

CORRUPTION AND NIGERIA'S SOCIO-POLITICAL ECONOMY:

IMPLICATIONS FOR ECONOMIC DEVELOPMENT

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Abstract

This paper examines corruption in the context of Nigeria's Socio Political economy in addition, its implications for economic development. In the study, the nature and character, the causes and consequences of corruption and its implications for economic development were critically and dispassionately examined. The findings have established that there is negative relationship between corruption and economic development as the incidence of corruption has been proved to have deleterious effect on economic development. This being the case, it is advocated that corruption be seriously tackled through the institution of the principles and practice of good governance to ensure income equality, through massive increase in employment and wealth creation activities and by effecting a change in the moral values of society to ensure compliance with due processes. This is required to boost transparency and accountability in public and private transactions.

Keywords: Corruption, Economic Development, Good Governance.

Introduction

Corruption is a global phenomenon whose activities transcend all cultures, religions, traditions and political setups. It permeates the entire socio- economic and political structures of a society. This is because its incidences and effects are debilitating since they can be found in every social setup. This includes the individual, group and society. Hence, corruption is perceived to significantly and negatively impact on economic development as it hampers investment spending.

Nigeria like many other developing nations is battling with myriad of problems that are associated with corruption. Such include incessant ethnic conflicts, youth restiveness, and boundary crisis, the prevalence of deadly diseases such as tuberculosis, HI V/AIDs, Malaria, Polio and widespread poverty that is partly caused and curdled by corruption. Hence, Oseni (2008) has observed that, Nigeria. Since independence from colonial rule, has been struggling to better the lot of its citizen by instituting policies in all facets of life. This goal however is yet to be achieved due to the increasing incidences of corruption whose practice has permeated the

Nigerian family, the educational and governmental systems. This informed the decision of successive governments to frontally fight corruption to ensure that its deleterious effect on the socio — political economy is minimized.

In spite of all these, the incidence and the practice of corruption seems to be heightening as it is pervading every facet of the Nigerian society. This is evidenced in the manner in which corrupt practices are perpetrated with alarming alacrity. Thus, Zowam (2008), argued that, “Even though several attempts have been made in the media, polity and the entire Nigerian to society to stem the tide of corruption in Nigeria, its incidence is getting worse and it is pervading every facet of the Nigerian society.

This paper therefore examines the nature of corruption and its consequences for Nigeria’s quest to ensure rapid and sustained economic growth to foster sustainable development. The primary objective of this study is to examine how corruption is hampering Nigeria’s march towards substantially reducing her poverty in line with the targets set by the Millennium Development Goals (MDGs) by 2015. The attainment of this singular objective, it is argued, would enable her to be among the 20 leading economies of the world by the year 2020.

Conceptual Framework

Corruption and poverty are among the social evils that have plagued Nigeria since independence. It is therefore not a surprise that Nigeria as a nation that is so richly endowed with resources is ridden with these twin evils which are causing the nation to suffer widespread underdevelopment. Consequently, Oseni (2008) submits that, Corruption is slowing down Nigeria’s greatness as most Nigerians have failed to perceive democracy as a means to development. Corruption therefore is perceived as a key variable that retards development. Thus, in spite of the Federal Government’s effort to combat corruption, it has remained a recurring decimal in the nation’s socio-political economy. Hence, corruption has become a major obstacle to the nation’s quest to develop her infrastructure and economy. In validating this view, the Nigerian Labor Congress, (NLC) has observed that between 1980 and 1999, over \$400 billion dollars was embezzled from the nation’s treasury. This was ostensibly done through the inflation of contracts .This is causing other development projects to suffer the problem of insufficient funding. Equally, Ukura (2010) submits that corruption and insecurity retards the nation’s socioeconomic development.

Against this backdrop, it is postulated that corruption causes poverty even as poverty causes corruption. This dual negative relationship is intrinsic and problematic because for one to go, the other also must have to go. According to Oseni (2008) Corruption is a major cause of poverty since it is a barrier to overcoming poverty. This implies that the scourge of poverty and corruption feed on each other as they lock their populations in a cycle of misery. Hence, it is

posited that Corruption must be controlled if foreign aid is to make a real difference in freeing people from the shackles of poverty.

Attempts to define the concept of corruption have not been easy due to paucity of literature that define it in the context of its determinants, its severity, and its impact on economic development. The reason for this is due to the near absence of relevant data that are required to prove the magnitude of the existence of corruption and the people that engage in it. To overcome this problem, Nguou (2000), Tanzi et al (2005) and Ackernam (1992) in their various studies in an attempt to define the concept of corruption have established its determinants and its impact on economic development.

