

The Effect of Corruption on Development in Nigeria

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Abstract: *This paper investigates the effects of corruption on Nigeria's developmental efforts. The work utilizes data through secondary sources and relies on the extractive theory as a framework of analysis to explore incidences of corruption and its effects on Nigeria's developmental strides. It identifies the causes of corruption to include poverty, pressure from families, community ethnic loyalties among others. The paper also understudies the Power Sector and Family Support Programme (FSP) to highlight the effects of corruption on government policies at development. Finally, it recommends among other strategies the implementation of stiff penalties such as execution of corrupt people, leadership recruitment by merit and the provision of basic amenities for the people as solution to the corrupt nature of the Nigerian society.*

I. Introduction:

Corruption is a social menace that has eaten deep into the fabric of the Nigerian polity. Generally, the global perception about graft in Nigeria is that of pervasive phenomenon. It has been acknowledged that corruption and its practices are both endemic and systemic in both public and private sectors of Nigerian economy. The debilitating effects of corruption on the country are enormous. It affects the routine processes of governance both in public and private sectors, and it pollutes the business environment generally. It also undermines the integrity of government and public institutions.

In the words of Obasanjo (2009), "corruption has been responsible for the political instability of successive government since the First Republic. Every coup since then has been in the name of stamping out the disease called corruption. Unfortunately, the cure turned out to be worse than the disease. And Nigeria has been worse for it. Nigeria's external image took a serious bashing, as our beloved country began to fixture on every corruption index.

This statement shows the commonality of corruption in Nigeria which has permeated all the sectors of the economy, or aspect of the society. For instance, beyond the mere enjoyment of public funds, the amassing of wealth by illegal means does not seem to trouble Nigerians.

Today, Nigerians applaud and tolerate ill-gotten wealth which in reality is money stolen from public coffers. This is a pointer to the fact that corruption is endemic in Nigeria. It has permeated into every facet s of the society; the family, the church and even the traditional systems are not left out of this contagious disease. Corruption therefore, affects the developmental efforts of successive government in Nigeria. This has been responsible for the non completion of projects and programmes that would have help in alleviating the sufferings of Nigerians. Corruption has been adjudged to be responsible for Nigeria's underdevelopment. The revelation by the Economic and Financial Crimes Commission (EFCC) and Independent and Corrupt Practices Commission (ICPC) concerning looted resources by private businessmen, political office holders and civil servants is alarming to the extent that one ponders whether the menace can actually be stamped out in the country.

This situation poses a challenge which this paper sets out to address. In doing this, it will examines the concepts corruption, and development, causes of corruption, and the effects of corruption on Nigeria's developmental efforts. At the end suggestions on how to stamp- out corruption in Nigeria are outlined.

II. Conceptualizing Corruption and Development.

Corruption: The concept defies a single comprehensive and universally accepted definition. It will be a long and cumbersome process to come up with a universally shared definition of corruption. For the purpose of this work, we shall adopt the following definitions in making analysis of what corruption is.

According SADC (2007:8), corruption is the abuse, or complicity in the abuse of private or public power, office or resources for personal gain. This definition has the following features:

- (a) It recognizes that corruption takes place in both the private and public sectors, and
- (b) It holds individual and institutions that are involved in the abuse of power, office and authority vicariously responsible for corruption (Chinhambo and Shumba 2007:6).

Inherent in the above definition is that, corruption is the diversion of fund, illegal procurement of properties, misappropriation and mismanagement of funds among others by both the private and public organizations.

In a similar fashion, the World Bank (1997) defines corruption as:

The abuse of public office for private gains. Public office is abused for gain when an official accepts, solicits or extorts a bribe. It is also abused when private agents actively offer bribe, to circumvent public policies and processes for competitive advantage and profit. Public office can also be abused for personal benefit even if no bribery occurs, through patronage, nepotism, the theft of state assets or diversion of state revenue.

