Corruption in Contemporary Nigeria

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Events in contemporary Nigeria point to the fact that corruption is a cankerworm that has eaten into the fabric of every facet of national life. Public officials demand payment of ransom before and/or after performing their legitimate functions. Businesspeople shortchange their customers through unfair dealings, while law-enforcement agents demand bribes and collaborate with fraudulent elements in the society. Employee theft is a common occurrence in many organizations. This study focuses on the nature of corruption, as well as causes, and strategies to adopt in curbing this disease in contemporary Nigeria. It concludes on the need to adopt a multidimensional approach, which would involve both national and international agencies, in solving the problem.

Keywords: Corruption, corruption (in government), crime, government, ethics

The issue of corruption and its effect on society is probably the most talked-about national malaise in contemporary Nigeria. Although every nation, both developed and developing, seems to have some elements of corrupt practices in its system, the level at which a nation wears the tag of corruption depends, among others, on how the nation is seen by the outside world. This is why the civil rights abuses in Nigeria during the country’s era of military dictatorship was associated with the level of stigmatization by the Western world as being one of the most corrupt nations. It is also a function of the assessor’s perception of what constitutes corruption. Hence, there is little wonder in the common knowledge of the fact that the bulk of Nigeria’s hard currencies are lying in private accounts in London, New York, Paris, Zurich, Germany, and Geneva does not constitute collaborative corruption to the Western countries involved (Banjo et al., as cited in Dibie, 2007).

Kolade (1999) argued in the same vein that it takes two to tango, and that if bribes were received, it must be because someone else was offering them. Similarly, if the advance fee fraudster was successful, it was because someone else was greedy enough to fall prey to his criminal actions, and that someone would usually come from a so-called developed country, seeking business opportunities in the developing world. He then concluded that any ranking of corruption perception that failed to recognize this dichotomy would not be valid.

The diversity of sources of these criticisms of Nigeria would tend to jolt even the most doubting of Thomases, as to the veracity of such claims. In this regard, former United States Secretary of State, General Colin Powell, the United Kingdom Channel 4 Television, James Wolfensohn of the World Bank, and even Nigeria’s Peter Enahoro of “Peter Pan” fame, were among...
Nigeria’s notable critics concerning the country’s perceived corruption level. Apart from the reference to Peter Enahoro, Muhammadu Buhari, also a military leader Nigeria, was quoted in Agbaje (2004) as saying that “corruption and indiscipline have been associated with our state of under-development, and that these two evils in our body politic have attained an unprecedented height. The corrupt, inept and insensitive leadership has been the source of immorality and impropriety in our society” (p. 88).

Agbaje (2004) also quoted from the work of Achebe that “anybody who can say that corruption in Nigeria has not become alarming is either a fool, a crook or else does not live in this country. Corruption in Nigeria has passed the alarming and entered the fatal, and the country will die if we keep pretending that she is only slightly indisposed” (p. 88).

Objectives of the Study

Granted the multifaceted nature of corruption and the diverse motivating factors that spur people into one act or the other, it is quite imperative to determine the cause-and-effect relationships that permeate the entire scenario. According to Adefila (2004), this implies among other things, differentiating between error, irregularity and fraud, a euphemism for corruption, for a clearer understanding of the issue at stake. This study aims to determine what constitutes corruption and its causes and effects, and to identify the various steps to take in checking the malaise.

This study also seeks to reaffirm the destructive nature of corruption in an economy with a view to sensitizing financial managers, administrators, and policy makers on the need to provide effective, preventive, and control measures. It will center on examining the various forms of both unfair dealings, which constitute fraud and corruption. Their predisposing factors will also be discussed with a view to minimizing, if not totally eliminating their effects.

Justification for the Study

According to Klitgaard (2000), systemic corruption distorts incentives, undermines institutions, and redistributes wealth and power to the undeserving. When corruption undermines property rights, the rule of law, and incentives to invest, economic and political developments are crippled.

