CORRUPTION AND NATIONAL DEVELOPMENT IN NIGERIA

ABSTRACT

This study examined the extent of corruption as well as its effect on National Development in Nigeria. The result revealed that corruption is widespread in the country and that most of its leaders are neck-deep in it. The results also showed that corruption has negative effect on national development. The study concluded that corruption has defied all measures adopted in the past to combat it because those waging the anti-corruption war were themselves corrupt. It was therefore, recommended amongst others that government should strengthen anti-corruption bodies such as the Economic and Financial Crimes Commission, the Independent Corrupt Practices and other related Offences Commission, the National Extractive Industries Transparency Initiative, the Code of Conduct Bureau and its Tribunal as well as Public Complaints Commissions, set up to fight corruption, and that those found guilty of corrupt practices should be given appropriate punishment that will serve as a deterrent to others. Finally, the study recommended that accountability structures in the various ministries and agencies should be strengthened to make it difficult for public officials to engage in corrupt practices, hence the introduction of Treasury Single Account in the Nigerian public service by the Buhari administration is a right step in the right direction.

KEYWORDS: Corruption, National Development, Embezzlement, Government.

INTRODUCTION

Nigeria is said to be the largest economy in Africa, the world’s 7th largest exporter of oil, 6th largest producer in OPEC and Africa’s largest oil exporter. In spite of these credentials and the various efforts by successive governments aimed at reducing poverty in the country, Nigeria is not only one of the poorest countries in the world but also in Africa. What is responsible for this state of affairs?

Several writers including development scholars and public affairs commentators have attributed this paradox to corruption which has become widespread in our public life (Ayeiede, 2006; 2009 and Aderonmu, 2011) as cited by (Imimole et al, 2014). President Obasanjo was so disturbed by the level of official corruption that he made the following declaration:

The impact of official corruption is so rampant and has earned Nigeria a very bad image at home and abroad. Besides, it has distorted and retrogressed development. President Obasanjo declared in 1999 that corruption will be tackled head-on. There will be no sacred cows. Nobody no matter who and where, will be allowed to get away with the breach of the law or perpetration of corruption and evil (Anyebe, 2012).

In fact the Transparency International, a non-governmental organization that is reputed for measuring countries’ corruption perception index, ranked Nigeria as the most corrupt among the 52...
countries’ ranked in 1996 and 1997, and for the three consecutive years, 2000, 2001 and 2003, as the second most corrupt country in the world. However, the latest report of the Transparency International Corruption Perception index (CPI) placed Nigerian a more favourable position. This improvement could be attributed to the efforts of the anti-corruption institutions in Nigeria, particularly the Economic and Financial Crimes Commission (EFCC), the Independent Corrupt Practices and other related Offences Commission (ICPC), and the National Extractive Industries Transparency Initiative (NEITI) under the Buhari administration. It is important to note however that in spite of these efforts, the level of corruption is still of serious concern and has remained one of the greatest challenges in the country. It is against this backdrop that this paper attempted to examine the extent as well as the effect of corruption on national development in Nigeria.

CONCEPT OF CORRUPTION AND NATIONAL DEVELOPMENT

Corruption, unarguably, has been one of the most current issues in the discourse of the unending crises and contradictions in the country and it has been defined by various authorities mostly in line with the prescribed social life of the people.

The popular online Wikipedia dictionary for instance defines corruption as “spiritual or moral impurity or deviation from an ideal”. This is similar to that given by the Transparency International that sees corruption as “the abuse of entrusted power for private gain”. According to Oxford Advanced Learner’s Dictionary of Current English, corruption is a dishonest or an illegal behavior especially of people in authority. In a similar light, the Encyclopedia Americana sees corruption as a general term for the misuse of a position of trust for private gain, and that its specific definition and application vary with time, place and culture. It goes further to state that many actions that are regarded as corrupt may not be so defined in law even though they may constitute a departure from strict ethical standards of society. It also admits that the definition of corruption in areas outside politics is uncertain, in spite of the fact that corruption in large public and private enterprises may be injurious to the society and to the economy. Corruption covers a wide range of social misconduct. This, according to El-Rufai (2003) ranges from massive fraud, extortion, embezzlement, bribery, nepotism, influence peddling, bestowing of favor to friends, rigging of election, abuse of public property, leaking of official government secrets, sale of expired and defective goods like drugs, food, electronics and spare parts to the public, etc. It is all these corrupt ingredients that lead to perversion of developmental process (Imimole et al, 2014).

