

CORRUPTION AND ITS IMPACT ON THE SOCIO-ECONOMIC DEVELOPMENT OF NIGERIA

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Abstract

Corruption is a universal problem affecting all countries of the world. However, this problem is more endemic in third world countries, Nigeria inclusive. In Nigeria, corruption has become institutionalise. Scholars have discovered that, the problems of corruption have penetrated all sectors of the society- political, social, and socio-economic fabric of the Nigerian society. This study on Corruption and its impact on the socio-economic Development of Nigeria is carried out to examine the courses, nature and its impact on the socio- economic development of Nigeria. This study which relies mainly on secondary data, explores the conceptual and empirical review of the courses, nature, and the impact of corruption on the socio-economic development of Nigeria. In other to provide a good base to understanding the problems under study, Marxist theory of dialectical materialism was explored. The study observed that, corruption is more rampant in developing countries such as Nigeria. Also, corruption has impeded the socio-economic advancement, and has dented the image and reputation of Nigeria which has adversely affected foreign investment flow into the country. Premised on these observations, the study recommends that, government should strengthen the existing anti-corruption, bodies i.e. ICPC and EFCC by making them truly independent, with adequate funding, and the use of modern techniques for dictating corruption. Moreso, subject/course on corruption should be introduced in our school curriculum to teach our younger ones the negative consequences of corruption from primary to tertiary levels in our educational institutions.

Keywords: Corruption, Development and Nigeria.

Introduction

Corruption is a global phenomenon which confronts all nations of the world. The only difference is that its prevalence, gravity and persistence vary from one country to another. The menace of corruption is increasingly receiving local, national and international attention. According to Lawal (2012), this development is partly due to the following reason: (a) series of high level corruption cases in industrialised countries, (b) an increasing awareness of the costs of corruption

throughout the world and (c) the political and economic changes which many countries are undergoing.

The adoption of a basic needs approach with the concept of endogenous development, make for a development agenda that is universally applicable, while at the same time allowing for country specific particularities to be given due account. The challenge of human scale development is corruption instead of being threatened by it, to develop processes of political and economic decentralisation, to strengthen democratic, indigenous traditions and institutions and to encourage rather than repress emerging social movements which reflect the people's need for autonomy and space.

Nigeria as a nation is bestowed with vast human and natural resources, with oil exports accounting for about 95% of foreign exchange income and some 80% of government income, with a population of about 160 million (Faloore, 2010). Nigeria as a state is faced with endemic corruption which has become part of life of her citizens. As a result of corruption in Nigeria, her quest for socio-economic development has remained a mirage, despite its enormous array of resources. The Nigeria economy has witnessed a stagnant economic growth. This ugly development has been partly attributed to corruption and gross mismanagement of the country's vast resources. Corruption has tremendously affected lives, and provoked animosity amongst Nigerians. It has eaten so deep into the fabrics of the Nigerian citizen, the public and private sectors, governmental and non-governmental organisation and has essentially become a way of life and an important source of accumulation of wealth for those who occupied any strategic position in government. There are instances, where public officers converted public properties into their own private property in Nigeria. These problems therefore, provoke this study on corruption and its impact on the socio-economic Development of Nigeria.

Conceptual Clarification

The Concept of Corruption: Etymologically, the word corruption is derived from the Latin word "rumpere" meaning "to break". This connotes the breaking of normal or societal norms or practices (Ifesinachi, 2003). Scholars differ in defining corruption but the negative impact of corruption is less contentious.

Transparency international (2006), defines corruption as "the abuse of public office for private gain". While the World Bank (2009), sees corruption as "the abuse of public power for private gain". According to Wye (1967), sees corruption as "behaviour which deviates from the formal duties of a public role (elective or appointive) because of private interest regarding (personal, close family, private clique) wealth or status gains; or violates rule against the exercising of certain private regarding influence".

Osoba cited in Jike, (2005) gives a more elaborative definition of corruption as:

"A form of anti-social behaviour by an individual or social group which confers unjust or fraudulent benefits on its perpetrators and is in consistent with the established legal norms and prescribed moral ethos of the land is likely to subvert or diminish the capacity of the legitimate authorities to produce fully for the material and spiritual well-being of all members of society in a just and equitable manner"

It is important to note, it is not easy to have a precise definition of corruption, which meets local and international standards. The independent and corrupt practice commission (ICPC) defines corruption as "bribery, fraud, and other related offences (ICPC, 2008).