On the international scene, corruption gives a nation and its people a poor image in interpersonal and business relationships. In a chat with Nuhu Ribadu, former Chairman of the Economic & Financial Crimes Commission (EFCC) – Nigeria’s anti-graft agency – Professor Chinua Achebe lamented on the poor image Nigeria has internationally as a result of its corruption records (Mojeed, 2009). In the 2009 Transparency International Corruption Perception Index released in Abuja during a media briefing, Transparency International asserts that Nigerian political office holders are the highest paid globally (Ughegbe, 2009), but still places the nation tied for 130th place out of the 180 countries surveyed in terms of the perceived level of public-sector corruption in a country with a total of 2.5 points out of 10. Fagbemi (2009), in his release of 56 names on EFCC corruption list, clearly shows that those who steal billions of Naira are among the top echelon of Nigerian socio-political class.

Investors shy away from doing business with a corrupt nation, a situation which hinders the flow of much-needed external finances for the stimulation of a depressed economy. Citing the work of Mauro, Oluwalayem and Awolaja (2007) argue that corruption reduces aggregate investment in any economy. The Ajaokuta Steel Rolling Mills, where trillions of Naira of Nigeria’s taxpayers’ money had been disbursed without any positive results, is a case in point. Also, in his “Insight into the Impact of Corruption on Nigerian Economy from 1990-2003”, Egwakhe (2007) reviewed the works of several authors on Nigeria’s corruption and how it affected investment. Among the authors is David Peck (Bishop of Guilford), who accused Nigeria of scaring away British investors with its
corrupt practices. This finding was supported by the World Bank Study of 2002 (as cited in Egwakhe, 2007), which indicated that corruption impedes economic development, hampers economic growth, and undermines the effectiveness of investment climate.

The justification for this study therefore lies in the fact that corruption impacts adversely on the socio-economic development of this nation, and that no effort should be spared in reducing, if not eradicating, the vice.

CONCEPTUALIZATION OF CORRUPTION

Corruption, by its simplest definition, is an abuse of public office for private gains. The issue of corruption is dealt with in Nigeria by two anti-graft agencies established by Acts of the National Assembly, namely, the Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices and Other Related Offences Commission (ICPC). Under the Act that created the ICPC, 19 offenses are listed with their respective penalties. These include gratification, corruption, fraud, bribery, conspiracy, making false statements, and so on.

Some schools of thought have propounded certain theories to explain the corruption disposition behavior. Some justify corruption on the economic principle of profit maximization or rational consumerism. Others blame it on socio-cultural values which predispose the act to several interpretations of an accommodating nature. Corruption, in this sense, will therefore not be seen as a despicable act but as a normal endowment. Abstinence from the act, in this setting will be synonymous to committing anomie. Individual differences and psychological variables are also known to predict corrupt behavior. This could be seriously linked to learned dysfunctional dispositions and ego massaging of a sadistic nature. An individual so disposed derives joy in inflicting pains on others, or when others are outwitted through his machinations.

Olopoenia (as cited in Agbaje, 2004) saw corruption within the context of relativity vis-à-vis the ethics or value of the individual observer. Thus, the saying “what you don’t have, you don’t give” goes for one who is of low virtue and morally bankrupt, and therefore has an accommodating posture, or tolerance for corrupt practices.

Explaining the positive link between corruption and non-accountability, Agbaje (2004), stated that a system that is corrupt would definitely be unaccountable. He cited Gibbons’ definition of corruption as the use of public office in a way that forsakes the public interest, measured in terms of mass opinion, elite opinion, or both, in order that some form of personal advantage may be achieved at the expense of that public interest. Accountability was further explained in terms of stewardship vis-à-vis managerial responsibility, efficiency and economy of operations, and the use of resources put at the manager’s disposal in the most efficient and economic manner.