According to Nguou (2000) corruption manifests in the exploitation of Public positions for private benefits; it exist because civil servants of all categories lack the civil spirit which causes them to be corrupt by misappropriating public funds. To Tanzi et al (2005), corruption can be found in both the public and private sectors. As such, Akindele (2005) describes it as a behavior, which deviates from the former rules that govern the actions of someone in a position of authority. This is against the backdrop that corruption manifest in various forms. Thus, to Osunyinkanmi (2009) the term corruption is synonymous with fraud, bribery, settlement etc; it is a euphemism for bribery in the Nigerian parlance. Hence, to Ackerman (1992), corruption can assume several forms. Such includes bribery, embezzlement, fraud etc. In a situation where bribery assumes the most prominent form of corruption, then bribery can manifest in incentive payments, which are made with the intentions to obtain lower costs or to buy or influence votes. To the Dwivedi 1967, corruption manifest itself in nepotism, favoritism, bribery graft and other unlawful means that are adopted by government employees and the public to extract some socially and legally prohibited favors. In this vein, Scout (1972), submit that the act of corruption entails deviation from certain acceptable standard of behavior. Therefore, corruption can be defined as an act that causes the perpetrator to misapply, misappropriate and misuse Public resources for personal gain. This is facilitated by embezzlement, extortion to gratify self. This is because corruption enhances the personal enrichment of public officials and the provision of benefits to the corrupt. To the UNDP (1999), it is an act that is committed by an official or a judicial person to lawfully and wrongfully use his position or character to procure some benefits for himself or for another person contrary to duty and the right of others. As such, corruption is a crime that is committed with the intent to confer some advantage that is inconsistent with the official duty and right of others.

In the light of the above, Nye (1967) and Bray (1999), have argued that since Corruption entails the abuse of Public positions for Private or sectional gain, if is exhibited as a behavior that deviates from the former duties of Public role. This is derived from the fact that the perpetrator desires some Private gains either for himself or for a proxy. As such, it is an act of dishonesty that is displayed by people in positions of power. To Wokiki (1994), and Thompson (1994),

corruption is practiced as an act of embezzlement, diversion, expropriation and the misuse of public funds for purposes other than that for which funds was intended or meant. Hence, it is argued that even though corruption is a universal phenomenon, there is a type that is peculiar to the Third World Countries such as Nigeria. This form of corruption is practiced by politicians and highly placed public officials who siphon public resources away from social and economic development to fulfill personal and group or sectional gain. Ayittey (1992), 'Grand Corruption', which is considered a crime against humanity, refers to this type of corruption.

In explaining the concept of grand corruption, Ayittey (1992), submits that, it is that type of corruption that is peculiar to politicians and high-ranking officials. This is most rapacious and destructive since Third World politicians and high-ranking public officials whose duty it is to promote accountability and transparency to ensure probity corruptly enrich themselves and get away with it by hiding their loot in secret foreign bank accounts. Thus, in an attempt to define the concept of corruption, Ogala (2008), Black (1990) and Homby (2000) ,submit that to be 'corrupt' entails the use of power to do dishonest or illegal things in return for money ; it involves the use of illegal and unfair methods especially bribery to gain an advantage in business or politics. According to Ajegi (2003), "By whatever name corruption is known, it is an anti-social, self centered activity whose primary objective is the enhancement of the satisfaction of the perpetrator to the detriment of the larger society". This is because corruption entails the abuse of power that is held by the perpetrator whether in the Public or Private Sector which generally results in collective social loss. This implies that Corruption is perceived as a dishonest or an illegal behavior that is exhibited by people in positions of authority to gain advantage in business, politics etc. over others particularly for personal gain.

An Overview of Corruption in Nigeria

Regarding corruption in Nigeria, the UNDP report (2001) observed that despite the fact that Nigeria possess vast amount of mineral, crude oil and gas, Water, land and human resources, most Nigerians live on less than 1 a day. Hence, Nigeria is rated the 26 poorest country in the world. Consequently, Oseni (2008) notes that, "The poverty line is so thick and wide that no one can rightly write about Nigeria without talking about the mass poverty that stalks partly due to corruption and mismanagement. Hence, Nigerians are poor and corrupt because prolonged military rule promoted poverty and corruption among Nigerians since the military nursed and nurtured these twin evils ostensibly, due to their lack of administrative skills, democratic virtue and values and sheer demonstration of autocratic recklessness.

In assessing the state of corruption and poverty since the inception of democratic rule, it is noted that corruption and poverty have continued to grow. In validating this, the Transparency International's Corruption Perception Index (CPI), revealed for instance that in 2001 and 2003, Nigeria was rated the second most corrupt nation in the world after Bangladesh. In 2005, Nigeria was rated the Third along with Côte d'Ivoire, Equatorial Guinea and Haiti. In explaining the

rational for these ratings, Ogiemwonyi (2008) and Unegbu (2003), submit that, corruption in most establishments in Nigeria thrives because power is concentrated in the hands of a few who operate without regard for due process. This is because government officials are reluctant to enforce the law by proceeding against the perpetrators of corrupt acts. This is further complicated by the fact that Nigerian banking and financial regulations are made deliberately ineffective to allow corrupt officials and their cohorts to siphon Public money.

Deriving from these submissions, experts in assessing the Public sector corruption have established that a strong correlation exists between corruption and poverty in Nigeria. This has been established by the Corruption Perception Index, (CPI) report of the year (2000) in which it was observed that, “most countries that face serious perceived levels of domestic corruption are poor”. Hence, the report, ranked Nigeria as the world’s third most corrupt nation. In addition, the African Development Report (2001), posited that Nigeria scored 1.2 in 2006 as she ranked 46th most corrupt nation out of 63 countries that were surveyed. This is against its 2005 rating in which she was ranked the 152’ out of 159 countries surveyed.

