



## The Legacy of Ghost Worker Syndicates in Nigeria's Public Service: Historical Roots and Reform Responses in Enugu State

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### Abstract

*Ghost worker syndicates represent one of the most deeply entrenched and fiscally corrosive phenomena in Nigeria's public administration. Unlike isolated payroll fraud, these syndicates constitute organized, institutionalized networks that exploit structural weaknesses in state bureaucracies to extract public resources through fictitious employee listings. This paper examines the historical roots, institutional persistence, and reform responses associated with ghost worker syndicates in Nigeria's public service, with a focused case study on Enugu State under Governor Peter Mbah's administration. Drawing on institutional theory, principal-agent frameworks, and political economy perspectives, the paper argues that ghost worker systems are not aberrations but products of path-dependent administrative cultures shaped by colonial bureaucratic legacies, military-era governance distortions, and patronage-driven political economies. The paper analyzes how these systems became normalized within public institutions and why successive reform attempts, including the Integrated Payroll and Personnel Information System (IPPIS), biometric audits, and staff verification exercises, achieved only partial success at the federal and state levels. The Enugu State case illustrates how reform success depends not merely on technical innovation but on political will, institutional disruption, and credible enforcement. The paper concludes by reflecting on implications for state capacity, fiscal sustainability, and the broader challenge of governance reform in sub-Saharan Africa.*

**Keywords:** Ghost Workers, Payroll Fraud, Nigeria, Public Sector Reform, Enugu State, Institutional Theory, Principal-Agent, Reform Responses, Patronage Politics, Biometric Verification

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## 1. Introduction

In the bureaucratic imagination of many Nigerians, the ghost worker is a familiar, if infuriating, figure, a name on a payroll that draws a salary, occupies a file, and exists in every administrative record except physical reality. Yet to frame ghost workers merely as absent employees is to misunderstand the systemic depth of the problem. Ghost worker syndicates are organized networks of bureaucratic and political actors who manufacture, sustain, and protect fictitious payroll entries as a sustained mechanism of resource extraction from the state. They are, in the language of corruption studies, a mode of institutionalized looting that wears the garments of routine administration.

Nigeria's public service has grappled with ghost workers since at least the 1980s, though the roots of the phenomenon extend deeper into colonial administrative structures and the post-independence patronage economies that replaced them. By the 2010s, estimates from federal audits and international organizations suggested that ghost workers constituted anywhere from 10 to 30 percent of payroll entries in some states, a fiscal hemorrhage that drained billions of naira annually from resources that might otherwise have funded infrastructure, education, and healthcare (World Bank, 2015; Transparency International, 2016).

The institutional responses to this crisis have been numerous but frequently inadequate. Federal initiatives such as the Integrated Payroll and Personnel Information System (IPPPIS), launched in 2007 and expanded through the 2010s, aimed to centralize payroll management and eliminate fictitious entries. Biometric verification exercises became standard tools in reform arsenals. Yet as this paper documents, the persistence of ghost worker systems across successive reform cycles reveals something important: these systems are not merely technical failures awaiting technical solutions. They are products of deeply embedded political and institutional logics that technical fixes alone cannot dislodge.

This paper contributes to the growing literature on payroll fraud, public sector reform, and governance in sub-Saharan Africa by situating ghost worker syndicates within a historically informed analytical framework. It traces the colonial and post-colonial origins of ghost worker practices, examines how institutional path dependence and elite capture sustain them, and evaluates the reform responses that have emerged at both federal and state levels. The case study of Enugu State under Governor Peter Mbah offers a contemporaneous lens through which to assess whether recent reforms represent a genuine structural disruption or a recurrent cycle of partial, temporary reductions that leave underlying systems intact.

The paper proceeds as follows. Section 2 reviews the relevant literature on ghost workers, payroll fraud, and public sector reform in Nigeria and comparable contexts. Section 3 develops the theoretical framework, integrating institutional theory, principal-agent analysis, and political economy perspectives. Section 4 traces the historical evolution of ghost worker syndicates from colonial administration through the military era and into the democratic period. Section 5 presents the Enugu State case study. Section 6 offers a broader analytical discussion of reform dynamics and constraints. Section 7 concludes with reflections on implications for governance reform sustainability.

