



## Periscoping the Political Economy of Corruption in Nigeria

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**Abstract:** *The thrust of this paper is that corruption in Nigeria is an outgrowth of the country's colonial experiences which gave vent to the free and unbridled reign of over-developed acquisitive propensity of some Nigerians especially public office holders. This is demonstrated using the theory of prepandal politics. The study traced the genesis and operation of this endemic malaise that has reached the highest crescendo in all facets of public life, with special focus on the incursion of the military in Nigerian politics. With the use of secondary source material, the study concluded that corruption is an albatross to nation-building and economic development endeavours, and can be combated headlong through the instrumentality of adequate enforcement of the legal and moral frameworks of society by both the rulers and the masses, as all constitute the major stake-holders in the Nigerian project. It is also suggested that the principle of servant-leadership be adopted at all levels of political governance and public service in Nigeria.*

### 1. INTRODUCTION

There is no gainsaying the fact that political corruption is one of the deplorable legacies of the tortured and chequered colonial experiences in present-day Nigeria. This is on the grounds that international capitalism feeds fat on greed and personal aggrandisement; and so the British colonial agents, in adhering to the innate exploitative principles of capitalism, used every means, fair and unfair, to extract benefits from the colony of Nigeria, and indeed all British-colonised territories in Africa, for the well-being of themselves and their mother country. This was the prevailing atmosphere that dominated the socio-political and economic relations between Nigeria and Britain throughout the colonial period. Thus, at the departure of the British, their Nigerian surrogates or successors had been effectively groomed in the art of corruption, or in extracting, by hook or crook, whatever they could from the national treasury. The result is that after the attainment of the phony independence, all the countries colonised by Britain is at the present ailing from one political, economic, cultural or social malaise or the other, corruption being the most endemic. This work, therefore, dwelled on the genesis of this cankerworm of corruption on the Nigerian political landscape, its operation and impact, and finally suggested ways of eradicating the menace.

### 2. CONCEPTUAL CLARIFICATIONS

Briefly stated, Political Economy traditionally deals with that branch of the art of governance which is concerned with the systematic inquiry into the nature and causes of the wealth of nations. Since the seventeenth century when the term was first used by Antoine de Montchretien in 1615, its meaning has broadened and it is now used loosely to describe the political aspects of economic policy-making<sup>1</sup> as well as the management of the resources of a state. On the other hand, although scholars have differing perspectives on the meaning of the concept of corruption, basically, corruption refers to an effort or the act of securing wealth, power or private gain through illegal means and at public expense, or the misuse of power for private gain.<sup>2</sup> Corruption is synonymous with nepotism, embezzlement of public funds, the appropriation of state property, as well as the abuse of public authority and position to exert undue privilege. Although, the international capitalist system has created the tendency for the individual to amass material wealth in contradistinction to the pre-colonial African communalism, it is the over-bloated acquisitive propensity of some post-colonial Africans that has been a major contributory factor to the emergence and growth of corruption.

### 3. GENESIS OF POLITICAL ECONOMY OF CORRUPTION IN NIGERIA

In Nigeria, as in all European colonised African countries, the origin of corruption can be attributed to the clash between indigenous values and the imported colonial norms that accompanied European

“modernization.” Therefore, the phenomenon of corruption is best understood in the context of colonial European imperialism whose sole purpose was to plunder the human and material wealth of African societies. At the inception of colonial administration in Nigeria in the nineteenth century, the men on the spot did not find adequate monetary economies in the newly acquired territories as the existing economies lacked the financial and economic muscle as well as the infrastructure conducive for engaging in corruption. This resulted in the promotion of new economies that nurtured the growth of structures that were conducive to corrupt practices. This negative economic reform or revolution was executed through the introduction of monetary tax, and it was the manner in which taxes were collected that encouraged corrupt behaviours. African potentates were materially induced to generate as much tax revenue as possible, and the colonial administrators allowed them to retain part of the revenue for themselves.<sup>3</sup>

