

The Effect of Corruption on Socio-Economic Development of Nigeria

Goddy Osa Igbaekemen^{[a],*}; Maryam Tijjani Abbah^[b]; Maryam Malah Geidam^[c]

^[a]Ph.D, Department of Sociology, Nigeria Police Academy, Wudil, Kano State, Nigeria.

^[b]Department of Marketing, Federal Polytechnic, Bauchi, Nigeria.

^[c]Department of Business Administration, Yobe State University, Damaturu Nigeria.

* Correspondence author.

Received 12 May 2014; accepted 10 July 2014

Published online 31 August 2014

Abstract

This study springs up because socio-economic development is very pertinent to all, hence it would be regarded as the apex of our social existence. It will help to identify how deeply corruption has really affected socio-economic development of Nigeria. However, this study aims to enable us know the causes of corruption, and to find out how deep corruption has eaten into the fabric of Nigeria's society, etc. It also tends to examine the effect of corruption on Nigeria's various socio-economic developments and tries to explore on the damage which this disease has caused to the image of the nation since 1985 up till the year 2010. By then, the effort of the anti-graft agencies EFCC and ICPC would also be examined to see if they have been efficient in discharging their duties, and to suggest the better way in more holistic and independent manner which would help as an encouragement for them to face the fight or war against corruption without fear or favour of the power that be. The result of this evaluation here is to show that this issue of corruption in Nigeria is an important national issue and has to be treated with all carefulness. There is great need for people to be shakier over the damage which corruption would cause if neglected. Based on the analysis of this work, government would know how best to fight corruption and alleviate the heat of it so as to build stronger and healthier economy. A lot of work would have been done on this subject; some might have done it with less seriousness. To allow for socio-economic development, this subject has to be treated objectively with utmost care. And it is that objectives I would say, this work have appeared to achieve it.

Key words: Corruption; Government; Agencies; Behaviour and socio-economic development

Igbaekemen, G. O., Abbah, M. T., & Geidam, M. M. (2014). The Effect of Corruption on Socio-Economic Development of Nigeria. *Canadian Social Science*, 10(6), 149-157. Available from: <http://www.cscanada.net/index.php/css/article/view/5335> DOI: <http://dx.doi.org/10.3968/5335>

INTRODUCTION

Corruption is an unethical behaviour which runs counter to the accepted social norms and moral values. It is a behavioural pattern, which seriously hurt public morality and leaves the society worse for it. Corruption is an act involving dishonesty, illegality and non-conformity with accepted standard of behaviour. And such an act or behaviour has as its main aim, the return for financial or material benefit, either for the person committing the act or on behalf of any other person. According to Longman Active Dictionary (New Edition), Corruption is a "Dishonest or immoral behaviour by politicians or people who work for government." In other words, Corruption could still be defined as dishonesty using one's position or power to own advantage especially for money or any other material benefit. Precisely, Corruption is giving, offering or receiving gratification or bribe, or some other form of illegal benefit. Examples of such in Nigeria include trading Chieftaincy titles for financial or material benefits, examination scores for money and/or other benefits. Refusal to do ones job unless and until the person receives an inducement for himself or on behalf of any other person.

Candidly speaking, this unethical behaviour, corruption is the bane to socio-economic development in Nigeria. However, it has truly become people's choice of priority to work or carryout their duties for personal gains to the detriment of our dearly growing economy. Bad management and misappropriation of public funds as part

of corruption has long contributed largely to this menace of decadence, thereby ensuring that people's needs are not met. As a result, people are now dying of hunger. Not only that, there is good road network, of which people cannot have access to the few food crops made available by the peasant farmers in the rural areas. And the poor health facilities as can be witnessed in the public hospitals, whereby people die in numbers daily out of ordinary ailments. Unemployment is increasing even as the country continues yearly to produce chunk of graduates without deeming it necessary for job creation to meet up with the graduates. In short, infrastructure development in the country is at zero level. And all these things mentioned and more are still the consequences of corruption to a society, Nigeria.

Corruption in the real sense of it has enormous ripple effect on the socio-economic development of Nigeria. Researchers have previously shown that corrupt practices are hazardous to our dear economy. To that effect, according to THISDAY (12 December 2003, pp.1-2) "Nigeria lost over five billion US dollars in the last few years to corrupt practices." And it was a disclosure from Antonio Maria Costa, the Executive Director of the United Nations on Drugs and Crime, at the conference of the UN Anti-corrupt Convention held in Mexico on 11 December, 2003.

