

Corruption and Economic Development in Nigeria: A Materialistic Observation

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Abstract

The paper seeks to examine the effects of corruption on economic development in Nigeria. It highlights the probable root – causes of corruption, and the likely factors that give vent to its exacerbation in the Nigerian economy. The paper examines the apparent machinery through which corruption impairs economic development in Nigeria. To meaningfully curb corruption in Nigeria, a selfless, disciplined, and visionary leadership is inevitable. The Nigerian judicial system should make the courts to, indeed, function as “courts of justice”, and allow the law to be practically “blind” in its operations. More so, Nigeria’s mode of production should change from the one (the present), which engenders and supports income inequality among the people to the one characterized by equity and justice in the distribution of national output. For without which, anti – corruption strategies adopted in Nigeria will have very little or no effect, and corruption will not attenuate, but rather it will accentuate. And the yearning for meaningful economic development in Nigeria will aptly be equated with the yearning for hair by the lizard.

1. Introduction

Corruption and economic development are two concepts which are at variance when they are put in their proper perspectives. To corrupt implies to change the original form of something so that it is damaged or spoiled in some way. Corruption is a behaviour which deviates from the formal duties and accepted norms of a public role because of private (personal, coterie, kindred) pecuniary or status gains. It is everywhere, generally, regarded to be inimical and virulent to economic development, and so undesirable. Contrariwise, economic development, that is a process in which a society undergoes positive transformation in various components of its economy in order to achieve improvements in the welfare of its people, is the yearning of every society.

Corruption is a multifarious phenomenon, which cuts across international borders and affects all countries of the world. It affects both the governing and the governed. It is an age-long plague of human societies. Its dimensions, spread, and severity, though tend to exacerbate with advancement in technology and expansion in human societies, vary from country to country.

For over a decade now, in the Transparency International Rating, African Countries have been rated more corrupt than others, with Nigeria being among the leading corrupt African countries (ADR, 2003: 41; TI, 2011:2-5). Likewise, Achebe (1998:54 - 55) observed that:

...Nigeria is without any shadow of doubt one of the most corrupt nations in the world..., with a fairly timid manifestation in the 1960’s, corruption has grown bold and ravenous as, with each succeeding regime, our public servants have become more reckless and blatant.

The enormity of corruption in Nigeria in particular, and Africa in general, has raised concerns at both domestic and global levels. In Nigeria, the persistent rise in corruption and its venomous effects on the economy had woken national consciousness, which engendered the formation of the Independent Corrupt Practices and other Related Offences Commission (ICPC) in 2000, and the Economic and Financial Crimes Commission (EFCC) in 2002, as principal Anti-Corruption Commissions, among others. The Corrupt Practices and other Related Offences Act of 2000, upon which the above Anti-Corruption Commissions were established, vested EFCC and ICPC with the responsibility for investigation and prosecution of offenders”. The Act seeks to prohibit and prescribe punishment for corrupt practices and other related offences” (FGN, 2000:1).

At the global level, the Global Poverty Research Group (GPRG), in November 2005, held a conference in Manchester on the theme “Redesigning States: Political Corruption in Theory and Practices”. The Conference sought to investigate:

- (a) Why corruption is central, and how it works, in Africa.

- (b) Whether corruption is central to undermining development in African countries, and;
- (c) If corruption could be identified, measured and curbed (GPRG, 2005).

The conference stated clearly, in its submission, that corruption is central to undermining development in African countries (GPRG, 2006).

The paper, therefore, seeks to assess the virulent effects of corruption on economic development in Nigeria. It further aims at investigating the root-causes (the machinery) of corruption and why it exacerbates in the Nigerian economy. The paper has 6 parts. Part 2, which follows this introduction, gives the framework of analysis. An overview of the concepts of economic development and corruption is given in part 3. Part 4 assesses the mechanisms of corruption in Nigeria. Part 5 gives a cursory explanation of how corruption undermines economic development in Nigeria, while part 6 summarizes and concludes the paper.

2. Framework of Analysis

Different people may use different approaches to investigate a particular phenomenon. Our framework will be materialistic and dialectic. By materialistic we give primacy to material conditions of man, implying that an economic need is man's most fundamental need. We maintain that economic system or the mode of production is the material foundation of social life. It largely determines other aspects of social life, particularly the legal system, the political system, the belief system and the morality (Ake, 1981:13). A study of historical societies, even our contemporary societies, as argued by Ake (1981:2), and we agree, would reveal that:

Those from the economically (materially) privileged groups tend to be better educated, to have higher social status, to be more 'successful' professionally. This means that economic inequality is extremely important, tending to reproduce itself endlessly in a series of other inequalities. (The privileged group) tend(s) to be interested in preserving the existing social order (which favours them); and those who are disadvantaged by the social order, particularly its distribution of wealth, have a strong interest in changing the order, particularly its distribution of wealth. In this way, the economic structure sets the general trend of political interests and political alignments.

In so far as there is economic inequality in a society, that society cannot have political democracy because political power will tend to polarize around economic power. Also a society where a high degree of economic inequality exists must necessarily be repressive. This repression arises from the need to curb the inevitable demand of the have-nots for redistribution. ... economic (material) conditions not only set the tone of politics but also define the role of coercion in society.

By dialectic we mean that changes occur if, and only if, there is a conflict of forces. Dialectics involves consideration of ideas that are opposed to each other. It involves the struggles of opposites. Dialectics is "the science of the general laws of motion and development of nature, human society and thoughts (Engels, 1939:155). It is the essence of all phenomena. Without contradiction, there is no change: and without change, there is no 'development'; without development, there is no improvements in the welfare of the people.