Bribery is often agreed as corruption. According to the chambers 21st century dictionary defines "bribe" as a gift, usually money, offered to someone to persuade them to do something illegal or improper". Bribe occurs within the context of the giver and the receiver. Bribe paves the way for the giver to be favoured in whatever he or she is looking for regardless of the rules and procedures. The receiver of bribe is under compulsion to deliver what the giver has asked for, whether or not the giver merits it, even if it is detrimental to state interest or corporate interest.

Corruption is widely accepted as the cause of social underdevelopment, particularly in third world country like Nigeria.

The Concept of Development

Development means improvement in country's economic and social conditions. More specially, it refers to improvements in way of managing an area's natural and human resources in order to create wealth and improve people's lives. According to Todaro (1995) development is the process of improving the quality of all human lives. Development entails improving in individual condition of living, better infrastructure, and general social economic development. Development revolves around the people and measured qualitatively. It deals with efforts that seek to improve the wellbeing and quality life of people in a society by creating jobs, resources, growing incomes and tax base of the host society.

Dudley Seers while elaborating on the meaning of development suggests that while there can be value judgements on what is development and what is not, it should be a universally acceptable aim of development to make for conditions that lead to a realisation of the potentials of human personality. The people are held to be the principal actors in human scale development. Respecting the diversity of the people as well as the autonomy of the spaces in which they must act converts the present day object person to a subject person in the human scale development. Development of the variety that we have experienced has largely been a top-down approach where there is little possibility of popular participation and decision making (Smah, 2015 and Shah, 2018).

Also, a focus on people and the masses implies that there could be many different roads to development and self-reliance. The slogans "human centred development", "the development of people", "integrated development", all call for a more inclusive and sensitive approach to fundamental social, economic and political changes involved in development such that all aspects of life of a people, their collectivity, their own history and consciousness, and their relations with others make for a balanced advancement (Shah, 2018).

Theoretical Framework

The foundation of this work is built on Marxist theory of dialectical materialism (1883). The main idea of this theory is importance of matter on determining the happenings within the social system. This theory believes that, the material condition of living of the people tends to influence their behaviour, particularly in a society that encourages unequal access to resources, and domination of one class- Bourgeoisie class over the proletariat class. That, in a capitalist society, private ownership of means of production forced people to be involved in primitive accumulation; this ugly situation breeds corruption in the society, especially Nigeria.

Types of Corruption

There exist discordant views among scholars in the attempt to delineate different types of corruption. This is due to differences in culture on what constitute corruption.

The United Nations office on Drugs and Crime identify the following as types of corruption.

- **Bribery:** This involves the promise, offer of any benefit that improperly affects the actions or decision of public official. It may include also private individuals who serve in government committees. A bribe may consist of money, company shares, inside information, sexual favour, gifts etc.
- **Embezzlement, theft and fraud:** These offences involve theft or misappropriation of resources entrusted with authority and control over government property. These can include both public officials and private individuals. This can be diversion of public goods or theft of cash by public officials or private individuals.

- Extortion: According UNODC (2001) is the act of using coercion. It involves coercing a person to pay money or provide other valuables or personal favours in exchange for acting or failing to act. This can be through the threat of physical harm, violence or restraint. Example of extortion for instance, a sick woman needs to see a doctor and at the hospital, the nurse tells her husband that he must pay something extra just to get into the doctor office
- Exploiting a conflict of interest/influence peddling, insider trading. The above, involves, engaging in transactions, “selling” influence, or acquiring a position or commercial interest that is in compatible with one’s official role and duties for the purpose of illegal enrichment.
- Offering or receiving of an unlawful gratuity, favour or illegal commission. This offence is aimed at public officials who received anything of value as extra compensation for the performance of official duties.
- Favouritism, nepotism and clientelism: - This is the assignment of appointments, services or resources based on family ties, party affiliation, tribe etc.
- Illegal political contributions: This occurs when political parties or the government in power received money in exchange for non-interference and good will towards the entity or group making the contribution. This is close to bribery.
- Money laundering: - This is the process or act of channelling the proceeds of corruption to safety through financial institutions. Money laundering produces a corruptive effect on national and international financial systems. It was discovered that the corruptive effect of money laundering is not only affecting private enterprises and their employees but also the entire states.