The Federal government's anti-corruption agents, however in their effort placed greater emphasis on the public officials and they stipulated that any public official caught discharging his/her duty or social responsibility in a corrupt manner shall be dealt with. Although a lot of them (the public servants) yet perceived and believed that only top officials remain the target, so they are not ready to change.

Schacter and Shah (2000) listed three broad categories of corruption consistent with this definition: Bureaucratic or "Pretty" Corruption – Vast number of public officials (bureaucratic and politicians) are abusing public office often extracting small bribes or favour; (b) Grand Corruption – theft or misuse of vast amount of public funds by a relatively number of officials; and (c) "State Capture" or regulatory Capture" – Collusion among public and private agents for private benefits.

The effects of corruption on the public service delivery performance (very detrimental to the economy) and the poverty it brings are widely recognized. A wide consensus has also recently emerged that corruption is a symptom of failed governance (see World Bank, 2000) and hence curtailing corruption which require addressing the causes of mis-governance. However, the menu of potential actions to curtail corruption is very large so a framework is needed that provides guidance in ordering potential actions to address the menace.

At times, it is very glaring that public work is where Dick and Harry vie to be employed because of the non-challant attitude to work which characterizes the workforce there, whereby corrupt activities become

the order of their days. In the light of the above, it is completely necessary to evaluate the effect of corruption on the Nigeria's economy. Corruption will only take place when officials expect to drive net positive benefit from a transaction. Therefore, successful anti-corrupt programmes will lower the expected gains and raise the expected penalties of corrupt behaviour to dissuade officials at all levels. Against this background, this study was designed to evaluate the effect of corruption on Nigeria's socio-economic development.

Aside this act of public servants discharging of their duties purely for personal gain, we cannot emphasize the fact that this country, Nigeria, year-in-year out breeds out of her universities graduates that always appear to become a thorn on the flesh because majority of them turns unemployed or jobless afterwards. Tertiary education in Nigeria is very costly, of which one would say that, it is that the gap between the rich and the poor is more widened. Therefore, those that could struggle to train their wards/ relations in colleges of education, polytechnics, and universities wouldn't want their own to remain at home after so many years of wasting huge resources only for knowledge to be acquired; it would now amount to fruitless effort if nothing is done. To that heat, the unemployed graduates would prefer to engage themselves in any form of illicit activities to pay back to their families all the resources wasted on them, which would be to the detriment of the country's image. In short, this (unemployment) has contributed much to the unhealthy state of our economy. And if the government refuses to do something very urgently about that, I am afraid of what will be the state of Nigeria's economy in the near future, for it is certain that there would always be turned out of graduates yearly in the country.

1. LITERATURE REVIEW

Corruption is an issue that has continued to generate much interest and discussions amongst the various stakeholders comprising the federal government, employers as well as the general public. Various scholars have written about this phenomenon, and some of which will be reviewed in this chapter. However, there's no gain talking about corruption in Nigeria without mentioning some of the past administrations of which the paramount is Ibrahim Babangida's 1985 military government up to the 2010 civilian government of Goodluck Ebere Jonathan, in order to ascertain very vividly the devastated effect of corruption to the socio-economic development of Nigeria, and the efforts of different administrations in putting an end to corrupt practices by public office holders should as well be considered.

There is no single, comprehensive, universally accepted definition of corruption. Attempts to develop such definition invariably encounter legal, criminology and, in many countries, United Nations Convention against corruption began in early 2002, one option under

consideration was not to define corruption at all, but to list specific types or acts of corruption. Senior (2006, p.24), it indicates that a particular action is one that a majority consensus of both elite and the mass opinion would condemn and would want to see punished on grounds of principle.

He indicates that some elements, usually elites, may want to see the action punished, others not, and the majority may well be ambiguous. It signifies that the majority of both the elites and the mass opinion probably would not vigorously support an attempt to punish any form of corruption that they regard tolerable. Johnston (1996) provides an attempt typology for the definition of corruption. He identifies two different groups in the literature on the subject. The first group, focuses on the behavioural aspects of corruption. These behaviour oriented researcher hold the opinion that corruption is the abuse of public office, power or authority for private gain.

The second group defines corruption by roping in the relationship between and among the principal agent-client to the interactions between and among the parties involved: a principal, an agent and a client. Readers who turn to the Oxford Advanced Dictionary will find decomposition; moral deterioration, use of corrupt practices (bribery, etc.); perversion (language, etc.) from its original state.

