

Corruption and its impact on development

Corruption is a worldwide phenomenon affecting both the advanced countries and the developing countries. Corruption prevailed in many forms from ancient times in almost all civilizations. However at present, corruption is viewed seriously in view of its huge and pervasive impact on the entire fabric of the economy pulling down the rate of per capita income growth and the welfare of the people. Petty corruption and grand forms of corruption play havoc in the lives of the people and derails the fast pace of economic development in Nigeria.

Corruption is defined as the abuse of entrusted public power exercised for private gain. Corruption is like a cancer which has spread all over the parts country. All sectors such as administrative, political and economic have faced relentless onslaught of corruption.

The World Bank has placed Nigeria at the topmost level of corruption with an estimated point of -1.3 at 5th rank among the 212 world countries in 1996. Nigeria fared worse in the year 2002 with a point of -1.5 and a global rank of 2nd place. In the year 2008, corruption level has gone down slightly to a point -0.92 with a rank of 18th showing moderate improvement under the elected democratic government.

Causes and types of corruption: Causes could be classified as international, national and individual institutional levels. Multinational corporations offer bribes to gain advantage over competitors. Moreover, corruption results from fast economic change, social change, strong kinship and community ties, government monopoly over economic activities, political softness, widespread poverty and socio economic inequalities, ignorance, lack of knowledge, economic shortages, greed, patronage and systematic mal-administration.

Corruption has been classified into

three types:

- **Collusive Corruption:** In collusive corruption, the officials are willing to take part as active participants, inducing wrong actions and deriving benefits.

- **Cohesive Corruption:** Corruption is forced upon the public servants by those in power and authority.

- **Non-Conjunctive corruption:** Benefits are obtained at somebody's cost and the victims of corruption are unaware of their activities.

Administrative corruption is defined as the institutionalized personal abuse of public resources by civil servants. Political corruption is the behavior of elected public officials using their office to seek private gain.

Petty corruption prevails among lower levels of government officials. Another form of corruption, namely project corruption is observed among public and private sector contracts. Programme corruption also is found among various government schemes and programmes. The outcome of the above three forms of corruption are huge losses, theft and misuse of resources.

Impact on development

There exists strong evidence that corruption has a negative significant impact on the economic development of Nigeria. Corruption not only reduces the efficiency and the functioning of the public sector leading to the dismal failure of government schemes but also discourages private investment and encourages anti-social activities besides distorting resource allocation in ways that affects the lowest strata of the society. People are helpless since corruption is prevailing in all levels of government and is manifesting in the areas such as awards of contracts, tax administration, prevention of smuggling, loan by public financial institutions, sale of government property, and embezzlement of state funds.

Corruption is pervasive at all lev-

els in Nigeria and the tentacles of corruption have engulfed the entire society to the extent that nothing moves without corruption. Corruption induces the government to make wrong decisions resulting in the choice of wrong projects, wrong prices, wrong contracts, substandard delivery to recoup overpricing, promotes corruption at lower levels and erodes public confidence in leaders. At lower levels, petty corruptions are damaging because they add to transaction costs, excluding those who cannot pay, fosters contempt for public servants amongst the public and erode tax capacity for revenue collection.

Remedial Measures: Eradication of corruption is not possible but it is feasible to minimize the level of corruption through constant efforts such

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as campaign against corruption, setting up of anti-corruption commissions, transparency, openness and accountability in the administration, formulating and implementing code of ethics for government staff including elected public officials.

Corruption is an outcome of poor governance reflecting the breakdown of accountability. Steps against corruption require addressing underlying failures of governance. Reducing corruption at all levels requires strong political commitments, revamp of bureaucracy and alert vigilant civil society. Public sector's accountability should be improved at all levels. An office of Ombudsman should be set up to check corruption among elected public officials.

All public and elected officials in legislative, executive and judiciary should make public their earnings, assets and tax payments and they should also be published annually. Anti-corruption bodies should be given more powers and severe punishments should be given to the corrupt people along with confiscation of their assets and properties. All political parties should maintain accounts properly and submit the same for auditing every year to the Auditor General.

Since corruption is a complex multi-faceted social phenomenon, based on cultural, economic, political and social factors, it requires all out efforts along with deregulation, debureaucratization, strengthening of government intelligence and audit mechanism in reducing corruption in the society.



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