

Governance and Corruption in Nigeria:
Implications for Development

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Abstract

Nigeria as an independent nation has been governed for the past 56 years by both democratic and non democratic governments. The intervention in governance of Nigeria by the military was blamed on the inability of previous democratic governments to develop and sustain programmes that could have resulted in development. However, the military rule for 30 years also did not yield the much expected socio-economic development in terms of improvement in the standard of living of the Nigerian populace. The inability of Nigeria to attain development has been partly blamed on corruption in governance. Corruption is a clog in the wheel of progress of any nation state if the menace is left uncontrolled. Corruption has eaten deep into the polity of the Nigerian State. This paper seeks to examine the impact of corruption on Governance in Nigeria and its implications on the development of Nigeria. The materials for this paper were sourced from documentary sources such as journal articles, text books, online materials and other unpublished materials. The paper concludes that Corruption hinders development and advocates for stronger political will to fight corruption on the part of political leaders, making anti graft agencies independent of the executive arm of government and a review of anti graft laws with stiffer punishments for offenders amongst other recommendations.

Key words: Governance, Corruption, Development, Participation, Transparency and Accountability.

Introduction and Problem Statement

The creation of a conducive political and socio-economic environment for implementation of government policies and programmes is a great challenge confronting Nigeria as a nation. The creation of a conducive environment will give room for development to take place. However, this desired development has been hindered in Nigeria due to corruption and bad governance. Governance can either be good or bad. Good governance entails freedom, accountability and participation. Good governance is critical in achieving great strides in pursuit of development. But unfortunately, successive Nigerian governments have been deeply engrossed in excessive acts of corruption and bad governance.

Corruption is entrenched in all facets of national life, manifesting in relegation of public interest, malpractices of all forms, crimes in different forms, readiness to cheat and so on. All these and more have brought about social dislocation, insecurity, violence, abject poverty, socio-economic and political instability.

In order to tackle the issue of corruption and bad governance in the country, Nigerian government has introduced reforms in the public service including monetization to reduce waste, downsizing of over bloated personnel, establishment of anti-corruption agencies like Independent Corrupt Practices and other related offences Commission (ICPC), Economic and Financial Crimes Commission (EFCC) and so on (Uwak and Udofia, 2016). In spite of these efforts, corruption and bad governance have been on the rise. What then are the implications of corruption and bad governance on the development of Nigeria?

Objective

The objective of the paper is to examine the implications of corruption and bad governance on the socio-economic development of Nigeria.

Methodology

Data for this paper were collected from secondary sources such as journals, text books and internet sources. Contents analysis was adopted.

Literature Review

Conceptual Clarification

Governance: Governance means different things to different people. According to the United Nations Development Programme, (UNDP, 2011) in Anazodo, Okoye and Chukwuemeka (2015:46), governance is 'the exercise of economic, political and administrative authorities to manage a country's affairs at all levels'. In the same vein, the World Bank (1989) defined governance as the manner in which power is exercised in the management of a country's economic and social resources. Yaqub and Abubakar (2005) defined governance as the totality of the process of constituting a government as well as administering a political community. Governance according to Sharma, Sadana and Kaur (2012), 'includes the forms of political system, and the structure and the manner in which power is exercised, in utilizing the country's economic and social resources for development. Governance incorporates the capacity of the government to design, formulate and implement policies and also the way government discharges its functions and copes with the emerging challenges of the society'. Natufe (2006) defined governance as the process and system by which a government manages the resources of a society to address socio-economic and political challenges. For the purpose of this paper, governance is seen as the way and manner in which power is exercised in managing the economic and social resources of a country for the purpose of development. Governance can either be good or bad. Good governance will affect the country positively thereby bringing about the desired development in all facets of the country's life and activities, while bad governance on the other hand will cripple development and bring backwardness to the country. At this point we shall examine good governance.

Good governance according to Sharma, Sadana and Kaur (2012) "establishes the rule of law, enforces contracts and agreements between the individuals, maintains law and order and guarantee security to the people, economizes on cost and resources, protects the environment and properly delivers services to society. It also determines an optimal size of the government and makes best possible use of government resources'. This is to say that good governance is needed for a nation to develop. In good governance, rule of law is established, law and order is maintained and government resources are utilized for developmental purposes.