It is clear from the above that while some speak of corruption mainly in terms of illegal acquisition of material things, others tend to stretch it further by bringing in social and moral values under it (Metiboba, 2002). When however, we talk of corruption in Nigeria, it appears that it is the financial aspect that is often the main focus. This study is, therefore, concerned mainly with financial corruption as it is injurious to national development.

Muhammed et al (2008) as cited by (Imimole et al 2014) has identified three main types of corruption. These are endemic, public and corporate corruption. Endemic corruption according to them is the one that is everywhere, public corruption is one perpetrated by state officials while corporate corruption is one organized and facilitated by institutions like banks, and might have international connection. Whatever category it falls into, corruption is unacceptable, inexcusable and must not be allowed to endanger nation’s economy.

National development on the other hand, has been explained by Muhammedet al (2008) as a process by which continuous increases in a system's efficiency produces the condition which results in general upliftment. It may also mean a general improvement in the wellbeing of all citizens of a country. According to these writers, the most basic elements of national development include access to good health, education, shelter, productive and rewarding employment, good road network, uninterrupted power supply, social and political stability, etc.

It is no longer a hidden issue that corruption in Nigeria poses devastating consequences in all ramifications of our public life. As noted by Ibrahim (2003), public corruption has become one of the main reasons for the cause of poverty and underdevelopment of the country's economy.

METHOD OF DATA COLLECTION

The data employed in this study were collected mainly from the following sources:

i. Central Bank of Nigeria (CBN)
ii. National Planning Commission (NPC)
iii. Transparency International Corruption Perception Index (CPI)
iv. National Newspapers
v. National Bureau of Statistics (NBS)

DISCUSSION OF RESULTS

Corruption Transparency International (1996) ranked Nigeria as the most corrupt nation among 54 nations listed in the study, with Pakistan as the second highest. As if this was not bad enough, the 2001 Corruption Perception Index (CPI) ranked Nigeria 90th out of the 91 countries pooled, as the second most corrupt country in the world with Bangladesh topping the list. Corruption was deemed
pervasive during the Shagari administration that his administration was written off as inept because of the magnitude of corruption in it and its policy direction (Suberu, 1994).

Because of the concern with the negative effect of corruption on development, the Obasanjo administration included anti-corruption measures e.g. Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices and other Related Offences Commission (ICPC) in its public administration reform programmes to deal decisively with the problem.

A test case arose for EFCC when in August 2006; President Obasanjo sent a report of EFCC, as well as that of the Bayo Ojo-led Administrative Panel of Enquiry on Petroleum Technology Development Fund (PTDF) to the Senate for information. The report accused the Vice-President of abusing his office and misappropriating funds, charges the Vice-President vehemently denied (Anyebe, 2014).

Consequently, the upper House in September of the same year set up a 13-man probe panel to investigate the affairs of the Fund. The report of the 13-man probe panel otherwise known as Ndoma-Egba Panel said:

Obasanjo actually gave approval of some projects commenced by the PTDF and subsequently obtained the ratification of the federal executive council (FEC), thereby violating section 2 of the PTDF enabling Act.

The findings added: The President and the FEC acted in disregard to the law establishing the PTDF. Though the ratification by the FEC may mitigate his breach of law, it however does not absolve the president and the FEC.

The report also accused Obasanjo of treating the PTDF like a 'security vote' with scant disregard to the provisions of the Act establishing the Fund to the detriment of its core objectives. The fortunes of the Fund did not appear to have improved from when its supervision moved from the Vice-President to the President the report claimed.