Our framework is otherwise known as historical and dialectical materialism. It deals with human beings, their activity and the material conditions in which they live, given the relations of production, which constitute the economic structure of a society. Our framework considers the mode of production of material life to be the principal determinant of the general character of the political, social and spiritual processes of life, as it defines the level of morality, and the nature, dimensions, intensity and severity of vices in a society.

3. Conceptual Overview

3.1 Economic Development

Development is a contested concept. It is relative and multidimensional, as such should be applied contextually. When the concept of development is applied to contemporary societies, it is usually dichotomized. Some countries are qualified as more – developed while others are less-developed. The qualification reveals the level of development a country has attained, in time, relative to another (or others).

Longman Dictionary of Contemporary English defines development as "a gradual unfolding", which implies "passing through stages" each of which appears for the next. Akpakpan (2007) argued that when the above definition is applied to countries, which exist in time, it shows that development must be dealt with in a historical context. The historical experience will condition the stage in which a country finds itself, and the degree to which development has unfolded. An unfolding, in this context, implies the "stripping off of overlays",

which are hiding the true nature of the subject; it suggests the gradual emergence of the nature of the subject which, for some reasons, has been hidden but which reveals itself with the passage of time (Akpakpan, 2007). Generally, development is a process of growing gradually from embryo to a larger, more advanced, more complex and more organized form. On this note, Todaro and Smith (2003:20) conceptualized development as “the sustained elevation of an entire society and social system toward a “better” or “more humane” life.

On the above arguments, therefore, we broadly conceptualize what we mean when we talk about economic development as a process in which a society undergoes a gradual unfolding (positive transformation) in various components of its economy in order to achieve improvements in the welfare of its people. Such improvements, as argued by Akpakpan (2006) are usually seen in the occurrence of desirable changes in the various aspects of the life of the society. Instances of the desirable changes are: a) a reduction in the extent of inequality among the citizenry; b) a reduction in the level of absolute poverty; c) a reduction in the level of unemployment; d) improvements in literacy, housing conditions, health services; e) improvements in the provision of infrastructural facilities; f) improvements in the level of social and political consciousness of the people; g) improvements in the level of technology of the people which will practically engender a greater ability to draw on local resources (human and materials) for local needs and for exports.

In the same vein, Burkey (1993:36) defined economic development as a process by which people, through their own individual and/or collective efforts, given their level of technology, boost production for direct consumption and/or for sale. Rodney (1972:9) expressed economic development to imply increased skill and capacity, greater freedom, creativity, increased self-discipline and responsibility, and improved material well-being. Economic development, everywhere, has at least three core values: (a) life sustenance: the ability to meet basic needs of food, shelter, and clothing; (b) self-esteem: to be a person, to have self worth; and (c) freedom from servitude: to be able to choose. Premised on the core values of development, every society that desires, and seeks economic development will have:

- (1) to increase the availability and widen the distribution of basic life-sustaining goods such as food, shelter, clothing, health and protection.
- (2) raise levels of living through the provision of more jobs, better education, greater attention to cultural and human values, all of which will serve not only to enhance material well-being but also to generate greater individual and national self-esteem.
- (3) expand the range of economic and social choices available to the people by freeing them from servitude and dependence not only in relation to other people and nation states, but also to the forces of ignorance and human misery (Todaro and Smith, 2003:23).

One this wise, the World Bank (1991:4) declared that:

The challenge of development is to improve the quality of life, especially in the world's poor countries. A better quality of life generally calls for higher income but it involves much more; it encompasses, as ends in themselves, better education, higher standard of health and nutrition, less poverty, greater individual freedom and richer cultural life.

From our overview, economic development is not a phenomenon driven by chance, rather it is a process that needs sustained-conscious efforts by the leadership of a society or a country.

3.2 Corruption

Corruption seems to be often talked about but seldom understood, especially in countries whose socio-economic and political foundations are deep-rooted in immorality and vices. In Nigeria, the term corruption seems to have lost meaning as it (corruption) has become the vehicle that drives governance, and most socio-economic, socio-religious, and political activities in the country. With age, some immoral acts may seem fair, but age will not turn vices into virtues.

Corruption is a multifaceted phenomenon. It varies in dimension, intensity and severity from sector to sector in an economy, and from economy to economy, event from region to region. It is a contested phenomenon, and hard to define in a precise way. Nevertheless, many authors have attempted to define corruption based on their perception and conceptualization of the phenomenon.

Oxford Advanced Learner's Dictionary (2010) defines corruption as a dishonest and illegal behaviour, especially of people in authority. *Webster's Dictionary and Thesaurus (2008)* explains the concept of corruption as impairment of integrity, virtue or moral principles. Sen (1999:275), conceptualized corruption as a behaviour, which involves the violation of established rules for personal gains or profits. Corruption, as argued by Myrdal

(1978), includes all forms of improper or selfish exercise of power and influence attached to public offices or to the official positions people occupy in public life, plus the activity of the bribers. According to Huntington (1978), corruption is a behaviour of public officials which deviates from accepted norms in order to serve private ends. Osoba (1996), as contained in Dike (2004), expressed the concept of corruption as an anti-social behaviour conferring improper benefits contrary to legal and moral norms, and which undermines the authorities to improve the living conditions of the people. This suggests that corruption is a behaviour characterized by immorality and dishonesty. Corrupt people, therefore, are people who use their power (mental, legislative, or physical) to do immoral and illegal things in return for money or to get an advantage.

From a broad perspective, therefore, we conceptualize what we mean when we talk about corruption as a behaviour which deviates from the formal duties, ethical principles and accepted norms of public role in order to attract pecuniary or status gains.