The Oxford Unabridged Dictionary defines corruption as "inducement to wrong by improper or unlawful means (as bribery)." Curzon (1997, p.90) defines corruption as "an inducement by means of an improper consideration to violate some duty." Garner (2004, p.370) defines corruption as "The act of doing something with an intent to give some advantage inconsistent with official duty and the right of others, a fiduciary's official's use of a station or office to procure some benefit either personally or for someone else contrary to the rights of others." The Lectric Law Library's Lexicon defines it as "An act done with intent to give advantage inconsistent with the official duty and the rights of others. It includes bribery, but is more comprehensive; because an act may be corruptly done, though the advantage to be derived from it is not offered by another.

Neild (2000) defines corruption as "the breaking public persons, for the sake of private financial or political gain, of the rules of conduct in public affairs prevailing in a society in the period under consideration." Transparency International (TI) defines corruption as "the misuse of entrusted power for private gain". According to TI (2007, p.xxi) in its Global Corrupt Report 2007: Corruption in Judicial System, private gain means "both financial and material gain and non- material gain, such as the furtherance of political or professional ambitions." This is similar to the definition by United States Agency for International Development (USAID) in its Anti-corruption strategy; it also defines corruption as "the abuse of entrusted authority for private gain" the succinct definition of the World Bank is "the abuse of public office for private gain."

According to the United Nations Development Programme (UNDP) in its Anti- corruption practice note, corruption is defined as "the misuse of public power, office or authority for private benefit- through bribery, extortion, influence peddling, nepotism, fraud, speed money or embezzlement." According to the Report of the Common Wealth Expert Group on Good Governance and the Elimination of corruption, in the book fighting corruption- Promoting Good Governance, produced by the Common Wealth Secretariat 2000, corruption is generally defined as "the abuse of public office for private gain." Victor. B. E Abia (2003) Revised Edition of Understanding Nigerian Government And Politics defined corruption as "Unethical behaviour, which runs counter to the accepted social norms and moral values. He also sees it as a behavioural pattern, which seriously hurt public morality and leaves the society worse for it."

2. THESE ARE CONSTITUENTS OF CORRUPTION IN NIGERIA

Corruption as we know has steeped into every nook and cranny of Nigeria's public life, from top to bottom, cutting across almost every office or organization of all governments, local, state or federal. It has been argued that Nigeria's current economic mismanagement, corruption, fraud and theft by the rules and those who control the vital sectors of the nation's economic institutions.

According to Alemika (1983), corruption is an economic crime against the society, as we will see under discussion on the effects of corruption. Theft, fraud, and corruption are "Comrades- in- arms", and are rampant among, and committed by persons from all the strata of the society. The monetary value, socio- economic and political consequences associated with the incidence of fraud and corruption perpetrated by the powerful and wealthy, are far greater than those economic offences committed by the poor in the society. Corruption and its associate economic crimes appear in diverse ways, such as:

Bribery, fictitious names are included in salary vouchers, and the proceeds converted to personal use, kick- backs, political pay offs, extortions and demanding/ receiving all kinds of gratifications; unlawful payments for contracts either not executed or poorly executed because the pay officers have been induced; collaboration with contractors to inflate costs of contract value; the "Ghost workers" syndrome; "sorting out" teachers/ lecturers and examiners for better grades, etc.; illegal enrichment of oneself using one's official position, at the expense of the public; alteration of official documents to derive personal benefits at the expense of the public i.e. forgery; demanding offering and acceptance of any form of gratification to obtain unmerited favours or advantages, and such gratification could be material or monetary; using one's official position to influence policies and decisions, or offering wrong advice for the purpose of

personal advantage, or for some other person's advantage, at the expense of the larger public interest; condoning indiscipline and other unwholesome behaviour (e.g. drugs faking, violation of ethics governing certain business operations) because the official has compromised his position; aiding and abetting examination malpractices or other related offences.

3. EVALUATION OF DIFFERENT ADMINISTRATIONS FROM 1985 IBB'S MILITARY GOVERNMENT TO THE PRESENT (2010) GOODLUCK JONATHAN'S ADMINISTRATION

Researcher reviewed that none of these administrations can be said to have been devoid of corrupt practices by its public officials in the course of discharging their public duty or duties. In 1985, Ibrahim Babangida seized power from Buhari primarily with the aim to correct the glaring excesses of the Buhari's administration. He (IBB) came to power with the claim of a "Corrective" one, who set not only to reserve the anomalies on ground and the "State of terror" that perverse at the period, but to also bring some cleanliness into the political/ social and economic lives of the Nigerian nation.