Elements of Good Governance

According to Sharma, Sadana and Kaur (2012), the following are the elements of good governance:

I. Participation: Participation is one of the key to good governance. Citizens' participation in the organs of government: Executive, Legislative and Judiciary and regular exercise of their rights in all respects. There should be decentralization and more democratization in government as this will lead to increased participation. Participation could either be direct or through representation. Proper enforcement of laws requires an independent judiciary that is capable of functioning fearlessly. The people's say in governance should be strengthened. States and local bodies should be given greater

autonomy, voluntary agencies and nongovernmental organizations should be involved more, better delivery systems through self help groups and in economic terms, participation of the private sector should be increased.

ii. **Accountability:** There should be accountability by those in government to the governed. The responsibility of officials is to explain their acts as it safeguards against oppression and corruption. Accountability includes how the government is a facilitator for the private sector and how far it is able to manage public sector. According to World Bank Document (1992) in Sharma, Sadana and Kaur (2012), Public Accountability involves three interrelated groups; The general public and, particularly, recipients of public service, who are interested in service providers being accountable to them.

Political leaders and supervisors of service providers who would like the service providers to be accountable to them.

The service providers themselves, whose objectives and interests often differ from those pointed out in the two above.

Financial Accountability according to the Bank documents serves as an essential check against misspending and corruption, as it strengthens the capacity of the government to monitor their own economic performance including proper resource use.

iii. **Transparency:** The citizens should be able to access information, and a good government must ensure flow of information to citizens. Transparency in government is a necessity. Transparency requires that decision taken and their enforcement is done in a manner that is in conformity with the rules and regulations. It implies that the information can be received by those affected by the decisions in easily understandable forms.

iv. **Rule of Law:** For good governance to be possible there should be a fair framework that is enforced in an impartial manner for protecting human rights, securing social justice and checking abuse of power.

v. **Consensus Oriented:** The goal of good governance should be to arrive at a broad consensus after considering different interests in the society for the best interest of the community. It aims at achieving sustainable human development by carrying citizens along.

vi. **Effectiveness and Efficiency:** Good governance depends upon the fact that the process and institutions should produce results to meet the needs of society. It involves proper utilization of resources at their disposal.

vii. **Responsiveness:** Good governance is feasible when the institutions and processes are responsive and serve all stakeholders within a reasonable time frame.

viii. **Inclusiveness and Equity:** The people should not be excluded from the mainstream of the society and no segment of the society should be marginalized. All citizens should be given the freedom to avail themselves of opportunities in the society.

Bad Governance

Bad governance is the opposite of good governance. Where there is bad governance, accountability, transparency, respect for the rule of law, popular participation, effectiveness and efficiency, responsiveness and other elements mentioned above are absent or insufficiently present. Bad governance manifests in the inability of a public institution to manage public affairs and public resources; failure to meet the needs of society while making the best use of resources at the disposal of government (Kaufmann, Kraay and Zoido, 1999). The major evil that brings about bad governance is corruption. This paper now proceeds to discuss corruption and its effect on national development.

Corruption:

Corruption is a global problem with complex causes; its net effect is seen as negative for all societies, particularly developing countries (Ghana Center for Democratic Development, 2001. Huntington (1968) defined corruption as abuse of public office for private ends. For him, corruption is a behavior of public officials which deviates from accepted norms in order to serve private ends. Orukwou (2012) sees corruption as effort geared towards securing wealth and power through illegal means for private gains at public expense and peril. It is a misuse of public power for private benefits, the violation of established rules for personal gains and profit.

Desta (2006) in Duruji et al (2013) views corruption as 'outright theft, embezzlement of funds or other misappropriation of state property, nepotism and the granting of favour to personal acquaintances and the abuse of the public authority to exact payments and privileges. Looking at it from this angle, the general public is seen as the principal victim and the public officials as the agent.

USAID (2003), in Kayode, Adagba and Aniyio (2013), also defined corruption as the misuse of entrusted power for private gain. Corruption is a selfish and dishonest act that deprives a vast majority of desired benefits which includes social, economic, political and other legitimate benefits. Corruption emphasizes personal interest as against the public interest.

Systemic corruption in Nigeria appears to be more institutional and political in nature. This is because the ruling class has proved to be the major promoters of corruption; indeed, the continued high occurrence of corruption in Nigeria is as a result of the fact that beyond institutional weaknesses, leaders seem to have infiltrated escape routes in the making of anti-corruption laws. Consequently, political corruption has been at its peak with overwhelming negative effects in Nigerian political system. It defies conventional rules that guide the political system. Political corruption involves the maneuvering of the state institutions and rules for the benefit of an individual or group of people. Political corruption is a deviation from the rational-legal values and principles of the modern state and leads to institutional decay. Corruption promotes economic decay and social and political instability, perverts the ability of the state to foster rule of law, and eventually erodes trust and undermines legitimacy (Ghana centre for Democratic Development, 2001).

Corruption in Nigeria's Public Sector

Corruption in Nigeria's public sector has become a serious problem of concern in the country. There have been various cases of financial corruption since the country's return to civil rule in 1999. This corruption has taken various forms such as government institutions having to bribe legislatures in order to pass budgets of their organization, ministries collect bribes before contracts are awarded, politicians give money to electorates to vote them into power, contract inflation, lecturers collect money from students to pass them (Uwak and Udofia, 2016).

