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# CORRUPTION AND ECONOMIC DEVELOPMENT IN NIGERIA SINCE INDEPENDENCE

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By

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## **Abstract**

*The search for development has assumed urgent dimensions in the nation-state known as Nigeria. This may be due to the fact that more than fifty years after political independence, Nigeria continues to inexorably slide towards the abyss of underdevelopment. Certain factors are seen to serve as inhibiting factors in Nigeria's quest for development. One of such factors is corruption which is seen by this paper as a very stumbling block in Nigeria's search for development. This is because available resources for economic development are siphoned off into private pockets leaving Nigerians in penury and perpetual poverty. The paper has therefore suggested among others that, the war against corruption should be stepped up so that the anti-corruption agencies should not be seen as toothless bulldogs. Also infrastructure especially power supply should be restored to Nigerians so that industry will thrive. Moreover, the ruling elite should have the political will to fight this cankerworm to a standstill.*

The imperative for development is of prime importance to countries and their leaders all over the world. Nigeria, the famed "giant of Africa" cannot be an exception in this regard. It can be said without any fear or contradiction that after 53 years of independence, Nigeria is still groping in the woods of underdevelopment. Thus in the

words of Obasi (2003), Nigeria is in urgent need of political, economic and social transformation.

There is no gainsaying the fact that Nigeria is loaded with natural and human resources. Despite this, Nigeria remains one of the poorest countries in the world. According to Alamu (2010), today, Nigeria unwillingly and unimpressively occupies a conspicuous position in the country of underdeveloped states. Against this backdrop, Osuntokun (2010) argued that, Nigeria cannot achieve its development goals of promoting the peoples' welfare unless the leadership develops the capacity to initiate and implement public policies to fulfill societal needs. In light of the above, Agu (2012) contended that Nigeria development has been shortchanged and short-circuited by a rampaging and rapacious ruling elite with an entrenched culture of corruption such that the nation is stuck in the groove of an aberrant neo-patrimonial state, without any ray of hope for the people.

To Alamu (2012), this endemic corruption has given rise to endemic poverty, unemployment, inequalities, hopelessness, homelessness, and growing insecurity-militancy in the Niger Delta region, kidnapping in the eastern part of Nigeria, ethno-religious conflict and violence in northern Nigeria as seen in the rise of Boko Haram religious insurgency. Ironically, the National Bureau of Statistics (NBS)(2012) stated that despite this wealth in human and natural resources, the proportion of Nigerians living in poverty is rising with almost 100 million people living on less than ₦20 per day. Unemployment rate is very high as about 60 percent of Nigeria's youth are without jobs making them fall easy prey to crimes such as cultism, drug abuse, thuggery, kidnapping, etc. Generally, all of these are recipes for stunted growth and underdevelopment as is the case in Nigeria today.

As opined by Agu (2012), this level underdevelopment is clearly enhanced by the pervasive level of corruption in Nigeria in which faulty policies, lack of accountability and unethical behaviours have become the character of national development.

This paper thus seeks to take a look at the relationship between corruption and national economic development. This is with a view to find out the nature and character of corruption, its impact on economic development in Nigeria and thus, offer suggestion and a way forward. The paper is therefore divided into four segments: introduction, conceptual issues, the synergy between corruption and economic development, the conclusion and way forward.

### **Conceptual Issues: Corruption and Economic Development**

According to Tanzi in de Sardan (1990), the meaning of corruption can be traced to the verb 'rumpere' which implies that something is broken. This something might

be a moral or social code of conduct or more often, an administrative rule. If it is the later, the rule broken must be precise and transparent. Furthermore, the official who breaks it must derive some recognizable familial, tribal or party benefit. He argued further that, the instruments through which corruption is exercised vary to include regulations for the issuance of licenses or permits, fines for alleged or actual violations of existing legal practice, controls over public investment contracts, hiring and promotions or access to under-priced public goods. Otite (1986) defined corruption as “the perversion of integrity of state of affairs through bribery, favour or moral depravity”. He argued further that corruption takes place “when at least two parties have interacted to change the structure or processes of society or the behavior of functionaries in order to produce dishonest, unfaithful or defiled situations”.