3.2.1 *Taxonomy of Corruption*

From our assessment of the various explanations and conceptualizations of the phenomenon of corruption, we aptly conjecture that corruption exists in all walks of life, though in diverse dimensions and differing degrees. This would, therefore, probably call for a multiplicity of categories of corruption. However, the basing of the corruption perception index and ranking of nations, by Transparency International, on the perceived level of corruption in countries' public sectors, tends to focus attention more on three categories of corruption, namely:

- (a) Bureaucratic Corruption
- (b) Electoral Corruption
- (c) Political Corruption

However, some unwholesome involvements have received special attention outside the categorization due to their venomous effects on the economy. Some of such involvements are:

- (i) Nepotism (ii) Favouritism (iii) Extortion (iv) Embezzlement
- (v) Bribery and (vi) Fraud.

Nonetheless, in this article, we shall draw attention to another category of corruption which has plagued the Nigerian economy, yet appeared innocuous; and received little or no attention: that is "religious corruption". This is author's conceptualization.

Bureaucratic Corruption: This can also be referred to as administrative corruption. It "exhibits many of the pricing characteristics of the economic free market", in which the forces of demand and supply interact freely to determine price (Tilman, 1978). The bureaucrat (the seller) and the client (buyer) usually involve in pricing different from the official (government) price (cost). Some services may be highly inelastic, while some, less essential, may have greater elasticity. Both the buyer and the seller are seeking private interest. Administrative corruption is daily encountered by people at places such as police stations, taxing and licensing offices, hospitals, schools, immigration offices, customs offices.

Electoral Corruption: This involves the selling and buying of votes with money, or with promises of political offices or special favours by politicians (Dike, 2004). It involves, intimidation, killing, maiming, jailing and kidnapping of an opposition or his or her relatives. It is the twisting of the constitutionally-accepted political process, where votes are cast in private houses instead of legally-approved polls, where votes are returned in thousands from where no votes were cast; where electoral officials are bribed, or are forced at gun point, to alter election results, leading to losers being announced as, and becoming winners.

Political Corruption: This involves the formulation and implementation of laws, by the politician and political decision - makers, to favour the already corrupt politicians. It involves the directing of the affairs of political institutions to favour the politicians at the detriment of the masses (Dike, 2004).

Nepotism: This is the giving of special (unfair) advantages by one in a position of power to one's kinfolk and family members. It can also be seen as exempting of one's kinfolk or family members from due punishment (Girling, 1997).

Favouritism: This is an act of unfairly treating one person better than others in the same category.

Extortion: This is the extraction of money or other resources from people by the use of force and violence. It involves the use of power and office to extract money and other resources from people for whom the power and office suppose to protect. This is very common in the Nigerian Police, Road Safety, etc.

Embezzlement: This is the stealing of monies under one's control, but does not belong to one. It involves the conversion of public funds to private or personal use, with subsequent neglect or abandonment of the responsibilities for which the funds were intended.

Fraud: This is an act of cheating somebody in order to get money or goods illegally. It involves dealing with people in dishonest and deceitful ways in order to deprive them of their monies, advantages, goods, resources, and convert same to personal gains.

Bribery: In this article, we regard bribery as an act of giving and taking anything tangible or intangible (service), sometimes, as agreed by parties involved, the giver and the acceptor, or as imposed on the giver by the acceptor, with the intention to pervert justice or twist the due process, either in the present or in future.

Religious Corruption: In our exposé, we will focus on, but not limited to, religions that use the Holy Bible as their rule of faith. "Religious corruption" shall be used in this article in a broad perspective to mean preaching of the gospel and carrying out of other religious rites and activities by the leaders and members of religious groups or congregations with the expectation of making merchandize (2 Pet.2:3). "Religious corruption", therefore, involves false claim, by religious leaders and "channels" (that is, people who claim that the "LORD" usually gives them messages about future events and occurrences to other people) to have knowledge about the future, thereby prophesying about future deaths, calamities, fortunes and misfortunes, and the promise of being able to either waive or cause such events to be, with the expectation of getting money or other items from the person to whom the prophesies were spoken, at the time of the prophecy or in future. It involves speaking by intuition, experience, or outright lying, for pecuniary gains, yet claiming to hear or have heard from the "LORD": *Òbòng òdòhò ke ini Obong midòhòke*. It entails the selling of "holy water" and "holy oil" by religious leaders and "channels" which the sellers claim, and the buyers probably believe, will bring the buyers some favour or protection, but will not. "Religious corruption" involves offering of prayers for money. Generally, it involves carrying out all forms of religious rites and activities in dishonest and fraudulent ways to make merchandize, and for private (personal, coterie, kindred) aggrandizement.

To further clarify and define the scope of corruption, both the United Nations (UN) Convention and the African Union (AU) Convention provide lists of acts qualified as corrupt and criminal under several national penal laws. These acts now constitute part of the international and regional legal framework for fighting corruption. In the UN convention the acts include:

- (i) Abuse of function or position,
- (ii) Bribery of foreign public officials and official of public international organizations,
- (iii) Bribery of national public officials,
- (iv) Concealment,
- (v) Embezzlement, misappropriation or other diversion of property by a public official,
- (vi) Embezzlement of property in the private sector,
- (vii) Illicit enrichment – a significant increase in the assets of public official that he or she cannot reasonably explain in relation to his or her lawful income,
- (viii) Laundering of the proceeds of crime,
- (ix) Obstruction of justice, and
- (x) Trading in influence.

On the same note, the AU Convention qualifies the following acts as corrupt:

- (1) The solicitation and acceptance... in exchange for any act or omission in the performance of... public functions,
- (2) Illicit enrichment,
- (3) The offering or granting... in exchange for any act or omission, in the performance... of public functions,
- (4) Any act or omission for the purpose of illicitly obtaining benefits for oneself or for a third party.
- (5) Offering or giving, promising or solicitation or acceptance... of any undue advantage... in any capacity.
- (6) The diversion of funds property or opportunities... for purposes unrelated to those for which they were intended... of any, property belonging to the state or its agencies, to an individual ... by virtue of his or her position.

