

# Poverty, Corruption and the Nigerian State: The Path Not Followed

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## Abstract

The words “poverty” and “corruption” side by side appear paradoxical especially in a country like Nigeria which parades strategic natural resources some of which appeal to the cupidity of advance industrial economies. Poverty amidst affluence is a manifestation of capitalist relations of production which creates class division in the mode of production. It is little wonder, therefore, that all the strategies adopted in tackling corruption and poverty by successive regimes within the socio-economic formation have not yielded appreciable results. Adopting the Marxist political economy analytical tool, this paper posit that poverty and corruption in Nigeria are man-made; thus, any genuine drive towards poverty alleviation and corruption reduction must go beyond rhetorics, newspaper and television posturing, to liquidating obsolete production relations which perpetuates poverty and corruption and holds down the levers of progress. Poverty alleviation and corruption extirpation this paper opines, is a historic task of the masses, the class that wallow in poverty. It will be an apt irony, indeed class suicide the paper maintains, to expect the head of a capitalist consortium to eliminate corruption and reduce poverty in a peripheral capitalist economy which adores primitive accumulation. The path not followed is therefore revolutionary - liquidate obsolete production relations.

**Keywords:** Poverty alleviation, Checkmating corruption, Capitalist production relations, Socio-economic formation, historic task of the masses, obsolete production relations.

## 1. Introduction

Poverty is an excruciating experience which dehumanizes, depersonalizes and traumatizes. It is largely responsible for human misery, poor health conditions and short life expectancy. It has adverse effect on the people, national economies and the socio-political development of the affected countries. Poverty is attracting varying degrees of attention globally. The World Bank, nation-states and some United Nations agencies study poverty with the view to developing appropriate frameworks to alleviate it. In Nigeria, poverty and its twin-sister, corruption have combined to reduce the “giant of Africa” to a toothless bulldog, the one reinforcing the other.

Corruption, poverty and leadership are three monsters that combine in delicate proportion to plague the Nigerian state since it acquired independent status in 1960. While some scholars have argued that the Nigerian state is what it is (lukewarm, not proactive), because independence was achieved on a “platter of gold”, without a struggle, i.e, constitutional processes leading to independence were a mere transfer of leadership from the colonial master to the emerging national bourgeoisie without severing the international relations of production, other scholars have argued that even those African nation-states which obtained independence through revolutionary processes or national liberation are not better off; while these arguments remain polemical, the truth is that offspring are conditioned from the genetic formation of their parents. The Nigerian state is a creation of British imperial capital to serve as a trading post and answer to the interest of Western European Capital. If the state is expected to act otherwise or be responsive and sensitive to the aspirations of its people, it has to be forced to act in that direction by its people otherwise, the genetic fluid in its socio-economic formation reveal that the Nigerian state is a market tailored to meet metropolitan economic interest. The United States of America hereinafter referred to as (USA), was sharp to detect this programmed destiny when she united in defiance of the colonial order in what is remembered as the American War of Independence. This singular act defined the American dream and destiny. Today, the USA is the most powerful nation in the world.

Comparatively, the national bourgeoisie which inherited the reins of power at independence has driven the state along the path of capital-generating capital for the benefit of international capital and its local compradors while also perpetuating their class order and interest. Following from the above analysis, if one was not in the class that commands the factors of production, poverty was inevitable. Membership of the advantage class translates to primitive accumulation with impunity and ensures corruption manifestation.

The struggle to be in the advantageous class or identify with the owners of the means of production has assumed a weird character in the political processes in Nigeria. Poverty and corruption as manifestations of capitalist social formations cannot be liquidated by the same leaders who aspire to protect and perpetuate the capitalist edifice.

In this paper, attempt is made to conceptualize “poverty” and “corruption”, its effect or the class affected by these monsters; the many types of poverty and corruption shall be mentioned. Approaches by the different regimes in Nigeria to tackling corruption and poverty are also examined within the Marxist theoretical

framework. An exposition of the path not taken will be suggested as a way out of corruption and poverty; this would be followed by the conclusion.