Money laundering is the concealment of the source, nature, existence, location and disposition of money or property obtained illegally or from criminal activities such as embezzlement, drug trafficking, prostitution, 419, corruption and larger scale crime (Ibi 2018).

In the Dictionary of Finance and Banking (2008), This term “money laundering” was refers to as a process where money is acquired illegally either through theft, drug dealings etc. is cleaned so that it will appear to have come from a legitimate source.

- Political corruption. This type of corruption is perpetrated by politicians, law makers, Governors, etc.
- Bureaucratic corruption. This type of corruption has to do with betrayal of trust by public officers in ministries, department agencies (MDAs), using one’s position for selfish enrichment.
- Systemic corruption: This is a situation where corruption is widespread and, more or less institutionalised.

All the aforementioned types of corruption can be found in Nigeria with great consequences on the socio-economic development in the country.

The Nature and Characteristics of Corruption in Nigeria

To properly discuss the nature and character of corruption in Nigeria, corruption is typified into political and bureaucratic corruption.

Political Corruption: This takes place at the highest levels of political authority. It occurs when the politicians and political decision-makers, who are entitled to formulate, established and implement the laws, are themselves corrupt. It also takes place when policy formulation and legislation is tailored to benefit political leadership e.g. “Budget Padding” of the Nigeria National Assembly. Another example is vote purchase; intimidation; political thuggery etc. Electoral victory is no longer determined by popular votes but by vote purchase, intimidation etc.

Bureaucratic Corruption: This occurs in the public administration or the implementation of policies. It is the kind of corruption the citizens encounter daily at places like the hospitals, schools, police stations, public offices etc.

It is important to ask this questions, why is corruption prevalent in Nigeria? The causes of corruption are many. These causes have political and cultural variables. Research evidence point to a link between corruption and social diversity, ethno-linguistic fractionalisation, and existence of different belief systems (Lipset and Lenz, 2000). Studies also shows that corruption is more rampant in most non-democratic countries and countries that have been branded “neo-patriomonal, kleptocratic and prebendal (Girling, 2011).

From the aforementioned narratives, the political system and the culture of a society could make people more prone to corruption.

Causes of Corruption

Scholars have identified many factors that leads to corruption. These includes:

- Graff (2007) identifies organisational culture as one of the cause of corruption. Corruption can be caused by the culture of an organisation or group. Corruption in some organisations is in group behaviour rooted in established arrangements. For instance, a newly posted officer with no record of corruption might be socialised into the act by colleagues. Such person with time will come to see the act as an acceptable norm.
- Clashing moral values: Some identify the cause of corruption to clash in moral values. Graff (2007) argued that corruption is caused by certain values and norms of society that directly influence the values and norms of individuals. These values and norms influence the behaviour of individual officials, making them corrupt. In our society, giving gifts is highly valued. Gifts are often referred to as “kola”, this paves way for corruption.
- Opportunistic factors: One cannot rule out opportunity as a cause of corruption. If one-a public official is given the authority to perform some sensitive rules; the person can use that opportunity for personal enrichment.
- Great inequality in distribution of wealth can cause corruption. Any society were the gap between the have and the have not, corruption abound. Pervasive and chronic poverty, extremely high levels of material deprivation and severe inequalities in the distribution of resources are major determinants of corruption in Nigeria (Osoba, 2010, Arowolo, 2011).
- The Nigerian extended family culture places enormous pressure on public servants forcing them to corrupt practices and nepotism.
- Lack of or total disregard for ethical standards in both public and private agencies in Nigeria led to corrupt practices.
- Poor rewarding system and greed. Our rewarding system in Nigeria is one of the poorest in the world. Nigeria is a society where national priorities are misplaced; meritocracy is discouraged, while mediocrity is promoted.

The Impact of Corruption in Nigerian Socio-Economic

Since, the establishment of transparency international, it has consistently investigated corruption in Nigeria to a large extend. To underscore the depth and pervasiveness of corruption in Nigeria, Transparency International in its Corruption Perception Index (CPI), ranked Nigeria as the second most corrupt nation in the world for three consecutive years. 2001, 2002 and 2003 (ICPC, 2007). Scholars have opined that corruption has both positive and negative consequences. The positive consequences include political development or modernisation and economic advancement and integration (Mye, 1967).