The two conventions, though different in wording are similar in defining the scope of corruption. However, the UN convention is regarded to be more comprehensive. The UN convention, which was adopted in 2004, provides an adequate and comprehensive framework for fighting and reducing corruption (Webb, 2005). Article 6 of the UN convention challenges and demands national anti-corruption institutions to develop, implement and coordinate anti-corruption investigations and , and to promote the inclusion of civil society organizations in anti-corruption programmes.

In Nigeria, national fight against corruption in relatively recent period took off formally about twelve years ago, when the Corrupt Practices and other Related Offences Act was promulgated in 2000. The Act “establishes an Independent Corrupt Practices and other Related Offences Commission (ICPC), vesting it with the responsibility for investigating and prosecution of offences thereof”. (FGN, 2000:1). The Act identified and classified some acts as unwholesome, nay, corrupt, and specified punishment accordingly. Such acts include: (i) Gratification by an official; (ii) Fraudulent acquisition of property; (iii) Fraudulent receipt of property; (iv) Bribery of public officer; (v) Gratification by and through agents; (vi) Bribery for giving assistance, etc., in regard to contracts; (vii) Embezzlement of funds by officers.

Generally, the Act defines corruption as any behaviour which deviates from the formal duties and accepted ethics due to private gains. Punishment for corrupt practices and other related offences in Nigeria varies from seizure of corruptly acquired property, paying of fine as attracted by an offence, to imprisonment of the offender for a specified period.

The Act ideally beamed some rays of hope, and promised to free the Nigerian economy from the fetters of corruption. Contrariwise, each step taken to attenuate the undermining effects of corruption in Nigeria rather seems to accentuate it. In some instances, some anti-corruption agencies and commissions would become corrupt in an attempt to check corruption. This would, in turn, call for the constitution of a committee - the “anti-anti-corruption committee” to investigate the activities/reports of the previous anti-corruption commission or committee. In Nigeria, seldom do the reports of anti-corruption commissions or that of the anti - anti - corruption committees attract the expected legal attention, thus, the formation of anti-corruption commissions or bodies in Nigeria tends to be an official way of breeding and exacerbating corruption in Nigeria.

The intensity and dimensions of corruption in Nigeria, and the seeming insouciance of the Nigeria Government (leadership) have made this article to qualify Nigeria not as a society in which there is corruption, but rather a *corrupt society*. There is a world of difference between the two societies. In the former society, what people experience are lapses, temporary deviations, from what is fundamentally an honest society. In what is essentially a veracious society, there are instances of sporadic occurrence of corruption as there will be eruptions of disorderliness, crime and violence. But the leadership of such a society as argued by Rajaratnam (1978) will frontally oppose and resist the vices: “it will make every effort to restrain, detect and punish those who attempt to deviate from the standard of honesty that it upholds and respects”. In this society, corrupt men, who have successfully circumvented the law are not honoured and encouraged into positions of power and prestige (Rajaratnam, 1978).

In the latter case, that is, the *corrupt society*, corruption is the vehicle that drives human activity. “Corruption becomes not only essential part of the dynamics of society but also an unavoidable means for accumulation of wealth, power and influence, and even prestige” (Rajaratnan: 1978).

The above statement suggests that the leadership and the people in a corrupt society are aptly suffering from Kleptomnia – a mental illness in which the leadership and the people have a strong desire to steal (accumulate) wealth, power, influence and prestige by corrupt means, which they cannot control. This has been the condition that characterized the Nigeria economy for some years now.

That Nigeria is a corrupt nation s indubitable. A review of the Corruption perception indices, by Transparency International (TI), between 1996 and 2011, reveals that Nigeria has been seen, at international level, since 1996, as one of the most corrupt countries in the world. The Corruption Perception Index ranks countries based on how corrupt their public sectors are perceived to be. A county’s score indicates the perceived level of public sector corruption on a scale of 0 – 10, where 0 means that a country is perceived to be highly corrupt, and 10 means that a country is perceived to be very clean (TI, 2011).

In the 1996 study of corruption by Transparency International and Goethingen University, Nigeria, in a pool of 54 nations, was ranked the most corrupt followed by Pakistan (Dike, 2004). Table 1 presents the corruption perception indices (CPIs) for the top ten (10) countries (that is, countries perceived to be very clean) for the

years 1998, 2001, 2003 and 2011; while Table 2, on the contrary, mirrors the corruption perception indices (CPIs) of the bottom ten (10) countries (that is, countries perceived to be highly corrupt) for the same periods.

Table I: Corruption Perception Index of the Top ten (10) Countries (Very Clean Countries)

1998	
Country	Rank
Denmark	1
Finland	2
Sweden	3
New Zealand	4
Iceland	5
Canada	6
Singapore	7
Netherlands	8
Norway	9
Switzerland	10
2003	
Country	Rank
Finland	1
Iceland	2
Denmark	3
New Zealand	4
Singapore	5
Sweden	6
Netherlands	7
Australia	8
Norway	9
Switzerland	10

2001	
Country	Rank
Finland	1
Denmark	2
New Zealand	3
Iceland	4
Singapore	5
Sweden	6
Canada	7
Netherlands	8
Luxembourg	9
Norway	10

2011	
Country	Rank
New Zealand	1
Denmark	2
Finland	3
Sweden	4
Singapore	5
Norway	6
Netherlands	7
Australia	8
Switzerland	9
Canada	10

Sources: 1 Dike (2004) 2. Transparent International (2011)

Table 2: Corruption Perception Index of the Bottom Ten (10) Countries (Highly Corrupt Countries)