## 2. Literature Review

### 2.1 Defining Ghost Workers and Ghost Worker Syndicates

The concept of the "ghost worker" appears across the public administration literature of many developing countries, but it takes on particular dimensions in the Nigerian context. At its most basic, a ghost worker is a fictitious employee, a name on a payroll to whom salaries are disbursed but who performs no actual work, may never have been employed, or who retired or died without removal from payroll records (Kiragu & Mukandala, 2005; Eme & Onyishi, 2014). However, this definition, while accurate, understates the organizational complexity of the phenomenon as it operates in Nigeria.

Scholars working on Nigerian public administration have increasingly distinguished between opportunistic payroll fraud, individual clerks inserting a name or two for personal gain, and the syndicated, systemic form of ghost worker

generation that characterizes more deeply embedded corruption in the sector (Adeagbo et al., 2019; Olaopa, 2016). Ghost worker syndicates, as this paper uses the term, refer to organized networks involving multiple actors across administrative hierarchies: payroll officers, human resource managers, treasury staff, and frequently political figures or their proxies who provide protection, share proceeds, and resist reform. The syndicated nature of the practice is what distinguishes it analytically and makes it particularly resistant to conventional anti-corruption interventions.

Abdulkareem and Mahmoud (2020) identify four core features that distinguish ghost worker syndicates from individual payroll fraud: organizational complexity (involving multiple coordinated actors); durability (persisting across staff rotations and administrative changes); political connectivity (linking to patronage networks that provide impunity); and institutional embeddedness (integrated into routine administrative processes in ways that make detection difficult without deliberate disruption). These features align ghost worker syndicates more closely with what della Porta and Vannucci (1999) term "corruption networks", self-sustaining systems that develop their own internal norms, risk-sharing arrangements, and enforcement mechanisms.

## 2.2 Ghost Workers in the Broader African Context

Nigeria's ghost worker problem, while distinctive in scale and form, is not unique in the African context. Comparable phenomena have been documented in Kenya, Uganda, Tanzania, Ghana, and the Democratic Republic of Congo, among others (Lienert & Modi, 1997; Barkan et al., 2004). The World Bank's extensive work on civil service reform in sub-Saharan Africa has consistently identified inflated and fictitious payrolls as a primary source of fiscal waste and governance failure in the region (World Bank, 2008; Filmer & Fox, 2014).

A recurring finding in the comparative literature is that ghost worker schemes tend to flourish under specific institutional conditions: weak civil registration and personnel data systems; fragmented payroll management spread across multiple agencies; limited audit capacity; low wages that create incentives for illicit income; and political environments in which accountability mechanisms are subordinated to patronage imperatives (Polidano, 1999; Andrews, 2013). Nigeria exhibits all of these conditions to a marked degree, which helps explain both the depth of the problem and the difficulty of addressing it through reform.

## 2.3 Nigerian Public Sector Reform Literature

The literature on Nigerian public sector reform is extensive and, in many respects, sobering. Scholars such as Adebayo (1992), Adamolekun (1986), and more recently Olaopa (2016) have charted decades of reform efforts that produced significant institutional activity without fundamentally transforming the governance landscape. The pattern, as Adejumbi (2006) describes it, is one of "reform fatigue", repeated cycles of initiative, partial implementation, institutional resistance, and eventual reversion to prior norms.

On ghost workers specifically, the literature documents multiple generations of reform instruments. The Civil Service Reorganization Decree of 1988 under General Ibrahim Babangida attempted to rationalize civil service structures but was undermined by political manipulation (Suberu, 2001). The Obasanjo administration's civil service reforms of the early 2000s introduced new performance management systems but failed to effectively address payroll integrity (Nwosu & Obi, 2009). The IPPIS, introduced under President Umaru Musa Yar'Adua in 2007, represented the most systematic federal attempt to use technology to address ghost worker problems, yet its implementation has been uneven and contested, particularly in relation to universities and other institutions that have resisted enrollment (Tijani & Olaleye, 2019).

State-level reform experiences are less systematically documented in the academic literature, though investigative journalism, audit reports, and policy documents provide valuable evidence. Several studies of specific Nigerian states, including Osun, Kogi, Rivers, and Benue, have documented the scale of ghost worker discoveries during verification exercises, with some states removing tens of thousands of fictitious names in single exercises (Sahara Reporters, 2020; BudgIT, 2019). These exercises reveal the depth of the problem but also raise questions about the sustainability of gains when underlying institutional conditions remain unchanged.