Corruption can also be defined as a breach of procedure with the aim of obtaining some benefits for oneself and/or others. According to Adefila (2004), it is any activity that amounts to unfair dealing, and in so far the range of such activities is infinite, no completely comprehensive definition may be coined. He referred to Henry Campbell Black’s law dictionary definition of the term which is “a generic one embracing all multifarious means which human ingenuity can device and which are resorted to by one individual to override the other by false suggestions or by suppression of truth, and unfair dealing by which another is cheated” (p. 125).

The Nigerian National Planning Commission (2004) enumerated the various forms of corruption to include advance-fee fraud (known as 419), money laundering, unconventional and fraudulent trade practices, misappropriation or diversion of funds, kickbacks, under- and over-invoicing, bribery, false declarations, abuse of office, and collection of illegal tolls.

Other contextual meanings include the impairment of integrity, virtue or moral principles, and an unauthorized use of resources for private gain. The causal factors of all these could be
attributed to cultural and social values, conflicting signals, and loyalties arising from societies undergoing significant economic, political or psychological transitions. Locating corrupt activities within the domain of public office, Agbaje (2004) listed pervasion of public rules and misuse of official power for selfish motive, and the frustration of electoral process to make free and fair election impossible.

Other dimensions of corruption, according to Agbaje (2004), are the deliberate refusal to declare one’s assets on the assumption and expiration of public office, and using one’s official status to prevent the administration of justice.

In a study designed to determine the extent of individuals’ perception of fraud is influenced by some selected demographic factors, Adefila (2004) hypothesized with six variables, namely: gender, age, education, religion, marital status, and social status. He found that gender disparity, religious inclination, and educational attainment have no significant effect on people’s perception of the causes of fraud, but that marital status, disparities in income, and age would significantly affect the way people perceive the causes of fraud.

CAUSES OF CORRUPTION IN NIGERIA

Olujobi (1999) classified wealth producing resources into two broad areas, namely tangible and intangible. The former consists of man, money, materials, and machinery, while the latter is made up of time and information. Citing the work of Drucker and Eason, he referred to man as both the custodian of other resources, and also the only active agent of production. Conversely, man is regrettably the only active agent of thievery of other organizational resources in his custody.

The foregoing justifies dealing effectively with potential problems of employee theft in an organization. Reviewing extensively the works of other scholars on the causes of employee theft, the author arrived at the following conclusions:

**Equity**

Employees who are exploited by way of poor wages are likely to steal. Citing the work of Olowu, Osaghae, and Robinson, Dibie (2007) stated that most public officials in Nigeria are underpaid and are used to receiving their salaries late or not at all for several months. It can be argued however that corruption cuts across remuneration barriers since among those who started being corrupt early in life, are some who still find it convenient to subsidize their living through fraudulent practices when they attain higher socio-economic positions in life. It is also sad to note that some of the most corrupt individuals in Nigeria today are actually the very top public officers who are indeed very well remunerated.

**Opportunity**

The propensity for an employee to steal is inversely related to the consequences of overt theft detection, if the culprit is made to face the music. Thus, if management is not seen as taking decisive action against employee thieves, employee theft would persist. Godfatherism in Nigerian social life is an enigma that perpetrates this opportunistic tendency. A godfather is a self-seeking individual who installs a surrogate that is expected to make public funds and undue privileges available for his sponsor, at an enormous cost to the state (Ndibe, 2005). According to Dibie (2007), Ndibe expressed a disappointment over the token six-month jail sentence given to a former Inspector-General of Police who was convicted of stealing billions of dollars of police funds, a case of selective application of rules and standards. The most glaring of such aberrations was that of the Central Bank of Nigeria (CBN) where the Okigbo Panel found that USD 12 billion from the Gulf War windfall could not be accounted for by the ruling Ibrahim Babangida.

A good control system capable of preventing corruption should, therefore, be put in place to facilitate detection and punishment of crimes. This position is based on the theory that human beings
are naturally selfish and will exploit any situation to maximize personal benefits or advantage, at the expense of others, on a win/lose basis, provided they are not exposed. People will desist from breaking the law if the risk of pain is considered to be more than the pleasure of gain that may result from infractions. If management encourages godfatherism in the work place, or does not respond to crimes promptly and decisively, corruption will thrive in the organization.