According to Uwak and Udofia (2016), the first and second Republics in Nigeria came to an abrupt end because of corruption. At this time, people in ministries, departments and agencies of government in the first republic stole funds and there was no policy position to fight against corruption in the country. The 1964 and 1965 elections were rigged by the Northern People's Congress (NPC) (Ajayi, 2008) in Uwak and Udofia, (2016). The party in power (NPC) went against electoral guidelines and procedures and that caused the failure of other political parties especially Action Group (AG). This resulted in the rejection of the outcome of the election which led to widespread violence and outright destruction of lives and property particularly in the Western part of the country. Ijewereme and Dunmade, (2014) in Uwak and Udofia, (2016) were of the opinion that corruption, massive rigging of the elections, arson, killing and violence in the West were reasons why the middle ranked army officers staged coup to take power from the Nigerian First Republic Politicians on January 15, 1965.

General Gowon's administration did not tackle the issue of corruption in the country as corruption acts were not a secret. His promise to establish anti-graft agencies to fight corruption was not fulfilled. However, the administration of Murtala Mohammed exposed the corruption activities that were carried out during Gowon's regime when he set up Assets Investigation panel to probe the governors and other public office holders who worked under Gowon. The investigation led to the indictment of 10 out of 12 military governors and their assets were frozen. The anti-graft exercise led to the purge of the civil service whereby over 10,000 civil servants were sacked for corrupt practices (Anazodo, Okoye and Chukwuemeka, 2012, Uwak and Udofia, 2016).

During Shehu Shagari's regime there were various forms of corrupt practices engaged in by the politicians. When General Muhamadu Buhari came on board, he introduced the programme 'War Against Indiscipline' (WAI) all with the intent of fighting corruption. Many investigative tribunals were put in place to probe public officials. During the General Babangida Administration corruption was also present. The corrupt activities continued in the Abacha's regime. Even several years after the death of Abacha, looted money were still being discovered. The Christopher Kolade's panel set up to review contracts awarded during Abdulsalami's tenure revealed that the 4,072 contracts cost Nigeria N635.62 billion as against the N88 billion budgeted in 1998 (Anazodo, Okoye and Chukwuemeka 2012).

With the return to civilian rule in 1999, one would have thought that the elected leaders will be committed to fighting corruption in the interest of the Nigerian populace so as to give the populace a better life. But to the contrary, the administration of President Obasanjo according to Aderonmu (2007) witnessed unthinkable dimensions of corrupt practices, selective investigation of corrupt public officials and inefficient handling of the economy. When Yar 'Adua took over from Obasanjo he showed some commitment to fight corruption but did not match it with practical steps. For example according to Uwak and Udofia (2016), he tried to stop the prosecution of James Ibori former governor of Delta State and he subsequently removed Ribadu as the EFCC Chairman. When President Goodluck Jonathan took over, he did not show courage to fight corruption as there were lots of corrupt practices among his political appointees. They looted government treasury. There was the case of the former Minister of Aviation Stella Odua who used the Ministry's money to buy bullet proof cars for her personal use. The former Minister of Petroleum Resources, Mrs. Diezani Allison Madueke, has been accused of stealing the sum of \$9.3 billion under president Jonathan (Uwak and Udofia, 2016). Melaye (2013) said the government of President Goodluck was unable to prosecute corrupt political office holders, even those who were exposed. Jonathan showed a total lack of political will to fight corruption in Nigeria. With the administration of President Muhammadu Buhari, efforts have been geared towards tackling corruption in the country. Different strategies like the single treasury accounts for ministries, agencies and departments of government and the whistle blowing policy that comes with reward for whistle blowers (Uwak and Udofia, 2016).

Corruption as can be seen is endemic in the nation and though there have been agencies such as EFCC and ICPC and other measures adopted by different governments to fight corruption, they have failed in their bid to reduce it to a minimal level.