1998	
Country	Rank
Russia	76
Ecuador	77
Venezuela	78
Columbia	79
Indonesia	80
Nigeria	81
Tanzania	82
Honduras	83
Paraguay	84
Cameroon	85

2001	
Country	Rank
Tanzania	82
Ukraube	83
Azerbaijan	84
Bohvia	
Cameroon	
Kenya	
Indonesia	88
Uganda	
Nigeria	90
Bangladesh	91

2003	
Country	Rank
Angola	124
Azerbaijan	
Cameroon	
Georgia	
Tajikistan	
Myanmar	
Paraguay	
Haiti	131
Nigeria	132
Bangladesh	133

2006	
Country	Rank
Angola	142
Kenya	144
Nigeria	146
Pakistan	147
Sierra Leon	148
Cambodia	152
Bangladesh	156
Sudan	159
Irag	161
Haiti	163

2011	
Country	Rank
Nigeria	143
Ukraine	152
Kenya	154
Cambodia	164
Libya	168
Equatorial Guinea	172
Haiti	175
Sudan	177
Afghanistan	180
Somalia	182

Sources: 1. Dike (2004) 2. Transparent International (2011)

From Table 1, seven countries were consistently among the top ten (very clean) countries, for the selected years, between 1998 and 2011. They were i). Demark, ii) Finland, iii) Sweden, iv) New Zealand, v) Singapore, vi) The Netherlands and vii) Norway. In 2001, Switzerland dropped from the top ten (very clean countries), while Luxemburg, which was not among the ten very clean countries in 1998, came in and assumed the 9th position. In 2003, Canada and Luxemburg dropped from the ten very clean countries. Nevertheless, Switzerland went back in 2003, while Australia, which was not in the group in 1998 and 2001, came in and assumed the 9th position. In 2011 Iceland, which was the second very clean country in the group of ten, in 2003 dropped from the group, while Canada, which dropped from the group in 2003 returned as the tenth very clean country in the world.

From Table 2, of the eighty-five (85) countries pooled for corruption assessment by the Transparency international, Cameroon assumed the 85th position, that is, the number one most corrupt country in the world. Nigeria was ranked 81st – the 5th most corrupt country in the world.

In 2001, the weight of corruption was much more on Nigeria. Out of ninety – one (91) countries assessed by the TI, Nigeria was ranked 90th – the second (2nd) most corrupt country in the world. In 2003, Nigeria was ranked 132nd of 133 countries pooled for corruption assessment. Thus, Nigeria was the 2nd most corrupt country in the world. In 2011, of 182 countries assessed for corruption by the TI, Nigeria was still among the ten most corrupt countries in the world.

The consistent partaking of Nigeria in the group of ten most corrupt countries in the world since 1996 to the present does not mean that successive governments have not been putting machinery in place to fight against corruption. Considering the last twenty-eight (28) years, it is evident that there has been fights against corruption. In 1984, the Buhari – Idiagbon Administration set up a machinery to foster and maintain discipline - War Against Indiscipline (W.A.I.). The machinery sought to inculcate high-level discipline in the Nigerian citizenry which by extension aimed at checking corruption. In 1994, the scope of the machinery against indiscipline, WAI, was broadened by the Abacha Administration to cover corruption directly, thus War against Indiscipline and Corruption (W. A. I-C) was launched. But due to the very indiscipline and corrupt attitude of the then leadership, people made mockery of the machinery, and turned WAI-C to read and to mean “War Against Indiscipline minus Corruption”.

In 2000, Corrupt Practices and other Related Offences Act was promulgated. The Act established Independent Corrupt Practices and other Related Offences Commission, ICPC, and vested it “with the responsibility for investigation and prosecution of offenders thereof”. In 2002, a sister anti-corruption commission, Economic and Financial Crime Commission (EFCC) was established, to complement ICPC in its operations against corruption. The two principal anti-corruption commissions, ICPC and EFCC, are still in operations in Nigeria.

The pertinent question then is why, with the operations of ICPC and EFCC, is Nigeria becoming more corrupt each passing day? Why does corruption defy all anti-corruption machinery in Nigeria? By what mechanisms does corruption in Nigeria lurk and operate?

4. Mechanisms of Corruption in Nigeria

In spite of the operations of ICPC and EFCC, and various law-enforcement agencies in Nigeria – The Police, The State Security Service, The Civil Defence, etc. Corruption in Nigeria keeps on intensifying and exacerbating. It is sufficient, *ipso facto*, to say that there are some mechanisms that give vent to corruption to operate gallantly in Nigeria. Probable mechanisms(factors) include (a) leadership (b) mode of production (c) The “Nigerian Democracy” (d) The judicial System.

(a) Leadership: The characters and personal examples of the people in leadership, at a given time, largely influence the nature, dimensions and spread of either vices or virtues in the society they lead. Leadership in Nigeria since independence has been largely characterized by self-centeredness and personal wealth accumulation. Corrupt leadership in a society will influence greater number of followers towards corruption. If leadership is successively corrupt, then corruption will not only become an essential and integral part of the dynamics on the society but also a viable and unavoidable means for accumulation of wealth, power and influence. When the leadership is corrupt, as is the case in Nigeria, it (the leadership) will be unwilling, even unable, to make effective efforts to restrain, detect and punish those who involve in corruption. However, to cajole the people, notional efforts to fight corruption may be made.

(b) Mode of Production: The concept of mode of production, as applied in this article, does not refer to the state of technique or an arrangement or setting or equipment in production, but rather, it refers to the way in which the means of production are owned, managed, and the pattern which the distribution of income takes (Essien, 2004, Marx, 1867). The mode of production, as argued by Akpakpan (1994:17), is defined by the decisions the society has somehow taken about resources ownership and allocation, and income distribution. Nigeria’s mode of production is more of capitalist. Ekpo (1991) argued that “the relations between Nigeria and the developed economies have integrated Nigeria into the structure of the advanced capitalist economies of Western Europe.”

