

# 500<sup>th</sup> Inaugural Lecture: THE PUBLIC SECTOR AND DEVELOPMENT Prof.-AREGBEYEN

## Abstract

This lecture provides both theoretical and empirical demonstration of the nexus between the public sector and development in general, and country specific. Following the introductory remark, the lecture proper is organised into seven parts. The first part presents insights on the specialisation of public sector economics and the notion of the public sector as a wide and loose concept. The second part reviewed theories and empirical evidences on public sector and national development. Part III dwells on the measurement, debate and reality on the size of the public sector and highlights my contributions to the literature on government/public sector concerns. Part IV examines public sector configuration and development trajectory across climes. Additional testimonies of the glory of public sector in communal advancement and cataclysm containment in space and time are documented in part V. Part VI focused on the dilemma and debacle of public sector ineffectiveness in Nigeria, with a little digression on the University of Ibadan. Radical contemplations for reconditioning the public sector in Nigeria are suggested in part VII, and with concluding remarks.

The demonstration of the nexus between the public sector and development commenced with theoretical insights/propositions and it was shown clearly that the government/public sector is ever important given the inevitability of the failure of the market mechanism/system, and particularly that the quality of public sector governance matters for economic growth/development. However, the optimal size of the public sector has remained a subject of heated debate till date. These theoretical propositions were then empirically validated. In doing this, a comparative analytical framework was adopted. Empirically, the reality about the size of the public sector globally showed that the countries with larger public sector, as captured by the highest levels of government spending as % of GDP are predominantly the industrialised and/or developed ones (Western Europe and Scandinavia in particular), while the countries with smaller public sector, i.e. the lowest government spending as a % of GDP are by and large the poor developing economies. Furthermore, social and economic development outcomes across countries were systematically linked to the relative size and effectiveness of government/public sector. Two instructive inferences were drawn that (i) large government *size is a necessary condition, but better government effectiveness is the sufficient condition*, for facilitating social and economic development outcomes in a country, and (ii) the government/public is *agathokakological*, i.e. composed and/or capable of good (pro-development) and evil (anti-development) depending on how it is conceptualised, conditioned and organised.

The public sector in Nigeria was specifically x-rayed generally and with specific digression on the University of Ibadan. It was noted unequivocally that the government/public sector in Nigeria is confiscated and desecrated, in a fashion that has become a bazaar, which has continued in a shameful rhythm over time. The issues implicated in the dismal functioning of the government/public sector in Nigeria were identified and radical contemplations for reconditioning the government/public sector to best serve the desired purposes and launch Nigeria on the path of sustainable and inclusive growth/development were suggested.