In buttressing these, Ribadu (2007), asserts that, “Corruption and mismanagement gulps 40% of Nigeria’s over \$20 billion annual oil income; at least 100,000 barrels of Crude Oil which represents 40% of national oil exports are stolen everyday in Nigeria. Furthermore, it has been established that even though Nigeria is the eighth largest exporter of crude oil, 70% of her population live below the poverty line. This is attributed to the rising incidences of corruption and mismanagement. Hence, Ribadu (2006), submits that, Nigerian leaders at all levels of governance are corrupt and are criminally ingenious since as Politicians, they not only steal Public funds, they have the uncanny ability to deceive and blackmail to cover up their corrupt acts.

Equally highlighting the evils of corruption in Nigeria’s socio-Political economy, the Washington Post observed that “Corruption robs Nigeria’s economy of an estimated \$2-\$3 billion annually”. In substantiating this, the Okigbo report (1994) which was instituted to reform and re-organize the Central Bank of Nigeria (CBN), observed that between 1988 and 1994, Nigeria’s military rulers squandered more than \$12 billion of oil revenue without proper records. The money, which was placed in special accounts that were designed in 1988 to cater for special projects that were to be funded by oil export receipts from the Gulf War, was improperly handled and mismanaged. This is a manifestation of the gross abuse of Public trust as \$21.2 billion, which represents more than 1/3 of the country’s total foreign debts, was spent in less than 6 years on what could be adjudged genuine high priority but not freely regenerative investment. This is because the CBN could not account for the money spent as budgetary expenditures. Hence, it is observed that corruption, which is costing Nigeria more than \$148 billion annually, is increasing the cost of goods by as much as 20%. This is deterring investments by holding back

development. Most of the costs that are occasioned by the prevalence of corruption are borne by the poor.

These corrupt and criminal acts are committed against fellow citizens without any rational justification except that “the end justifies the means”. As such, one finds it difficult to understand why Nigerian citizens have declared war against themselves. In explaining the reasons for this abnormal behavior, Mama (2008), observed that in Nigeria, there are few Public officials today who are not corrupt. This is because the reward system is faulty. This accounts for the wide spread poverty in the midst of plenty. Thus, in spite of Nigeria’s abundant wealth, corruption thrives because our value systems have been seriously compromised and misplaced since money has become the god of the nation.

However, it is important to note that the practice of corruption cannot be said to be limited to any social strata or human setting. This is because corruption is a universal phenomenon, which transcends the customs and the culture of a people. Thus, its practice is universal. In validating this view, Akindele (1999), observed that corruption is not found only in Nigeria but is equally found in other countries. Hence, corruption can be found in every country. This is because corruption exists everywhere. While in other climes, corrupt people are treated as unpatriotic elements, criminals and villains, in Nigeria however, the reverse is the case since corruption and corrupt people are being celebrated and defended. Nobody cares to know the source of any body’s wealth. This point can be illustrated by two scenarios: The case of former Bangladesh Prime Minister, Khaleeda Zia and the former Governor of Bayelsa State, Chief D.S.P Alamiyeysiegha. While Zia was arrested and imprisoned for corrupt enrichment, tax evasion and extortion during her tenor as the Prime Minister of Bangladesh, Chief Alamiyeysiegha of Nigeria did not only jump bail from a British prison like his counterpart Chief Joshua Dariye the former governor of Plateau state who is now a serving senator of the Federal Republic of Nigeria in the seventh republic, both were awaiting trial for money laundering, after being convicted for various financial crimes, by the courts in Nigeria. Chief Alamiyeysiegha after being tried by the Courts of Law was sentenced to 12 years imprisonment on a 6-count charge of diverting billions of Naira of his oil rich state funds to personal use served only a 2-year jail sentence and was out barely 2 weeks after. Even though he forfeited several choice properties both local and abroad to his prosecutor, the Economic and Financial Crimes Commission, (EFCC), he arrived Bayelsa state house, Yenagoa in a chartered helicopter and was treated to a brief but a warm reception by his successor, Chief Temipreye Sylvia before he departed for his home town, Amaseoma where he was given a grand reception. He was not only driven in a black jeep, he was driven in a long convoy to a mammoth crowd that awaited his arrival. According to Akosile (2007), the reception granted Chief Alamiyeysiegha was likened to a huge carnival that consisted of thousands of Ijaws from Bayelsa, Rivers, Delta, Ondo, Edo and Akwa-Ibom who were there to give Alamiyeysiegha a rousing welcome from prison. Alarnieysiegha who was

overwhelmed by such a reception, expressed his gratitude to God for keeping him alive to see the true love of his people.

Causes of Corruption in Nigeria

Like any other phenomenon, corruption is caused by many factors. In identifying such factors, Akunyili (2008), observed that, corruption in Nigeria is thriving because Nigerians do not believe in the Nigeria project. This is evidenced by the lack of the spirit of nationalism, patriotism and discipline in most Nigerians. This is the major reason why most Nigerians defend corruption, corrupt practices and corrupt politicians and leaders who brazenly loot public treasuries for personal benefits. In addition, corrupt people in Nigeria are protected and defended because of tribal considerations. As such, villains and criminals consider the theft of public money by corrupt officials a norm and a convention and not really an unpatriotic, un-nationalistic crime. This sort of defense of the corrupt negates the genuine spirit of nation building which among others can only be achieved more expeditiously through rapid and sustained economic growth and development. Accordingly, Mama (2008), submits that corruption in Nigeria thrives because of sycophancy and the prevalence of mass poverty. According to him, Nigerian leaders sometimes do not assume leadership with the intention to be corrupt. They become corrupt, because sycophants mislead them.

