

The Impact of Corruption on National Development in Nigeria

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A b s t r a c t

The problem of corruption is considered as one of the most emerging issues, which posed serious challenges to national development in Nigeria. Corruption is so endemic in Nigeria in such a way that the entire fabric of the society is affected. The myriads of issues associated with corruption on which has permeated both public and private sectors have almost run Nigeria socially and economically grounded that between 1960 – 2005 corruption cost Nigeria over \$30 billions in financial loss. Many private sector individuals and organizations act in connivance with public servants to steal or divert public funds in billion of Naira. In the public sector, public funds and property are routinely cornered by well-placed officers who wind up owning stupendous wealth while the majority Nigerian masses suffer from massive poverty, lack of infrastructure and absence of other social services. This paper tries to look at the impact of corruption on national development in Nigeria. It among other things covers sections on introduction; conceptual issues; theoretical frameworks on corruption; national development plans; causes of corruption; the impact of corruption on national development; recommendations and conclusion.

Keywords: *Corruption, Development, Development Plans, National Development*

Background to the Study

One of the problems facing most third world, developing and or underdeveloped countries including Nigeria today is corruption. This to a large extent affects development. In Nigeria for example, this problem has become endemic such that the entire fabric of the society is affected. Past administrations be it civilian or military had in the time past, put in place machineries to curb and or curtail this menace. Presently, there are institutions established with the sole aim of eradicating corruption. Yet, the disease has refused to go away or die.

Corruption is an ethical and moral problem not subject to a consistent theoretical construct, because it varies from place to place, time to time, culture to culture and with the level of development in given country. While one can say that corruption is a global phenomenon, the degree of corruption varies. For example, the incidence of corruption is less in developed countries with good welfare system; it is high in countries and or less developed economies with poor welfare system and income. It is less on socialist countries than in capitalist countries. The machineries or structures put in place in the fight against corruption are either faulty and or defective thereby making the whole exercise a mere jamboree at the start.

Conceptual Issues

The word “corruption” has become a common denominator in Nigeria and it is hindering meaningful development. As pointed out, its prevalence in less developed economies including Nigeria has become so pronounced that no day passes without a case of corruption against highly placed Nigerian reported. Corruption is a class problem. Corruption simply means the reversion of integrity, or state affairs through official bribery, favour or made depravity (Terlumun, 2015).

Corruption is asking, giving or taking a free gift or favour in exchange for the performance of a legitimate task; the pervasion or obstruction of the performance of such a task or the performance of an illegal and illegitimate task hoarding, collusion, price fixing, election rigging, abuse and or misuse of office.

Corruption in public life in Nigeria was said to be in the 50s when the first panel of inquiry headed by Justice Strafford Forster Suttory was set up to look into the affairs of Africa Continental Bank (Ltd) (ACB). This was on July 1956. The chairman was then the Chief Justice of Nigeria. The petitioner was Mr. Eya. The panel report was released on January 16, 1957 and Dr. Zik was indicted for allowing public funds to be invested in the bank which he (Zik) had interest (Terlumun, 2015).

The Black law dictionary defines corruption thus “corruption is the act of doing something with intent to give some advantage in consistent with official duty and right of others or official's use of a station or office to produce some benefit either personally or for someone else contrary to the right of others”. The new edition of the Chambers 20th Century dictionary defines the term beyond the pilfering of public funds, the amassing of fortunes by illegal or corrupt means does not seem to necessarily disturb the average

Nigerian as to make him lose sleep over it. Also the British Department of International Development (DFID) maintains in its "Nigerian country strategy paper for the year 2000, that poverty persists in Nigeria because of mismanagement of resources and corruption found practically but not exclusively in the public sector (Ayua, 2001).