To proof what he claimed, his curiosity to combat corruption, Babangida set up Judicial Tribunal headed by the Chief Justice of the federation then, Mr. Justice Mohammed Bello to review cases of persons convicted under Decree No3 of 1984 (Recovery of public property from officials who were found to have corruptly enriched themselves). Still in the fight against corruption, in 1989 the IBB's government inaugurated an 18- man anti-corruption committee headed by Mr. Justice Kayode Esh. The committee was ordered to look into the "Present statutory provisions against corruption with the opinion of making them more effective" (Iroanusi, 2006).

Shonekan's Aborted Administration: Then Chief Ernest Shonekan was the head of the ousted interim government, after IBB. His aborted government did not actually launch an attack or fight against corruption before it was truncated. Though, he had planned to wage war seriously against corruption. And his hope to fighting corruption sounded clearly on his maiden address to the nation on corruption when he (Shenokan) had explained that and get -rich quick syndrome was cankerworms in our national life. After giving much thought to the menace, he said it emphatically that he had "come to the conclusion that to forge ahead as a society, we must extirpate corruption from our public life." It was a failed dream because he was suddenly ousted out of office. (Iroanusi, 2006).

The Military Government of General Sani Abacha from 1993-1998. On November 17, 1993, General Sani

Abacha became the president of Nigeria after he had forced the resignation of Chief Ernest Shonekan of the interim National Government. It was Oladipo Diya, a lieutenant – General and the Chief of General (CGS) who announced not long after Abacha's ascension to power that Abacha's government would wage war against corruption. Diya therefore commented on the devastating impact of indiscipline and corruption in the society. He said, "the twin evils of indiscipline and corruption have severely affected the social integrity of our society and have frustrated the great hopes of our people for genuine development".

Abacha had it that the "war" was not only purposed at uprooting the social ills, but would also attempt to instill in the people honesty, trustworthiness and respect for elders. The task of achieving these goals came on the then Ministry of Information and Culture. Professor Jerry Gana was the Minister in charge of the ministry then. He held that with the support of the people of Nigeria, and that of the Almighty God, the fight against corruption will be won. Professor Jerry Gana had five goals for WAI-C. First was to mobilize Nigerians to fight against corruption and economic crimes. He also wanted WAI-C to create "a better and humane society" by instilling honesty, integrity, patriotism, and respect for life and for rule of law. Through WAI-C, the amiable professor hoped to develop suitable work- ethics aimed at producing efficiency, effectiveness and high productivity also expected to instill trust worthiness in the youths and promote a peaceful society where the dignity of human life matters. (Iroanusi, 2006).

4. CORRUPTION: THE NIGERIAN EXAMPLE

Abdulsalami Abubakar's Last Military Government in Nigeria from 1998-1999. Disquieted by the revelation of corrupt practices of the Abacha years Abubakar embarked on his anti- corruption crusade. In a short while, Abubakar fought corrupt former government functionaries, including the family of late General Sani Abacha.

4.1 The Civilian Government of Olusegun Obasanjo From 1999-2007

After fifteen years of uninterrupted military rule, General Abulsami Abubakar on May 29, 1999 handed power over to Olusegun Obasanjo. Obasanjo's declaration a few days of his assumption into office that, "there will be no sacred cows. Nobody, no matter who and where, will be allowed to get away with the breach of the law or the perpetration of corruption and evil." Furthermore, he said that all the rules and regulations designed to help honesty and transparency in dealing with the government will be restored and enforced. He made specific reference to the civil service which he promised would be restructured for efficiency and discipline.

4.2 Yar' Adua's Administration

After a very long debate on President Olusegun Obasanjo's dream for tenure elongation, this was later truncated by the National Assembly headed by Senator Ken Nnamani, on May 29, 2007, power was handed over by Obasanjo to the controversial elected President under the platform of People's Democratic Party (PDP) President Umaru Musa Yar' Adua. And because his predecessor had established the Nigeria Independent Corrupt Practices and Other Related Offences Commission (ICPC) and Economic and Financial Crimes Commission (EFCC) for fighting corruption, later Yar' Adua in his administration took advantage of them to have fought the malaise till his death.

4.3 The Incumbent Government of President Good Luck Ebere Jonathan

Since his predecessor could not continue piloting, Jonathan who was the Vice President of Nigeria under late Yar' Adua, but he later secured total power when certain cabals that came to perpetually hijack the government were ousted out for the constitution to take its supremacy. After taking over power as required, he (Jonathan) continued in the fight against corruption still using ICPC and EFCC.