Second, is the obsession for materialism fuels the compulsion for a shortcut to affluence as approbation for ill-gotten wealth by the general public are among the many reasons why corruption persists in Nigeria. According to Dike (2007), through corrupt means, many political office holders have acquired wealth and properties in and outside the country. This has made politics a big business in Nigeria as anything spent to secure a political office is regarded as an investment, which matures immediately one gets into the office.

Third, to Gaisie (2003), corruption is caused by the extravagant and ostentatious life styles of the elites who are fond of throwing great parties, owning fleets of expensive vehicles and houses because they have access to money beyond their salary; command wide respect as few in society question their source of wealth. The practice of corruption therefore in the third world is widespread and institutionalized, as it has thrived for decades even as law enforcement agencies have ignored it. Thus, it is observed that African elites steal so much because of sheer greed, ostentatious and family pressure because corruption is perceived as a way of life and a means of self-preservation in the third world countries.

Fourthly, to Werilin (1972), Corruption is caused by widespread poverty that is due to the near absence of adequate checks and balances in the bureaucracy. Hence, corruption is regarded as a means as lubricating a tightly, rigid and sluggish bureaucracy. Even though these reasons seem plausible, they do not convincingly justify the theft of public funds. This essentially brings to the fore the need for governments at all levels in Nigeria to institute and enforce good

governance as a basic pre-requisite that is required for democratic governance to succeed. Hence, it is imperative that policies and institutions be put in place to promote good corporate governance that is if our genuine desire is to rid the nation of the debilitating and deleterious effects of corruption.

The significance and the relevance of good governance cannot be under estimated neither can it be over emphasized. This is against the backdrop that corporate good governance is a framework of policies and procedures that large organizations use to protect the financial interest of stakeholders. This is because; it is argued that in an establishment where good corporate governance is put in place, it will, create a balance in such an establishment. This can be established by the fact that in a situation where one group is unable to dominate the actions of others in an establishment where good corporate governance is put in place, good corporate governance tools and mechanisms can used to outline the roles, responsibilities and the purpose of a job position. This segregation will play a vital role in governance since it can shift power from executive manager to shareholders who are the owners of a publicly quoted firm and the board of directors who act in the interest of the shareholders.

Organizations may restructure their governance structure and culture to enhance their internal control that defines how a firm completes assigned tasks or activities according to the internal or external guidelines that have been put in place. This is because it is argued that in an establishment where good governance is instituted, it will remove internal control guidance as the sole responsibilities of executive managers to make sure that they do not have the ability to override the controls. Hence, the institution of good corporate governance is aimed at enhancing a high level of transparency and accountability in a firm's operations. This essentially means that both Private and Public entities need these attributes at all levels of their operations to regulate their operations internally and externally. This is because good corporate governance is concerned with three basic issues: the issue of integrity, the issue of bonus culture and the issue of regulatory framework

Integrity entails the governing board of an establishment carrying out their duties in an ethical way. The issue of topicality on its part deals with the bonus culture. Here, the question is, can better corporate governance in financial institutions and their remuneration policies prevent a credit crunch that can result to financial crises? Third, is the regulatory framework: it has been observed that the introduction of more regulations has clearly failed. Hence, we need better regulations that will make sure that businesses recognize the important role that good corporate governance plays as an integral part of management. This is against the backdrop that good governance is concerned with the regular training of directors to increase their knowledge of principles and practices of good corporate governance. This is because good governance as an indeterminate term is used in development literature to describe how Public institutions conduct public affairs and manage public resources. To Ijnescap (2009), governance is the process of

decision-making and the process by which decisions are implemented or not implemented. Hence, the term governance can apply to corporate international, national, local or the interaction between other sectors of the economy.

In stressing the imperative for good governance, Fashola (2007), observed that, Corruption is among the greatest obstacle to Nigeria's quest for rapid socio-economic, and political development. In his view, Corruption destroys trust, accelerates crimes, hurts investments and stultifies the growth of nations as it bleeds national budgets. In the Private Sector, corruption increases the cost of doing business as it facilitates the inflation of the prices that are charged for goods and services. This is due to the bribes that are paid out by company managements to government officials in the cause of negotiating Contracts. The act of bribing government officials heightens the risk to breach contract as it prevents the detection of faulty clauses that are hidden in corruptly tainted contracts.

Fifthly, to Akunyili (2008), corruption in Nigeria is caused by the failure of the reward system which has favored mediocrity to the detriment of the competent and men of high integrity. Hence, the failure to reward hard work promotes corruption. As such, it is posited that when hard work, transparency and high integrity are not celebrated, then corruption would thrive.

In rationalizing these arguments, Annan (2000), argued, that since the pillage that is facilitated by corruption occurs where the socio economic indicators are weak, Billions of Dollars of public funds will continued to be stashed away by some African leaders even as the roads are crumbling, health systems are falling, school children have neither books, desks, nor teachers; while phones do not work. The responsible elites shamelessly rape their constituencies and then seek healthcare and education overseas, sometimes at public expense.