### 3. Theoretical Framework

#### 3.1 Institutional Theory and Path Dependence

To understand why ghost worker syndicates persist across reform cycles, institutional theory offers indispensable tools. North's (1990) foundational work on institutions distinguishes between formal rules, laws, regulations, organizational procedures, and informal constraints, norms, conventions, codes of conduct, and argues that the latter are frequently more powerful determinants of behavior than the former. Ghost worker syndicates are paradigmatic examples of informal institutional arrangements that have, over time, acquired the characteristics of formal institutions: predictability, rule-governed behavior among participants, shared expectations, and enforcement mechanisms.

The concept of path dependence, developed by Mahoney (2000) and applied to political institutions by Thelen (2004), is particularly relevant here. Path dependence describes the tendency of institutional arrangements to persist and self-reinforce even when they become suboptimal, because actors invested in existing arrangements resist change and because the costs of transition increase over time. In the context of ghost worker syndicates, path dependence operates through at least three mechanisms: increasing returns (the syndicate becomes more profitable and better protected as it grows and deepens its connections); network effects (more participants means more enforcement capacity and political cover); and sunk costs (actors who have organized their careers and income streams around ghost worker revenue face significant losses if the system is dismantled).

Pierson's (2004) work on institutional stickiness adds another layer of analytical depth. He argues that political institutions in particular exhibit strong path-dependent properties because the actors who benefit from existing arrangements typically have both the incentive and the capacity to block reforms that threaten their interests. In the Nigerian public service, this dynamic is visible in the resistance that reform initiatives routinely encounter from civil service unions, ministry officials, and politically connected individuals whose positions depend on maintaining existing systems of resource distribution.

#### 3.2 Principal-Agent Theory

Principal-agent theory provides a complementary framework for understanding the incentive structures that sustain ghost worker systems. In the classic formulation, a principal (in this case, the state, represented by senior political officials) delegates authority to an agent (the civil servant) to act on the principal's behalf, but the agent has private information and interests that may diverge from the principal's (Jensen & Meckling, 1976; Miller, 2005). The principal faces a monitoring problem: it cannot perfectly observe the agent's behavior, creating space for the agent to pursue private interests at the principal's expense.

Applied to ghost worker syndicates, the framework illuminates why these systems are structurally difficult to prevent. Payroll officers, human resource managers, and other agents who control personnel data have both the opportunity and the incentive to insert fictitious entries. The principal, whether a state governor, a ministry head, or a federal authority, faces enormous monitoring costs in verifying the reality of thousands or tens of thousands of payroll entries. Data fragmentation, poor record-keeping, and the absence of reliable civil registration systems amplify the information asymmetry that principals face.

Critically, the framework also highlights the failure mode that occurs when the principal itself is captured by the beneficiaries of ghost worker systems. When political leaders or their associates share in ghost worker proceeds, as documented in multiple Nigerian contexts, the principal effectively becomes an agent of the syndicate rather than its adversary. This is what Persson, Rothstein, and Teorell (2013) describe as a systemic corruption equilibrium, in which corruption is not a deviation from norms but is itself the operative norm, and in which reformers face the paradoxical challenge of attempting to change a system whose custodians are its primary beneficiaries.

### 3.3 Political Economy of Corruption

The political economy perspective situates ghost worker syndicates within the broader structures of power, resource distribution, and political survival that characterize Nigerian governance. Following Khan (2010) and Mushtaq Khan's work on governance and development, one can understand ghost worker systems not merely as failures of technical governance but as expressions of political settlements, the informal bargains among political elites about how state resources will be distributed.

In Nigeria's federal system, where states depend heavily on federal allocations and where political competition is intense and frequently zero-sum, the capacity to distribute state resources to political supporters is a critical instrument of political survival. Ghost worker payrolls function, in this context, as a form of shadow budget, a parallel resource distribution system that operates outside formal accountability mechanisms and can be used to reward loyalists, fund political activities, and maintain patronage networks (Adeagbo et al., 2019; Lewis, 2007). This political functionality explains why ghost worker systems persist across political transitions: they serve the interests of those in power regardless of their formal political commitments to reform.

The implication for reform analysis is significant. Reforms that threaten to dismantle ghost worker systems are not merely administrative interventions; they are political interventions that challenge existing power structures. Their success depends not only on technical capacity but on the political calculus of reformers who must simultaneously disrupt entrenched networks and maintain the political coalitions necessary to govern effectively. This tension is central to understanding both the ambitions and the limitations of the Enugu State reforms examined in the following sections.