The World Bank defines corruption as "the abuse of public office for private gains. Public office is abused for private gain when an official accepts edicts or extorts a bribe. It is also abused when private agents actively offer bribes to circumvent public policies and processes for competitive advantage and profit. Public office can also be abused for personal benefit even if no bribery occurs through patronage and nepotism, the thereof state assets or the diversion of state resources." Like corruption, development is a value word. It is always normative because it is directed towards the objectives that people desired. Biddle and Biddle in their own words defined development as: "social and personal change that moves towards consciously chosen goals. The chosen is done by the people who are in the process of change" (Achebe, 1966).

Rodney (1972) on his part defines development as: at the level of individual, it implies increased skills and capacity, greater freedom, self discipline, responsibility and material well-being. Taking a cue from the above definitions, national development can be defined as the capacity of nation state to pull all its resources both human and material to achieve set objectives for the good of the state and the citizenry. This requires total commitment on the part of the rulers and the ruled. Rulers are to create enabling environment for the citizens to actualize their dreams without any hindrance.

National, according to Longman dictionary of contemporary English, refers to a phenomenon that embraces a whole nation. National development therefore can be described as the overall development or a collective socio-economic, political as well as religious advancement of a country or nation. This is best achieved through development planning, which can be described as the country's collection of strategies mapped out by the government.

Theoretical Framework

To properly understand the issues of corruption and development in the Nigerian context, the concept of extractive corruption theory may be handy. This paper posits that the state is the stronger part in the state-society relationship. The state is symbolized by the ruling class/elite while the rule represents the society. Significantly, the ruling elites are the strongest force in society. This elite or class uses the state apparatus as its instrument to extract based on experience of the new-patrimonial states in particular. Put differently, the theory posits that the state is not only the strongest force in society, but also many centers of power (Okechukwu and Inya, 2011).

The theory also emphasized the well-being known expression that all power tends to corrupt, and absolute power corrupts absolutely. That is, the more political power is concentrated exclusively in the hands of few individuals, the greater the temptation for power abuse, selfish wealth-seeking and primitive accumulation (Okechukwu and Inya,

2011). Again, the theory posits that the ruling elites use and misuse the power of the state primarily to safeguard their own corporate interests, to the detriment of the majority. They use violence, force and persuasion to command respect. They may use sophisticated institutional arrangements like presidentialism, dominant-multi-single party system (PDP in Nigeria), and the cooption of rivals in order to restrict participation and power sharing (Omenka, 2013).

The theory is also characterized by new-patrimonialism that is, a kind of political system where there is pervasive and patron-client structures, the non-distinction between public and private pursuit and strong political weakness exist. In truly patrimonial system there is no distinction between public and private, and the modern idea of corruption will make no sense because the ruler's personal income is the same as the government revenue. And there is no nepotism because there are no criteria for appointment to office other than the ruler's favour.

In the words of Weber (1964), the classical or traditional patrimonialism is one in which the right to rule is ascribed to a person rather than an office, and exercised more through the informal clientelist and nepotistic practices than strong formal routines of authority. In Nigeria, the ruling elite's uses or misuses state powers to plunder resources which would have been used for the country's development for their personal gains. Most of the resources which are ear-marked for developmental projects develop wings and fly to people's pockets (elites). It is sad to note that elites in Nigeria have established hegemonic circle who siphoned the country's wealth for personal use. They are composed of rather small elites of politically and economically dominating families. Their corrupt acts are responsible for Nigeria's underdevelopment (Omenka, 2013).

Prebendalism and Clientalism Theory

Joseph (1987) observed that, the politics of competition over allocation of resources or what in Nigeria is called "the national cake", has its most dire consequences, the transformation of the offices of the state into prebend..." According to the theory of prebendalism, the state offices are regarded as prebands that can be appropriated by office holders who use them to generate material benefits for themselves and their constituents and high groups (Mikail, 2012).

In fact, prebendalism and clientalism were among the contending factors that breed corruption and mitigate national development. Clientalism assists to understand the mechanism of (how) class control legitimizes the lopsided distribution of resources among social groups and enhances the status of the political elites (Seteoly, 2005 quoted in Ogundiya, 2009). Indeed, the prevalence of corruption in Nigeria's political economy resulted from clientalism and prebendal politics (i.e. God fatherism, son of the soil, dominance of comprador elites and money politics etc) which distort a gesture for the competent and credible candidates to emerge for ensuring national development and reducing the menace of corruption to the barest minimum.