## **2. Conceptualizing Poverty and Corruption**

### **2.1 Poverty**

A universally acceptable definition of poverty is elusive. The Oxford Advance Learners' Dictionary defines poverty as the state of being poor, conditions of abject, extreme poverty. Anyanwu (1977) has noted that, poverty affects many aspects of human conditions including physical, moral and psychological thus, most analyst have followed the conventional view of poverty as a result of insufficient income for securing basic goals and services. Anyanwu equally exposed a wide range of other views on poverty as for e.g. that portion of the population that is unable to meet basic nutritional needs (Ojha, 1970; Reutlinger and Selowsky, 1976), and poverty as a function of education, health, life expectancy, child mortality, etc. Conceptualizing poverty cannot be over flocked; for the purpose of this paper a functional definition of poverty will include the inability of both the wage earner and the unemployed to meet basic human needs of food, clothing and shelter, let alone health and education. Deprivation, lack of rights and social and economic exclusion underlie the above definition. Seen from this perspective, alleviating poverty entails improving the living conditions of the poor. These will include approaches or strategies adopted by policy experts and governments to reduce poverty. It is pertinent to state that the class affected by poverty are the jobless, underemployed, wage earners and civil servants generally referred to as the masses of the people, all of who do not own the means of production but give out their labour power to the state, private firms or factory owners for a monthly, weekly or daily wage to enable existence. This vulnerable class by its position in the production ladder is easily manipulated, corrupted and as history has shown, can be a potent force for revolutionary activity.

There are different typologies of poverty based on a number of criteria. These include absolute poverty, relative poverty, chronic or structural poverty, conjectural/transitory poverty, locational poverty and case specific poverty. The effect of poverty is so glaring and includes prostitution by young school graduates, drug addiction, drop outs, gansterism, hooliganism, pocket picking, burglary and so on.

### **2.2 Corruption**

Khan in Matthew (1996), defined corruption as an act which deviates from the rules of conduct governing the action of someone in a position of public authority because of private regarding motives such as wealth, power and status.

The International Monetary Fund (IMF), defines corruption as abuse of office or trust for private benefit, and it is a temptation indulged in by not only public officials but also by those in position of trust and authority in private enterprise or non-profit organisation.

Also, Transparency International (TI), defined corruption to be the use of entrusted power for private gain. TI classifies corruption as either grand, petty and political depending on the amount of money lost and the sector where it occurs. Accordingly, grand corruption consists of acts committed at a high level of government that distorts polity or the central functioning of the state enabling leaders to benefit at the expense of the public good. Petty corruption refers to everyday abuse of entrusted power by low and mid-level public officials in their interactions with ordinary citizens. Political corruption, respectively, involves manipulation of policies, institutions and rules of procedures in the allocation of resources and financing by political decision makers who abuse their position to sustain their power, status and wealth.

Lawal (2012) has added to the typology of corruption to include moral corruption exhibited in sexual pervasiveness, greed, loose tongue, indecent dressing etc; economic corruption which examples include manufacturing fake drugs, adulteration of drinks, piracy, plagiarism, fraud at all levels, etc; political and bureaucratic corruption includes illegal, unethical and unauthorized exploitation of one's political or official position for personal gain; electoral corruption has to do with electoral fraud such as rigging, manipulations, ballot stuffing, registration of underage etc.

Corrupt 'practices' includes bribery, smuggling, fraud, illegal payment, money laundering, drug and child trafficking, falsification of documents and records, false declaration of and so on (Ekpo, Enor & Chime; 2016). Corruption and corrupt practices cut across classes in the society.

The common denominator in poverty and corruption is that it dehumanizes and largely contributes to underdevelopment of the economy.

## **3. The Theoretical Framework**

For the avoidance of doubt, the Nigerian economy manifest tendencies of a capitalist economy i.e. class distinction. The existence of classes in the political economy of the Nigerian state can no longer be in doubt; for as noted by Imoagene (1989), the logic of applying the class concept in Nigeria "derives from (the) hypothesis that capitalism... produces its own uniformities in structural and social arrangements irrespective of time and

place". What is however missing in the Nigerian situation is social class consciousness "defined as the systematic expression of their class interests in the form of a political ideology designed to realize those interest". Imoagene expressed this succinctly when he stated that class consciousness involves the expression of antagonism in the form of opposing interests in the existing system of production as well as confrontation between distinct social systems which ultimately find expression in a relation of overcoming domination of one class by another. Here lies the theory of class struggle propounded by Karl Marx, the theoretical bases of this paper. As noted by Marx and Engels (1848), "the contradiction between socialized production and capitalistic appropriation manifested itself as the antagonism of proletariat and bourgeoisie", represented in the Nigerian state as the ruling national bourgeoisie and the civil servants (workers). The struggle between these classes leads ultimately to progress and the realization of dreams and aspiration. The class theory can further be buttressed by understanding the production process. The production of material wants by man is social yet the means of production have been privately controlled or owned thus dividing the production process into two classes of those who own the means of production and those who own nothing other than their labour power.