The report also confirmed allegations that the President had on May 10 2006, approved the sum of ₦120 billion for the execution of some projects which include: 'the final finishing touches to the upgrade of eight federal universities, upgrade of PIT {Petroleum Training Institute}, Effurun, Warri Delta State procurement and supply of laboratory equipment projects to 102 unity schools and six federal polytechnics...’ It said when interrogated, the PTDF management had confirmed receiving ₦10 billion out of the required ₦20 billion.

On Atiku, {the Vice President}, the report said:... (he) abused his office by aiding or abetting the diversion of public funds in the sums of $125 million and $20 million respectively approved for the specific project of deposits in banks, some of which were fraudulently converted as loans to NDTV, Mofas Shopping Company Limited and Transvari Services Limited.

The committee which called for the imposition of 'sanction' on the Vice President... (surprisingly) said Obasanjo should be advised to adhere strictly to the provisions of the law establishing the PTDF at all times (Anyebe, 2014:190).

The report said, both the Vice President and the President broke the law but the former should be punished while the latter should be advised not to commit further offence.

The criticism that trailed the report was widespread. The report was described as a partisan political hatchet job that would not stand the test of public scrutiny. It was further criticized for the fact that its conclusions were not in tandem with its contents. There were therefore, pleas to the Senate to reject the report in the spirit of justice, fairness and equity.

In what appears like the dumping of the report of the ad-hoc committee the senate on March 8, 2007, set up another committee, this time, a 7-man review committee headed by Senator Umaru Tsuri, to look into the report and recommendations earlier submitted to it. In the report of the review committee, both the President and the Vice President were indicted and they were recommended to face trial by the Code of Conduct Bureau. This report differs from that of the adhoc committee, at least, in two respects. The ad-hoc committee had recommended that the Vice President be sanctioned while the President be
advised to respect the provisions of the PTDF Act in future after he was indicted for approving funds for projects outside the mandate of PTDF.

The recommendation of the review committee also differs from that of the ad-hoc committee in respect of the approval of $125 million on April 25, 2003 and the subsequent placement of $115 million on Equatorial Trust Bank (ETB) and $10 million in Trans International Bank (TIB). The committee was satisfied that due process was followed. The subsequent investment was within the contemplation of section l(c) of the PTDF Act and section 23 of the Finance (Management and Control) Act (Daily Trust, Thursday, March 22, 2007). This differs from the position of the ad-hoc committee which indicted the Vice President on the issue.

There were calls especially from the coalition for a New Nigeria (CNN), a group of six political parties, which demanded that the President and Vice President should be impeached if they were found culpable in the PTDF saga. The case was finally and questionably decided in favour of the President by Senate.

Some other acts of corruption tied to the Obasanjo administration included the Transcorp shares scandal that violated the code of conduct standards for public officers, and the presidential library donations at the eve of his exit from power that pressured associates to donate. Obasanjo was also accused to have widely lobbied for his failed campaign to alter the constitution to get a third term by actively bribing the legislators.

EFCC uncovered over N300 millions of unspent budget loot in the ministry of health which led to the forced resignation of two ministers and the suspension of a number of officials. When the case was taken to court, it was decided in favour of the ministers on technicality (Anyebe, 2014:192). Other cases include corruption in the Ajaokuta Iron and Steel Complex, the former Nigerian Airways, the near collapsed Nigerian Railways and the energy sector. In these enterprises, cases of large-scale mega corruption were rampant (Anyebe, 2004).

Yar’adua’s stay in power was short but it had a fair share of corruption scandals inherited from previous administration. They cameto light under his tenure without investigation due to lack of political will and ill-health. Yar’adua’s various acts of political corruption included the use of his Attorney General (AG) to frustrate ongoing local and international investigations of his powerful friends like ex-governors Ibori, Igbinniedion and Odili which led to massive losses to their states. Indeed, the AG was legendary in his inability to obtain conviction in Nigeria even as UK and foreign courts successfully tried Nigeria’s deeply corrupt governors from the Obasanjo era that were alleged to have helped Yar’adua emerge as president.

For example, former Delta State Governor, James Ibori pleaded guilty to money laundering, fraud and corrupt charges at the South Wark Court in London but could not be convicted in Nigeria. He was accused of stealing €160 million belonging to his state during his 8-year tenure as governor (Shuaaib. 2012).