Consequences of Corruption in Nigeria

Corruption has debilitating and deleterious consequences for the growth and development of every socio-political economy. Among others, corruption breeds disenchantments as it disrupts social cohesion by promoting conflicts that result to wars. This disrupts the pace of economic growth and development as investments in volatile socio-political economies are discouraged due to persistent instability, rising crime wave and other forms of disturbances that hamper the smooth functioning of every socio-political setup.

Secondly, corruption retards development efforts. In validating this view, Akindele (2005), in his econometric investigation into the relationship between some key variables in Nigeria, using a modified production function found out that the coefficient of the corruption index is negative. This implies that it is consistent with the hypothesis that corruption retards development efforts since it has been established that where corruption exist, even in a highly endowed nation like Nigeria which is rich in human and natural resources, it may fail to develop

in a beneficial way since development efforts will not benefit the great majority of its citizenry. This has been the case with Nigeria since the magnitude and intensity of corruption has been increasing year in, year out. Hence, it is posited that the average Nigerian is corrupt. This is notwithstanding the fact that even though data on this is hard to come by, corruption in Nigeria still manifest in the forms of bribery fraud and embezzlement.

Thirdly, corruption hampers the growth and development of nations. According to Ekpo and Agbenebo (1985) and Obadan (2001) corruption introduce distortions into an economic system as it impairs hard work, diligence and efficiency; it diverts resources from social to private or personal use; subverts honest selection process and distorts prices. In buttressing this, Tanzi (1995), and Ackerman (1998) observed that corruption weakens institutions, undermines investments and retards economic development. Against this backdrop, Nyerere (1999) submits that corruption is an enemy of progress and development as it undermines the well-being of society. This corroborates Akindele (2005) who established that a strong significant relationship exists between corruption and development.

Fourthly, corruption is one of the root causes of poverty. According to Wolfowitz (2007), corruption is one of the root causes of poverty since the prevalence of the culture of poor governance that is fueled by the cancer called corruption hampers the attainment of the goals of the development process. This is established by the fact that currently, over 300 million people, half of whom reside in the African sub continent live in extreme poverty. Hence Wolfowitz regards corruption as the core root cause of poverty.

In a similar context, Gaise (2005), in identifying the evils of corruption, argued that corruption and management hurt social and economic activity by undermining a nation's quest to accelerate her pace of development. Against this backdrop, it is argued that corruption erodes investor' confidence, robs the economy of buoyant economic activities as it causes low public moral since miscreants and enemies of the people use corruption as a vehicle to undermine the entire working mechanism of society. Hence, it is posited that where democracy and political accountability are not entrenched, economic crimes would be rife; politics would be made unstable to cause the devastation of millions of people living in a society. Against this backdrop, it is posited that where corruption and mismanagement are rife, this will promote mass poverty to fuel social discontentment and brutality to foster civil conflicts that are likely to result to wars.

Hence, the UNDP (1997), describes corruption as second best response to government failure as it is a highly distortional method of public choice. This is because a state that is infected and infested with endemic corruption can be especially brutal to the very poor who have no resources to compete with those who are willing to pay bribes. Deriving from this, it can be submitted that corruption restricts investments, retards economic growth, and undermines programmes that are designed to specifically aid and benefit the poor. The poor are most harmed by the existence of systemic corruption. Systemic corruption therefore is suspected to be a major

cause of deep-seated poverty since the effect of corruption is as devastating to millions of people as Cholera, Meningitis, and HIV/AIDS and civil strife which culminate into wars. This is because it aids brutality in armed conflicts since it is not in tandem with the overall aspirations of most people that live in democratic societies and free market economies. Hence, Good governance is defined as an ideal, which must be attained in its totality. From this, it is implied that actions must be taken to ensure that the ideal of good governance is instituted and enforced to foster the attainment of the prime goal of attaining sustainable human development.

Still on the consequences of corruption, Silverstein (1999), argued that, corruption and mismanagement hurt socio-economic development as it causes the stagnation of economic activities. This has diminutive effects on Public morality, as miscreants become the enemies of the people. As such, where democracy and political accountability are not entrenched, economic crimes would be rife since politics will be made unstable. Such was the case with Ghana and Brazil even as it explains Nigeria's current dilemma in which terrorism and insecurity, kidnapping, oil bunkering, money laundering etc which are the products of corruption and mismanagement are currently the bane of the nation. ..Same can be said of those of other nations that suffer the debilitating consequences of corruption. Such include Chile, Argentina, Philippines, Congo Democratic Republic, Liberia, Sierra Leone and Indonesia whose development indices are currently negative. This is because thrice the number of their populations that die of preventable and curable diseases such as HIV/AIDS, Malaria, Tuberculosis, Polio and Acute Lower Respiratory infections is the result of corruption and wide spread mismanagement of scarce state resource. Using Nigeria as an example, Table 1 explains Nigeria's corruption perception rating from 1996 to 2010.