The colonial chiefs or the internal collaborators were therefore encouraged to amass wealth with impunity and reckless abandon and to demonstrate that it was profitable to co-operate with the Europeans. The result was that corruption blossomed alongside this co-operation and took root in the political administration and the civil service. Thus, “the Nigerian civil service derived its extractive orientation from the colonial bureaucracy.”<sup>4</sup> Upon attainment of independence in 1960, Nigeria’s public bureaucracy could not resist the urge but saw the British extractive tendency as a juicy legacy that must be swallowed hook, line and sinker, and without scruples. Put differently, Nigeria inherited a pathologised public bureaucracy which became a tool in the hands of civil and military politicians for self-aggrandisement. This is in consonance with the theory of prebendalism in which public offices are regarded as prebends that must be appropriated by office holders to generate material benefits for themselves, their constituents and kin groups, and therefore, a function of mindless rat race or competition. Popularized by Richard A. Joseph, the theory of prebendal politics views “the treatment of state power as congeries of offices which can be competed for, appropriated and then administered for the benefit of individual occupants and their support groups.”<sup>5</sup>

#### 4. LIVING WITH THE ALBATROSS

This ignoble and deplorable situation became aggravated under successive civil and military regimes as the public service became the abode of ineptitude, disloyalty, orgy of corruption, indiscipline, appropriation of wealth and privilege. Perhaps this may have prompted Chinua Achebe to assert that we have opted for mediocrity and compromise since we assumed management of our own affairs.<sup>6</sup> Post-colonial Nigeria neither lack the human nor natural resources, but the problem is the abuse or misuse of these near unquantifiable treasures, arising from poor leadership style, maladministration and personal aggrandizement exhibited by political office holders. This is why the country can not live up to expectation both at home and abroad, and so the best description for the country at present is that of a failed state, or failing state due to asphyxiating and terrifying poverty across the country occasioned by the cankerworm of corruption and irresponsibility among our so-called leaders.<sup>7</sup>

We know that a combination of British colonial policies of divide and rule, uneven educational development, uneven economic development, ethnic politics of the Nigerian nationalists and politicians, as well as the politicisation of the Nigerian military, generated unhealthy circumstances that ultimately triggered the Nigeria-Biafra civil war. It is also a truism that the ethnic politics of the Nigerian nationalists, politicians and leaders, their pursuit of political power which enabled them to amass wealth at the expense of the masses, as well as their unguarded utterances and actions, did not create the necessary conducive atmosphere for the growth of national consciousness and cohesion. These men, hand-picked and groomed by the British as rulers of independent Nigeria, contributed in fanning, *ad nauseam*, the embers of discord which ultimately resulted in the conflagration of 1967-1970.

It is now a common knowledge that the implementation of the post-civil war reconstruction in Eastern Nigeria (Igboland in particular) and that of General Yakubu Gowon’s policy of “no victor, no vanquished,” is a farce. Basic amenities such as food, shelter, transportation and medical services were in urgent demand by about 7.5 million internally displaced persons (IDPs) who needed immediate rehabilitation in the Southeast when the war ended in 1970. Contrary to its policy and spirit of rehabilitation, reconstruction and reconciliation, the Gowon-led federal government prevented international relief and humanitarian agencies from assisting the war-ravaged Igbo with relief

supplies. The operations of such relief agencies as the International Committee of the Red Cross (ICRC), the Catholic Relief Services (CARITAS) and the largely protestant World Council of Churches (WCC), among others, were hampered by Nigeria's decision to ban all air traffic to Biafra unless those cleared by the federal authorities. Although some of the relief agencies resorted to risky nocturnal flights to Biafra, they were pilloried by the Nigerian government for defying the federal blockade.<sup>8</sup> The federal government had boasted that it can handle the situation without foreign help and so handed over the responsibility to the Nigerian Red Cross Society and National Commission for Rehabilitation. But the corruption and ineptitude which characterised the distribution system meant that the children, the sick and aged did not benefit meaningfully from the exercise.<sup>9</sup> Thus, the economic rehabilitation of the Southeast was slowed down due to a deliberate policy of denying them international humanitarian assistance by the Nigerian government.

