Ethical Issues and Nigeria’s Quest for Development

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Abstract

Development is highly desirable in any society because it enhances people’s standard of living anywhere in the world. However, there are some basic procedures to follow in doing business and in the handling of government activities before development can take place; and the Nigerian society is not an exception. With the use of secondary data, the paper examines ethical issues and Nigeria’s quest for development. It observed the lack of proper ethical standards (PES) and behaviour as a way of carrying out business and government transactions by the citizens and public officials as the major obstacles to the realization of Nigeria’s quest for development. The paper therefore recommends that for the nation to achieve its goals of development, the Nigerian government should inculcate into the citizens, the need to imbibe PES and behaviour as a way of life both in public and private sectors of the nation’s economy. These could be achieved through the imposition of stiffer penalty on those found to be involved in an unethical behaviour, no matter their position or status in the country; which would serve as deterrent to others.

Keywords: Ethics, Ethical issues, Government, Business Transactions, Development, Nigeria

1. Introduction

The quest for effective development in Nigeria could be traced back to 1960, when the nation attained political independence from Britain. At independence, the country adopted the British style of administrative system. And the Nigerian public service that eventually emerged from the British colonial legacies was noted for its high ethical and technical standards, impartiality, anonymity and dedication, which are some of the fundamental requirements for the materialization of development in a nation (UNDP, 2001:64; Nnabuife, 2010:25-41). However, by 15th January, 1966 when the first military incursion into politics was recorded in the country, those high
ethical values, dedication and technical standards, which the Nigerian public service was known for at independence started to be undermined by the citizens and public officials. One of the major reasons attributable to this situation is the lack of accountability of military governments to the people. In fact, it has been observed that the incursion of military into politics actually eroded every element of proper ethical values imbibed by Nigerians at the early years of the nation’s independence (Oronsaye, 1993:18-39; UNDP, 2001:64).

Studies have shown that no organization and indeed an entire nation can achieve any meaningful development without PES as guiding principles in business and government activities (Hegarty & Sims, 1979:331-338; Hopkins, 2001:120-129). According to UNDP (2001:1), “There is a greater awareness of the need for ethics, accountability and transparency in public life. This realization has been supported by the emergence of a consensus that good governance and sound public administration underpin sustainable development.” What this implies is that the lack of PES and behaviour is more likely to bring about negative attitude in business and government transactions which in turn could discourage both local and foreign entrepreneur from investing in the country.

In the same vein, UNDP (2001:1), argue that “the impact of unethical and criminal practices in the public sector is unsupportable in the development of nations, resulting in a loss of confidence in public institutions and erosion of the rule of law itself.” It was the importance of ethical standards to development that made the National Association of Schools of Public Administration in the USA to require ethics education in any university that wishes to accredit its public administration programme. Also, the association requires that all introductory public administration textbooks are to include a discussion on ethics (Bowman et al, 2001:194-205).

One of the major reasons why unethical practices persist in Nigeria is the lack of social condemnation of corruption and the fatalistic resignation of people in accepting such practices in the country (UNDP, 2001:64). Consequently, unethical practices of corrupt self enrichment are resorted to in order to acquire wealth. In Nigeria for instance, wealthy people are given special honour in society to the detriment of people who are honest but not wealthy. In this regard, Ubeku (1989) points that: “Nigeria must be one of the very few countries in the world where one’s source of wealth is of no concern to his neighbour, the public or the government. Once a man is able to dole out money, the churches pray for him, he collects chieftaincy titles and hobnobs with those who govern” (cited in Orhero, 2007:355-372). A society where those who indulge in unethical behaviour to acquire wealth...
are highly recognized, while those who are honest and hardworking are not, there is bound to be lack of confidence on the part of the people in carrying out business transactions based on proper ethical values amongst local or foreign entrepreneurs.

The main argument in this paper therefore is that Nigeria’s quest for development is possible only if the ethical issues bothering on dishonesty in business transactions in both public and private sectors of the nation’s economy are properly addressed by the government. Secondary data obtained from relevant books, journals, internet, magazines and newspapers were adopted to accomplish the work. The paper is structured into six sections. Section one serves as the introduction, section two examines the theoretical perspective of ethics and development, section three looks at ethical standards regulatory agencies in Nigeria, section four discusses the presence of numerous ethical standards regulatory agencies, unethical challenges and development in Nigeria, section five concludes the paper, and section six suggest the way forward.