This definition is broad enough to cover most of the obvious corrupt acts of human beings. It depicts a situation where pervasion of integrity or state of affairs takes place through bribery, favour or moral depravity; when at least two parties have interacted to change the structure or processes of society or behaviour of functionaries in order to provide dishonest, unfaithful or defiled situations.

Conversely, the political Bureau (1987) identify corruption characteristics to:

includes the inflation of government contracts in return for kickbacks; frauds and fabrication of accounts in the public service, examination malpractices in our educational institutions including universities; the taking of bribes and pervasion of justice among the police, the judiciary and other organs for administering justice, and the various heinous crimes against the state in the Business and industrial sectors of our economy: collusion with multinational companies such as over invoicing of goods and foreign exchange swindling, hoarding and smuggling.

In Nigeria corrupt acts are called such slangs as *kickbacks, to shake hands, to understand, to be wise, returns breakfast, drinks, kola, brown envelopes* etc. However, in whatever way corruption is defined, it involves acts which are perceived to be against public interest or to violate certain legal and moral laws and principles and some of these acts are directly or indirectly harmful to the society. It is often considered evil as it affects efficiency and economic system. It also affects the success of policy implementation, which is crucial for development in Nigeria.

Development: The concept of development has proved much resistance to a unilateral definition. Development is a multi dimensional process that normally connotes change from less to more desirable state. Ujo (1995:5), put it that, development is beyond economic indicators. He maintains that development is both a physical process and a state of mind. The transformation of institution is one aspect, and other aspect is that the thinking of the people must change.

From certain perspectives, a developed society is one which experiences a progressive growth in the Gross National Product (GNP) or per Capita income. It is one that experiences sustained growth (Iyoha, 1996:23). What this means is that development is completely an economic issue understood and explained in terms of an increase in the GDP of a country.

Seers (1969:2) said that:

Analysis of development is important in its emphasis on equality as well as growth. He argues that the basic question to ask about a society or country's development is; what has been happening to poverty, and unemployment. If all these have declined from high level then beyond doubt, there has been a period of development of the society or country concerned.

The above assertions of development are based on the improvement of the living condition of the citizens. So in essence development involves human, socio-economic and political upliftment in the society.

Similarly, Rodney (1981) sees development as a multi-sided process, at the level of the individual, it implies increasing skills and capacity, greater freedom, creativity, self-discipline, responsibility and material well-being, at the level of the social groups development implies an increasing capacity to regulate both internal and external relationships, which encompass survival against natural, real and imagined human enemies (Iji 2005:78). Sorkaa (2005) crowns it by asserting that development is a product of a manner of production of goods and services in a society from the society's resources.

To properly understand the issues of corruption and development in the Nigerian context, the concept of extractive corruption theory may be handy. This thesis posits that the State is the stronger part in the State-Society relationship. The state is symbolized by the ruling class/elite while the ruled represents the society. Significantly, the ruling elite is the strongest force in society. This elite or class uses the state apparatus as its instrument to extract based on the experience of the new-patrimonial states in particular. Put differently, the theory posits that the state is not only the strongest force in society, but also many centers of powers (Okechukwu and Inya 2011:48).

The theory also emphasizes the well-known expression that all power tends to corrupt, and absolute power corrupts absolutely. That is, the more political power is concentrated exclusively in the hands of few individuals, the greater the temptation for power abuse, selfish wealth-seeking and primitive accumulation (Okechukwu and Inya 2011). Again, the theory posits that the ruling elites use and misuses the power of the state primarily to safeguard their own corporate interests, to the detriment of the majority. They use violence, force and persuasion to command respect. They may use sophisticated institutional arrangements like

presidentialism, dominant-multi-single-party system (PDP in Nigeria), and the cooption of rivals in order to restrict participation and power sharing.

The theory is also characterized by new-patrimonialism that is, a kind of political system where there is pervasive and patron-client structures, the non-distinction between public and private pursuit and strong political weakness exist. In truly patrimonial system there is no distinction between public and private, and the modern idea of corruption will make no sense because the ruler's personal income is the same as the government revenue. And there is no nepotism because there are no criteria for appointment to office other than the ruler's favour.