Another disturbing episode in which corruption devastated the political economy of Nigeria was the issue of abandoned property at the end of the civil war. In the wake of the Nigerian crisis, the Easterners who lived outside the Eastern Region fled for safety, leaving behind their valuable possessions which included landed property. The same was true when the Nigerian troops invaded and occupied the Southeast proper. Igbo residents in Port Harcourt and Calabar had to flee for their lives into their Igbo homeland. When the war ended, Igbo war survivors who owned property in the North and West reclaimed them and were paid accumulated arrears of rent by the various state governments in the two regions.<sup>10</sup>

This scenario was different in the Southeast and Rivers states as their governments with the tacit support of the federal government, claimed that the Igbo owners 'abandoned' their property which had been 'captured' and taken over as war booty, without compensation. In an attempt to redress this injustice, Gen. Murtala Muhamed set up the Col. SF Daramola Panel in 1975 to investigate the contentious issue of abandoned property. At the end of its work, the federal government allocated N14 million to the Southeastern and Rivers States to pay a flat rate of N500 per annum as rent for a period of five years (1970-1975) on every building confiscated from the Igbo people. It is disheartening to note that some of the buildings, farms and plantations were compulsorily acquired by the federal and state governments while some others were sold to fellow Nigerians.<sup>11</sup>

The federal government had set up the Abandoned Property Implementation Committee (APIC) headed by Col. David Mark, and its report of September 1976 noted that it disposed of 1,325 out of 2,000 houses in Rivers State at a cost of N8.6million. In Cross River State, only 183 houses were not sold out 700, and it paid arrears to owners of the houses to the tune N1.5 million. It can not be doubted that the work of the Committee was unsatisfactory as many concerned Nigerians felt aggrieved, short-changed and humiliated. But in order to prove that the work of the APIC was teleguided, Olusegun Obasanjo quickly promulgated Decree No. 90 of 1979 which protected the Committee members and their decisions from litigation in the law courts.<sup>12</sup>

But the imbroglio did not end immediately and so in March 1981, Shehu Shagari as President of the Third Republic held a meeting with the four governors of Imo, Anambra, Rivers and Cross River States with the aim of resolving the impasse once and for all. The meeting upheld that it would be a wild goose chase for the Igbo to recover every property belonging to them in Rivers and Cross River States. It was therefore agreed that compensation be paid to the affected owners. On this note, the Rivers State government deposited N23.6million with the federal government as its own compensation to the Igbo who abandoned their property in Rivers State. Estimates show that the Igbo lost property worth N56 million but the federal government paid a total compensation of N37.6 million.<sup>13</sup> No doubt, the corruption, ill treatment and denials inherent in the abandoned property saga will sadly ever remain green in the memories of the affected Igbo and their relatives.

The issue of resource allocation and control as one of the effects of political fragmentation is another disturbing phenomenon on the political economy of Nigeria. This has to do with ownership of endowed natural resources, and sharing of proceeds from the hydrocarbon exploitation. The agitation for state control of resources is associated with the oil producing states that are either dissatisfied with the revenue accruing to them from the federation account, including the 13% derivation fund, or angry with the enormous funds that goes to the non-oil producing states, particularly the Northern states. It is now a common knowledge to most Nigerians about the slow pace of socio-economic development

in the Niger Delta, coupled with the devastations, especially environmental pollution due to oil exploration and exploitation. According to Sa'ad Abubakar, "Even from the point of view of fairness the oil producing communities deserve greater socio-economic development than what obtains now."<sup>14</sup> Thus, the oil producing communities have good reasons to agitate for improved social and economic development as a legitimate fruit of the natural resources God had deposited in their land. It was hoped that with the creation of the Niger Delta Development Commission (NDDC) by the federal government, the lot of the Niger Delta peoples would improve, but the corruption and inefficiency inherent in the Commission necessitated the recent dissolution of its board.

Revenue allocation from the Federation Account constitutes another area in which the marginalization of the Southeast states is predominant. The Southeast, particularly Igboland receive the least revenue allocation in view of the fact that the geo-political zone has only 5 states and 94 local government areas. Compared to other zones, Igboland is short-changed and under-represented at the federal level in terms of political appointments. It is therefore clear that Nigeria's problems are lying squarely on leadership. This is corroborated by a perceptive scholar who wrote that:

The trouble with Nigeria is simply and squarely a failure of leadership. There is nothing basically wrong with the Nigerian land or climate or water or air or anything else. The Nigerian problem is the willingness or inability of its leaders to rise to the responsibility, to the challenge of personal example which are the hallmarks of true leadership.<sup>15</sup>

The leadership crisis in Nigeria has manifested in the absence of requisite basic social infrastructures, growing state of insecurity, untrammelled corruption, unemployment, economic doldrums, uncertainty and inflationary spiral of unimaginable proportions.