2. Ethics and Development: A Theoretical Perspective

The concept of ethics and development means different things to different people. However, no matter the differences in meaning and perception, every society needs and have a procedure of how things are done and desires improvement in the living conditions of the people. According to Adewunmi (1998:6), “ethics has to do with what is good or not good, what is morally right or wrong, what is acceptable in a given environment or not, what is expected of a person or not.” Lawton (1999:295-312), sees ethics as a set of principles, a code, or system that acts as a guide to conduct. Studies have shown that the issue of unethical behaviour in the workplace or business transactions is not so much on the moral behaviour of the individual employee, but on the failure to follow existing procedures and rules as a means of achieving organizational goals (Lawton, 1999:295-312; Fisher & Alan, 2003:29-30; Jennings, 2006:3-4).

The implication of the above on organizational survival and growth is that once employees fail to follow laid down procedures in an organization, no matter how morally intentioned they feel about their actions, they have automatically indulged in an unethical behaviour, which could lead to organizational failure. Therefore, proper ethical standards (PES) and behaviour demands that people follow rules and procedures as basis for development.

In the same vein, Ikotun (2004:12), points out that “ethics reflects a society’s perspective on human conduct and pronounces actions good or bad with
references to some standard or criterion as imposed by or especially relevant to that society.” Jennings (2006:3) sees ethics as “consists of standards and norms for behaviour that are beyond laws and legal rights.” The above concept of ethics implies that there are things in certain societies that may be considered unethical but are legally right, and other things that may be legally wrong that could be considered in such a society as ethical. But whatever the case may be, every society has what is regarded as good or bad, as right or wrong by which a desired set goals could be achieved.

According to Alli (2007-245-256), ethics is “a system of moral principles that govern or influences behaviour of persons.” Rosenbloom et al (2009) see ethics as a “form of self-accountability, or an ‘inner check’ on public administrators’ conducts.” They however point out that the “inner check may be enforced by requirements that administrators’ behaviour comport with a variety of external standards.” And in most societies such external standards are enforced by legally established regulatory agencies, whose main goal is to make citizens abide by PES.

One of the major problems identified in the Nigerian economy that has encouraged unethical behaviour is the lack of accountability of the public and private sector mangers to the people to the people they ought to represent and serve. Dibie (2003:352-353) sees “accountability as holding people responsible for their performance and holding public and private sector managers responsible for the results of their decisions.” Where there is no accountability, ethical standards are bound to be eroded. In this regard, Alli (2007-245-256) argues that where ethical standards are low, corruption is bound to prosper, and in a society where corruption is high development is bound to suffer. Ethical standards on the other hand, refer to the generally accepted rules of conduct that govern society for development (Jennings, 2006:3). Onah (2005:129-137), sees development as a continuous improvement in the capacity of the individual and society to control and manipulate the forces of nature for the enhancement of the living standard of the people in a society. In this regard, Gberevbie (2011:149-158) points out that without proper ethical practices, no organization or a nation can achieve development.

The foregoing implies that in a society where development suffers, the people’s standard of living is bound to be affected negatively and the outcome is more likely to be that of underdevelopment (citizens lacking in the basic necessities of life). Therefore all things being equal the more the people and institutions in a nation imbibe PES and behaviour; the more funds that would have been embezzled by public officials through corrupt enrichment would be available for infrastructural improvement; and the
more likely that nation would be able to attract investors – both local and foreign entrepreneurs to invest in the economy, which would in turn generate employment opportunities and enhance the living standard of the people. It could be concluded that there is a relationship between PES and behaviour in carrying out business and government transactions, and development in a nation.

3. Ethical Standards Regulatory Agencies in Nigeria

Ethical issues are considered very important in societies because of their ability to bring about development or underdevelopment. To overcome the unethical challenges in Nigeria and promote development, the Federal Government put in place various agencies to enforce ethical standards. Some of these agencies are: Economic and Financial Crime Commission, Budget Monitoring and Price Intelligence Unit and Code of Conduct Bureau and Tribunal.