Table:1 Nigeria's Corruption Perception Index 1996-2010

Year	Perception index	Number of countries evaluated	Rating
1996	1.20	54	54
1997	1.30	52	52
1998	1.90	85	81
1999	1.90	99	98
2000	1.90	90	90
2001	1.60	102	100
2002	1.70	91	90
2003	1.40	133	132
2004	1.60	145	144
2005	1.90	158	154
2006	2.20	163	142
2007	2.20	183	127
2008	2.20	183	127
2009	2.70	180	130
2010	2.40	178	

Source: Transparency International Agencies

A critical examination of Table 1 revealed that in 1996, of the 54 countries surveyed, Nigeria scored 1.2 on the Corruption Perception Index (CPI) and occupied the fifty-fourth position. While in 1997, of the 52 countries surveyed, she scored 1.3 on the (CPI) and was rated the fifty-second. Subsequent ratings from 1998 to 2010 however indicate deterioration as her position worsened. This is because of the 178 countries that were surveyed; Nigeria scored 2.40 on the Corruption Perception Index (CPI) and occupied one hundred and thirty fourth positions on the rating scale.

Deriving from the above submissions, it can be posited that corruption not only causes poverty, strangulates and hampers development, wastes skills and constrains productivity by undermining the quality and the standards of goods and services that are made available to people, but also stymies development and taints a country's business environment. This is because it drains the economy of its essence and its potentiality for viability, it robs an economy of opportunities to garner in foreign investments as it scares away foreign investors and causes brain drain by promoting the rapid flight of human capital. It also destroys governmental structures and capacities by undermining the effectiveness of government's policies and programs that are aimed at improving the lot of the citizenry.

Thus, Ajegi (2003) submits that corruption is certainly not a purely African phenomenon neither is it within the African setting a purely acceptable convention. This is because its incidences transcends all continents and cuts across religious, national, cultural, political,

economic and social boundaries. Hence, the lowly and the highly are all involved as each operates in consonance with the degree of power that is conferred on and are exercised by the perpetrator.

From a disaggregated perspective, Table 2 illustrates the preponderance and pervasiveness of corruption in various Public institutions in Nigeria.

Table 2: Top Corrupt Organizations in Nigeria

Organization	Year 2005 %	Year 2007 %
The Nigeria Police Force	96	99
Power Holding Company of Nigeria. (PHCN)	83	87
Ministry of Education (Universities, Polytechnics, Colleges of Education)	63	74
Custom & Excise Dept.	65	61
Federal Road Safety Corp. (FRSC)	42	51
The Nigeria Immigration Service	56	48
Joint Admissions and Matriculations Board	41	47
Local Govt. Authorities	47	46
Independent National Electorate commission (LNEC)	-	38
Federal Inland Revenue Service (FIRS)/Tax officials Federal Inland Revenue Service (FIRS)/Tax officials	36	36
Health Ministry/ Primary Health / Teaching Hospital	30	32
Ministry of Justice	27	31
The Presidency	24	29
Nigeria National Petroleum Corporation (NNPC)	27	28
Federal Housing Authority	26	28
Nigeria Ports Authority/ Nigeria Maritime Authority	33	24

Source: Nigeria corruption Index by Institution (2007)

From Table 2, it can be seen that the Nigeria Police Force is the most corrupt Public Institution in Nigeria while the Federal Housing Authority is the least corrupt may be due to its exposure to the Public. From this, it can be implied that corruption is a universal phenomenon that harms society to such an extent that it creates the increasing tendency for people to support their tribesmen to go and loot public treasury. As such, the wealth so accumulated is used to pay for chieftaincy titles, which traditional rulers who are the custodians of our culture are ever ready to jettison their ethical principles and responsibilities to confer on corrupt persons and leaders. Hence, the display of stupendous wealth by the rich and the corrupt has increased the desire to amass wealth at all cost. This largely accounts for the rising tide of armed robbery, smuggling, kidnapping, hostage taking, drug and currency trafficking, oil bunkering, frauds, embezzlement and counterfeiting which has become necessary avenues that corrupt Nigerians use to make

money at all cost. Hence, the means by which money is made is nobody's business as the end ultimately justifies the means.

In a similar vein, Omoregbe (2008), argued that since corruption in the Political sphere undermines democracy; since it grounds the entire democratic process which has largely contributed to high level of corruption that pervades the Nigerian political dispensation, the "money for votes" culture has become an integral part of Nigeria's electoral process. This is detrimental to the country's quest for a stable democracy and prosperous economy. Hence, it is further posited that corruption has severe negative consequences on national economies, as corruption is both morally and economically wrong and harmful since its practice undermines the operation of society's entire Socio-Political, and economic structures and institutions.

In corroborating this view, Collier (2000), argued that if corruption were not morally and economically wrong and harmful, then most economists would not have had a say about it. Thus, Ajegi (2003) argued that Corruption is directly related to financial crimes, as it is perceived to harm both nations and individuals.

Consequently, it is posited that the practice of corruption distorts and hampers the quest for economic development as it rewards the dishonest to the detriment of the competent. Therefore, Vinod (2001) argues that since corruption reduces domestic and foreign investments, lowers tax revenues as it encourages tax evasions by potential tax payers, it distorts the composition of Public expenditure as it equally promotes the diversion of budgeted revenues from the financing of social services that are required to sustain and bring succor to the society especially the poor. Corruption therefore promotes income inequalities between nations, individuals and the various groups in a society as it distorts income distribution and facilitates the diversion of resources from poverty reduction and alleviation programmes to personal uses.

