

# Culture, Media, Technology and Psycho-social Development in Nigeria



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## Chapter 9

### CORRUPTION, GLOBALISATION AND DEMOCRATIC GOVERNANCE IN NIGERIA: A CONTEMPORARY ASSESSMENT

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#### Abstract

Corruption in most developing democracies remains a potent instrument for the sustenance of socio-economic backwardness among third world nations. Past developments in Africa have been responsible for its depth and notable among such developments include colonialism, introduction of capitalist economy and international trade, which entrench values that are self-centred in contrast to collective values characteristic of African societies. These also incorporate individualised pursuit of wealth and expropriation of surplus capital for the benefit of few nations and organisations and equally function to legitimise the position of indigenous corrupt segment of the population. Current development under global arrangement generates a twist in the dimension and magnitude of corruption, a situation engendered and nurtured by the borderless nature of globalisation. The modification of existing corrupt practices and the evolution of new options of financial crime in the context of modernity appear worrisome and unhealthy for the continuity of trust within the ambit of network of social relationships globally. This paper seeks to examine the dimension and magnitude of corruption in Nigeria as made possible by global facilities and opportunities. It also explores the consequences of corruption for nations and its attendant threat to local and international socio-economic co-operation within the framework of the embeddedness of modern society. Finally, it recommends several strategies for controlling corruption in Nigeria.

Keywords: Corruption

Globalisation Democracy Value

## Introduction

The existence and efficacy of corruption have been widely reported by several third world scholars and other groups in Nigeria (Bhargava and Bolongaita, 2004; Bayat, 2003; Odunuga, 2000; Alatas, 1991). 'Corruption is as varied as it is ubiquitous' (Khondker, 2006). Transparency international defines corruption as "the abuse of entrusted power for private gain". The prevalence of corruption in Nigeria portends a multi-dimensional implication for socio-economic development and for human interaction within the ambit of modern embeddedness associated with modernity. When considering the scale, extent, nature and impact of corruption for developing economies such as Nigeria, it is quite pertinent to evaluate this from the angle of socio-economic backwardness, unemployment, infrastructural decay and the quality of life enjoyed by a majority of Nigerians. There are scales and degrees to corruption. In its earliest manifestation, corruption and other related vices in Nigeria can conveniently be concluded to be on the rise after the contact of Africa's indigenous communities with colonialism. Colonialism does not only substitute practices which are alien from the point of view of the existing Nigeria's cultural arrangements but made such practices more appealing and of necessity compulsory. The incidence of colonialism in all third world countries introduced three forms of corruption: the first is the growth of bribery, theft, embezzlement, extortion and other moral value erosions; the second is political corruption characterised by the menace of election rigging and the unbridled pursuit of personal gain at the expense of the collectively agreed morality and; the third is the jettisoning of existing morality and the substitution of corruption and several other anti-social vices as the normal way of life (Alatas, 1956). The pervasive influence of this exotic or extraneous culture represented in westernisation [a concept often used synonymously with enlightenment or development] presents an admixture of positive and negative impact on Nigeria landscape. The emergence of resource owning communities, groups or at best individuals prior to colonialism in Nigeria clearly serves as a stimulating ground for the western type capitalism, which was introduced during and intensified after

colonialism. With the introduction of capitalist economy, which engenders individualism [entrenched with obsessive pursuit of wealth], as against the core African indigenous value of collectivism whose major tenet rests on uprightness, truthfulness, dependability, brotherliness and oneness, there arose a disjunction between the indigenous and foreign values. Crisis of values has been identified as the precursor of corruption in most developing and developed economies (Hao and Johnston, 2002: 585). Gordon (1975) conceives of value as "constructs representing generalised behaviours or state of affairs that are considered by the individual to be important. Though corruption is not limited to the economic sphere as in the case of capitalist values, it appears very glaring that 'money' remained a rallying point for other forms of corruption in modern Nigeria. The quest for wealth and the associative benefits accruable through the possession of excessive resources by necessity became the centre piece for corruption. It is equally pertinent to note that as money nurture corrupt pursuit; there also exists other developments inherent in modern capitalism such as globalisation and the ascendancy of information technology, which further intensify the magnitude and dimensions of corruption along several societies in Nigeria. The growth in technological transfer and its utilisation have additionally created avenue for money making both legally or through fraudulent option globally. Generation of surplus wealth in this context portends both positive and negative implication for social relationship among Nigerian people. Corruption in Nigeria is epochally specific with each genre clearly demarcated by the form of government holding the saddle of national administration. The persistence of corruption and other vices could be viewed as more pronounced under democratic regime than what is obtainable across several military regimes. This state of development might not be unconnected with the freedom that democracy offers and the ability of the political actor to manipulate such opportunity to satisfy their private interest. The major emphasis of this paper is an analysis in the growth of financial crime in Nigeria as made possible by modern technology disseminated under the rubrics of globalisation. This will be explored by considering the role of the democratic elites in this current democratic dispensation.