Thus, society is held together by a dynamic tension between the forces of production and the relations of production; the fact that production is social and the means is privately owned impels their development to proceed at different rates- the means of production developing more rapidly than the relations of production. When the latter can no longer keep pace with the changes in the existing social framework, contradiction sets in and social revolutions are experienced (Kimmel, 1990). In other words, revolutions are a result of insoluble contradictions within society which prepares the way for social crises which burst out in political revolutions. With the alteration in the economic foundation of society, the entire immense super structure is more or less rapidly transformed including the ideas of the ruling class (Lenin: 1978). Seen from the above perspective, maintaining obsolete production relations is the root of poverty and corruption. Freeing oneself from the fetters of obsolete production relations is liberation from poverty and elimination of corruption. Since the new social relations abhors corruption, the new order formulates laws that abolish or checkmate corruption manifestation

As noted by Cabral (1966), the level of development of the productive forces in conjunction with the pattern of ownership of the means of production, the essential determining element in the content and form of class struggle is the true and permanent motive force of history. The Nigerian state, by primitive accumulation of national wealth by a privileged few and the appropriation of the labour power of its civil servants has become fetters to progress as manifested by poverty amidst plenty and massive corruption by highly placed public office holders. The implication in all of these is that no meaningful policy or development can take root in a country that is manifestly corrupt leaving its citizenry in lack of basic items of subsistence. It is little wonder therefore that all the approaches to poverty alleviation within the same social framework by different regimes have remained comatose and ineffective. The way forward is therefore revolutionary- remove the fetters of obsolete production relations and release the productive energies of the working class for progress and happiness.

The aforementioned proposition can be achieved if the clarion call to all workers unity by Karl Marx can be taken more seriously, as the condition of the working class is growing from bad to worse since Karl Marx's day.

#### **4. Approaches to Poverty Alleviation and Elimination of Corruption in Nigeria**

Efforts at poverty reduction and checkmating corruption have been global and national. At the global level, the World Bank, United Nations agencies and NGOs have all been involved one way or the other in resolving this manifestation of global capitalism. For example, some NGOs and think tanks have argued that Western monetary aids which include tied aid, instead of reducing poverty often serves to increase poverty and social inequality. They argue that aid from NGOs without strings attached are more effective than government aid because such aid gets to the target poor at the grassroots level. Aid and government support in education, health and infrastructure helps growth by increasing human and physical capital.

Capital, infrastructure and technological development promotes economic growth and alleviates poverty. Improving human capital in the form of health care interventions and education have been undertaken by governments as a measure to alleviate poverty. Investment in infrastructure proved a wonderful formula for China's economic development. Mobile banking, micro finance loans, noted Muscat (1994), assisted Mexico in poor rural communities. In Bangladesh, and Thailand, micro finance loans assisted farmers to buy equipment, seeds and helped others to set up small shops (Muscat; 1994). In Nigeria, the experiment with People's Bank to provide soft and small loans to the low income groups ended up in failure arising from mismanagement and corruption.

Debt relief has been one of the proposed ways to assist poor countries who have plunged themselves into extensive debts to banks and government of rich nations. The argument is that given the high interest payment on these debts, writing off the debts may allow poor countries to use money allocated for debts servicing for other priorities such as basic health care, transport, and education. Much as debt relief is good, it does not guarantee that poor nations would not plunged into more debts. Examples in Nigeria has shown that

even when part of the monies recovered from loot (General Sanni Abacha's loot), for instance, were restored from foreign banks, it does not translate to ameliorating any social or economic conditions. How such monies are expended is never known and nobody is asking anybody questions as to what sums recovered from loot were used for.

The same goes for fair trade, good institutions and so on, as approaches to poverty reduction. Fair trade involves "the payment of above market price as well as social and environmental standards in areas related to the production of goods". Krugman and Wells (2009) noted that relaxing duties on thousands of African products because of African Growth and Opportunity Act (AGOA), and relaxed trade rules increased imports from Africa. Good institutions, the World Bank researchers have revealed, have worked well to the advantage of alleviating poverty. Data collected from 150 nations reveal that measures such as accountability, effectiveness, rule of law, low corruption are directly related to higher rates of economic development (World Bank, 2002).