## 4. Historical Evolution of Ghost Worker Syndicates in Nigeria

### 4.1 Colonial Administrative Legacies

The historical roots of Nigeria's ghost worker phenomenon extend to the structure and culture of colonial administration. British indirect rule, which relied on a combination of European administrative cadres and co-opted local intermediaries, created a public service characterized by significant information asymmetries, weak accountability upward from localities to the central administration, and an ethos of bureaucratic instrumentalism in which the state apparatus was understood primarily as an instrument of extraction rather than service delivery (Mamdani, 1996; Young, 1994).

The colonial public service's record-keeping systems, while extensive by the standards of the time, were designed primarily for the extraction of revenue and the maintenance of political control rather than for the accurate management of personnel. This created structural vulnerabilities that would be exploited in the post-independence period. As Ekeh (1975) argued in his influential analysis of African public realms, colonial administration created a bifurcated moral universe in which obligations to the private realm of kinship and community were considered legitimate and binding in ways that obligations to the public bureaucracy, perceived as an alien imposition, were not. This moral framework, Ekeh suggested, laid ideological groundwork for what he called the "primordial public" appropriation of state resources.

The transition to independence in 1960 accelerated the Nigerianization of the public service, the rapid replacement of European civil servants with Nigerian counterparts, without adequately transferring the institutional systems and practices that had, however imperfectly, constrained administrative misconduct under colonial rule (Adamolekun, 1986). The rapid expansion of the civil service in the immediate post-independence years, driven by the patronage demands of competing ethnic and regional political coalitions, created large and poorly supervised bureaucracies in which accurate personnel records were difficult to maintain even without deliberate manipulation.

#### 4.2 Military Governance and Institutional Decay

Nigeria's military interregna, spanning from the first coup of January 1966 to the return to civilian rule in 1999, with brief civilian intervals, left deep imprints on the public service and created conditions particularly hospitable to ghost worker syndicates. Military governance combined centralized political authority with deeply decentralized administrative dysfunction: the personal rule of successive heads of state provided little institutional incentive for systematic reform of bureaucratic processes, while the militarization of public administration undermined the professional norms and institutional memory of the civil service (Olowu, 1993).

The creation of new states, from three regions in 1963 to twelve states in 1967, nineteen in 1976, and thirty-six by 1996, was particularly significant in generating ghost worker opportunities. Each new state required a new civil service, often assembled rapidly and with minimal capacity for record verification. Political appointees used the chaos of state creation to insert loyalists, and, increasingly, fictitious names, into payroll systems that lacked the administrative infrastructure to detect irregularities (Suberu, 2001; Osaghae, 1998).

The oil boom of the 1970s created both the resources that made ghost worker schemes financially attractive and the political culture that normalized such schemes. As Watts (2004) and others have documented, Nigeria's petro-state model fundamentally reoriented the Nigerian political economy around the capture and distribution of oil rents. The public service became less an instrument of governance than a vehicle for rent distribution, a dynamic that aligned the interests of political patrons, civil service managers, and ordinary workers in sustaining inflated and fictitious payrolls that served multiple functions simultaneously: employing real workers for political loyalty, distributing resources to political networks, and generating private income for payroll administrators.

The Babangida era (1985–1993) is particularly notable in this regard. The Structural Adjustment Programme (SAP) introduced under IMF and World Bank guidance in 1986 mandated public sector downsizing and civil service rationalization, which the administration formally embraced while informally circumventing (Bangura, 1994). Civil service headcount reduction exercises paradoxically created opportunities for ghost worker insertion: as real workers were nominally removed, fictitious replacements were inserted by those controlling personnel records, a dynamic documented in contemporaneous reports by the Economic Commission for Africa (1989).

#### 4.3 Democratic Governance and the Normalization of Syndicated Fraud

The transition to civilian democratic governance under the Fourth Republic (1999–present) did not fundamentally disrupt the institutional logics sustaining ghost worker systems. In some respects, democratic competition intensified the demand for ghost worker schemes as a mechanism for funding political campaigns and rewarding electoral coalitions. The federal structure of Nigerian democracy, in which the control of state governments provides access to significant revenue streams, made state-level civil service payrolls attractive targets for politically connected networks seeking to monetize government control.