3.1. Economic and Financial Crime Commission

The Economic and Financial Crime Commission (EFCC) was established in Nigeria by the Federal Government under the leadership of former President Olusegun Obasanjo (1999-2007) in 2002 by an Act of the Nigerian National Assembly as amended in 2004. EFCC is one of the agencies put in place by the government to enforce ethical standards and bring about proper ethical behaviour amongst Nigerians in the area of economic crime both in business transactions, government activities and amongst public officials. Since its inception, the agency has continued to fight financial crime in the Nigerian society (EFCC, 2004).

3.2. Budget Monitoring and Price Intelligence Unit

Budget Monitoring and Price Intelligence Unit (BMPIU) was also established by the Obasanjo’s administration in 2003 as part of the government’s reform agenda to enforce ethical standards in government activities to ensure transparency in the implementation of public policies, programmes and projects for the enhancement of the living standard of the people. This agency of government is also known as ‘Due Process Unit” (DPU). This name is derived from the way the agency carried out its assignments in area of proper scrutiny of government expenditure to avoid wastages. The main goals of BMPIU include ensuring strict compliance with laid down rules and procedures guiding the process of contract invitation; contract award; and project implementation in Nigeria (Oladoyin, 2006:112-130).
3.3. Code of Conduct Bureau and Tribunal

Code of Conduct Bureau and Tribunal (CCBT) was established by the General Babangida’s military government in a Decree promulgated in 1989 titled: “Code of Conduct Bureau and Tribunal.” The body was put in place to enforce ethical standards amongst public officials in their daily conduct of government activities and ensure that the actions and behaviour of public officials conformed to the highest ethical standards of public morality and accountability. The law expects that every public officer to immediately after assuming office and thereafter at the end of the term of office submit to the bureau a written declaration specifying his/her properties, assets and liabilities and those of the spouses or unmarried children under the age of 21 years. Violators of this law are to be charged to the Code of Conduct Tribunal and if found guilty, could among others be disqualified from holding public office for up to 10 years (I Kotun, 2004:86-87).

4. The Presence of Numerous Ethical Standards Regulatory Agencies, Unethical Challenges and Development in Nigeria

The establishments of the various ethical standards regulatory agencies by the Nigerian government are strategies to enable the citizens imbibe the culture of PES and behaviour as a way of doing business both in public and private sectors of the nation’s economy. However, in spite of the presence of these numerous ethical standards regulatory agencies, the issue of unethical behaviour is still a major challenge in the nation’s quest for development. Below are some of the recently documented manifestations of unethical behaviour in the private sector, government agencies and institutions – executive, legislature and judiciary in Nigeria:

4.1. Private Sector

In the Nigerian banking sector for instance, unethical behaviour amongst employees is becoming a major concern. To over come this challenge, the government put in place a law (Banks and Other Financial Institutions Act – BOFIA of 1990) to regulate the life style of bank workers to ensure they live within their means of income (Okafor, 2009:B6).

Under the law of BOFIA, every employee of a bank must within 14 days of assuming duty make a full disclosure of all his/her assets in the manner prescribed in the Declaration of Asset Form (DAF) and executed before and attested to by the Registrar of a High Court. In spite of the law, unethical practices of fraud still persist in the Nigerian banking sector. This is attributed to the fact that most banks never bothered to observe the law. In
fact, most bank employees are not even aware of the existence of the law (Okafor, 2009: B6).

To support the claim of unethical behaviour in the Nigerian banking sector, in 2009, the Central Bank of Nigeria (CBN) carried out an audit investigation into banks’ activities to ascertain their viability. The investigation revealed that a total of eight out of the 25 banks in the country would need financial “bailout” to remain in business. To prevent crisis in the banking sector, the CBN disbursed a total sum of NGN 620 billion or USD 4 billion taxpayers money as “bailout” funds to the banks (cited in Ogienagbon, 2009: 1-2).