The 2013 Country Report on Human Rights Practices in Nigeria, prepared by the United States Department of State, made public, noted without equivocation that “although the law provides criminal penalties for corruption by officials, the government did not implement the law effectively, and officials frequently engage in corrupt practices with impunity”. The report further declared that “the anti-corruption efforts of the ICPC and the EFCC remained largely ineffective” (Business Day, 2014). This report, entitled “Corruption and Lack of Transparency in Government”, offers a fresh and undeniable insight into the reason why efforts at stamping out corruption in the country have not produced visible results. Commenting on this report in an editorial column entitled "Dunning US corruption report on Nigeria", Punch (2014) stated how a senior ITXV official cried out to the Senate Committee on Drugs, Narcotics, Financial Crimes and Anti-Corruption, that the Commission had a lean treasury which points out to its increasing inability to engage in active anti-corruption operations. This they saw as a deliberate ploy to tame the Commission and put it in check. One of the other cases of corrupt practices the US report cited was the state pardon granted a former Bayelsa State Governor, Diepiyri Alamieyeseigha (now late). Besides being convicted for treasury looting and money laundering, this man was still at that time a wanted person in the United Kingdom. In fact, he was even nominated to serve in the 2014 National Conference organized by the Jonathan administration. This was a dangerous signal to the outside world for a government that professed commitment to fighting corruption.

Under this administration corruption became more daring, even when the President stated in clear terms his readiness to fight corruption, this was not demonstrated from the manner corruption cases were handled. For instance, after ordering series of probes into the stolen oil subsidy money, in which the country lost well over N2 trillion, an amount far in excess of Nigeria’s capital budget for that year, nobody was convicted for more than four years after (Imimole et al, 2014).

According to Punch, the US report also alleged that in Nigeria, massive, widespread and pervasive corruption affected all levels of government and security forces. Since then there have been allegations of missing funds meant for the Federation...
Account, and for further distribution among federal, state and local governments since the beginning of 2014. Also, it was alleged by the then governor of the CBN that about $12 billion and later $20 billion, had not been accounted for. For this singular act the CBN governor was placed on suspension, and a forensic audit ordered later. What the government and NNPC were later saying was that it was only $10.8 billion that was unaccounted for, which is still a huge sum of money. After the conclusion of the NNPC’s account audit, it was announced in January 2015 that NNPC’s non-remitted revenue was actually US$1.48 billion, which it needed to refund to the Government of Nigeria. Upon release of both the PwC and Deloitte report by the Jonathan administration at the eve of its exit, it was strongly believed that truly close to $20 billion was indeed missing or misappropriated or spent without appropriate. In addition to these, the Jonathan administration had several running scandals including the BMW Purchase by his Aviation Minister, ₦255 million plus security contracts to militants in the Niger Delta, massive corruption and kick-backs in the Ministry of Petroleum, Malibu Oil International Scandal, and several scandals involving the petroleum ministry. In the dying days of Jonathan administration, the Central Bank Scandal of cash tripping of mutilated notes also broke out, where it was revealed that within 4 days, ₦8 billion was stolen directly by low level officers in the CBN.

Similarly, the Centenary Award to late military ruler, General Sani Abacha, whose stupendous loot is still at large across the globe, is clear evidence that the government was actively involved in protecting corrupt individuals. In fact, immediately after the award it was reported that the United States of America froze $458 million of Abacha’s loot held in that country (Imimole et al., 2014).

The over $2 billion arms deal was an arms procurement deal in Nigeria that resulted in the embezzlement of over $2 billion through the office of the National Security Adviser under the leadership of Colonel Sambo Dasuki (Rtd), the former National Security Adviser. The illegal deal was revealed following an interim report of the presidential investigations committee set up by President Muhammed Buhari on arms procurement under the Jonathan administration. The committee report showed an extra-budgetary spending to the tune of ₦643.8 billion and an additional spending of about $2.2 billion in the foreign currency component under the Jonathan administration. Preliminary investigation suggested that about $2 billion may have been disbursed for the procurement of arms to fight against Islamic insurgency in Nigeria.