Another generic definition of corruption is the one given by Bolaji (1986) that “corruption is synonymous with bribery, nepotism, cheating and deceptions as well as undue influence. Corruption therefore, involves the injection of additional but improper transactions aimed at changing the normal course of events and altering judgments’ and position of trust”.

Generally, Agu (2012) conceived corruption as involving the giving or taking of bribes or illegal acquisition of wealth. It is an unethical behaviour in which the actions or inactions of officials in the public and private sectors convey personal gains above public or corporate interests.

According to Ndubisi (1986), the prevalent forms of corruption include endemic corruption which is dominant in political and administrative systems. There is also planned corruption in which political office holders dispense the spoils of office as they please in order to elicit support and retain power. This type of corruption is widely practiced in government circles in Nigeria with impunity. Developmental corruption occurs where numerous development projects are embarked upon by the state. In the final analysis, most of these projects are abandoned after being used to siphon billions of naira. This accounts for the phenomenon of “what elephant projects” in Nigeria.

To understand the concept of economic development, it is necessary to first of all understand the concept of development. Development according to the Penguin Dictionary of Third World Terms (2000) is a process which brings about changes in technology and thus, increases in useful materials. This invariably brings about transformation in the quality of life of individuals in that society.

Burkey (1996) asserted that, development is a process that involves the progress of people in society. Since people live within some form of social framework, consisting of social, economic and political structures, development involves changes

or transformation of these structures. He continues that, essentially, development involves human, socio-economic and political development. Economic development then, is a process by which people through their own individual and/or joint efforts boost production through mobilization and management of some combination of all or some of the factors of production.

Also Rodney (1972) asserted economic development takes place when a society jointly increases its capacity for dealing with the environment. This capacity for dealing with the environment is dependent on the extent to which they understand the laws of science, on the extent to which they put their understanding into practice by devising tools (technology) and on the manner in which work is organized.

This paper thus asks a pertinent question here: what is the dynamic linkage between corruption and economic development? This will be the trust of the next section of the paper.

### **The Synergy between Corruption and Economic Development**

This paper makes bold to state that, there is a mutually inclusive relationship between corruption and national economic development. According to Nkom (1986), corruption impedes the decision making process. It does this through the misappropriation and misallocation of resources such that the targeted groups who are meant to benefit from the proceeds of development are denied and disempowered.

Agu (2012) argued that corruption has impacted negatively on Nigeria's development by exacerbating and accentuating poverty. Corruption has increased the level of risk; it has promoted poverty and income inequalities. Through corruption, development projects and infrastructure (roads, schools, electricity supply, water supply, sanitation, etc) have been abandoned). Also, Obadan (2004) contended that, corruption has led to the undermining of the legitimacy of the state and the reduction of its power to play its intended and presumably correct role in the economy. Entrenched corruption diverts development resources and saps the vitality of the state to manage resources efficiently and effectively. Systemic corruption, according to Makinde (2006), distorts incentives, undermines institutions and redistributes wealth and power to the undeserving. Those who pay and receive bribes expropriate a nation's wealth leaving to its poorest citizens.

It has been argued eloquently by Togbolo (2005) that, when corruption is well entrenched, even countries with extensive recourses may fail to develop in way that benefits citizens. That is why the challenges of socio-economic development have remained daunting for Nigeria to the extent that they have not been able to break the vicious cycle of poverty.

It has been argued that in spite of the fact that corruption is said to be embedded in the African culture, it is a world-wide phenomenon as can be seen from the fact that the word corruption is itself an English word. However, the difference between corruption in the developed world and less developed areas such as Nigeria is in its nature. Corruption in the developed world is mainly endogenous, i.e. productive corruption while that in Nigeria is exogenous, i.e. destructive corruption. That gives room for capital flight.