The poor performances of these banks were traced to unethical behaviour of their top management. As a result, the eight banks had a total NGN 747 billion or USD 4.8 billion unpaid loans owed to them by customers. The CBN reacted swiftly by removing from office the banks’ Chief Executive Officers (CEOs), their executive directors, and the managing directors of the banks’ subsidiaries. Justifying the removal from office and the subsequent arrest for prosecution of the ex-bank executives, the CBN Governor – Lamido Sanusi Lamido points out that “some of these banks are quite large institutions and they have been mismanaged, so we had to move in to send a strong signal that such recklessness on the part of the bank executives will no longer be tolerated” (cited in Eni, 2009; Africa News online, 2009).

1.2. Government Agencies

The challenge of unethical behaviour amongst Nigerians seems to permeate all sectors of the nation’s economy including government agencies. For instance, in 2011, an audit investigation ordered by the Nigerian Federal Ministry of Petroleum Resources, which was carried out on the state owned oil company – Nigerian National Petroleum Corporation (NNPC) by an internationally recognized audit firm – KPMG, revealed that the cost of subsidy payment on petroleum products not consumed by end users due to loses from theft and even those not supplied for use in Nigeria between 2007 and 2009 amounted to NGN 11.8 billion or USD 76.13 million (Agbo, 2012: 56-58).

1.3. Executive (Federal)

In the month of March 2012, the Nigerian House of Senate – Upper Chamber of the Nigeria’s National Assembly, setup an Adhoc Committee to investigate corruption in the Nigerian Police Pension Fund Administration. While testify to the committee, the former Head of Service of the Nigerian Civil Service, Stephen Oronsaye revealed that “top government officials were known to have falsified documents in order to siphon money from the
pension fund.” He disclosed that during his tenure as Head of the Nigerian Civil Service, it was discovered that the fraud was perpetrated right from the office of the Accountant-General of the Nigerian Federation. According to him, “The Federal Government of Nigeria spent NGN5 billion or USD32.26 million monthly as pension when in the actual sense, pension expenses ought to be NGN1 billion or USD6.5 million only (Onwukwe, 2012:19).

The outcome of the investigation led to the arrest of the Director, Pension Administration in the Office of the Head of Service of the Nigerian Federation, Dr. Sani Shuaibu and 31 other top officials by the EFCC for the theft of NGN4.5 billion or USD29.03 million belonging to the Nigerian Police Pension Fund. As a result, a Federal High Court sitting in Abuja, ordered the EFCC on the 26th March, 2012 to seize 13 properties belonging to Dr. Shuaibu (Abuh, & Musari, 2012:1-2; Adewole, 2012:1&4).

4.3.2. Executive (State)

Unethical behaviour of public officials in Nigeria also extends to the state level. For instance, the former Governor of Taraba State of Nigeria, Jolly Nyame (1999-2007) was charged to an Abuja High Court by the EFCC for illegally withdrawing Taraba State funds totaling NGN285 million or USD1.8 million between March 2003 and March 2007 (Musari & Aghana, 2012:4). In the same vein, Chief James Onanefe Ibori, the former Governor of Delta State in Nigeria (1999-2007), pleaded guilty to a 10 count-charge of money laundering and embezzlement of public funds belonging to Delta State Government of Nigeria to the tune of 250 million pound on 27th February, 2012 in a London Court. The prosecution established that as a governor, Chief James Onanefe Ibori was racking up credit card bills of USD200, 000 per month on a luxury life style including running a fleet of armoured Range Rovers. At the point of his arrest, he was trying to buy a plane for 20 million pound (Adesina, 2012:1-2).

Back in Nigeria, among the fraudulent acts Ibori committed include: the purchase of Total Oil Company in Benin City, capital of Edo State of Nigeria; acquisition of NGN5 million worth of diesel oil every month from Total Oil Company to the tune of NGN300 million or USD1.9 million; he acquired Afribank shares at the Nigerian Stock Exchange worth NGN5 billion or USD32.26 million from the proceed of illegally acquired wealth (Obiagwu, 2012:2).

4.3.3. Local Government Councils

The Local Government councils in Nigeria have also witnessed its own share of unethical behaviour amongst its officials. For instance, On March 13th
2012, the case brought against the former Chairman of Bassa Local Government Council, Musa Gwantana by the EFCC came up for hearing at the Kogi State high Court, Idah – Kogi State of Nigeria. The Chairman and some of his subordinates were found while in office between September and December 2008 connived to obtain the sum NGN160 million or USD1.03 million loan from Intercontinental Bank, Lokoja branch on behalf of Bassa Local Government Council of Kogi State and converted the loan for personal use. Also, they were found to have diverted NGN2 million or USD12, 903 belonging to Bassa Local Government Council to their private bank account (Akaeze, 2012:12-21).