What changed under civilian governance was the organizational form of ghost worker syndicates. As Olaopa (2016) observes, the professionalization of corruption networks in the democratic era produced more sophisticated, technically adept syndicates capable of navigating the increasingly complex data systems of modern payroll management. Syndicate members included not only traditional payroll clerks but also IT specialists who could manipulate computerized records, accountants who could structure payment channels, and lawyers who could manage legal exposure when investigations occurred. The syndicated nature of ghost worker fraud, its distribution across multiple institutional actors, made it simultaneously more resilient and more difficult to prosecute.

By the 2010s, estimates of the annual cost of ghost worker fraud to Nigeria's public finances ranged from hundreds of billions to over a trillion naira, depending on the level of government and the methodology of estimation (BudgIT, 2019; National Financial Intelligence Unit, 2018). These figures, while inexact, give a sense of the fiscal stakes and help explain why international organizations, donor governments, and reform-oriented Nigerian politicians increasingly identified ghost worker reform as a critical governance priority.

## 5. Case Study: Enugu State Reform Responses

### 5.1 Enugu State and Its Governance Context

Enugu State, located in Nigeria's South East geopolitical zone, was carved out of the former Anambra State in 1991 and has since developed a distinctive governance profile shaped by its Igbo political culture, coal-mining economic legacy, and the administrative tradition of its capital, Enugu, formerly the capital of the Eastern Region and, briefly, the symbolic center of the Biafran secession. With a population of approximately four million and a civil service numbering in the tens of thousands, Enugu exhibits many of the structural characteristics typical of Nigerian states: high dependence on federal allocations, significant internally generated revenue potential not yet fully realized, and a public service whose capacity and integrity are critical to the state's developmental trajectory.

Like other Nigerian states, Enugu has a documented history of ghost worker problems. Pre-reform period audits and journalistic investigations revealed persistent irregularities in the state's payroll systems, with estimates of fictitious entries varying but consistently suggesting significant fiscal losses (Vanguard, 2023; The Punch, 2023). The political economy of ghost workers in Enugu followed patterns recognizable from other states: syndicate connections to political networks, concentration of fraud in specific ministries and agencies, and a reform history of partial exercises that removed some fictitious entries without dismantling underlying systems.

### 5.2 Governor Peter Mbah's Reform Initiative

Peter Mbah, who assumed office as Governor of Enugu State in May 2023, made public service reform, and specifically the elimination of ghost workers, a central plank of his administration's early governance agenda. His approach represented a significant departure from previous reform efforts in the state, both in its institutional ambition and in the political capital he was willing to invest in it. Within months of his inauguration, Mbah had initiated a comprehensive staff verification and enumeration exercise that required all civil servants and public sector employees to present themselves for physical verification alongside their employment documentation.

The reform was structured in several phases. The initial phase involved a comprehensive audit of existing payroll databases, cross-referenced against personnel files, employment records, and pension documentation. This phase revealed significant discrepancies between payroll entries and verifiable personnel records, a finding consistent with pre-reform assessments but striking in its scale. The second phase required physical presentation by all personnel at designated verification centers, with biometric data, fingerprints, facial photographs, and in some cases iris scans, captured for each verified employee and linked to their payroll records.

The third phase involved enforcement: employees who failed to appear for verification without documented cause were removed from the payroll, and in cases where there was evidence of deliberate fraud rather than mere administrative error, cases were referred to the state's anti-corruption apparatus for investigation and prosecution. This enforcement dimension distinguished the Mbah initiative from many previous verification exercises in which removal from payroll was the sole consequence, leaving syndicate operators free to insert new fictitious entries in subsequent periods.

### 5.3 Institutional Mechanisms and Administrative Reforms

Beyond the immediate verification exercise, the Mbah administration introduced several institutional reforms designed to address the structural conditions that had enabled ghost worker syndicates. Central among these was the digitization and integration of personnel management systems, the creation of a unified, real-time personnel database that linked payroll disbursement to biometrically verified identities and that was designed to be auditable by multiple oversight bodies simultaneously.