In the words of Weber (1964), the classical or traditional patrimonialism is one in which the right to rule is ascribed to a person rather than an office, and exercised more through the informal clientelist and nepotistic practices than strong formal routines of authority. In Nigeria, the ruling elite's uses or misuses state power s to plunder resources which would have been used for the country's development for their personal gains. Most of the resources which are ear-marked for developmental projects develop wings and fly to people's pockets (elites). It is sad to note that elites in Nigeria have established hegemonic circle who siphoned the country's wealth for personal use. They are composed of rather small elites of politically and economically dominating families. Their corrupt acts are responsible for Nigeria's underdevelopment.

III. Causes of Corruption in Nigeria.

Generally, the major causes of corruption can be linked to the nature of the economy of a particular society. This means that, it is the economic situation of a society that determines the behavioral pattern predominately found in such society. The nature of the Nigerian economy and the way it has been managed largely account for the mode of economic behaviour of the various actors in Nigeria. Strictly speaking, the following are causes of corruption in Nigeria.

(a)Poverty: the current rate of poverty in Nigeria stood at 54 percent (NBS 2011). Therefore, people believe that corruption is heightened by the pervasive and chronic poverty, high level of material deprivation and other structural inequalities. Considering this Shamija (2006:112) asserts that, corruption is a mechanism adopted by Nigerians to cope with or avert poverty, particularly in the urban centres where the high cost of living may be an inducement for corruption. In a situation where there is inadequate wages and non-payment of salaries in most cases to workers, corruption provides a means of augmenting one's legitimate income. To justify the above, Ayua (2001) notes that, there is low and declining civil service salaries and promotion that is not based on performance, dysfunctional government budgets and delays in the release of budgets funds, including pay. He asserts that under such conditions and circumstances officials deliberately refuse to act or delay action in order to coerce some payment out of citizens or firms.

(b) Cultural Foundations: Bedford (2000) in an attempt to contextualize Nigerian corruption identifies tribal loyalties as the foundation of corruption. Therefore, our culture seems to fuel some corrupt practices. The sharing of bribes and favours has become the order of the day; there is hardly the motivation to become honest. This has become a subculture where corruption is accepted to be the normal course of life with the obvious risk of it becoming institutionalized. The traditional culture has internalized the concept of the "big man" marked by ostentations wealth and numerous clients, retainers, and hangers-on. The concept of "big man" here refers to a person with several dependents that he must provide for them, own houses and fleet of cars appropriate to his status. This explains why many Nigerians indulged in corrupt practices.

Again, pressure from extended families combined with ethnic loyalties provides fertile grounds for the growth of corruption. These pressure forced officials to indulge in sharp practices in order to find employment for their kinfolk whether they have requisite skills or not. Ethnic groups also jostling for precious administrative and economic positions usually forced by whatever means possible to gain access to and control over strategic areas of administration and economy. Once in these positions all methods (whether legal or illegal) are employed to ensure that their kinfolk have what is referred to in Nigeria's parlance as "our share of the national cake", not minding whether it is fair or whether the imbalance so created is blatantly unreasonable (Ayua 2001).

(c) Inability of Government to sanction Corruption: Shamija (2006:114) observed that, the seeming reluctance of government to sanction corruption creates the impression of support. Media report show that government is fond of setting investigation panels and commissions of inquiries whose investigations or findings and recommendations are never made public nor implemented. For instance, the move by EFCC and ICPC in fighting corruption has not yield expected fruitful results.

(d) Weak institutions of government: another breeding ground for corruption in Nigeria is our weak institutions of government. Corrupt tendencies are further enhanced when governmental institutions are weak. For example a tax imposes confiscation rates may fuel bribe-taking behaviour, as tax payers will prefer to bribe and pay less tax. This brings to mind the administration of the pension scheme in Nigeria which was been characterized by emblezzement and outright misappropriation of funds (ThisDay, March 27, 2007).