Accordingly, the cause and effect postulation analyzed how the menace of corruption has a negative effect on national development in Nigerian democratic dispensation. The funds earmarked for intensive capital project towards executing some development projects would be siphoned and misappropriated for the self enrichment of few group of undesirable elites and their cronies to the detrimental of the populace and national development (Mikail, 2012).

National Development Plans in Nigeria

We have had series of development plans in Nigeria. Nigerian is permanently hunted by the specter of development. Its fifty six years of independence actually are rolling by daily in search of development. The myth of growth and development is so entrenched that the country's history passes for the history of development strategies and growth models form colonial times up to date. No term has been in constant flux as development. This seems the only country where virtually all notions and models of development have been experimented (Aremu, 2003).

Two years after independence, the first National Development Plan policy was formulated between 1962 and 1968 with the objectives of development opportunities in health, education and employment and improving access to these opportunities, etc. This plan failed because fifty percent of resources needed to finance the plan was to come from external sources, and only fourteen percent of the external finance was received (Ogwumike, 1995) collapse of the first republic and the commencement of civil war also disrupted the plan. After the civil war in 1970, the second national development plan 1970 to 1974 was launched, the plan priorities were in agriculture, industry, transport, manpower, defence, electricity, communication and water supply and provision of social services (Ogwumike, 1995). The third plan, covering the period of 1975 to 1980 was considered more ambitious than the second plan. Emphasis was placed on rural development and efforts to revamp agricultural sector. The fourth plan 1981 to 1985 recognized the role of social services, health services, etc. The plan was aimed at bringing about improvement in the living conditions of the people. The specific objectives were: an increase in the real income of the average citizen, more even distribution of income among individuals and socio-economic groups, increased dependence on the country's material and human resources, a reduction in the level of unemployment and underemployment (Ogwumike, 1995).

During these periods, Nigeria's enormous oil wealth was not invested to build a viable industrial base for the country and for launching an agrarian revolution to liquidate mass poverty. For instance, The Green Revolution Programme that replaced Operation Feed the Nation failed to generate enough food for the masses. In the recent past, various strategies for development have also been tried with little or no result; among these were the Structural Adjustment Programme (SAP), Vision 2010, National Economic Empowerment and Development Centres, etc. Currently, seven point agenda of the present administration with vision 2020 without any clear methodological approach towards achieving them. It is obvious that the current results so far are not what development connotes (Lawal and Oluwatoyin, 2011).

Causes of Corruption in Nigeria

Generally, the major causes of corruption can be linked to the nature of the economy of a particular society. This means that, it is the economic situation that determines the behavioural pattern predominantly found in such society. The nature of the Nigerian economy and the way it has been managed largely account for the mode of economic behaviour of the various actors in Nigeria. Strictly speaking, the following are causes of corruption in Nigeria.