1.4. Legislature

The issue of unethical behaviour in the country has assumed an alarming proportion to the extent that even the Nigerian National Legislature is not spared of this ugly situation. Section 88 and 89 of the Nigerian 1999 Constitution (as amended) empowers the legislature to conduct investigations into the activities of government’s departments, ministries, agencies and parastatals for the purpose of exposing corruption, waste and inefficiency, which forms part of its oversight functions. It has however been observed that while carrying out their role of oversight functions, some adhoc committee members of the legislature have been known to be involved in unethical behaviour of collecting money from the very departments, ministries and agencies that they are supposed to investigate for any act of unethical behaviour with a view to granting them a clean bill of health (Suleiman, 2012:48-53).

For instance, in 2003, Nasir El Rufai, former Nigerian Federal Capital Territory Minister, caused a stir on the floor of the Nigerian House of Senate, when he revealed that some Senators demanded NGN54 million or USD348, 387 to clear him for a ministerial position. He named the then deputy Senate President, Ibrahim Mantu and Deputy Majority Leader, Jonathan Zwingina as those who met him and asked for the money (Ayorinde, 2012:14-18). Also, in 2007, the EFCC arrested and arraigned in court, members of the Nigerian Senate Committee on Health over allegations that they received NGN10 million or USD64, 516 from unspent funds of the Nigerian Federal Ministry of Health to attend a retreat in Ghana (Ayorinde, 2012:14-18).

Also, in 2010, the Governor of the Central Bank of Nigeria, Lamido Sanusi Lamido openly accused the Nigerian National Assembly (Houses of Representatives and Senate’s) Adhoc Committee Members that in their bid to carry out the oversight functions on government establishments, routinely demand money from ministries, departments and government agencies
Under the current democratic governance in Nigeria (1999-2013) for instance, the members of the Nigerian legislature have been accused several times by Nigerians of behaving unethically by fixing higher salaries and allowances for themselves to the detriment of the electorates who voted them into office. Up to January 2012, the minimum wage in Nigeria was NGN7,500 or about USD50 per month. But now it is NGN18,000 or USD116.13. Under this terrible state, the Nigerian National Legislature earn about the highest salaries and allowances when put side by side with their counterpart in other parts of the world (Soyinka, 2012:46-57).

Researches have shown that Nigerian Legislators earn higher than their peers in other parts of the world. For instance, an Indian lawmaker earns USD23,988 (NGN3.7 million) per annum, a Nigerian Senator earns USD1.2 million (NGN182 million) per annum. A monthly breakdown shows that while an Indian lawmaker earns USD1,999 (NGN305,058) per month, a Nigerian Senator earns USD99,167 (NGN15.18 million) per month. On the other hand, each member of the House of Representatives in Nigeria receives NGN10.59 or about USD65,716 per month and NGN127 million or USD819,354 as annual (cited in Amuchie & Udonquak, 2011:7; Soyinka, 2012:46-57).

1.5. Judiciary

The Nigerian judiciary has also witnessed unethical behaviour amongst its officials in the area of unfair and inequitable judicial pronouncements. Addressing Judges during the swearing in ceremony of judicial officials who are the members of Nigerian Election Petition Tribunals for the 36 States of the Nigerian Federation in March, 2011, the President of the Nigerian Court of Appeal, Justice Katsina-Alu warned the judges that:

In Nigeria, allegations of corruption have in recent past, placed the role of Election Tribunals in jeopardy...bear in mind that in most cases in this country when Election Petition Tribunals fail in their duties, the consequences have been violence resulting in murder, arson and grievous bodily harm (cited in Akpeji 2011:1-2).