Among other documented cases of godfatherism in politics, which overheated the Nigerian polity in times past, were the stories of Governor Chris Ngige of Anambra State (May 2003 to March 2006) and his godfather Chris Uba; Governor Chimaroke Nnamani of Enugu State (1999-2003) and his godfather Jim Nwobodo; and Governor Rashid Ladoja of Oyo State (2003-2005) and his godfather late Lamidi Adedibu.

**Employee Perception**

As long as thieves rationalize their actions as not being unusual, they will continue in sin. In the same vein, certain forms of employee theft are not regarded as such by the culprits. Such acts include unauthorized use of public/official facilities, for example, telephone for personal purpose, obtaining false excuse-duty certificate in order to get away from work, and proxy clocking as a way of stealing company’s time.

The scope of employee perception could be expanded to include other dimensions relating to employee theft. Given the backdrop of a proposition that people tend to steal when the variables that create an environment for theft to flourish are there, Olujobi (1999) argues from the perspective of organizational culture and structure by referring to the works of Miller and suggesting that some employees are “recycle thieves”, being former employees of a company, dismissed for their nefarious activities, but not prosecuted. Such ex-employees, according to him, later get employed by another company only to continue with their despicable acts. He reiterated that some bank staff whose appointments have been terminated or those retired on grounds of fraud still manage to secure appointments in other banks.

**Uncontrolled Access to Resources**

A major predisposing factor to corruption is identified as uncontrolled access to resources. By the special nature of their jobs, certain individuals have the greatest access to items that can be stolen easily. Among such staff are store keepers, buyers, electricians, engineers, plumbers, warehouse staff, and so on (Olujobi, 1999).

**Age and Tenure of Service**

Citing the work of Van Buren, Olujobi (1999) reported that most people in the retail industry have realized that the majority of employee theft involved younger employees, those young both by birth, and by tenure. This position was corroborated by the theory that older employees are less daring than the younger ones, attributed to the former’s fear of loss of long service rewards, and the social stigma of being labeled a thief.

**Integrity**

Dibie (2007) cited the work of Akinyemi and Obineche to assert that most of the people in Nigeria do not believe in the credibility of the Yar’adua administration in that the 2007 elections that brought him to power were designed to install candidates who were either cohorts of the former President Olusegun Obasanjo or of state governors. The consequences of the lack of integrity on the part of Nigeria’s citizens are obvious. Certain behavioral aberrations resulting from the above are being rationalized with business maxims (Adewunmi, 1999) such as: “greed makes the world go round”; “telling lies to stay ahead of competitions makes sense”; “between consenting adults, there is no adultery”; “idealism is fine but managers shall follow commonly accepted business practices in each market place”; “rub my back and I rub yours”; “he who pays the piper dictates the tune”; and “use what you have to get what you want.”
CONSEQUENCES OF CORRUPTION

In his article on the role of the church in combating corruption in Nigeria, Nwaomah (2007) discussed the effects of corruption under three broad areas, namely: economic, social, and political. Citing the works of Ribadu and Adegeye, he regrets that the nation has lost about USD 5 billion to the corrupt practices of the Babangida and Abacha’s regimes (1985-1996), while Abia State Governor Kalu allegedly looted over NGN 40 billion. Mauro, as cited in Oluwalaiye and Awolaja (2007) reveals that a one-standard-deviation improvement in the corruption index causes investment to rise by 5% of Gross Domestic Product (GDP) and the annual rate of growth of GDP per capita to rise by half a percentage point. A reversal of this trend implies economic backwardness resulting in increased unemployment, poverty, disease, and lack of an egalitarian society. Even former President Obasanjo admits that no nation could attain progress when its resources are massively looted by corrupt public office holders.