4.4 Cases of Loot to the Detriment of Our Economic Development

Under IBB's military regime, the first victims of Presidential Monitoring Committee (PMC) were then Governors of Cross River and Borne states. In view of their offence, the then Defense Ministry declared that both officers had been compulsorily retired from the Navy and the Army respectively. Iroanusi (2006). The Justice Dorothy Edem Commission of Inquiry established by the Governor's successor in office, Lt. Col. Ernest Attah, opined what could appropriately be termed as a can of worms. The commission investigated the lease of the state owned oil palm estates in the privatization process of certain government establishments. Four oil- palm estates namely, Kwa Falls, Boki, Ibiae, and Nsadop were dubiously valued. Kwa Falls and Boke were sold off for instance at N4.8m and N2.96m while Ibae and Nsadop went for N5.62m and N1.3m respectively. Discounting these figures and on the basis that they were incredibly low compared to their current rental value, the commission report showed that they should have been sold at N12.6m, N6.1m, N11.38m have been N4.73 respectively. (Iroanusi, 2006).

Mrs. Grace Eyo- Ita, president of the Cross River State Redemption Movement, which championed the crusade the former governor's activities in the state produced in controvertible evidence on about 20 contracts which added up to N90m, and which work was not done.

The African Concord further posited that it was the overwhelming findings of the two panels that actually implicated the former Governor and other highly placed personalities. Iroanusi (2006), CORRUPTION: THE NIGERIAN EXAPLE. The late General Sani Abacha's Administration from November 1993-1998. There was an alleged withdrawal of \$750m on behalf of Abacha from a

London account and transferred to a personal account in Brazil Alhaji Ismail Gwarzo, the national security adviser to General Abacha allegedly collected \$50m mobilization fee on behalf of a relation of Abacha for a contract that was never executed. A friend of Abacha was said to have collected \$240m for the Turn- Around – Maintenance, TAM, of the Kaduna Refinery but didn't do the job. The sum of \$12m UN Peace Keeping Fund given to Nigeria for operation in Bosnia and Rwanda was also said to have been embezzle (Iroanusi, 2006).

4.5 Loots Under Abubakar

Abubakar's administration exposed the \$2.5 billion debt buy- back fraud at Ajaokuta Steel Company involving the Abacha family, Anthony Ani, former Finance Minister and Bashir Dalhatu, former Power and Steel Minister. A member of the Abacha family and two ex- ministers bought the debt for \$500 million from the Russian firm that handled the steel plant project but collected \$2.5 billion from government and allegedly pocketed \$2 billion (Iroanusi, 2006).

However, the urgency tact of Abubakar to award contracts worth US\$630m, which was over N60 billion by all Federal Ministries and major parastatals which was approved by the Abubakar regime just barely 26 days to his exit and depleting the country's foreign reserve from \$7 billion she had by the time Abacha died to \$4billion did not go well with many Nigerians. Why the rush to award fresh contracts given the stark reality of dwindling foreign earnings, major caused by low crude oil prices during the winter months? The answer was very glaring. The Abubakar regime 'need' to provide a very comfortable retirement benefits for themselves just like their predecessor did.

4.6 Obasanjo's Era

In South Africa, President Obasanjo revealed that more than \$100m had been recovered from the foreign accounts of corrupt officials and that private property corruptly acquired by these officials had been confiscated both in Nigeria and abroad. He then hinted that new procedures for recovery of misappropriated funds would be announced.

The Senator Idris Kuta led Senate probe panel, investigating the involvement of Senators in contract scandal alleged that Dr. Okadigbo received a welfare package of N22.95m. He was also alleged to have been involved in inflation of the contract of street light project. (Iroanusi, 2006).

5. MEASURES ESTABLISHED BY GOVERNMENTS TO FIGHT CORRUPTION IN NIGERIA

In his silver jubilee Independence Anniversary Broadcast on 1 October 1985, Babangida established a high powered Judicial Tribunal to review the cases of those convicted

by the various Special Military Tribunals under the provisions of Decree No.3 of 1984

The WAI-C of Professor Jerry Gana under Abacha government was mainly to fight against corruption and economic crimes. The resolve to fight and win the war against corruption in Nigeria led to the promulgation of the Corrupt Practices and Other Related Offences Act 2000. This bill presented to the National Assembly at the inception of Obasanjo democratic administration in 1999 was passed and signed into law on 13 of June 2000. ICPC is the apex body saddled with the responsibility of fighting corruption and other related offenses. Latterly, government established another agency to assist the former. And the later is Economic and Financial Crimes Commission Established by an Act, in 2004, under Obasajo's administration.