The capitalist mode of production encourages and promotes private ownership of means of production. Its main feature

... is that the means of production are very unevenly distributed to the point that ... for all practical purposes, a society is divided essentially into a small group of people, who monopolizes the means of production (and national income) (Ake, 1981: 14).

As the capitalist mode of production expands, and capital accumulation develops in all sectors of the economy, national wealth, consequently will get concentrated in few hands (the capitalists'), and the population will be polarized into the haves and the have -nots - the class dichotomy (Toyo, 1991). Capitalism in its raw form, promotes corruption.

As the bourgeois elites (the leadership) loot the treasury of the nation and accumulate much wealth to the detriment of the propertiless class, that is, the proletariat, in turn, will strive to survive, and the viable and unavoidable means of survival, to many, in the prevailing circumstance is corruption. Thus, capitalism as practiced in Nigeria today promotes and survives in corruption. After all, "where there is no scarcity and no private property, the idea of theft (corruption) would not arise" Ake (1981:2).

(c) The "Nigerian Democracy": Democracy, it is said, "is the government of the people, by the people, and for the people." In the Nigerian context, the question is who are "the people"? In our contemporary societies, wealth and power have a very high degree of interdependence.

The bourgeois elites, at the Federal, State and Local Government levels use money and influence to twist electoral processes in Nigeria. In the "Nigerian democracy", very many things happen. In many instances, votes are bought with money, votes are cast in "people's" houses, rather than at the legally stipulated polls; ballot boxes at some polls are snatched from the electoral officers and the armless electorate at gun point by political thugs with which some politicians surround themselves. Votes usually turn up in areas where votes were not cast; and results announced from where elections were not conducted. In the 'Nigerian democracy', election results, in many instances, are changed by the electoral officers on influence of some politicians. Such change of election results may either be done on agreed terms between electoral officer(s) and the politicians (or their representatives) before elections or at the polls, or at gunpoint by political thugs. Political aspirants also, sometimes, kill themselves – the killings usually are between opposing political parties, however, in some instances, opposing members of the same political party kill themselves. Kidnappings of an opposition aspirant or his close relative are very much obtainable in the "Nigerian democracy", especially in the South-South and South-East regions of Nigeria. These vices, and the more, are well-known essential factors in the dynamics of democracy in Nigerian; and in many instances, the culprits may be known but not exposed to the law - not punished. This scenario, therefore, suggests that the forces behind the planning and the execution of the above democratic vices, and the like, in Nigeria are the "Kingmakers", the bourgeoisie elites who claim to be leading Nigeria. The 'Nigerian democracy' can aptly be described as "Kleptocracy" – government of the corrupt, for the corrupt, by the corrupt (Rajaratnam, 1978).

(D) The Nigerian Judicial System

The Nigerian judicial system is probably another avenue through which corruption thrives in Nigeria. It is said that "the law is no respecter of persons". This maxim seems to have lost its veracity and essence in Nigeria. The judiciary in Nigeria seems not to exercise the expected independence. This is because, key judicial officers are appointed by the executive, and the ruling party usually lobbies for the party sympathizers or their political allies to be appointed to sensitive judicial positions. As it is said that "he who pays the pipers detects the tune", so the Nigerian judicial systems appears to be controlled by the ruling party, thus its ability to fight corruption is very weak; consequently, in many instances, baronial corruption cases often die off with no convictions.

The near-inability of the judiciary to execute judgement on grand corruption cases (which involve mostly politicians) in the country has given vent to more corrupt acts, especially by the leadership to which the judiciary seems to have succumbed.

In a society in which the judiciary system is weak, and the process of electing leaders (electoral process) is corrupt, the leadership will likely be corrupt. consequently, corruption will unavoidably become an integral part of the dynamics of such a society. This is typical of Nigeria. This state of affairs graphically determines economic development.

5. HOW CORRUPTION AFFECTS ECONOMIC DEVELOPMENT IN NIGERIA

Corruption is generally agreed to be inimical to economic development. Kofi Annan, former Secretary General of United Nations (UN), submitted that corruption causes enormous harm to development by

