

# NIGERIA AT 50: ISSUES, CHALLENGES AND AGENDA FOR 2020 CORRUPTION AND ANTI-CORRUPTION CRUSADE

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## **Abstract**

*There is no denying the fact that corruption adversely affects the productivity of public investment and distorts the effects of industrial policy on investment. Corruption is both pervasive and significant in Nigeria. Incidentally, Nigeria has already been ranked by the Berlin based Transparency international as one of the most corrupt countries in the world. This ranking was of course, based on a weighted average of corruption perception indices. The overall index assesses the degree to which public officials and politicians are involved in such corrupt practices of accepting bribes and embezzling public funds. Therefore in order to reduce corruption in Nigeria, the Federal Government including stakeholders must adapt some stern measures by punishing those found guilty for corrupt practices, regardless of their social status in the society. As a matter of fact, one is not comfortable with the present practice whereby treasury looters are not given severe punishment to serve as deterrent to others. In most cases the offenders are just being transferred to another place and that is all. It is quite painful to note that any person who decides to work honestly, faces a lot of dehumanizing experience in life.*

Nigeria with a population of over 100 million people is the most populous country in sub-saharan Africa. At the time of political independence on October 1<sup>st</sup> 1960, Nigeria was known for her exports of agricultural products including groundnuts, palm oil, cocoa, cotton, soyabeans, timber, hides and skins. Then during the oil boom period of the seventies, Nigeria made headlines with her oil wealth as the country that is richly endowed with oil and natural gas resources capable of financing a number of important projects, consumption and developmental needs with a per capita income of 1100 dollar. During the late 1970s, Nigeria was regarded as the fastest growing country in sub-saharan Africa.

Since then Nigeria has been rarely off the world press, but mostly due to notoriety rather than fame. One persistent accolade conferred on Nigeria is that, it is one of the most corrupt countries in the world. The discussion on this paper centres mainly on corruption. The term corruption has different meanings depending on the context it is being used. However, the simplest definition of corruption is the misappropriation of public funds or the conversion of public funds to private use. In more broader meaning, Macrae (2000) defined corruption as an arrangement that involves two parties that is the demander and the supplier who has an influence on the allocation of resources either immediately or in the future. The demander involves in the abuse of public office. Tanzi (1998) defined corruption as the abuse of power for private benefits.

### **Concept of Corruption**

Corruption is both pervasive and significant in Nigeria. For the past five consecutive years, Nigeria has been ranked by the Berlin-based Transparency International as one of the most corrupt countries in the world. This ranking was based on weighted average of corruption perception indices (CPI). The overall index assesses the degree to which public officials and politicians in particular countries that accept bribes, take illicit payments in public procurement and embezzle funds. The index ranges from a score of 0 (a highly corrupt country) to 10 (a total corrupt-free country).

Few would dispute Nigeria's premier position in the corruption league table. Nevertheless, corruption is found in virtually every stratum of society but especially so in corridors of power in the leadership. As the cliché goes "keeping an average Nigerian from being corrupt is like keeping a goat from eating cassava". Rarely, is distinction made between cash earned privately on the one hand and cash removed from the public purse on the other hand. This attitude could be attributed to a deep sense of obligation to one's family and ethnic group, but on the other hand, selfishness, greed, and avarice. The former viewpoint is reflected in the financial times of 1993 survey on Nigeria which found that a number of Nigerians see nothing wrong with using public funds to disperse favours to a cousin or to build a house for one's village as it is an informal means of redistributing wealth because such an act is considered as a lubricant of a positive sum of game of 'give and take' which is widely practised in employment offers, award of contracts, import licenses and even in obtaining admission to higher institutions of learning. The visible riches of these corrupt and the greedy spur the poor to imitate their life styles and modes of acquisition of wealth. (Van Rijckeghem and Weder, 2009).

In the same vein, President Obasanjo who welcomed the 1999 corruption index table published by Transparency International issued a statement through his presidential spokesman, Doyin Okupe thus:

President Obasanjo has no objection to the results shown in the (Transparency International) pull. The pull shows the magnitude of the challenge the present administration is facing and addressing energetically. It should also draw further attention to the need for Nigerians to collectively support the Federal Government's efforts to stamp out corruption and redeem Nigeria's image with the International Community. (Agency France-presse, October 27, 1999).