In Nigeria, institutions are as bankrupt as the people who man the institutions. Indeed, a corrupt people can never create good institutions. When the head of the Economic and Financial Crimes Commission (EFCC), elopes with one trillion naira with impunity what then can one say of the institutions in Nigeria? The EFCC was the creation of the erstwhile Head of State, Chief Olusegun Obasanjo (1999-2007), to checkmate economic and financial crimes. The Obasanjo regime also introduced the Independent Corrupt Practices Commission and other related offences (ICPC) in 2000 to checkmate financial corruption. The establishment of these commissions, have not reduced, deterred or checkmated financial corruption among public office holders. Ironically, corruption manifestations have increased sevenfold with impunity. As a result of their mechanizations, some critics have described the institutions as vendetta machineries with political undertones. The legal institutions in Nigeria lamentably cannot be relied upon either as they cleverly give legal counsel to big time financial criminals. This is understandable. The ruling ideas of any age, Marx and Engels have observed, are the ideas of the ruling class. The rich and wealthy have never been prosecuted only the poor and needy. With glaring evidence of massive financial corruption by public office holders in Nigeria, nobody is prosecuted excepted those without political corrections. It is doubtful how sincere the anticorruption crusade in Nigeria can be.

This survey of approaches will therefore not be complete if mention is not made of the local efforts adopted by the different regimes in Nigeria to effect poverty and corruption reduction. The results have been staggering.

The Human Poverty Index (HPI), in 1991 credited Nigeria with 41.6% and the 25<sup>th</sup> position as the poorest nation in the world. Today, 80% of Nigerians are still poor in spite of the fact that since the discovery of crude oil in 1956, the country has realized not less than 300 billion US dollars. In Nigeria, the causes of poverty have been variously traced to corruption, bad governance, debt overhauling, unemployment, globalization, low productivity, population growth, policy inconsistency and so on.

In their attempt to address some of the aforementioned causes, successive regimes in Nigeria from independence centred their approach on education alongside agricultural extension services. Education was regarded as the cornerstone to economic, intellectual and technological development of the country, while agriculture encouraged food production. A catalogue of poverty alleviation programmes in Nigeria will include:

- i. Operation Feed the Nation (enunciated by Olusegun Obasanjo, 1979).
- ii. The Green Revolution (Shehu Shagari, 1979-1983).
- iii. People's Bank later Community Bank (Gen. Ibrahim Badamosi Babangida, 1985-1993).
- iv. Nigeria Agricultural Land Development Authority (NALDA), (Gen. Ibrahim B. Babangida).
- v. National Directorate of Employment (Gen. Ibrahim B. Babangida).
- vi. Directorate of Food, Roads and Rural Infrastructure (Gen. Ibrahim B. Babangida; 1985-1993).
- vii. Family Economic Advancement Programme (FEAP) (Gen. Sani Abacha 1993-1998).
- viii. Better Life for Rural Women (Mrs. Maryam Babangida) and the Family Support Programme (FSP), (Mrs. Mariam Sani Abacha). These two programme by Nigerian First Ladies respectively "introduced gender elements into anti-poverty programme.
- ix. National Poverty Eradication Programme (NAPEP) (President Olusegun Obasanjo, 1999-1992).
- x. Other related programmes by President Obasanjo includes: The Youth Empowerment Scheme (YES), Rural Infrastructural Development Scheme (RIDS); Social Welfare Services Scheme (SOWESS); and National Resources Development and Conservation (NRDCS) (Otoghaqua, 1999).

"While some of the aforementioned programmes were targeted at increasing food production, others like the War Against Indiscipline (WAI), was intended to introduce discipline and decorum in the citizenry. It was also contended that the "war" against indiscipline and corruption were equal to poverty alleviation programme in the understanding that the duo were partly the reason why many Nigerians are poor".

Policy analyst have pointed out that some or all of the attempts by successive regimes in Nigeria at reducing poverty and corruption as outlined above, have not yielded the desired results because they were not designed to alleviate poverty. They point to a lack of clearly defined policy framework, political instability, discontinuities and so on as responsible for the failure of the programmes. This paper contends that attempted

policy approaches by successive Nigerian governments cannot register appreciable and expected results because of the functional social relations of production and the pattern of ownership of the means of production. As the production processes are a reflection of the ideas of the ruling class, production must therefore respond to the interest of the ruling class and not otherwise. In order for production to meet the needs of the mass of the workers who produce the means of existence, the existing production relations must be adjusted. This adjustment, largely a function of the working class is the path which must be taken if the Nigerian society most rid itself of poverty and corruption.