(e) Lack of Exemplary leadership: this is a central cause of corruption in Nigeria. Lack of exemplary leadership is a problem that has lingered since Nigeria's independence. Both civilian and military leaders have had selfish motives for their decisions and policies instead of the interest of the nation. As Achebe (1983:1) expressed:

“The trouble with Nigeria is simply and squarely a failure of leadership... The Nigerian problem is the unwillingness or inability of its leaders to rise to the responsibility or the challenge of personal example which are hall marks of true leadership”.

This assertion reveals that, there is problem of leadership in Nigeria. The successive leaders that have ruled this country lack the will of fighting corruption rather they indulged in corrupt practices to better their living at the expense of the poor.

Corruption and Nigeria's Development.

Nigeria is plugging deeper into the mire of corruption with each passing year, she is one of the most dishonest countries, not just on African continent but on the face of the earth. Affirming this, the corruption perception index 2010 released by Transparency International note that, Nigeria failed to achieve an improvement over last six years. And when its CPI was released, it was revealed that Nigeria came 134th out of 176 countries that were assessed, in 2009, Nigeria came 130th, in 2008, she came 121st. In 2010, it scored a paltry 2.4 points out of a possible 10 points. The table below captures Nigeria's ranking from 1996 to 2010.

Table 1 Below examines Nigeria's position from 1996 to 2010.

Corruption Perception Index Ranking

Year	Ranking
1996	54 out of 54
1997	52 out of 52
1998	81 out of 85
1999	98 out of 99
2000	90 out of 90
2001	90 out of 91
2002	101 out of 102
2003	132 out of 133
2004	144 out of 146
2005	152 out of 158
2006	150 out of 163
2007	132 out of 147
2008	121 out of 150
2009	130 out of 150
2010	134 out of 178

Source: Eme (2010:404) “corruption in Nigerian government institutions: A case study of Police Equipment Fund, Journal of Liberal Studies, University of Nigeria, Nsukka.

Economically, corruption leads to the depletion of national wealth. Nigeria sits on some of the largest oil reserve in the world, which has been fuelling corruption since independence. Okechukwu and Inya (2011:58) observed that between 2000 and 2008 alone, it earned roughly 370 billion United States dollars in oil and gas export. In spite of this, the average life expectancy stands at 48 years and over half of Nigerians do not have access to clean water (UNDP Report 2000, 2004, 2005, 2007 and 2009). The depletion of national wealth is often responsible for funneling of scarce public resources to uneconomic high-profile projects, such as dams, power plants, pipeline and refineries etc, at the expense of less spectacular but fundamental infrastructure projects such as schools, hospitals, roads, the supply of power and water to rural and urban areas. Furthermore, it hinders the development of fair market structures and distorts competition, thereby deterring investments.

Corruption in Nigeria completely undermined government's socio-economic development strategies. Nonetheless, corruption continues to hamper government's policies and initiatives at development. We shall consider the case of Power Sector and Family Support Programme which were dislodged and obstructed by corruption.

Nigeria's developmental efforts have been hampered by poor electricity supply. Most industries relied on generating plants as source of power to run their day to day operations. This situation constitutes a major setback to both local and foreign investors who do not see profitable returns on their investment. As a result, successive administrations since the return to civilian rule in 1999 have singled out the power sector for a major reform.

The Obasanjo regime (1999-2007) committed huge sums of money (\$16b) to revamp the sector. The Yar'Adua/Goodluck administrations thereafter declared a state of emergency in the sub-sector, all with the aim of upgrading and improving electricity supply in the country. But, tried as these successive administrations have electricity supply in the country continuous to suffer. This deteriorating state of the power sector has been attributed to endemic corruption in the sub-sector of the economy.

Corruption has bastardized the power sector. Ideally, with fantastic resources profile and a right type of management team in place, the power sector would have been able to provide good quality and reliable electricity supply to its consumers nationwide. Thus Muttiullah (2010:55) says;

There is a problem of corruption which makes power supply a difficulty in Nigeria. There are many unresolved problems in Nigeria but the issue of the upsurge of corruption in the power sector is troubling. And the damage it has done to the power supply in Nigeria is astronomical. The menace of corruption leads to epileptic power supply in the country.