However, many economists and political commentators in Nigeria have questioned the Transparency International Index. Firstly, the table consists of only less than half of the countries in the world. Secondly, the corruption index reflects only the perception of business people in the industrialized countries, hence the corruption index concentrates solely on the demand side of corruption while ignoring the supply side. Thirdly, the corruption index says nothing about the weights attached to various sorts of corruption. In fact, it ignores the major vehicle for bribery and corruption that is company to company "kickbacks" which involves multinational companies from the so-called bribery-free countries of the developed world. This omission is reflected in a warning by the Director of the Transparency International, Peter Eigen (1999) who noted that,

Corruption is perceived to be greatest in the third world, but I urge the public to recognize that a large share of the corruption is the explicit product of multinational companies, headquartered in leading industrialized countries, using massive bribery and kickbacks to buy contracts in the developing world.

### **Methodology**

The corruption index does not qualify the magnitude of corruption per-se. It cannot therefore be relied upon for evaluating the extent of corruption, in monetary terms while there are no direct ways of measuring corruption, however, there are several indirect ways of getting information about its prevalence in a country. These include reports on published sources including newspapers such as the Financial Times, the New York Times, the Economist case studies of corruption agencies as tax administration, customs, police, and questionnaire-based surveys relating to a specific agency or a whole country. The World Bank has relied on some of these surveys in its work on Tanzania, Uganda, India, Ukraine and other countries (Tanzi, 1998). Anecdotal evidence on the magnitude of corruption in Nigeria can be found in media sources and proceedings of various tribunals set up to investigate cases of alleged financial impropriety on the part of government officials. Such evidence however, does not tell the whole story as it relates to isolated acts of corruption. It is therefore crucial to utilize some methodological approaches to measure the magnitude of corruption. Based on some of these factors discussed above, the need for national

rebirth cannot be over-emphasized. The only tool that can assist to redress these problems is the acquisition of sound moral education couple with the fear of God.

### **Corruption as an Impediment to National Development in Nigeria**

Corruption in Nigeria has become a part of Nigeria factor that has contributed negatively to every aspect of Nigerian society. It is surprising to note that even in religious circle where one expects high degree of honesty, transparency and accountability, the story is not different. For instance, there are cases of some religious managers always at loggerhead with the church members over projects donations, this is in fact unethical and unhealthy development. In some public offices, nothing moves without a tip, while the employers of labour, there is no due regard to academic qualifications as being outlined by law. It is a common practice to note that public money is easily converted or diverted into private accounts. There are cases of some state governors absconding with huge public funds meant for specific projects without fear of God. Indeed, corruption in Nigeria has spread to all facets of our national life. It has deeply cut into the very existence of life and it will take this country time to get rid of it.

Admittedly, there can be no meaningful development in a situation where a high level of corruption and insecurity are on the alarming rate. Iwe (2003) noted that “the moral situation in Nigeria can be described in the following words: moral integrity is going down through bribery and corruption, nepotism, organized robbery, violence, forgeries in financial institutions, thuggery activities, drug abuse, cultism, hired assassinations alas the list is endless.

### **Leadership and Accountability in Nigeria**

Accountability and transparency in office, especially in the area of fund management are qualities rarely seen in many leaders, this need not be so. Nigerian leaders, in order to curb this ugly menace, must adopt personal and social attitudes that are geared towards changing our society in which selfishness and irresponsibility have begun to dominate. This is indeed, very apt because if things are allowed to continue the way they are now, then unaccountability will certainly give birth to corruption which will eventually bring about the death of both individual Nigerians and the nation itself, because corruption always kills ultimately. It destroys both its victim and its perpetrator in the long run.

### **Major causes of Corruption in Nigeria**

Public choice theory, game theory and transaction cost economics had all made important contributions to the study of corruption (Rose, 2005 and Macrae, 2000). Whilst economists focus on the decision making rational, self-interest seeking, individuals involved in corrupt transactions, political scientists have utilized a psychological profile of government officials by incorporating moral integrity into

their analyses. Other studies have examined the link between specific organizational structures and incentives to corruption. Empirical analyses, however, concentrate on three broad categories: government policy induced sources of corruption, natural resource endowments and cultural/socio-political factors.