- a) **Poverty:** The current rate of poverty in Nigeria stood at 54 percent (NBS 2011). Therefore, people believe that corruption is heightened by the pervasive and chronic poverty, high level of material deprivation and other structural inequalities. Considering this Shamija (2006:112) asserts that, corruption is a mechanism adopted by Nigerians to cope with or avert poverty, particularly in the urban centres where the high cost of living may be in inducement for corruption. In a situation where there is inadequate wages and non payment of salaries in most cases of workers, corruption provides a means of augmenting one's legitimate income. To justify the above, Ayua (2001) notes that, there is low and declining civil service salaries and promotion that is not based on performance, dysfunctional government budgets and delays in the release of budgets funds, including pay. He asserts that under such conditions and circumstances officials deliberately refuse to act or delay action in order to coerce some payments out of citizens or firms (Omenka, 2013).
- b) **Cultural foundations:** Bedford (2001) in an attempt to contextualize Nigerian corruption identifies tribal loyalties as the foundation of corruption. Therefore, our culture seems to fuel some corrupt practices. The sharing of bribes and favours has become the order of the day; there is hardly the motivation to become honest. This has become a subculture where corruption is accepted to be the normal course of life with the obvious risk of it becoming institutionalized. The traditional culture has internationalized the concept of "big man" marked by ostentations wealth and numerous clients, retainers, and hangers-on. The concept of "big man" here refers to a person with several dependants that he must provide for them, own houses and fleet of cars appropriate to his status. This explain why many Nigerians indulged in corrupt practices.
- c) **Inability of government to sanction corruption:** Shamija (2006: 114) observed that, the seeming reluctance of government to sanction corruption creates the impression of support. Media reports show that government is fond of setting investigation panels and commissions of inquires whose investigations or findings and recommendations are never made public nor implemented. For instance, the more by EFCC and ICPC in fighting corruption has not yield expected fruitful results.
- d) **Weak Institutions of Government:** Another breeding ground for corruption in Nigeria is our weak institution of government. Corrupt tendencies are further enhanced when governmental institutions are weak. For example, a tax imposes confiscation rates may fuel bribe - taking behaviour, as tax payers will prefer to bribe and pay less tax. This brings to minds the administration of the pension scheme in Nigeria which has been characterized by embezzlement and outright misappropriation of funds (This Day, March 27, 2007).

- e) **Lack of exemplary leadership:** This is a central cause of corruption in Nigeria. Lack of exemplary leadership is a problem that has lingered since Nigeria's independence. Both civilian and military leaders have had selfish motives for their decisions and policies instead of the interest of the nation. As Achebe (1983) expressed: "The trouble with Nigeria is simply and squarely a failure of leadership... The Nigerian problem is the unwillingness or inability of its leaders to rise to the responsibility of personal example which are the hall marks of true leadership."

This assertion reveals that, there is problem of leadership in Nigeria. The successive leaders that have ruled this country lack the will of fighting corruption rather they indulged in corrupt practices to better their living at the expense of the poor (Omenka, 2013).

Impact of Corruption on National Development

The study in 1996 by Transparency International and Gottingen University ranked Nigeria as the most corrupt nation among 54 nations on the study. Two years later, perception (index), survey of 85 countries also ranked Nigeria No 81 in 2009, Corruption Perception Index (CPI) survey of 85 countries, Nigeria's image did not improve of the 91 countries surveyed in 2011, Nigeria ranked 90 of the countries studied (Terlumun, 2015).

Corruption leads to slow flow of traffic manholes on the roads and poor waste management. It leads to killing of political opponents. It could upturn ethnic balance and cause serious problems in the areas of national integration and the legitimacy of that government. Above all, it makes governance ineffective and causes brain drain.

Furthermore, some countries with low level of corruption, risk can be insured and this attracts investment flow. Consequently, countries with high level of corruption have serious problems in attracting foreign direct investment. Governance issues in the modern globalize economy includes issues of foreign direct investment and the transfer of new technology.

Corruption leads to abandonment of projects that could have accelerated national development in all facets. Examples are; Ajeokuta and Aladja steel project, Itakpe iron ore, the inland rolling mills and machine tools in Oshogbo; the paper mill in Akwa Iboku in cross river and so many abandoned projects of federal, state and local governments. There is also re-cycling of projects, 10% kicks back syndrome at the three tiers of government (Terlumun, 2015).

Ogundiya (2009) observed that "corruption is a huge challenge in public administration in Nigeria. It is at the core of crisis of governance and legitimacy, the establishment of stable democratic order, rule of law, development and the welfare of citizens of all forms of corruption, political corruption has posed a major obstacle to national progress in Nigeria". Indeed, the current crisis of development in Nigeria can be attributed to a history of poor governance characterized by corruption, social injustice and political instability.