At the social level, Hagher (2002) remarks that corruption breeds poverty, sickness, low life expectancy, and unequal distribution of national wealth. This assertion could rightly be applied to the Nigerian situation where there is a lot of government influence in the life of an average citizen. Social capital in form of roads, electricity, and water, which are basic to rapid industrialization, are still government responsibilities. A denial of these amenities through corrupt practices could thus impair the quality of life of the people.

Nigeria has had a taste of two major forms of governance since independence, namely: military and civilian. Both have taken turns in no strictly structured order to produce four civilian and eight military administrations. The latter group had always come to power through coup-d’états citing corruption, among others, as their reasons for overthrowing their predecessors who could be military like themselves, or “bloody civilians”.

Paradoxically, no sooner had they, too, assumed office, than they started tasting the spoils of office, and subjected themselves to the vicious cycle of infamous coups and counter-coups. Akinseye-George, as cited in Nwaomah (2007), remarked that they (the military) themselves have not been above board vis-à-vis the reason for usurping existing governments.

Among the evils that corruption brings is upsetting ethnic balances and precipitating national disintegration. Cases in point are those of Governors Dariye of Plateau and Alamieyeseigha of the Bayelsa States who were removed from office on charges of corruption but whose minority ethnic groups in the country are alleging victimization by the Obasanjo administration.

STRATEGIES TO COMBAT CORRUPTION IN NIGERIA

It is perhaps needless to say that the consequences of corruption are so grave that no effort should be spared in fighting it. A review of some theoretical perspectives would suffice in starting this section. Kennish (1988, p. 60) asserts that employee crime is preventable and that its prevention is profitable. Prevention, however, can be accomplished by merely hiring the right employee and keeping that employee honest. Employee honesty is a function of an enabling environment since the most honest individual could be overwhelmed by temptation. In this regard, a good system of government will facilitate the process of removing the tendency to perpetrate fraud and corruption. The government has a duty of providing the enabling environment for the smooth functioning of every facet of the national economy, through appropriate legislations and provision of amenities, among other things.

Klitgaard (2000), citing the work of Huntington, partitioned the fight against corruption into three stages. In the first stage, consciousness is raised about the existence and harms of corruption. This is the awareness stage. The second stage is that of systems analysis, to find out the modus operandi and effect of corruption. When consciousness
raising and prevention fail, the third stage of anticorruption activities become inevitable.

Adefila (2004) classifies measures aimed at checking corruption into governmental and management. He itemized governmental measures to include improved conditions of service, good governance, adequate punishment for the corrupt workers, provision of basic social amenities, and implementation of a good retirement plan for workers. There should be an effective sustainable development goal to improve the quality of life of the citizens, in order to eradicate corruption (Cooper, 2006).

Management measures encompass sound internal control system, staff motivation, accountability, and filling organizational positions with only honest workers. In this context, officials and employees at the various levels of government, who manage the public resources allocated for government programmes, have the obligation to render a full account of their activities to the public. Allied to this principle is the need to practice compulsory competitive tendering principle in the award of government contract. This will make contract prices fair and devoid of inflated inputs. The Nigerian government must develop a public administration that is responsive to the needs of the people (Roger & Njoku, as cited in Dibie, 2007). Thus, the nation’s civil service must be competent and professional, with adequate continuous training in cognate areas of individuals’ calling, in order to enhance efficiency and effectiveness.

Selection of good employees is critical to good management profile in the workplace. It is pertinent to note that the manager should be a leader in all ramifications of the term, and should be knowledgeable in the subject matter of his specialization in order to be effective in checking corruption and irregularities. He should be incorruptible and lead by example. In his selection process, therefore, appropriate screening steps should include reference checks on the curriculum vitae, handwriting and/or finger printing tests depending on the nature of the job, and in-depth interview which may be combined with a written honesty test. Proper training and orientation, of a continuous nature, should also be given to employees upon assumption of office.