### **Policy-induced Sources of Corruption**

Policy induced sources of corruption arises when pervasive regulations exist and government officials have an excessive degree of discretion in applying them. Private parties may be willing to pay bribes to government officials in order to obtain rents that the regulations may generate. Tanzi (1998) argued that, the problem becomes worse when regulations lack simplicity and transparency. The following are some of the government induced sources of corruption in Nigeria as stated here-under:

1. Trade restrictions
2. Government subsidies
3. Multiple exchange rate practices and foreign exchange allocation
4. Low wages in the civil service relative to private sector wages or per capita income (GDP)

Although the bulk of the theoretical literature on rent-seeking has generally concentrated on quantitative restrictions upon international trade, it can be extended to cover other forms of government restrictions upon economic activity. Whilst such rent-seeking competition may sometimes be legal, in other instances it takes illegal forms, such as bribery, corruption, smuggling and other hidden activities. Krueger (1994) showed that the estimated values of rents associated with underground activities for instance in India and Turkey for the year 1964 were quite considerable. Multiple exchange rate practices and foreign exchange schemes whose importance may be proxied by paralleled exchange market premier, such as those used by Levine and Renelt in 1992 also led to corruption. In developing countries, in particular, where state owned commercial banks ration foreign exchange on the discretion of the bank Managers, the supply price of bribes could be substantial.

### **Natural Resource Endowments**

Endowment of natural resource such as crude oil, provide a major source of economic rents since they can be sold at a price that far exceeds their cost of extraction. Sacle and Warner (1995) argued that resource rich economies are more likely to be subject to extreme rent-seeking behaviours than are resource-poor economies. In Nigeria for example, oil wealth has been attributed to be one of the main causes of pervasiveness of rent-seeking activities and corruption. The oil boom of the 1970s, in particular, was responsible for over spending of public funds and high level of corruption. The oil case of many investment projects, resulting in the selection of projects with low or even negative rates of return.

### **Cultural/Socio-Political Sources**

Sociological and cultural factors such as customs, family pressures on government officials and ethnicity constitute potential sources of corruption. In Nigeria, although traditional values of gift giving and tributes to leaders often lead to what Brownsberger (2003) describes as “polite corruption” the extent of such corruption is relatively small. The prevalence of this kind of corruption in Nigeria is illustrated by Chinua Achebe (1989) in his novel “Things fall apart”. Here a strong and determined young man called Okonkwo, went to the great man of his Igbo village to ask for a favour. In seeking the loan of yam seeds to plant on his farm, Okonkwo brought a cock, a pot of palm wine, kola nut and an alligator pepper offering them to elders he noted that:

Our father, I have brought you this little kola. As our people say, a man who pays respect to the great paves the way for his own greatness. I have come to pay you my respect and also to ask a favour.

Thus, Okonkwo’s gift-giving really constitutes polite corruption. It should be noted however that gift giving and tributes to leaders may lead to corruption, but please note that not every gift-giving attracts corruption. A number of authors like Wraith and Simpkins 1997, Loyd (1990), and Memullan (2002) have pointed out that Africans know that difference between a polite gratuity and a bribe and that traditional Nigerian culture does recognize that the community leader has a duty to his people and that this has systematic exploitation of office. There are also those who believe that modern bribery may not be seen as cognate with traditional gift-giving since it takes place outside the context of a patron-client relationship. Ethnically, the poor man’s bribe to the faceless power he will never meet again is completely distinct from his traditional gift to a patron.

In spite of the prevalence of polite corruption, much of Nigerian corruption is underlined by the ethic of dependency relations, ethnic loyalties and attitudinal tendencies, such as greed or love of ostentations, either in culture at large or among clique. Evidence of this abound in developing countries where a number of the elites have mismanaged their own careers and financial affairs, the result being special temptation to corruption. In addition, poverty, political instability and other societal forces put pressure on public servants to be corrupt.

### **Other factors influencing corruption include:**

5. Low income
6. Lack of fringe benefits and other financial incentives
7. Insufficient external control that is law and order tradition, checks and balances
8. High statutory tax rates regulation for example in Benue State where public servants pay higher tax without proper formula.