Looking at the above, corruption is certainly to be blame for recent unconscionable tampering with the 16 billion dollars meant to be spent in the energy sector in Nigeria released by the previous administration. This condemnable pilfering of the people's money constitutes a colossal waste of public money siphoned by those we entrusted the money to, for our common good. Muttiullah (2010) notes that instead of the money going into the power sector, it became booty for various officers charged with executing the energy project. The ailing power sector has been the bane of meaningful development in Nigeria. Less than one third of Nigerian population is connected to electricity supply, which is even erratic and almost non-existent. World Bank Report (2005) had estimated that \$10 billion was needed to ensure that at least 75% of Nigeria's population had access to electricity. This meant that the \$16 billion mismanaged by Obasanjo government, if judiciously spent should have largely mitigated the monumental electricity crisis in Nigeria.

There is no gain saying that corruption bleeds Nigerian economy to the point of collapse, and thus making nonsense of development efforts of successive administration. This is not unexpected, when most of those saddled with the task of piloting the affairs of the country are busy robbing the country blind. The power sector is even the worst hit. For eight years Nigerians endured mouth watering promises from former President Olusegun Obasanjo's government. Yet, the power sector he left behind was worse than he inherited from the San Abacha /Abdulsalami military junta, notwithstanding, the trillions of Naira that was sunk into Power Sector.

Another programme that corruption has disrupted is the Family Support Programme(FSP) and the Family Economic Advancement Programme (FEAP) in Nigeria. These policies were initiated by the Abacha regime and was anchored by his wife who found a gold-mine in the business of "pretending to care for the poor". The Nigerian poor, again, were taking for a ride. According to the Tell magazine of 3rd August 1999, "FSP gulped over 10 billion Naira of tax- payer's money at a time her husband, Abacha was retrenching helpless civil servants nation-wide". This entails that the programme at the end did not see the light of the day or tackle the problem of poverty due to corruption.

Looking at the assessment of corruption in Power Sector and Family Support Programme (FSP) prove that corruption has frustrated the efforts of government policies at development. Corruption has defied all measures adopted to combat it in Nigeria, apparently, because those waging the corruption-wars are themselves corrupt. Suffice to mention here that most anti-corruption measures have been met with lip service in Nigeria. Right from the Gowon's public officer (investigation of assets) Decree No.5 of 1966 through Murtala's corrupt practices Decree 1975, Shagari's Ethical Revolution to Buhari's War against indiscipline and to the present Corrupt Practice and other Related Offences Act 2000, corruption seems to defy all these measures.

The way forward

The following may help in adding value to the fight against the menace called corruption.

- (1) Special courts should be established to try corruption cases. This will give speed and quick judgement to corruption cases.
- (2) Our criminal and penal laws need review. This is because they were not initially designed to solve the kind of problem we are experiencing in our contemporary society where corruption has become "systemic with the institutionalisation of corrupt motivation among various bureaucratic, political and business elites" (Ayua 2001).
- (3) While laws and law enforcement are indispensable, the sustained reduction of systematic corruption requires committed leadership that solves the socio-economic problems of the people and in turn gets support from the citizens and the civil society.
- (4) Honesty and transparency should be publicly rewarded. This will serve as an encouragement to the society and the upcoming generation that it pays to be honest.
- (5) The family is the micro unit of the society. The message of value reorientation should begin from the family. Parents should endeavour to inculcate in their children and wards the character of honesty, dedication and uprightness.
- (6) There should be stringent punishment for those convicted of corrupt acts in our law court. If possible let us take a cue from China where harder punitive measure are placed on convicted criminals. This may definitely serve as a deterrent to those that may want to be motivated by largess from sharp and corrupt acts.

- (7) The teaching of moral studies or instruction in all tiers of education in the country should be emphasised on. Our children should be taught that there is God in heaven who watches and rewards every good act. So, they should embrace discipline and godly contentment, which to me is great agian.

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