As rightly pointed out by Centre for Democracy and Development (CDD, Ghana, 2001) “Corruption promotes economic decay and social and political instability, perverts the ability of state to foster rule of law and eventually corrodes trust and undermines legitimacy”. However, the major impact of corruption on national development in Nigerian fourth republic were bad governance, poor service delivery, inadequate infrastructural amenities, poor management of public enterprise, brain drain of professional skills manpower, absence of rule of law and constitutionalism, moral decadence and general underdevelopment. This impact were discuss in sequence (Mikail, 2012).

- 1) **Bad Governance:** World Bank (1992) contends that bad governance has many features, among which are failure to make a clear separation between what is public and what is private, hence a tendency to divert public resources for private gain, failure to establish a predictable framework for law and government behaviour that is conducive to development or arbitrariness rules, regulations, licensing requirements etc which impede the functioning of markets and encouragement of rent seeking; priorities that are inconsistent with development, thus, resulting in misallocation of resources. Obadan (1988) maintained that “when these features occur together they create an environment that is hostile to development (Mikail, 2012).
- 2) **Poor service delivery:** Adebayo (1985) hinted that using official stationery, envelopes, papers, government drug, dressing and hospital equipment, government labour and government time precipitates poor service delivery in government and breeds obstacle to national development.
- 3) **Inadequate infrastructural amenities:** Social infrastructure in health, education and transportation sectors were in shambles, basic social amenities such as potable water and electricity became scarce, rural-urban drift increased and with it came crime and insecurity. As rightly observed by Abdulraheem (2009) we should regard public officials and their private sectors collaborators as mass murderers, killing millions of our people through inadequate public service compromised by corruption. Moneys meant for drugs, roads, hospitals, schools, public security etc are siphoned away making all of us vulnerable to premature death (Mikail, 2012).
- 4) **Brain drain:** Heanan (2005) pointed out that brain drain or human capital flight is an emigration of trained and talented individuals (human capital) to other nations or jurisdictions due to conflicts, lack of opportunity, health of hazard where they were living or other reasons. These talented individuals or professionals, include medical doctors, engineers, academics etc. The root cause of brain drain in Nigeria and its citizens were not their priority (Mikail, 2012).

However, doctors and other professions were complaining of brain waste and seek better opportunities for professional development in country with better medical infrastructure as well as they were under paid compared to Europe, North America and Middle East (Stillwell et al 2004).

Conclusion

In conclusion, the paper has established that bad governance, poor service delivery, inadequate infrastructural amenities, lack of proper management to public enterprise, brain drain, absence of rule of law/constitutionalism and general underdevelopment among others were the impact of corruption on national development in Nigeria. Indeed these were among the factors that held responsible for our underdevelopment in democratic dispensation.

Recommendations

- 1) Three tiers of government should inculcate the spirit of consciousness in the mind of Nigerian leaders through organizing workshop/seminars frequently in order to have attitudinal change from corrupt practices to probity in public service delivery.
- 2) The two anti graft agencies (Economic and Financial Crime Commission EFCC and Independent Corrupt Practices and Related Offences Commission ICPC) should establish their offices in all the 36 states across the federation in order to checkmate corrupt practices in the states and their local governments.
- 3) The federal government should make a law of severe penalty (such as life imprisonment or execution) to those who are found guilty on mismanagement of public and private fund and all sorts of corrupt practices.
- 4) Religious bodies and civil society organization CSOs should collaborate towards organizing workshop/seminars on transparency and public accountability to our leaders at all levels. This would ensure probity and reduce corruption to the barest minimum.
- 5) Employment in both public and private sectors should be based on merit so as to engage credible and competent manpower to man our organizations. This would enable them to work with the extent regulations in order to ensure efficiency and effectiveness.
- 6) Federal government should consolidate and entrench the principles of rules of law (i.e. equality before law impartiality, and supremacy of law) and constitutionalism in order to deal with all corrupt officers in both public and private service without any fear or favour.
- 7) Educational stakeholders should include the menace of corruption and its impact to the Nigerian society in the curriculum so as to teach our students ranging from basic education to tertiary institutions. This would enable our students to become free corrupt society and in their future endeavours (Mikail, 2012).

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