6. EFFECTS OF CORRUPTION IN NIGERIA

Aside the destabilizing effects of corruption on the economy of this country, the following are still the major effects of corruption in the society: It is not only gives bad image to Nigeria, but it also discouraged genuine foreign investors from coming in to run business in the country.

It breeds high rate of indiscipline in the society, giving rise to a state of "mighty is right", a state of anomie where normlessness holds away in the society; When public officials connive with contractors to inflate the value of Government contracts, the cost of governance and administration shoot up, with very little to show in terms of projects and programmes which impact on the average citizen's well being; When Government officials collect bribes to issue clean bills of health for poor quality of contract jobs and services rendered to the government, the public have to contend with poor quality projects with short life span, e.g. roads, public buildings, office equipment, electricity transformer, etc.; Political corruption is rape on democracy because the popular will of the people is subverted; Corruption discourages honest endeavours, hard work and merit; Miscarriage of justice when judicial officers give judgment to the highest bidder.

7. ANTI- GRAFT AGENCIES AND THEIR FIGHT AGAINST CORRUPTION IN NIGERIA

Independent Corrupt Practices and Other Related Offences Commission (ICPC) were established in 2000. The main functions of ICPC are:

- To receive and investigate reports of corruption and in appropriate cases prosecute the offender(s).

- To examine, review and enforce the correction of corruption prone systems and procedures of public bodies, with a view to eliminating corruption in public life.

- Educating and enlightening the public on and against corruption and related offences with a view to enlisting and fostering public support for the fight against corruption.

8. ACTIVITIES OF ICPC

With time, the commission has come to be accepted by the populace and expectations on its activities are high. The volume of work of the Commission has been on the increase since inception due to its public enlightenment strategies. The Commission goes all out to raise public awareness on corruption and its negative effects and the fact that the money being stolen is public money and it is therefore their duty to complain when officials behave corruptly. This has yielded results going by the number of petitions received on a daily basis by the Commission.

The Commission has gone further to create links with other government institutions by creating anti corruption units in Federal ministries and parastatals with 100 of such units now established. In the coming year, the Commission hopes to increase its staff base by opening offices in the six geopolitical zones of the nation. (Iroanusi, 2006).

Economic and Financial Crimes Commission (Establishment) Act, 2004. This was established as an act to repeal the Financial Crimes Commission Established Act, 2002. Some Functions of the above Commission: The Commission shall be responsible for; the enforcement and the due administration of the provisions of this Act; the investigation of all financial crimes including advance fee fraud, money laundering, counterfeiting, illegal charge transfers, futures market Fraud, fraudulent encashment of negotiable instruments, computer credit card fraud, contract scam, etc.; the co- ordination and enforcement of all economic and financial crimes laws and enforcement functions conferred on any other person or authority; the adoption of measures to identify, trace, freeze confiscate or seize proceeds derived from terrorist activities, economic and financial crime related offences or the proprieties the value of which corresponds to such proceeds; The adoption of measures to eradicate the commission of economic and financial crimes; The adoption of measures which include coordinated, preventive and regulatory actions, introduction and maintenance of investigative and control techniques on the prevention of economic and financial related crimes; etc..¹

¹ EFCC Booklet on Money Laundering (Prohibition) Act, 2004

9. THE NIGERIA FINANCIAL INTELLIGENT UNIT (NFIU)

This body (NFIU) is the Nigerian arm of the global Financial Intelligence Unit (FIU). It domiciled within the Economic and Financial Crimes Commission (EFCC) as an autonomous unit set up as part of the Federal Government effort in fighting money laundering, and the financing of terrorist activities in Nigeria. The following is some of the objectives for establishing the Nigerian Financial Intelligent Unit (NFIU).

To enhance the effectiveness and capacity in detection and prevention of financial crimes; to enhance and supplement financial sector supervision; to facilitate the implementation of monetary policies by discouraging the development of an underground economy; to promote “Know Your Customer” (KYC) and “Know Your Customer’s Business (KYC/B) principle in order to enhance due diligence culture in financial and designated non- financial institutions; to facilitate the removal of the country from the Financial Action Task Force (FATFS) list of non- cooperative countries and Territories (NCCTs); etc..²

- Money Laundering Prohibition Act, 2004 was an ACT TO REPEAL THE Money Laundering Prohibition Act, 2003. This was enacted by the National Assembly of the Federal Republic of Nigeria; Prohibition of Money Laundering:

- No person or body corporate shall, except in a transaction through a financial institution, make or accept cash payment of a sum exceeding (a) N500,000 or its equivalent, in the case of an individual; or (b) N2, 000,000 or its equivalent in the case of a body corporate.