Against this backdrop, Ajegi (2003) and Dike (2007) submit that corruption promotes financial crimes by facilitating theft from Public Treasuries, 90% of which are stacked away in foreign private accounts. Hence, since such loots occur mostly in the developing economies, it has the dual effect of boosting the domestic economies of the custodian of the looted funds while it constrains and worsens the economic conditions of the country whose treasury was looted. This enhances income inequality as the gap between the rich and the poor nations of the world are ever widening. Dike (2007) further observed that experts have blamed the low level of investments in the Nigerian economy to the existence of pervasive corruption. Thus, to Gabriel (2006), corruption in Nigeria's Ports and tax evasions are among the major obstacles to the inflow of foreign investments. This is because inexplicable obstacles bedevil the Nigerian economy. Such include corruption at the ports, tax evasions and avoidance and the inefficient collection of value added taxes. These crimes occur because most companies in Nigeria including some multinational corporations are not registered and so do not pay tax. This is disincentive to foreign investments, as investors whose firms are not registered and are fond of

evading taxes cannot transact with the government and other foreign partners. Specifically, bribes that are paid to port officials are called facilitation fees.

The Imperative of Good Governance

The challenge facing Nigeria like any other society is the need to create a system of governance that is capable of promoting, supporting and sustaining the task of building its human capacities. Thus for Nigeria to be able to institute and enforce the principles of good governance, she must articulate the concept of governance that is predicated on the rule of law to ensure transparency, accountability, and probity in both Public and Private Lives and transactions. This is against the backdrop that corruption is currently one of the major causes of wide spread poverty in Nigeria.

In substantiating this, the United Nations Economic and social commission on Asia and The pacific (UNESCAP) argued that since the term “governance” and “good governance” are being increasingly used in development literature to stress the need for transparency, accountability and probity in the daily conduct of a society’s Public and Private transactions, the term “Bad Governance” is increasingly being used to describe and perceive those negative actions and practices that manifest as corruption. Corruption is the root cause of the evils that are perpetrated within societies. Hence, good “Governance” is defined as the process of decision-making and the process by which decisions are implemented or not implemented.

To the United Nation Development Program UNDP (1997), “Good governance” is defined as the exercise of political, economic, and administrative authority to manage a nation’s affairs; it is the complex mix of actions, processes, relationships and institutions through which citizens and groups articulate their interests, exercise their rights and obligations and mediate their differences. Hence, the term, “Governance” is used to embrace both the good and the bad which abound in all societies. This is established by the fact that the use of Power to distribute and manage Public resources to solve societies’ problems implies that the term “bad governance” is used as a subset of governance which when used inefficiently and in response to the criminal needs of a society would truncate a society’s aspirations. This is because effective, democratic forms of governance rely on Public participation, accountability, transparency, criticisms, orientation and responsiveness, are required to be effective, efficient, and equitable to facilitate the equitable distribution of incomes and wealth in societies. This must be dictated by the tenets of the rule of law which states that the application of the concept of Good governance must entail a substantial reduction in the prevailing level of corruption in a society. This is of utmost importance if consideration is to be given to the voices of the most vulnerable in the society, such voices must be heard in the decision making and implementation process. This is required

to enable the government to elicit the required response and support of the governed to enable it to correctly ascertain the future and the present needs of society.

Summary, Conclusion and Recommendations

From the foregoing, the study has revealed that corruption, like cancer, is a symptom of an abnormality which entails the mismanagement, misapplication and misdirection of given state resources which rather than being used to foster the collective gain of society are rather used to foster the personal gain of individuals and groups. Hence, it is postulated that corruption hampers the efficient working of institutions that are designed to govern relationships between the state and its citizens. This is because corruption enhances the personal gain of the individual and group to the detriment of the collective aspirations of the public. As such, the desire for financial enrichment is the most powerful motivating force that propels corruption the world over.

In Nigeria, corruption among other things is caused by greed, widespread poverty and a faulty reward system that is fueled by a faulty governmental mechanism, which promotes mediocrity rather than merit in the conduct of the nation's Public and Private transactions. This has debilitating and deleterious consequences for the nation's socio political economy as it hampers Nigeria's quest for rapid and self-sustaining economic growth and development. Hence, the need therefore exists for Nigeria to urgently institute policies and institutions that will foster good governance that is predicated on the rule of law. This should be aimed at bringing to book all public office holders who are found to be corrupt particularly those that are directly responsible for managing Nigeria's oil wealth and who equally possess broad constitutional immunity from legal prosecutions.

This recommendation is motivated by two scenarios, which were highlighted in this study. Such revealed the various responses of the Nigerian and the Bangladeshi Publics who both experienced various manifestation of corrupt deeds by their leaders in which Khaleeda Zia was arrested, prosecuted, convicted and imprisoned for acts of corruption and theft while her counterpart in Nigeria in the person of Chief. D.S.P. Alameisagha and Chief Joshua Dariye of Bayelsa and Plateau states did not only jump bail, Chief D.S.P Alameiseigha experienced a brief imprisonment and forfeiture of some of his property, while up till date Dariye is yet to be convicted of corruption even when the EFCC has over whelming evidence against him. On the other hand, Alameiseigha was convicted and imprisoned for money laundering and other financial crimes for 12 years on six count charge that were expected to earn him 2 year imprisonment that was expected to run concurrently, he was released after two weeks after being sentenced. He was received from prison with over whelming ovation. So while Khaleed Kia was shamed, Joshua Dariye and Alameiseigha are being celebrated with the latter now a serving senator of the Federal Republic of Nigeria.