According to Ifamose (2004), in Aluko (2001) in a state in the United State America, the Governor received a bribe \$8 million from a contract that his government awarded for the construction of an underground garage. When he was due to seek a second term in office, the graft blew open and it became a public scandal. The governor in his defense owned up but said he had invested it within the state during the four years of his administration and it was already worth \$24 million which had created jobs, yielded increased taxes to the state treasury and the economic well-being of citizens. The governor won the re-election with an increased majority. He continued that, if the Governor were a Nigerian, the \$8 million bribe would have been lying safely in a Swiss bank or some other European or American banks. In America, corruption is endogenous, productive and accounted for whereas in Nigeria, it is destructive.

In Nigeria, corruption is mainly exogenous. According to Ifamose (2004), since independence, no administration has been declared free. For example, Nzeogwu in Ademoyega (1981) stated that “the aim of the revolutionary council is to establish a strong, united and prosperous nation free from corruption and internal strife-our enemies are the political class, the swindlers, the men in high and low places that seek bribes...”

However, the below shows that both military and civilian governments are guilty of this corruption genie.

**Table 1: Bribery and Corruption in Nigeria: Crimes Known to the Police**

<b>Years</b>	<b>Figures</b>	<b>Annual % changes</b>
1967	300	16.6
1968	350	1.4
1969	355	8.1
1970	386	22.0
1971	471	25.7
1972	592	13.7
1973	673	11.7
1974	748	9.4
1975	818	30.6
1976	1,068	11.6
1877	1,191	N.A.

Source: Government of the Federal Republic of Nigeria (1980) crime and the quality of life in Nigeria

According to a Ministry of Justice study conducted in 1980, undetected incidence of corruption were put about 87.5% all reported cases. According to Peter (1995) it was the Babangida administration that institutionalized the culture of corruption with impunity in Nigeria. He argued that the regime transformed corruption into the *raison d'être* of state power.

By the time President Olusegun Obasanjo took over state power in 1999, he declared that public corruption is one of the main reasons for the development of poverty and underdevelopment in Nigeria. Generally, the trend has continued unabated up to the present. This is confirmed by Transparency International as it classified Nigeria as the second most corrupt country in the world as late as 2010.

The underdevelopment problem of Nigeria is summed up by Abdullahi (1985) thus:

*In Nigeria today, the problem of development (nay poverty) in my view are not necessarily due to scarcity of resources which are needed to bring about development. This problem of lack development can be seen in the unending struggle among Nigerians to retain or gain advantage over fellow Nigerians... no doubt, corruption has eaten deep into the fabric of the Nigeria society so much that, I believe it is at present one of the greatest obstacles to national development.*

It can therefore be clearly seen that corruption is a cog in the wheel of economic development in Nigeria.

### **Conclusion**

This paper has taken a succinct look at the relationship between corruption and economic development in Nigeria. It has clearly shown that corruption has become endemic in Nigeria leading to bad governance, slow economic growth, low public revenues, ineffective institutions and general stagnation of the economy. This is why Nigeria has continued to wobble and fumble in the woods of underdevelopment more than 50 years after independence.

### **Recommendation**

From the foregoing, this paper recommends that the war on corruption should be more rigorously pursued. In this war, there should be no sacred cows. Thus the anti-corruption agencies such as the Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practice Commission (ICPC) should be strengthened for this fight to be won.

Furthermore, the Department of Public Procurement (DPP) or Due Process should be decentralized and infused into all the ministries at both the Federal, state and even at the local government levels. This will make the Due Process mechanism more effective.

Also, the poor state of infrastructure in Nigeria should be urgently addressed. This is especially with respect to power supply. A country that needs thirty-five thousand megawatts of electricity but can only boast of three thousand does not show any seriousness in the march towards development.

Moreover, the judicial system should be strengthened so that it will be able to judge corruption cases expeditiously and pass judgment on offenders. Nigeria can borrow from Japan and China where corrupt officials are normally convicted and hanged no matter their status in society.

Finally but not exhaustively, economic development takes strong political will. Chief executives at all levels of governance should show that they are able to step on toes in their drive to move the country forward. It is hoped that if these recommendations are adopted and implemented, it will go a long way in moving Nigeria forward.

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