- (a) a transfer to or from a foreign country of funds or securities of a sum exceeding US\$10,000 or its equivalent by any person or body corporate shall be reported to the Central Bank of Nigeria.

- A report made under subsection (1) of this section shall indicate the nature and amount of the transfer, the names and addresses of the sender and the receiver of the funds or securities.

- The Nigeria Custom Service shall reponary declaration made pursuant to section 12 of the Foreign Exchange (Monitoring and Miscellaneous Provision) Act 1995 to the Central Bank.

- The Central Bank and the Securities and Exchange Commission shall weekly forward reports received pursuant to subsections (1) and (3) of this section to the Commission.

- Notwithstanding the provisions of subsection (4) of this section, the Commission reserves the power to demand and receive reports directly from Financial Institutions.³

² The Nigeria Financial Intelligence Unit (Nfiu) Nfiu Handbook 2004

³ EFCC booklet on Money Laundering (Prohibition) Act, 2004.

10. ACHIEVEMENTS OF GOVERNMENT THROUGH THESE COMMISSIONS IN COMBATING CORRUPTION IN NIGERIA

The Independent Corrupt Practices and Other related Offences is a welcome development in a country that has as it were, its second name as corruption. From its inception, there about 76 individuals already facing trial for corruption and other related offences in designated courts. Those affected cuts across every strata of life. It involved former Federal Ministries, a former Governor, a Permanent Secretary, a Chief Medical Director of a University Teaching Hospital, who was convicted and others are some of the evidence which enable Nigerians to feel that gradually the Commission is making much effort and Nigerians begin to believe that it is no longer going to be business as usual.

Alhaji Ribadu, the head of the Economic and Financial Crimes Commission (EFCC) exposed the high level of corruption perpetrated by the administrations of Shehu Shagari and Ibrahim Babangida, the late Sani Abacha who made his predecessors to look saintly, so trailing in the line of corrupt activities which he met, he went about misgoverned the country. That, notwithstanding, Ribadu declared that, “the Shagari, IBB and Abacha administrations were very corrupt. Ribadu assured Nigerians that EFCC would not leave any stone un- turned in its determination to get the country rid of economic crimes. By then was the disclosure late Hon. Ibekwe’s 419 case, the ex-IG, Tafa Balogun’s case of N13 billion money laundering and stealing, the ex- minister of Education Professor Osuji N55Million bribe to the Senate that also roped in ex- Senate President Adolphus Wabara’s impeachment.

11. SAM IROANUSI (2006)

There was ongoing public anger in Nigeria in 2009, which was centered on Halliburton’s influences on Nigeria corruption. It was then alleged that Halliburton paid almost 180 million Dollars as a bribe to some top Nigeria politicians. “How is the mighty falling?” This was a question asked recently when a man that the society should look up to for integrity messed himself up with corrupt act. Chief Bode Gorge is the man, and five other persons accused by EFCC over allegation of N85 billion frauds at Nigeria Ports Authority, NPA, have been sentenced to 28 years imprisonment without an option of fine. (Sourced from Internet).

CONCLUSION

It has been noted for so long that corruption has played a very bad role in determining the level of Nigeria’s economic performance in the comity of nations. To that negative effect, independence from her country’s freedom or independence from her colonial master, she’s still battling

with economic dependency. Nigeria government must be very sincere and serious on the fight against corruption. To that effect, the duo of ICPC and EFCC the anti-graft agencies which are warring corruption in Nigeria should be revamped and autonomy given to them to discharge their duty aside taking double standard. For it is by invigorating the agencies would better result being achieved.

Aside these institutions already put in place by government to battle corruption, the battle or war has to involve everyday in the society, from top to bottom, young and adult, small and the elderly to ensure that corruption is rooted out by seeing that all offenders are brought to book and dealt with.