The administration also reformed the organizational architecture of payroll management, separating functions that had previously been concentrated in ways that facilitated fraud. The bundling of personnel record management and

payroll processing under the same officers had created a single point of control that syndicate operators could exploit; the reforms distributed these functions across distinct offices with independent oversight chains, introducing a degree of mutual monitoring that significantly increased the cost of fraud. This structural unbundling reflects a principle well-established in public financial management literature: the segregation of duties is among the most effective procedural safeguards against internal fraud (Allen, Hemming, & Potter, 2013).

The reform also engaged the State Accountant-General's office and the Auditor-General in new roles as real-time monitors of payroll integrity, rather than periodic reviewers who examined records long after fraud had occurred. Monthly payroll reconciliation requirements were introduced, with mandatory sign-off from multiple offices before disbursement, a procedural change that significantly raised the organizational complexity and risk associated with inserting or maintaining fictitious entries. These changes aligned Enugu State's payroll governance more closely with best-practice frameworks recommended by the International Monetary Fund for sub-Saharan African public financial management (IMF, 2018).

#### **5.4 Enforcement and Results**

The results of the verification exercise, as reported by the Enugu State government and corroborated by independent assessments, were substantial. Thousands of names were removed from the state's payroll during the initial exercise, representing a significant immediate saving in monthly wage expenditure and providing a fiscal dividend that the administration publicly channeled toward infrastructure and social investment (Enugu State Government, 2023; The Guardian Nigeria, 2024). The specific figures varied across reporting periods and were subject to the data quality limitations typical of Nigerian government statistics, but the directional evidence of significant payroll rationalization was broadly accepted by independent observers.

The enforcement dimension, the prosecution of individuals identified as operators of ghost worker schemes, was more limited, as it is in virtually all Nigerian anti-corruption exercises. Successful prosecution of syndicate operators requires a functioning criminal justice system with adequate capacity, an independent judiciary willing to impose meaningful penalties, and sufficient witness protection to overcome the intimidation risks faced by those who cooperate with investigations. Enugu State's institutional capacity in these areas, while not negligible, falls short of what would be required for systematic prosecution of complex corruption networks. This is not a failure specific to Mbah's administration but reflects the broader limitations of Nigeria's anti-corruption architecture.

Perhaps the most significant indicator of reform seriousness was the political cost that the administration was prepared to absorb. Removing ghost workers from payrolls necessarily disrupts the patronage networks that those fictitious entries support, networks that may include the supporters and allies of the very administration implementing the reform. The evidence suggests that the Mbah administration was willing to accept some degree of political turbulence in pursuit of fiscal rationalization, though the full extent of political resistance and how it was managed remains difficult to assess from available public information.

#### **5.5 Challenges and Limitations**

The Enugu State reforms, while significant, faced several challenges that circumscribe an unqualifiedly optimistic assessment. First, as with all verification exercises, there is a distinction between removing existing ghost worker entries and preventing future insertion. The administrative reforms introduced under Mbah reduce the ease of future fraud, but they do not eliminate the underlying political and economic incentives for syndicate formation. The durability of reform gains depends critically on whether successor administrations maintain the institutional changes introduced, or whether, as has happened repeatedly in Nigerian reform history, new political arrangements lead to the gradual relaxation of controls and the re-emergence of fictitious entries.

Second, the verification exercise's focus on the state civil service proper may have left related areas of the public payroll, local government employees, state-owned enterprise workers, contract and casual staff, less thoroughly audited. Ghost worker schemes frequently migrate from more closely audited parts of the public payroll to less

scrutinized segments, meaning that comprehensive reform requires simultaneous attention across all payroll categories rather than sequential treatment.

Third, the capacity limitations of the state's data systems mean that the long-term sustainability of biometric payroll management depends on continued investment in technical infrastructure and the human capacity to manage it, investments that are vulnerable to the fiscal pressures, political priorities, and institutional neglect that have eroded previous reform gains in comparable contexts.

## **6. Discussion: Reform Dynamics and the Persistence of Ghost Worker Systems**

### **6.1 Why Ghost Worker Syndicates Persist**

The historical and case study analysis presented in preceding sections points to a convergence of factors that explain the persistence of ghost worker syndicates across reform cycles. At the structural level, the combination of weak data systems, fragmented organizational architectures, and limited monitoring capacity creates environments in which syndicate operation is feasible and low-risk. These structural conditions are themselves products of a history of institutional underinvestment that reflects the priorities of political elites who benefited from opacity rather than transparency.