The Role of Faith-Based Organizations

The leadership of the various churches and mosques in Nigeria should seek to reflect the high moral values enunciated in their holy books. The assumption here is that these leaders have substantial followership among the populace, and consequently could be mobilized as agents of change. Accountability and probity must be seen not only in their teachings but also in their actions (Nwaomah, 2007). In an empirical analysis of contentment and its relevance in a corrupt society, Tayo and Okezie (2007) concluded that the more contentment a person experiences, the less may be the level of corruption in the homes, workplace, school, governments, and the entire society. These are some of the virtues religious leaders are being called upon to espouse.

The Influence of Anti-Corruption Agencies

National. As previously discussed, two anti-graft agencies – EFCC and ICPC – exist at the national level. Perhaps the greatest challenge facing these agencies is transparency. Cognate to this attribute are the requirements for credibility, integrity, and effectiveness, among others. The foregoing is ably summarized by Pope and Vogl (2000, p. 8):

A test for a government establishing an anticorruption agency is whether it would find the agency’s actions acceptable if it were the political opposition rather that the party in power. An enduring formula, which seems fair and workable to everyone, whether in or out of government, needs to be found. This requires, for example, that the agency have significant powers of investigation, prosecution, and deterrence, independent of political parties and government leaders. Accountability is critical to the agency’s success, as are checks on its power and the
method used for selecting its leadership. Anticorruption agencies will fail if they can be subjected to political direction and used as weapon to attack critics of the government. Safeguards have to exist as well, to ensure the agency does not itself become a source for extortion and corruption.

In this regard, the work of these agencies cannot be underestimated in the war against corruption. It is often said that fear of the EFCC is the beginning of financial prudence. Government policies at preventing/curbing corruption should be holistic. A situation whereby an agency has the power to accept a Declaration of Assets as presented by public officers, but not the power to investigate such Declaration creates room for false Declaration. This is the case with the Code of Conduct Bureau. A total of 90,554 forms were issued in year 2000 but only 44,762 were completed and returned to the Bureau (Dibie, 2007). Also, before the national elections in 2007, the Bureau accused some state governors of holding foreign bank accounts in violation of the Code of Conduct law. The government did not, however, arrest the governors before their term in office expired.

Global. Burton (1999), commenting on global anti-corruption activities, mentions a number of significant international and regional initiatives devoted to fraud control, however, he admitting that primary responsibility for tackling corruption and strengthening governance lies within the country concerned. He refers to such efforts as: (1) the United Nations General Assembly’s adoption in 1996 of an International Code of Conduct for Public Officials and a declaration against Corruption and Bribery in International Commercial Transactions; (2) the World Bank’s awareness creation, and research into anti-corruption strategies and adoption in 1997 of new guidelines for its programmes; (3) the IMF’s publication of anti-corruption guidelines and confirmation of its readiness to take account of relevant governance issues including corruption when reviewing economic programmes and policies of its members; (4) the British Government’s support and active participation in anti-corruption initiatives, especially in signing of the European Convention on Corruption and the OECD convention on Combating Bribery in International Business Transactions; and (5) Nigeria’s membership and participation in the activities of Transparency International.

Among the global anti-corruption activities are Hong Kong SAR’s clear and strict Prevention of Bribery Ordinance and strong Independent Commission Against Corruption, which has impressive legal powers and staff of about 1,350 professionals (Pope & Vogl, 2000).

CONCLUSION

Attempts have been made in this study to examine the various perspectives of corruption. Its various dimensions, among interacting variables, make it rather difficult to define its meaning. Its adverse effect on our socio-economic life cannot however be over emphasized. These are in the form of crippling levels of poverty, higher prices and fewer job opportunities, reduced productive investment, health, education, and social facilities, and so on.

The multifaceted predisposing factors examined in the study inform the advisability of a multidimensional approach in solving the problem. In the fight against corruption, both national and international agencies have a role to play. Much however depends on the nationally coordinated anti-corruption agencies since the international ones appear to have limited impact.

REFERENCES