**Table 1.**

	<b>Factors influencing corruption</b>	<b>Determinant variables</b>
1	Wage consideration	(i) inadequate pay (ii) fringe benefits and other financial incentives
2	Urge to get rich quick	(i) people want to emass wealth through dubious means at all costs (ii) falsification of a figures in financial institutions
3	Insufficient external control	(i) law and order, checks and balances (ii) lack of information made available to the public and freedom of the press (iii) mechanism for citizens participation and complaint (iv) high social acceptance of corruption (v) difficulty of proving cases in court
4	Amount of distortion or opportunities in the ceremony:	(i) pervasive government regulations (ii) high statutory tax rates, non-transparent tax regulations.
5	Other factors	(i) cultural factors (ii) culture of bureaucrat elitism and education of civil servants (iii) leadership quality (iv) ethnic diversity

**Source:** Van Rijckeghem and Weder, (1997)

The table above provides a cogent summary of the various determinants of corruption, many of which fit the Nigerian situation. All the factors relevant to Nigeria may be as a result of absence of a properly functioning market system.

### **The Need to Rebrand Nigeria**

The situation in Nigerian is becoming hopeless and as such, needs total overhaul if we hope to achieve something that would help narrow the gap between the rich and the poor. It is with this in mind, that the issue of rebranding campaign becomes more pronounced. Kegliku (2009) commented that,

The current attempt at rebranding Nigeria started in 2002 by the Nigeria Institute of Public Relations (NIPR) to carve a new image for the country. Two years later, Federal ministry of information and national orientation under the ministership of Chief Chukwu Emeka who was dropped from

the cabinet, his successor, Mr. Frank Nweke changed the nomenclature of the project from rebranding to “Heart of Africa” with the same Aims and Objectives

### **First Attempt to Curb Reduce Corruption in Nigeria**

It would be recalled that the idea of rebranding was actually started by the late General Murtala Mohammed in 1976. He started first with himself by way of surrendering all his landed property to Kano Local Government Council and even money he knew acquired illegally. From there on, he turned his attention to other top level officers of his government. During his regime, there was no joke, all the so called super permanent secretaries who thought they could not be removed, found themselves being sacked. There was real sanity among the civil servants, in addition, there was work ethic nearly in all public offices.

**Second Phase of Anti-corruption crusade.** The second phase of anti-corruption was by General Mohammed Buhari in 1984. This regime was highly against any form of corruption and in fact the regime was out to stamp out corruption. That administration brought the war against indiscipline (WAI) in all its ramifications. The style of this administration was almost like that of the late General Murtala Mohammed. Corrupt officers were forced to refund all the ill-gotten money to the government coffers, in addition to face serious disciplinary action. Unfortunately, the two regimes were short lived. If those two administrations were to stay longer, Nigeria would have been among the nations one would ever be proud of. It should be noted, however that as discussed in this paper, the idea of rebranding Nigeria has been an attempt for correction of the already battered Nigeria image in the eyes of the world.

**The third phase of Anti-corruption crusade (EFCC).** It is on record that the late General Murtala Mohammed and General Buhari’s Administrations had succeeded in reducing widespread corruption in both public and private sectors of the economy. President Obasanjo too made an attempt to reduce corruption in Nigeria because it was during his administration that the Economic and Financial Crime Commission (EFCC) was introduced. The commission performed very from the start but was later met with stiff opposition across the country. Nevertheless, the commission made effective impact during the time of Nuhu Ribadu, but now it is becoming somehow weak. The EFCC should be more responsive than ever before, in addition, it should intensify more efforts to cover its operation to businessmen as well. For example some contractors who sometimes collect mobilization fees and later abandon their projects should be forced to cough out the money they have collected and lastly be blacklisted.



### **Vision 2020**

Vision 2020 is defined by Wikipedia (2007) as a national project focused on advancing gender equality by engaging in dialogue about women and leadership. Nigeria's vision 2020 is an Economic transformation blue print which seeks to position Nigeria among the 20 largest economies in the world by the year 2020 with a Gross Domestic Product (GDP) of not less than 900 billion dollar and a per capita income of over 4,000 dollar. This vision 2020 has been approved by the country's decision making Federal Executive Council (FEC).

According to the National Planning Commission, the blue print, which lays out the path for the rapid and sustainable economy, represents an intention to achieve a transformation of the Nigerian state across social cultural and political dimensions. The vision is for Nigeria to have a large, strong, diversified competitive and technologically enabled economy that effectively harnesses the talents and the energy of its people and responsibly exploits its national endowments to guarantee a high standard of living and quality of life for its citizens. The blue print also covers the macrocosmic framework, it is a combination of propositions and projections designed to place the economy on robust or sound double digit growth from 2010 to 2020.