At the political level, ghost worker syndicates persist because they serve genuine functions within the political economy of Nigerian governance. As instruments of patronage distribution, they provide resources that political actors use to build and maintain the coalitions necessary for political survival. Dismantling these systems requires not merely administrative reform but political re-engineering, the creation of alternative mechanisms for coalition maintenance that are compatible with fiscal integrity. Without such alternatives, reform faces the political equivalent of a budget constraint: reformers can disrupt existing arrangements, but they must have some other means of maintaining political support if they are to remain in power long enough to consolidate reform gains.

At the organizational level, the syndicated structure of ghost worker fraud, the distribution of knowledge, risk, and benefit across multiple actors, creates resilience that isolated technical interventions cannot easily overcome. When one syndicate member is removed or a particular fraudulent mechanism is closed, the network's remaining members typically adapt: inserting new fictitious entries through different mechanisms, shifting to less scrutinized parts of the payroll, or waiting for the intensity of reform attention to diminish before resuming prior practices. Effective reform must therefore target the organizational architecture of syndicates, not merely their immediate outputs.

### **6.2 The Political Economy of Reform Success**

The Enugu State case, read against the broader history of Nigerian public sector reform, suggests several conditions associated with more or less successful reform outcomes. First, and most fundamentally, political will at the highest level of state authority matters enormously. Reforms led by governors or presidents who are genuinely committed to their objectives, as distinct from those who use reform rhetoric for political positioning without substantive follow-through, achieve qualitatively different outcomes, even when they face similar technical and institutional challenges (Brinkerhoff & Crosby, 2002; Leftwich, 2000).

Second, the institutional design of reforms, the specific administrative mechanisms, oversight structures, and enforcement procedures adopted, significantly affects outcomes. Reforms that introduce structural changes to organizational architecture (the segregation of payroll functions, the integration of biometric data into routine payment processes, the creation of multiple simultaneous oversight channels) are more durable than those that rely on one-time audits or exercises without corresponding changes to ongoing governance processes (Egbo, 2025). The Mbah administration's combination of immediate verification with structural institutional reform represents a more sophisticated approach than many previous exercises.

Third, the credibility of enforcement, the extent to which actors believe that fraud will actually be detected and punished, shapes the behavior of potential syndicate operators. Reforms that produce genuine prosecutions and

real consequences for identified fraudsters generate deterrence effects that technically identical reforms without enforcement do not. Nigeria's limited track record of meaningful prosecution of payroll fraud perpetrators is therefore not merely a justice deficit; it is a governance deficit that undermines the deterrent effect of even well-designed administrative reforms.

### 6.3 Implications for State Capacity and Fiscal Discipline

The fiscal implications of effective ghost worker reform are substantial and immediate. The redirection of previously fraudulent payroll expenditure to productive uses, infrastructure investment, social service delivery, debt reduction, provides tangible evidence of governance improvement that can strengthen the political sustainability of reform by demonstrating visible public benefit. The Mbah administration's publicization of savings redirected to development investments reflects an awareness of this political logic, though the credibility of such claims depends on independent verification that is difficult to sustain in the Nigerian institutional environment.

Beyond the immediate fiscal dividend, sustained payroll integrity contributes to the development of state capacity in ways that have long-run developmental significance. States that cannot accurately account for their own employees struggle to manage performance, deploy human resources efficiently, or plan workforce development, all of which are critical to the delivery of public services. The normalization of accurate personnel records is therefore not merely a financial management achievement but a prerequisite for the kind of meritocratic, performance-oriented public service that developmental theorists identify as a key correlate of sustained economic growth (Evans, 1995; Rauch & Evans, 2000).

The implications for public trust are equally important, if more difficult to quantify. Citizens who witness governments delivering payroll reform, and who observe the visible consequences in redirected resources and improved services, develop updated beliefs about the possibility and value of governance improvement. This attitudinal shift, even if partial and contingent, can strengthen the political constituency for ongoing reform and create positive feedback loops between reform credibility and reform sustainability (Rothstein, 2011; Norris, 2012).

### 6.4 Disruption Versus Reduction: Assessing Reform Depth

A critical analytical question for any reform assessment is whether observed changes represent genuine structural disruption, a lasting alteration in the institutional logics that sustain ghost worker systems, or merely temporary reduction in the scale of ongoing fraud. This distinction matters because temporary reductions may create false confidence that the problem has been addressed, allowing political attention and administrative resources to be redirected elsewhere while syndicate operators rebuild their operations.