Presently, many health services are in shambles as the hospitals have been reduced to mere consulting clinics.<sup>16</sup> A situation where many rulers, and not leaders, of the country have defrauded the country and therefore possess confounding accounts with banks in London, Switzerland, USA and Germany, can only explain why Nigeria has remained so corrupt and underdeveloped. In addition to securing over-priced contracts, politicians divert and embezzle monies that could have been used to provide social and infrastructural services such as modern health facilities, good schools with adequate learning tools, good roads network and efficient electricity distribution. The result of this neglect is that people die of curable and preventable illnesses; ignorance due to lack of education, numerous deaths of innocent people from road mishaps, as well as grinding poverty; and it is the politicians that are guilty of these mass murders.<sup>17</sup>

Corrupt governance is the order of the day. This cannot be otherwise as the political parties that vie for political offices are deficient of political ideologies as evidenced by massive cross-carpeting of party members. The electoral system is synonymous with political patronage and abysmal fraud. Elections in Nigeria are nothing but the selection of loyalists. In the midst of pandemic poverty and mass unemployment, the quickest way to become rich in Nigeria is to occupy a political office, and because of the impunity with which political office holders sap and plunder the national wealth, organising a free and fair election has become a mirage. The major tools for ascending a political office have been election rigging, unjust arrest or assassination of political opponents, thuggery, brigandage, arson and other forms of outright wickedness. Thus, the greatest banes of the Nigerian economy are corruption and injustice. Where corruption exists, there must be injustice, and where there is injustice, ultimately there must be corruption.

### **5. THE FOREIGN DEBT CRISES AND NATIONAL DEVELOPMENT**

Debt statistics from the Debt Management Office (DMO) show that between June 30, 2015 and June 30, 2018 that is, since the inception of the present administration, Nigeria's external debt has risen from \$10.32bn to \$22.08bn. Thus, in the last three years, Nigeria's external debt has grown by 114.05 percent. Again, Nigeria's exposure to foreign loans has risen by \$7.3bn or 486.67 percent. And with a commitment of \$8.47bn, the World Bank is responsible for 38.36 percent of the country's foreign portfolio. Other multilateral organisations Nigeria is exposed to, include the African Development Bank with a portfolio of \$1.32bn; the African Development Fund with a portfolio of \$843.47m; the International Fund for Agricultural Development with a portfolio of \$159.44m; the EDF Energy (France) with a portfolio of \$64.96m; the Islamic Development Bank with a portfolio of \$16.92m; and the Arab Bank for Economic Development with a portfolio of \$5.88m.



On the other hand, bilateral debts amounts to \$2.39bn or 10.87 percent of the country's external debt exposure. The bilateral agencies to which Nigeria is indebted are the Export-Import Bank of China with a portfolio of \$1.91bn; the Agence Francaise de Development with a portfolio of \$274.98; the Japan International Cooperation Agency with a portfolio of \$74.69m; Germany (KFW) with a portfolio of \$132.24m; and the EXIM Bank of India with a portfolio of \$4.76m.<sup>18</sup> Although the domestic component of the country's total public debt decreased marginally recently due to moves by the Federal Government to re-balance the local/foreign debt ratio, enormous foreign debt portfolios and corruption constitute a major setback to national development endeavours.

### 6. CONCLUSION/THE WAY FORWARD

As a consequence, this could lead to an abysmal situation whereby national consciousness and loyalty are thrown over-board, and in their place, regional or ethnically-based policies and actions are given free reign. Thus, corruption is an albatross to our nation-building and economic development endeavours. Although the institutions of government statutorily empowered to check and punish offenders of corrupt practices are themselves mired in this morass, they should be empowered to work without interference from the political class.

Above all, the principle of servant-leadership as a model of administration should be enthroned at all levels of political governance and public service in Nigeria. This approach calls for morality in governance as the servant-leader is one who is a servant first.<sup>18</sup> Serving others and not controlling them should be an essential component of leadership. Leaders should care for the people they lead and be useful resources to them in line with the principles of Social Contract upon which the state exists. Stamping out corruption in all its forms and ensuring the security of lives and property of citizens are part and parcel of the process of ensuring the welfare of the people; and where this welfare cannot be assured, then the basis of the state's existence is questionable.

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