RECOMMENDATIONS

In view of the research carried out, the following recommendations are made to help in this war against corruption in Nigeria for socio-economic development to thrive.

a) There is great need for the general improvement in the character of the citizenry through moral education. Government sincerity in building better character in the society would appear to influence positively the future politicians and bureaucrats.

b) The political process should be made to accommodate not only the rich, but people of great integrity. The death of monetization of the political process is the death to the license of corrupt practices in the country.

c) Public servants should have their proper pay package and appropriate incentives as at when due in order to discourage them from preferring corrupt practices to discharge their responsibility.

d) Those who are actually going to hold any form of leadership position in the country should be meant to realize that they are called to serve not to plunder. And leadership by example should be adhered to.

e) Every government should deliver to the people good governance and management.

f) Governments should carry out reorientation and moral education campaign from the primary level of education to the highest level of education

g) Governments should allow schools to be in the hand of the religious organizations for the proper instilling and inculcation of values in the lives of the people hence the withdrawal of schools from the mission has opened a way for moral decadence in the country. By this act, moral instruction should be included in the schools curricular.

h) Quota system and principle of federal character should be used to forestall equity in the distribution of public service and at the same time share assignment according to merit and standard

i) The two bodies ICPC and EFCC should be allowed certain autonomy in the discharge of their duty so that better result can be achieved rather than over interference from governments which often scuttles every effort.

j) From the top to the bottom, all hands must be on deck for the war against corruption, not this slogan of "I ma unconcerned" about the scourge. Let us be aware that corruption has so much drawn back in this country every form of meaningful development we tend to achieve.

SUGGESTIONS FOR FURTHER RESEARCH

The findings of this study are subject to certain limitation including especially the small sample size that were used and the sourcing of the data from just strata of the whole. In order to stimulate the generalization of the results, further research effort should be made to capture a larger population and sample. This will in fact permit a comparative analysis of data and increase our confidence in the conclusion. There is also a need to include more variables in the study such as the effect of corruption on policy formulations and their implementations in Nigeria. These critical issues which affect our economic development must be examined very thoroughly.

REFERENCES

- Alemika, N. (1983). *Corruption in Nigeria*. Seminar Paper in Civil Service Annual Events.
- Curson, S. (1997). *Multiple choice tests in human resources management*. Lagos: Panaf Press, Ltd.
- Garner, M. U. (2004). *Inducement in public places*. Lagos: Mmclebs publications.
- Iroanusi, S. (1999). *Nigeria heads of state and government*. Lagos: Sam Iroanusi Publications.
- Iroanusi, S. (2001). *First ladies contribution to nation building*. Lagos: Sam Iroanusi Publications
- Iroanusi, S. (2006). *Corruption: The Nigerian example*. Lagos: Sam Iroanusi Publications.
- Johnson, O. (1996). Development of modern Nigeria. *Pengium books*. Maryland: Baltimore .
- Neild, O. (2000). *Comments on public affairs*. Lbadan: Packs press
- Schater, G., & Shah, J. E. (2000). *Milestone in Nigeria history*. New York Longman.
- Senior, K. (2006). *The Nigerian general elections, 1959 and 1979 and the aftermath*. Lagos.
- Victor, B. E. I. (2003). *Understanding Nigerian government and politics*. Lagos: Newsacks publishing
- Victor, B. E. I. (2005). *Groundwork of Nigerian public administration* (Second ed.)

APPENDIX

EFCC Booklet on Money Laundering (Prohibition) Act, 2004

www.actssouthernafrica.org/working - institutional working definition of corruption
letcom.com: The electric law library (information on Corruption)

<http://www.adb.org/documents/politics/anticorruption>: definitions for corruptions

<http://www.icac.org.hk/news//issue17eng/button2.htm>

http://info.worldbank.org/etools/docs/library/Anti-corruption_policies_and_programs_by_Jeff_huther_and_Anwar_shaa

<http://www.youtube.com/watch>

www.rebrandingnigeria.org for more videos and on the state of our nation!

Benefits of Combating Corruption and Its Sister Economic Crimes in Nigeria

When this fight against corruption is won by the government in all the strata of the country, there is going to be much more benefits ranging from:

- Restoration of Nigeria's good image as corruption has exposed her to be bad, thereby discouraging foreign investors' from coming into the country to invest.

- There is going to be crystal form of upholding ethical behaviour in the work place, whereby the norms governing every strata of the society would be maintained.

- People who are qualified for jobs or are merited for contracts would have it, and then shall the country have much more infrastructural development in Nigeria.

- Honesty would rule the discharge of official duties, with hard work.

- Justice would be maintained at the law court against the highest bidder takes it syndrome.

- There is going to be employment opportunity for the young Nigerians who are out for job, because people would be retiring from public service as at when due, against the backdrop of age forgery at the time of retirement as they could connive with their likes to achieve these days.