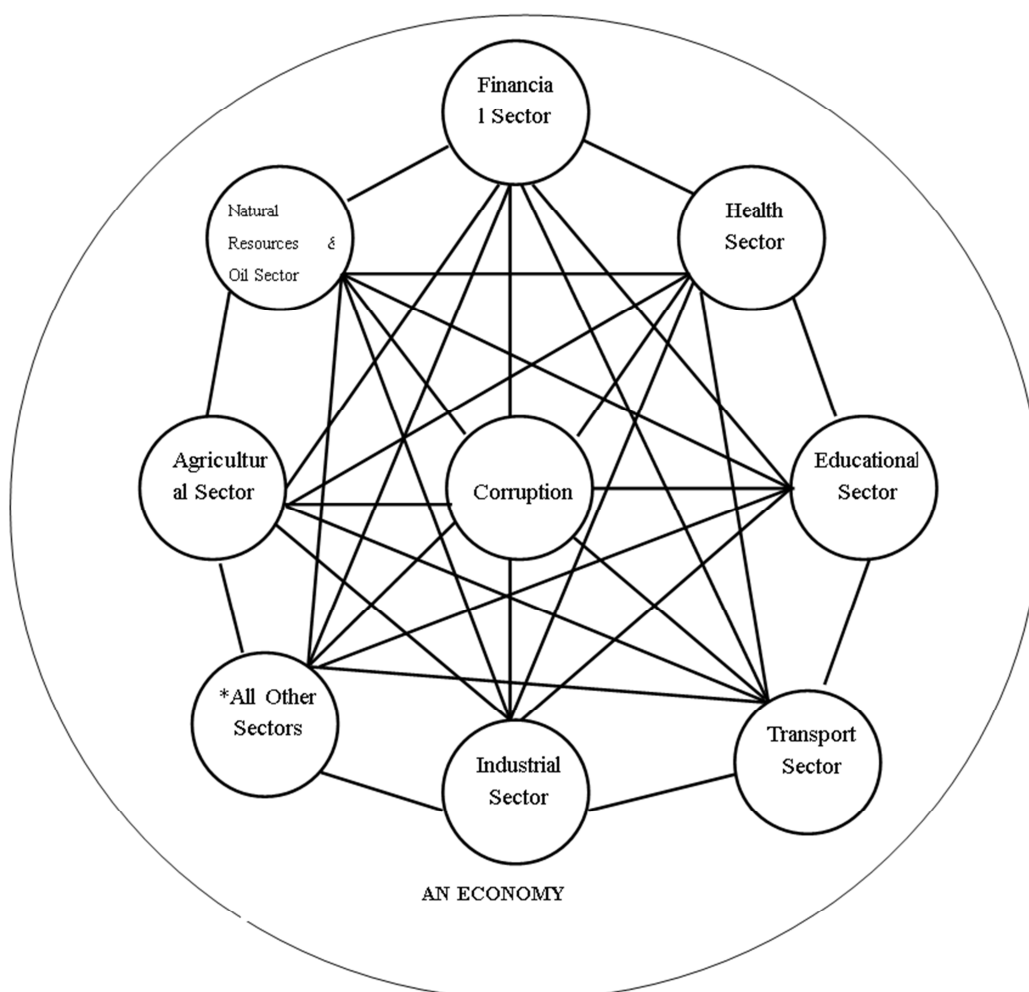
impoverishing national economies (Webb: 2005).

Corruption affects economic development in diverse ways. In our analysis, we develop, in figure 1, a model : “corruption inter – net model” to apparently portray how sectors in an economy are interlinked in corruption. Our model, Figure 1, portrays a **corrupt country** : a country whose leadership is corrupt, and corruption serves as a lubricator in the functioning a chunk of the economy. “Corruption inter – net” depicts a scenario where sub – sectors within a sector, and various sectors of an economy are interlinked in corruption as they are interlinked in economic activity.

An economy comprises sectors which interrelate in diverse ways. For instance, the manufacturing sector, a sub – sector in the industrial sector, obtains raw materials largely from the agricultural sector, which in turn gets its machinery, namely, tractors, incubators, from the former. We assume that every sector in an economy has sub – sectors that are interlinked. Keeping Nigeria, **a corrupt country**, in focus, corruption which has plagued all sectors of the Nigerian economy also has intra – sectorial and inter – sectorial links (that is, in a sector, corruption in one sub-sector will affect other sub-sectors, and corruption in one sector will affect other sectors).

The centrality of corruption in the model implies that the leadership is corrupt, and that in the corrupt country, corruption is an intrinsic part in the dynamics of its economy. In the model, corruption affects all sectors of the economy, and each sector, involves in corruption with other sectors.