Other measures include: the guarantee of affordable housing, access to finance, quality healthcare, portable water, sanitation, sustainable livelihood and an educational system that is functional and qualitative. It also proposes measures for ensuring, among others, the establishment of a competitive business environment that is private sector driven, enhancement of national security and administration of justice, promotion of unity in diversity, national pride and conservation of the nation's cultural heritage.

(Source: [www.afriqueject.com/news/afrc-news...](http://www.afriqueject.com/news/afrc-news...))

### **General Overview of Vision 2020**

It is on record that successive governments in Nigeria had made series of attempts to reform or transform Nigeria, though, it has not been an easy task. It was against this background that the idea of 7-point agenda was initiated by late president Musa Yar-Adua, all this was aimed at making Nigeria a better place to live. Now another journey has started which is vision 2020. Vision 2020 is a comprehensive framework designed mainly to restructure the country's economic growth. The framework also offers a blueprint for sustainable political development in Nigeria which in the final analysis, would align into goals of the national development. The 7-point agenda is an off-shoot of vision 2020.

For instance late President Musa Yar' Adua shortly after the harmonization of 7-point agenda as quoted by Senator Sanusi of National Planning Commission in "The Nation Newspaper" of September, 3<sup>rd</sup> 2010. P. 15 as saying:

The task of ensuring a successful implementation of the harmonized development agenda over the next four years would be an important milestone towards meeting one of the 20 largest economies of the world by 2020.

The only key instrument for achieving the national objectives of vision 2020 is to rekindle the seven-point agenda that had been launched by the late President Umaru Yar' Adua. Besides, another important area is the issue of qualitative functional education, and with these, it is hoped Nigeria will achieve the objective of vision 2020.

When one observes the aims and objectives of vision 2020, there are similarities with Millennium development Goals. As stated by Akanyi and Iorngurum (2010) the eight International Development Goals (IDG) that all the 192 United Nations member states and 23 International Organizations did agree to achieve in the year 2015 are as follow:

1. Eradication of extreme poverty and hunger
2. Achievement of Universal primary education
3. Promotion of gender equality
4. Reduction of maternal health
5. Reduction of child mortality rate
6. Ensuring environmental sustainability
7. Development of global partnership for effective participation
8. Combating HIV/AIDS, malaria and other diseases.

The goals were officially established during the Millennium summit in 2000. In 2001, all the world leaders adopted the United Nations Millennium declaration. Nigeria too was signatory to these declarations since she is a member of the United Nations. One of the striking goals is the issue of achieving a free universal primary education by the year 2015. It is interesting to note that the moment UN declared the Millennium development Goals (MDGs) Nigeria too quickly launched her Universal Basic Education (UBE) programme on September 30<sup>th</sup>, 1999 with a promise to provide free basic education to her children of all school age. Vision 2020 is therefore seen as an appendix to MDGs in achieving the desired goals of which Nigeria is working relentlessly so as to meet the target period of 2015.

## **Conclusion**

The paper has examined the theoretical issues on the determinations and impact of corruption. The magnitude of corruption in Nigeria is quite considerable

ranging from 11 percent of GDP in 1960 to around 60 percent in the 1990s. This undoubtedly has had serious consequences for growth and development in Nigeria. Corruption has an adverse effect on the growth rate of Gross Domestic Product (GDP) in Nigeria. This explains why Nigeria is so rich and yet poor. There is need for the present government to take the issue of corruption seriously and in addition, introduce appropriate measures that would remedy this chronic problem.

Unfortunately sociological and cultural causes of corruption are likely to continue for a long time in Nigeria, unless credible legal enforcement features are put in place. The forces which deter corruption agencies are themselves corrupt. Worse still, the so called wealthy people who are known to be corrupt are usually courted and honoured by the communities, religious bodies, social clubs and other private organizations.

### **Recommendations**

1. There is need for the current Nigerian government to take the issue of corruption seriously and introduce appropriate measures to remedy this chronic problem.
2. The anti-corruption bill recently signed into law by the president is a right step in the right direction, but appropriate incentive structures need to be put in place if all efforts at fighting corruption are to have any meaningful results.
3. The political leadership in Nigeria must take honest and credible measures to lead by example-showing zero tolerance on corrupt behaviour.
4. Develop credible institutional legal framework for dealing with corrupt practices.
5. Draw measures that would reduce both the demand for and supply of corruption.

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