Also, commenting on the corrupt state of the judiciary on election cases in the country, the former President of the Nigerian Bar Association, Joseph Daudu said:

We are no doubt aware that some of our colleagues, including very senior counsel and at times eminent retired judicial officers go about offering their services as consultants, particularly in election cases, for incredible sums of money, so as to act as conduit between their client and the election courts. The end result is to facilitate ready-made
justice for persons they are acting for. We must strongly deprecate this practice… (cited in Tsa 2012:7).

The picture painted above shows that the Nigerian judiciary as the last hope of the common man in the adjudication of justice has failed in its role as an impartial umpire in some of its judgments. Unethical behaviour therefore of judicial officials is capable of truncating democracy and hence hinders development in Nigeria.

1.6. Unethical Behaviour: Which Way Nigeria?

Unethical behaviour of corrupt practices has become a major hindrance to development in Nigeria. Lamenting the magnitude of corruption in the Nigerian society and how it has eroded the values of honesty for development, a former Nigerian Permanent Representative to the UN, Maitama Sule said “I pray that God should grant Nigeria good leaders as against the rulers that had held sway for so long with devastating consequences on the body politics.” He argues that Nigerians had abandoned long cherished norms and values that defined Nigeria as a people. “The values of honesty and truth have been broken and they no longer pay. They have become meaningless, especially in areas of security, morality in society and corruption in politics as against what it was before…” (Ajeluorou, 2012:5).

Also, the former governor of Kwara State in Nigeria (2003-2011), now a Senator of the Federal Republic of Nigeria, Dr Bukola Saraki points out that “I am not sure whether corruption is the best word to describe some of the things I’ve seen in government. I think it’s a combination of corruption, lack of patriotism, incompetence and even sabotage” (Agbo & Suleiman, 2012:50-51). The above is the gloomy state of unethical behaviour of corruption and moral decay amongst citizens in terms of business transactions and governmental affairs. It is doubtful if development can take place in an environment of this nature. This is because funds that would have gone into developmental drive of the government are stashed away into foreign bank accounts by corrupt officials both in public and private sectors of the economy. Furthermore, genuine investors that would have created employment opportunities are scared away by the negative perception of unethical behaviour; the outcome is more likely to be that of underdevelopment in the country.
5. Conclusion

The paper examines ethical issues and Nigeria’s quest for development. And shows that the concept of development is very attractive because of its meaning, which is associated with people’s enhanced standard of living. Every nation desires development – improvement in the living standard of the people. No nation is an island and as a result, any nation that desires development must position itself properly in terms of good policies and behaviour amongst its citizens arising from the adoption of PES. This means that the lack of PES and the manifestations of unethical behaviour amongst the people could bring about the lack of confidence in business and government transactions, which is more likely to discourage both local and foreign entrepreneur from investing in such a society. Furthermore, a society where unethical behaviour is the norm, funds meant for infrastructural improvement is more likely to be embezzled by corrupt public officials which could hinder development.

6. Way Forward

To overcome the challenges of unethical behaviour, enforce ethical standards amongst the people as a way of life in business and government transactions, the following suggestions are put forward:

First, the Nigerian government should inculcate into its citizens, the need to imbibe PES and behaviour as a way of life both in public and private sector of the nation’s economy. This could be done through public enlightenment campaign about the ills of unethical behaviour as a means of achieving personal or collective goals of the country.

Second, the government must find the will to impose stiffer penalty on those found to be involved in an unethical behaviour, no matter their position or status in the country, which would serve as deterrent to others. A law should be put in place that will enable law enforcement agents to dig deep into people’s sources of wealth and if found to be acquired illegally such wealth should be forfeited to the government.

Third, the law on freedom of information passed recently by the Nigerian National Assembly should be strengthened to make it mandatory for all government officials to disclose their assets openly instead of the current system where the Code of Conduct Bureau keeps such information on assets declared by public officials secret. In this way, those who may have information about under-declared or undisclosed assets of public officials can volunteer such information to law enforcement agents for verification and prosecution if found to be correct.
Finally, the laws establishing the various ethical standards regulatory agencies in Nigeria should be reviewed to make these structures truly independent of the government either in terms of appointments, promotion or funding to avoid compromise. Once the headship of these ethical standards regulatory agencies have the backing of the law that they cannot be removed from office at will by the government of the day, they are more likely to be serious in the fight against unethical behaviour both in business and in government.

References