It is important to mention here that, the positive consequences may be for a few people and limited impact on the economy but negatives consequences on the economy and wellbeing

of the people. The negative consequences can be at the international, national and individual levels. The Lima declaration, as cited by Igbuzor (2008), states that corruption:-

- Erodes the moral fabric of the society;
- Violates the social and economic rights of the poor and vulnerable;
- Undermines democracy;
- Subverts the role of law;
- Retards development and;
- Denies the benefits of free and open competition.

Furthermore, the independent commission against corruption (ICAC) of Australia noted that “globally, the world economic forum has estimated that the cost of corruption is about 2.6 trillion US Dollars a year”.

The impact of corruption disproportionately affects the most vulnerable people in the society. Corruption deters investment, weakens economic growth and undermines the rule of law (Shah, 2018).

Marsha (2011) summarised the consequence of corruption thus:

- Low foreign investment;
- Reduced economic growth;
- Shift from productive to less productive activities;
- Grater inequality and high incidence of poverty;
- Reduced efficiency of foreign aid, and;
- Currency crisis;

Looking at the above, today Nigeria is currently, bedevilled by these problems to a large extent. This is so because Nigeria has suffered from massive looting of the economy by public officials in collaboration with private interest groups.

Other consequences of corruption in Nigeria includes

- Unemployment and underemployment;
- Infrastructural decay;
- Poor quality and delivery of public projects;
- Poor public services;
- Production and sale of substandard goods;
- Incompetent political leadership;
- Image and reputation bashing.

The greatest consequence of corruption is the one that affects individuals and in particular the poor members of the society. This is because the poor solely dependent on government for healthcare, housing, security, welfare, education etc. when these are not provided, they are the most affected. Some of the consequences on individual are;

- Infant mortality due to lack of basic vaccines;
- Lack of access to health care;
- Accidents due to bad roads;
- Unemployment;
- Low life expectancy;
- Homelessness;
- Poverty;
- Diseases;
- Hopelessness;
- Premature death of individuals such retirees, pensioners etc.

Indeed, corruption in Nigeria has seriously affected the socio-economic development of the country. It is a well known fact that corruption does not only exist in Nigeria, but is deeply rooted in every sector. Corruption slowly crept into the system but now rapidly destroying almost every sector of the Nigeria economy and governance. It is established that the country have suffered untold hardship due to corruption. Though, the battle against corruption can be won if the right approaches, attitudes and changes are made both individually and more importantly collectively. However, corruption can be curbed to a bearable minimum, if not completely purged from the Nigerian system when collective efforts are put together.

Recommendations

- The need for income redistribution so as to reduce the gap between the rich and the poor.
- The reward system in our society should be reviewed to encourage meritocracy as against mediocrity.
- The need for serious moral rearmament through social education on the need for embraces the good values that will discourage corruption and encourage hard work.
- Strengthen the existing anti-corruption, bodies i.e. ICPC and EFCC by making them truly independent, with adequate funding, and the use of modern techniques for dictating corruption etc.
- The need for political education so as to guard against political corruption, such vote buying, election rigging, thuggery etc. which led to the emergency of unqualified leaders in the country.
- Strengthening/making of new laws to establish separate courts to handle cases of corruption to checkmate the problem of judicial delay in such cases.
- More emphasis should be geared towards prevention of corruption rather than punishment, majors to check against committing corrupt activities in organisations should be taking e.g treasury single account (TSA). The law forming the due process agency should be strengthen and be given more powers to do their work
- A subject/course on corruption studies should be introduce in our school curriculum to teach our younger ones the negative consequences of corruption from primary- tertiary levels in our educational institutions.

Conclusion

There is no gainsaying that corruption is a global problem but, it is more rampant in developing countries such as Nigeria. The prevalence of corruption in Nigeria is endemic and cancerous. It has penetrated all fabric of the society.

Corruption has impeded the socio-economic advancement of the country, as well as dented the image and reputation of the country among the comity of nations. This development has affected foreign investment flow, currency crisis, infrastructural decay etc. To address the problem of corruption in Nigeria, all hands must be on deck to emancipate our dear country from this malignant cancer called corruption.

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