The investigative report indicated that a total sum of $2.2 billion was inexplicably disbursed into the office of the National Security Adviser in procurement of arms to fight against insurgency, but was not spent for that purpose. Several reports suggested that part of the disbursed fund was diverted for the sponsoring of the re-election of Goodluck Jonathan, the former President of Nigeria. Investigations on this illegal deal led to the arrest of Shibu Salisu, a former Director of Finance in the office of the National Security Adviser. He was arrested by the Department of State Security Services and following interrogations he claimed to have acted on Colonel Dasuki’s order. Colonel Dasuki was arrested on December 1, 2015 by the Department of State Security Services and transferred to the EFCC for further interrogation. In a written statement, he mentioned several notable Nigerians who were involved in the arms procurement deal. He mentioned amongst others, Chief Raymond Dopiesi, the chair emeritus of DAAR Communications Plc, alongside Atahiru Bafarawa, the former Governor of Sokoto State, and Bashir Yuguda, the former Minister of State for Finance.

NIMASA fraud which was used to fund the ruling party was uncovered by the EFCC and the case has been charged to court. Massive scam in weapons and defence procurements and misuse of ₦3 trillion defence budgets since 2011 under the guise of fighting Boko Haram was also uncovered.

Through acts of dishonesty and crass materialism, these leaders shamelessly and mindlessly devoured the country, leeching on it like blood-sucking parasites. This situation must have made some world leaders, for example the British Prime Minister, David Cameron describe Nigeria as fantastically corrupt.

Could this issue of corruption be attributed to a bureaucratic model which is supposed to be guided by the Weberian ideal construct or to its precepts being perverted? While it could be argued that what has been happening is not the problem of the model, it is however, a flaw to think that bureaucrats would be impersonal, neutral arbiters and not looking after themselves. There are possibilities for acquiring improper benefits by interpreting or bending rules in favour of certain groups or individuals.

This study has revealed a number of cases of corrupt practices and corruption has contributed immensely to poor economic performance. In a situation where public resources are diverted by way of inflated contracts, fewer projects will be executed with what government earns as revenue. Similarly, corruption contractors awarded will either result in low quality job, non-completion of such contracts or abandoned projects, as we have all over the country (Anyebe, 2014). Loss of
revenue to government as a result of corrupt practices of some officials in revenue generating departments also means that not all the resources of government are available for investment. So if corruption discourages investment but encourages poor execution of jobs and alters the composition of government spending, it unconsciously impedes economic growth and development. More worrisome is the fact that money realized from corrupt practices are most often either spent on luxurious items of consumption or transferred to foreign accounts to evade national anti-corruption agencies. This does not only deny the country the use of such funds, but also creates pressure on the demand for foreign exchange which often results in the deterioration of the country's balance of payments with the resultant consequences of depreciation of the naira and the country's inability to attract foreign investment (Imimole et al, 2014).

CONCLUSION

There is no doubt that Nigeria has an impressive array of institutions designed to combat corruption but corruption has remained widespread in the country and that most of its leaders are neck-deep in it. The study also revealed a positive link between corruption and national development in Nigeria, implying that in an environment where corruption thrives, development will be impeded because funds meant for it are diverted.

In order to combat corruption in Nigeria, therefore, efforts should be made to ensure that those found guilty of corrupt practices are punished irrespective of who they are. One of the reasons why the measures against corruption have not been effective in Nigeria is that those wagging the anti-corruption war are themselves corrupt. There is also the need for the teeming youths to be given a re-orientation to a better value system. A change in behaviour will bring about good governance, transparency, accountability and the rule of law which are important in tackling corruption in any society. Government should strengthen anti-corruption bodies such as the EFCC, ICPC, Code of Conduct Bureau and its Tribunal, Public Complaints Commission set up to fight corruption in the country. Finally, accountability structures in the various ministries and agencies should be strengthened to make it difficult for public officials to engage in corrupt practices, hence the introduction of Treasury Single Account in the Nigerian public service by the Buhari administration is a right step in the right direction.

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