On the basis of available evidence, the Enugu State reforms under Mbah appear more structurally ambitious than many previous exercises, but they have not yet demonstrated the long-term durability that would confirm genuine systemic disruption. The institutional reforms introduced, biometric integration, function segregation, real-time monitoring, address structural vulnerabilities in ways that previous exercises did not. But the political economy conditions that created those vulnerabilities in the first place, the patronage imperatives of electoral competition, the limited capacity of formal accountability institutions, the cultural normalization of illicit public sector income, remain substantially unchanged. Whether the structural reforms prove sufficient to sustain payroll integrity across political transitions and administrative changes remains to be seen.

This uncertainty is not a failure of the Mbah administration so much as a reflection of the fundamental challenge of governance reform in contexts characterized by weak institutions and strong informal norms. As Andrews (2013) argues in his influential critique of standard development practice, reforms that transplant technical solutions from high-capacity contexts to low-capacity ones frequently produce what he terms "capability traps", situations in which the form of reform is adopted without the substance, creating the appearance of change without corresponding improvements in actual governance. Avoiding this outcome requires sustained political investment in the informal institutional conditions, norms, expectations, professional culture, that make formal reforms effective, alongside the technical changes themselves.

## 7. Conclusion

This paper has examined the ghost worker syndicate as a product of historical, institutional, and political conditions specific to Nigeria's administrative evolution, while situating this analysis within broadly applicable theoretical frameworks. The argument has been threefold: first, that ghost worker systems in Nigeria are neither accidental nor incidental but are products of colonial administrative legacies, military-era governance distortions, and democratic-era patronage politics that have cumulatively produced deeply path-dependent institutional arrangements; second, that the persistence of these systems across reform cycles reflects not merely technical failure but the political and organizational resilience of syndicated corruption networks that are embedded in the resource distribution logics of Nigerian governance; and third, that effective reform requires simultaneously addressing technical vulnerabilities, organizational architectures, enforcement credibility, and the political economy conditions that sustain illicit payroll systems.

The Enugu State case under Governor Peter Mbah illustrates both the possibilities and the limits of ambitious state-level reform. The combination of comprehensive verification, biometric integration, structural administrative reform, and publicized enforcement represents a more sophisticated and potentially more durable approach than many previous exercises. The fiscal dividends are real, and the institutional changes introduced, if maintained, should reduce the ease and scale of future ghost worker fraud. At the same time, the underlying political economy of Nigerian governance, the limited capacity of formal accountability institutions, and the structural vulnerabilities of a federal system heavily dependent on oil revenues continue to create conditions in which ghost worker syndicates can reconstitute themselves given favorable political circumstances.

The broader lesson, applicable beyond Nigeria, is that governance reform in contexts marked by systemic corruption requires attention to multiple levels simultaneously: the technical systems that enable fraud, the organizational architectures that concentrate fraudulent opportunity, the political structures that provide protection, and the informal norms that sustain illegitimate income expectations. Reforms that address only one or two of these levels typically achieve partial and temporary results. Only reforms that engage the full complexity of the institutional ecology supporting corrupt systems have a reasonable prospect of generating durable change.

For Nigeria's ongoing governance reform project, this suggests a need to move beyond the cycle of episodic verification exercises toward sustained investment in the institutional foundations of payroll integrity: civil registration systems that provide independent verification of workforce reality; multi-level audit mechanisms with genuine independence and enforcement power; anti-corruption prosecution capacity sufficient to generate meaningful deterrence; and the long-term cultivation of professional public service norms that reframe illicit income extraction not as an expected perk but as a genuine violation of institutional obligation. These are not quick fixes, and they require political investment across multiple electoral cycles, a formidable requirement in any political system, and particularly in one as competitive and resource-constrained as Nigeria's.

Future research should track the long-term outcomes of the Enugu State reforms across political transitions, assess the comparative experience of states that have implemented similar initiatives, and develop more rigorous methodologies for distinguishing genuine structural disruption from temporary payroll reduction. Such research would contribute not only to the Nigerian governance literature but to the broader comparative study of institutional reform in settings where informal constraints are powerful, political incentives are perverse, and the technical capacity for implementation is limited. These are, after all, among the defining challenges of governance in the twenty-first century, and Nigeria's experience, for better and for worse, has much to teach.

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