Figure 1: Corruption – Inter-Net Model

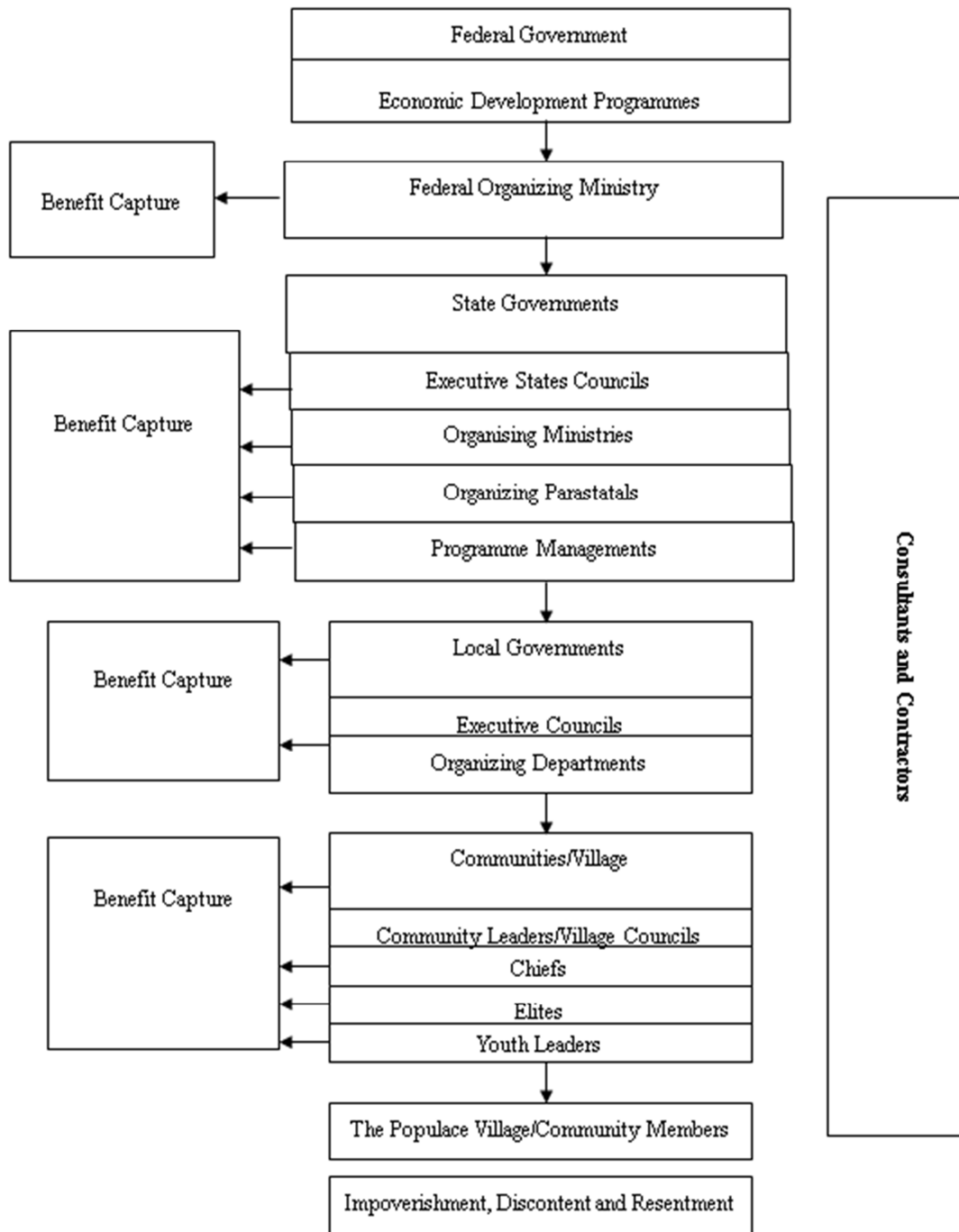


*Note: *Represents all other sectors in an economy not captured specifically in the model.*

However, in the circumstance of the prevailing corruption, the corrupt leadership in the corrupt society still pursues economic development goals as part of its statutory duties. It seeks to improve on the provision of infrastructural facilities, to reduce the level of unemployment, to increase the literacy level, for instance. But the expected benefits seldom reach the expected beneficiaries – the masses due to what Ekong (1997) refers to as “benefit capturing”. ‘Benefit capture’, as argued by Ekong (1997) depicts a scenario where benefits that should have accrued to the end-user or beneficiary of designed projects are “captured” away at every stage of the project’s development.

‘Benefit capture’, broadly means the illegal diversion or legal misappropriation of benefits (financial and other wise) meant for a certain people or group (state, region, local government, ministry, village, organization, etc.), such that the people or group for which such benefits were meant see little or nothing of such benefits. The model (Fig. 2) gives a graphical illustration of how ‘benefit capture’ (corruption) undermines economic development, as it (corruption) leads to the impoverishment of a greater part of the populace. From figure 2, the Federal Government desire to improve the living conditions of the populace is represented in cell A. These desires are captured in development projects and programmes, and are transferred to relevant ministries for organization and implementation (cell B). From here, the Projects/Programmes will be sent to the state governments. In the process, some parts of the benefits are captured, either by way of servicing transactions, or are used to ‘bribe’ officials of the ministries responsible for transfer of resources, needed for the Projects/Programmes, to the respective states. At the state level, the states’ executive councils will meet and deliberate on the projects/programmes, after which appoint relevant ministries and parastatals. At this point, the relevant ministries and parastatals, will use part of the resources meant for the Projects/Programmes to lobby (or bribe?) the state officials responsible for the quick release of the resources. The reduced resources for the Projects/Programmes are now transferred to the programme managers and executors, who will also privately benefit enormously from the resources.

Figure 2: Benefit Capture Model



Source: Adapted from Ekong (1997)

The reduced resources for the Projects/Programmes are now transferred to the programme managers and executors, who will also privately benefit enormously from the resources.

If the Projects/Programmes were to reach the local governments, and the communities and villages, the program manager and executors must meet with, and lobby, the local executive councils. The organizing departments at the local government levels will demand certain benefits from the ministries before introducing the Projects/Programmes implementers and executors to the communities and villages. The projects/Programmes managers and implementers may not be welcomed into the communities/Villages until they meet with the Chiefs and the elites and youth organizations. Certainly, at these points, the Chiefs, the elites, and the youth organizations will be lobbied (bribed) with part of the resources meant for the

Projects/Programmes.

At every point of “benefit capture”, there will likely be consultants and contractors who will be consulted and given orders of supply of materials based on “man – Know – man”. Such consultants will likely render services that do not commensurate the fees they charge, while contractors also will likely use inferior materials and incapable hands for the projects in order to make “super profits”. In some instances, some contractors will abandon the projects, or will use very poor and inferior materials for the projects, and the government will fend off questions and criticisms from the public about the poor or uncompleted projects because of its involvement in the corrupt practices that brought about the poor results. At the end, in cell F, the benefits of the projects meant for improving the living standard of the populace will be very meagre, meaningless and ineffectual. The end results of such development projects are, therefore, effete, unable to improve the living conditions of the populace. Thus, in a corrupt society, economic development programmes are highly impaired by corruption.

6. Summary and Conclusion

The paper aims at investigating and analysing the dynamics and mechanisms of corruption and its consequent venomous effects on economic development in Nigeria. The paper developed a model – “corruption inter – net model” to graphically portray the inter- relationship of the various sectors in an economy in corruption. It also adapted a model – “the benefit – capture model” – to demonstrate how corruption impairs economic development in Nigeria. The paper identified some culpable factors (mechanisms), which probably give vent to corruption in Nigeria.

For Nigeria to really curb corruption in its economy, a purposeful, selfless, disciplined and visionary leadership is inevitable. These qualities of the leadership, if maintained, will spiral to all sectors of the economy. More so, our mode of production should change from the one (the present), which engenders and supports income inequality among the people to the one characterized by equity and justice. For until the right of decisive forces of production is established on the principles of equity and justice, rather than on the principles of “survival of the fittest,” and “the more powerful takes it all” which largely characterize the Nigerian economy, anti - corruption commissions and strategies adopted in Nigeria will have little or no effects, but rather will serve as congenial platform on which corruption thrives. And the yearning for meaningful economic development in Nigeria will aptly be equated with the yearning for hair by the lizard.

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