Effect of Corruption on National Development in Nigeria

Corruption has diverse impact on the development of any nation. It is a clog in the wheel of progress. An attempt is made to discuss some effects of corruption on the development of Nigeria below:

i. Effect on security of the nation: The militant activities of the Niger-Delta region is as a result of the embezzlement of resources meant for developmental activities in the region. The youths in protesting to the undeveloped state of the region resort to arms taking to find a way of getting part of the stolen resources. They engage in vandalization of pipelines, kidnapping, political thuggery among other things. This is a serious security challenge. It has affected foreign investments in the region. It is claimed that over one trillion naira (N1,074,015,582,000) allocated for the development of the region from 2007 to 2014 have been embezzled by corrupt officials (www.naija.ng).

ii. Reduction in provision of social amenities: Diversion of public funds appropriated to government institutions for private use has resulted in decline of provision of social services in the nation. Contracts awarded are sometimes left abandoned, government policies and programmes are not fully implemented because those involved in the implementation look for ways through which they can embezzle the funds. There is high level of infrastructural decadence in the country because funds meant for maintenance purpose is siphoned into personal pockets to the detriment of the entire nation. Service such as the National Health Insurance Scheme (NHIS) is not being properly implemented in terms of provision of qualitative drugs because of underfunding and the little provided is also embezzled. This year (2017), the NHIS boss was suspended as a result of awarding contracts to his cronies without following due process, purchasing of a 58 million naira Toyota vehicle which is above his spending limit of 2.5 million naira (without approval from the Minister of health) and other allegations against him. He was directed to handover all the property of the organization to his immediate subordinate, but the order seems to already have been flouted as the suspended official left the premises of the organization with two matted woven bags otherwise known as Ghana must go (Akinkuotu, 2017). It seems to have become a culture for public officials to abuse their offices and use public funds without regard for due process and the rule of law.

iii. Effect on Economic Development: The embezzlement of public funds by politicians and other public office holders has resulted in incapacitation of the government to embark on projects that would bring development to the society. Such projects could create employment opportunities to the teeming unemployed in the country there by leading to reduction in poverty. There are lots of uncompleted projects across the country as a result of embezzlement. Some government revenue generating agencies misappropriates the resources that would have been channeled into government

account resulting in loss of government revenue. Unfortunately, most of the stolen monies are never invested in the country. The culprits transfer the monies to foreign accounts and acquire properties outside the country with no benefit to the economy of Nigeria. According to Ribadu (2007), without doubt, the unpardonable failure of the political leadership managing the affairs and wealth of the country had inevitably brought severe misery to many voiceless and helpless Nigerians and has denied them access to economic prosperity and quality living conditions.

iv. Impact on the political system: corruption is rooted in the political system of Nigeria. Voters are bribed to vote for specific political party or candidate. The electorates do not regard government as theirs and the acceptability of government is usually contestable because a greater number of the eligible voters are sometimes not part of the electoral process because to them, their participation will not change anything. There is a high level of apathy in the political system of Nigeria. The electoral institutions in the country are manipulated to favour certain persons.

Findings

From the paper the following were revealed:

- i. The paper revealed that corruption is entrenched in all facets of national life in Nigeria. There is relegation of public interest, malpractices of various forms, crimes in different forms which have brought about social dislocation, insecurity, poverty and socio economic instability.
- ii. The paper revealed that the ruling class is the major promoter of corruption in Nigeria, although among the non-ruling class, there is still corruption.
- iii. The paper revealed that even with the return to civilian rule in Nigeria, corruption has been unabated taking different dimensions as even the process of elections are marked with a lot of manipulations. This hinders development in the country.
- iv. The paper revealed the effects of corruption on national development as including insecurity in the country, reduction in provision of social amenities in the country, negative effect on the economy and negative impact on the political system.

Conclusion and Recommendations

Corruption has impacted negatively on the economic life, peace and security of the nation. It has also impacted negatively on the political system as well as led to a decline in the provision of social services in the country. There is also infrastructural decadence. There cannot be development where there is high level of corruption. Even though some efforts have been made towards the fight against corruption, much still needs to be done. Despite the establishment of anti-corruption agencies like EFCC and ICPC, there is still much to be desired. In the light of this, the paper recommends the following:

- i. The anti-graft laws in the country should be reviewed to suit the current situation. Sometimes corrupt individuals are given less punishment for severe offences thereby giving others the morale to also loot public funds. Stiffer punishments should be introduced to serve as deterrent to individuals who want to loot public funds.
- ii. The agencies of government fighting corruption in Nigeria are under the executive arm of the government. They tend to work according to the dictates of the executive. To have effective anti-graft agencies, these agencies should be independent of the executive arm to prevent interference.
- iii. The principle of checks and balances should be practiced to the later by the three arms of government. The executive should check the activities of the legislature, the legislature through its oversight functions should check the activities of the executive and the judiciary that is the court system should discharge its functions of prosecuting individuals found guilty of corruption without interference from the legislature or the executive. In addition to the above, the judiciary should expedite actions on corruption cases as delay in deciding on such cases is a set back on the fight against corrupt practices.
- iv. Our political leaders should also muster the political will to fight corruption in every possible way.
- v. The Nigerian populace must have the behavioural change consistent with the desire to see a change in the trend of events that has brought the nation to where she finds herself in the

committee of nations. The citizens need to do away with unethical behaviors and sharp practices.

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