (2004), argued that a shift from state provision of social service to private provision of social service would stimulate the delivery of reliable and more efficient services, promote financial self-sustenance by those enterprises, and generate revenue for government as reward for its investments in Nigeria. This school of thought holds that in order to promote efficiency and economic rationality in the provision of social welfare services, such activities must be transferred to the private sector or at least have a high infusion of private capital (world Bank, 1994). The underlying assumption is that the public sector is an inefficient economic manager and producer, and for there to be a change in the quality of service delivery, the private sector must be called forth to carry out its production. However this argument focuses on the economic consideration and negates the social contract

theory. On this argument, Let us examine the issue of health facilities. If the state withdraws from the provision of health services, the cost of health services will be high. If health services is not within the reach of the poor (over 70% of the country's population) a number of health related issues will be unavoidable. This will range from high morbidity rate, high maternal mortality rate, high under 5 mortality rate and poor health condition of the citizenry. An obvious consequence of these would be low productivity and a general retardation of development. While the other school of thought disagree that private firms are more efficient than the state. It need be pointed out that the issue here borders on the maximization of profits by a few people who constitute less than five percent of the society. The aforementioned suggests that state withdrawal will amount to special interest and not public interest.

Another strong argument is the notion that social welfare services are mostly private goods for which the principle of exclusion could be applied and economic rents charged on those services. The fact is that it is not usually true as some of the social services that hitherto are regarded as private goods are essentially public goods in terms of their social essence and national value and importance. Adejumobi (1995) noted that pipe-borne water may be a private good, its consumption of which people could be excluded from, based on their ability to pay; however, the importance of pipe-borne water to the good health and vitality of the population makes it essentially a public good, which merits the attention of the state in its provision. Another case example is that of solid waste management which could appear to be a private good to which the principle of exclusion can be applied, but when examined holistically, it is a public good. Karanja (2005) noted that private provision of waste facilities in return for a charge would be perfectly feasible though unusual but, in such cases, the cost of excluding those who are not prepared to pay are held to be excessive. This is the crux of our argument. Another argument often put forward to support state withdrawal is resource recovery which also negates the social contract theory. Given these divergent positions it is pertinent to ask in whose interest is the resource recovery. The issue is that sovereignty belongs to the people for willingly surrendering their rights and privileges to a few who in turn guarantee their social welfare amongst others. If the state decides to recover cost for government from the provision of social welfare services, it follows that the interest of a few and not the public is being served.

Let us examine lastly the argument on greater choices which the state withdrawal on the provision of social welfare services will stimulate. That is, by deregulating the provision of social welfare services, uniformity in service delivery will be broken and consumers will have more choices on display. The variety of public choices will improve the quality of service delivery and afford better distributional benefits to various social classes and groups with different income levels and tastes (Adesina, 2004). For example, with services like water supply, and health care, education, and transport, consumers could determine what kind of service they prefer, given the resources available to them. This argument also borders on economic consideration, efficiency and resource recovery. However, Adejumobi (1995) noted that if efficiency is conceived in distributional terms or what is referred to as allocative efficiency; private firms cannot be a panacea in this regard. This is because in justifying the superiority of private ownership and enterprise management, three variants of neo-classical theory have been developed and consequently disproved (Petelis & Clarke, 1993; Rowthorn & Chang, 1993). Therefore it will be spurious and highly misleading to equate "public" with inefficiency and non-performance and "private" with efficiency and performance. Be that as it may, we reiterate that economic consideration, efficiency and distributional mechanism negate the social contract theory and the principle of utilitarianism. It goes further to show

that the argument on economic consideration, efficiency and distributional mechanism favour special interest to the detriment of the public interest.

CONCLUSION

The delivery of social welfare service is the prerogative of the government in line with social contract theory. In Nigeria however, many attempts have been made to allow the forces of demand and supply to be the major determinant of price for social welfare service. The major argument among others being that social welfare service is essentially private goods to which the principle of exclusion can be applied and cost recovered appropriately. However the issue goes beyond cost recovery for a developing country like Nigeria which cannot do without an efficient and functional social sector.

It is our conviction that state withdrawal from the provision of social welfare service will favour a special interest to the detriments of the public interest in Nigeria. We therefore recommend that the state should continue to play a crucial role in the provision of social welfare services in Nigeria. The challenge therefore is on how to restructure the state, to make it more efficient and socially responsible in the provision of social welfare services.

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