### **5. The Path Not Followed.**

The path that has not been followed in poverty alleviation and corruption reduction in Nigeria is revolutionary-adjusting the social relations of production to answer to the needs of the working people. This task is a historic task of the working class and other lowly placed persons in the production ladder of the Nigerian economy. This adjustment is not undertaken by a national bourgeoisie or the owners of the means of production because of their profit intent. It must also, not be taken for granted that the process of adjustment would be a smooth and easy going one. Adjustment entails structural rearrangement of the pattern of ownership of the means of production. It is a contradiction which can produce social crisis culminating into a political revolution. This is necessary for improved conditions and a better future for posterity. "The function of a social structure", Fanon (1956), has noted, "is to set up institutions to serve man's needs. A society that drives its members to desperate solutions is a nonviable society, a society to be replaced". Such a replacement means "transformation of life in the direction of progress."

It is pertinent to state that the maturation of social contradiction which ultimately brings to the fore the seeds of revolution is insufficient to bring about a triumphant revolution; for a revolution to take place, objective conditions must coincide with subjective factors which consist of the vanguard and ideological orientation of the masses among other factors. This coincidence is a very complex process because the national bourgeoisie would seek to clamp down the process by all possible and available means at their disposal. To overcome these forces, the gap between the vanguard and the masses must be closed. Closing the gap starts with all workers unity and the development and expression of consciousness. For as Lenin (1978), postulated, "it is not the consciousness of man that determines their being, but on the contrary, it is their social being that determines their consciousness."

The expression of consciousness by workers in Nigeria resulting from the material condition of their existence has in recent times been weak and lacking in the necessary factors including the vanguard. The national bourgeoisie has capitalized on this weakness to strengthen its position and consolidate its interest. Playing on the psychology of workers' unions and their leaders, the ruling class in Nigeria have systematically pauperized the masses to the point where none is left with the force of strength to chant the workers solidarity song any longer. What then should constitute the revolutionary forces in Nigeria if obsolete production relations have to give way to a new type of state?

A critic reminded me that ours is not a revolutionary society like the Maghreb of North Africa; from childhood, he remarked, "we are taught to be obedient to elders". To him, it is not in our tradition to have the masses revolt against constituted authority. To conduce to such teaching is to be enmeshed in moribund convention. To such critics, it may be instructive to invoke Cabral (1996) in extenso:

that however great the similarity between our various cases,... national liberation and social revolutions are not exportable commodities; they are, and increasingly so every day, the outcome of local and national elaboration, more or less influenced by external factors... essentially determined and formed by the historical reality of each people.

Furthermore, Imoagene (1989) noted the limitation of the working class in ushering in the revolution. He argues that trusting the working class will be a tactical error because left to themselves, that class will not progress to revolutionary class consciousness that will incite revolution. The working class as noted will only develop "trade union consciousness", a consciousness that promotes their immediate economic well-being. The working class needs to be led to revolutionary class consciousness by a vanguard political party- a group of dedicated revolutionaries who are able to discern the opportunity for revolutionary activity even in the absence of a concerted revolutionary movement among the working class. The near absence of a leftist political party in Nigeria, meant that the intellectuals have a dual role to play viz; develop the consciousness of the workers and secondly, push the working class to articulate political claims that will transform the narrow economic concern of that class into the visionary activity of a revolutionary class.

The intellectuals, the workers, the mass of unemployed youths and civil society will constitute a potent revolutionary force in Nigeria if well co-ordinated. The revolutionary forces in Nigeria should take advantage of the self-destructive manifestation of capitalism- poverty and corruption, to translate the old bourgeois machinery of state into the establishment of a new state- the state of the people. This new state establishes new social relations with the economic and social system aimed at accomplishing as fully as possible the needs of man and his all-round development.

## 6. Conclusion

This paper has adopted the Marxist-Leninist theory of social development to advance the cause of the disadvantaged class- the mass of unemployed youths, the underemployed, the working poor and the peasant. The problematique in the discourse is poverty and corruption which have seemingly defied all approaches to reduction. The paper argues that the duo-monsters plaguing the Nigerian economy are man-made manifestations of capitalist social formations, therefore only the class that wallow in poverty, and deprived of the necessities of life can proffer lasting solutions to the problem. This contention derives from the clear understanding of the effect and the class affected by poverty and the class involved in corruption. Bourgeois approaches to alleviating poverty and corruption as shown in this paper, have proven to be conduit pipes through which the different regimes patronized and or settled their cronies. These approaches over time have not alleviated poverty or reduced corruption. The path not followed as this paper has shown is the path of structural transformation involving revolutionary activity by the working and other mass of poor Nigerians, to breaking down obsolete productions relations and freeing man to pursue gainful aspirations. This is achievable if workers unite in action and consciousness.

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