The above scenario highlights two major lessons. The first is that any nation that is committed to the fight against corruption must not be afraid to arrest and prosecute its citizens who are suspected to be corrupt and are otherwise considered to be sacred cows. They must be prosecuted from the top most level of governance to the lowest level of ward committee. Government need not mind whose ox is being gored. To realize her quest for rapid and self-sustaining economic development, it is imperative that the Nigerian government make transparency, probity and accountability its watchdog and guiding principle. To realize these laudable objectives, it is imperative that she institutes and enforce the principles of good governance, which must be based on the rule of law. This is because accountability, transparency and probity are the hallmarks and the essential ingredients of good governance. This should be its primary and fundamental goal.

Secondly and more importantly, in a nation where citizens embrace corruption and corrupt leaders, such a nation cannot be said to be serious and committed to the fight against the scourge of corruption and corrupt leadership. This is because even though reports did not confirm whether the welcoming crowd was hired like the Abacha one million man march, the fact remains that the same citizens who had for long openly protested the loot of their Public treasuries would now turn around to embrace the very persons that are perpetuating the poverty, which is ravaging them. This leaves much to be desired.

Even though it is observed that, it would be very difficult to completely banish crime and corrupt practices from Nigeria's lexicon and its daily existence in a jiffy, Nigeria can do more than frown at corruption and corrupt practices and its accompanying shame by publicly shaming the practitioners to serve as deterrent to would be looters. By arresting, prosecuting and convicting offenders at the highest official and unofficial levels all corrupt persons, this will send the right signals to the less corrupt agents. Until this is done, we cannot expect to see the gains of corruption free governance.

As such, this work concludes that even though corruption would be difficult to be completely banished in Nigeria, the world at large, good governance should be instituted and strictly enforced to make sure that the deleterious and the debilitating effects of corruption on Nigeria's socio-Political economy are minimized. This will enable her to resume and accelerate her pace of economic growth and development via the Millennium Development Goals whose primary objective is the substantial reduction of prevailing poverty by 2015. With the attainment of the Millenium Development Goals, it is expected, that Nigeria would be among the 20 most developed nations by 2020.

For this to happen, it is required that an improved governance mechanism be instituted and enforced within the ambits of the rule of law to enable her promote accountability, transparency and probity. To attain this primary objective, it is suggested that the developed nations work in partnership with the developing countries to stop providing a safe haven for

stolen wealth. This is against the backdrop that good governance that is predicated on the principles of probity, transparency, accountability and the rule of law are the key to tackling corruption in any society. This is essentially so because corrupt leaders cannot wage an effective war against corruption where good governance is absent.

For the fight against corruption to be effective, it is suggested that government should:

Sign into law, the Freedom of Information (FOI) Bill that if complemented by the Due Process Act would ensure transparency, accountability and probity not only in the Public Sector but also in the Private sector. For this objective to be attained, Nigeria must allow a vibrant press, an effective and vibrant opposition, ombudsman, criminal justice system and other institution that are required to expose and punish corruption to thrive. This suggestion is informed by the fact that our leaders who are vested with the responsibility to promote accountability, probity and transparency in the management of the nation's scarce but limited resources who are expected to safe guard such for the collective interest of the Public to ensure maximum welfare are the worst offenders. This is because they get away with their corrupt acts by hiding their stolen wealth in secret foreign bank accounts. Such command respect when they exhibit extravagant life styles even when they are known to finance such life styles with stolen wealth;

Recognize and reward hard work, transparency, accountability and integrity to inspire people that are doing well to propel others to work hard to be transparent and accountable. This is because, money is not everything that matters in life; a good name is also important. Hence, we must chase corruption out of our lives; we must not pass it to our children;

Stop the litany of bad governance by taking drastic measures to minimize the deleterious and the debilitating effects of corruption as the world rallies to help the needy to develop through development and cooperation. This suggestion is informed by the fact that development aid programs that are driven by altruistic charity rather than economic justice and common sense have failed to lift the poor out of poverty. Hence, the poor must be saved from their thuggish and brutish leaders; donors equally deserve reliable accounting for their gifts. This essentially means that those who cry for help must show that their scarce resources are lawfully and judiciously utilized to ameliorate the poverty conditions of the led.

Drawing from this, it is further recommended that for corruption to be minimized in Nigeria, good governance mechanism must be instituted and enforced in the context of a market economy that is in tandem with our political and democratic ideals. To do this, all anti-corruption agencies should be granted full autonomy and insulated from partisan politics; divorced from the direct supervision of the Office of the Attorney —General of the federation.

For the government to attain this objective, she should possess the political will, which is required to enable her to persuade people in both public and private sectors to eschew corruption and promote good governance from the top most level of leadership to the lowest. This should be

done while the economy is being diversified to alleviate mass poverty through massive job and wealth creation opportunities and capacity building to bring about rapid and self-sustaining economic growth and development.

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