## *Dimensions and Gravity of Corruption in Nigeria*

For proper understanding of the nature of corruption in Nigeria, it is essential to look into the dimensions and magnitude of the phenomenon, as it occurs across several regimes along Nigeria's development. Considering the dimension of corruption in Nigeria, one will need to distinguish between two corruption models, which cut across all ramifications of human activity - grand and petty corruption models. The grand model of corruption involves the large scale looting of national infrastructures or resources, mix-application of public funds, embezzlement, doctoring of national budgetary allocation etc. with the aim to cheat or deceive the civil populace or any other efforts leading to an outright diversion of resources either tangible or intangible into private use of those in government or several other organisations. It is a form that Alatas referred to as tidal corruption. "It is the one that floods the entire state apparatus including the centre of power, immersing everything in its path. It multiplies the number of perpetrators...paralyzing the administrative machinery and dampening the enthusiasm of sincere and capable civil servant" (Alatas, 1989). Corruption on a grand scale exists predominantly among power elites and any analysis on corruption in Nigeria will need to consider the role of power elite or political title holders especially as it affects the orchestration of corrupt practices and the consummation of its resultant benefits. The petty model of corruption involves the institutionalisation of corrupt practices either within the public or private realm or with its scope extending from local to international levels. Corruption at this level is transformed into a concise whole and having its existence relatively at par with national culture. Petty corruption has become an entrenched norm across all facet of Nigeria's society and practiced within the context of general expectation. It has become a part of the fabric of Nigeria's society. This phenomenon has become enmeshed in ethics, culture, attitude and idiosyncrasies that it can simply be tagged "the Nigerian way of life (Oliyide 2002). In order to appreciate the magnitude of corruption in Nigeria it becomes important to trace the growth of the phenomenon overtime. It is

therefore pertinent to do an appraisal of corrupt practices across several democratic regimes in Nigeria.

### *Historical Framework for Understanding Corruption and Democratic Regimes in Nigeria*

There exist an intricate relationship between corruption and the economic superstructure of modern society on one hand, and corruption and power politics on the other. The existence of corruption laced democracy in Nigeria rests fundamentally on the valuation of materialism against high morality. The democratic institution in Nigeria over time has retained its notoriety as a sure avenue for making 'less stressful wealth.' This institution in Nigeria is best captioned from the view of Bayart (1993) when he described it as potent instrument for "politics of the belly." The reality about this phenomenon in Nigeria is that it presents the politician an unrestricted access or opportunity to public fund and equally affords them the right to convert such funds to private use. Evolutionarily, the introduction of democratic system in Nigeria especially at post independence period reveals a dislocation occasioned by conflictual values. The value of communalism as against individualism on one hand and self-centeredness as against accountability on the other hand severally explains the magnitude of conflict. The visible and the measurable aspect of this conflict is manifest in immoral quest for wealth, ethnic allegiance, religious diversity and unbridled individualism that characterised several republics in the context of Nigeria's political history. This development not only taints the democratic institutional arrangement, but also reinforces the displacement of democratic ideals. One of the major indicators of value displacement is the systemic institutionalisation of corruption within the structure of the Nigeria's society. It is quite important to critically examine the phenomenon of corruption in Nigeria and this will necessitate a brief analysis of the incidence and growth in corrupt practices over time so as to place the basic argument of this chapter in a clearer perspective.

A chronological expository account of corrupt practices in Nigeria by necessity must consider major developments that serve as the precipitatory factors, which directly or indirectly contributed to the magnitude of corruption as evident across several democratic regimes in Nigeria. Though corruption in Nigeria had its earliest manifestation in the pre-independence period, it nevertheless increased in magnitude and sophistication at post independence era (Oliyide, 2002). At independence, especially during the first democratic regime, the prevalent forms of corrupt practices around government circle included nepotism, favouritism, and incidental financial gratification occasioned by the federal structure of the Nigerian state. The summary of the challenge that led to the dislodgment of the first democratic regime in Nigeria can be succinctly captioned in the remark of the then coup leader Major Chukwuma Kaduna Nzeogwu, who said their aim was 'to establish a strong, united and prosperous nation, free from corruption and internal strife'. He further described the regime's political leaders as swindlers who not only use their offices as a conduit for siphoning public funds but equally strived to institutionalise corruption. During the period between the first and the second republics, several developments served as a potent catalyst and further intensified the depth of corruption. Though, several regimes in-between the first and second democratic experiment were basically led by men in 'Khaki', it nevertheless present its own unique contributions to corrupt practices in Nigeria. Notable events, which became evident at this period, include the civil war, the discovery of new means of income made possible by crude sale, the growth of capitalist economy, industrialisation and lately technological revolution which became evident in computerisation and world information system. Analysing these developments, the Nigeria civil war presented a unique opportunity for an entrenched culture of looting at both macro and micro levels of Nigeria society. Within the macro context, war financing paved way for unaccountable budgetary allocations severally initiated to address the execution of war and the resettlement of war victims. It was a period in history when government administrators hide under the cloak of patriotism and the

collective slogan of keeping the bond of national unity to perpetuate incredible looting of national treasury. It also symbolised a period when Nigeria witnessed the growth of a particular segment of her population with identifiable capitalist orientation and the tangible growth in industrial concerns. It further marked a period when war victim's properties were seized and converted to private use by those in government and their acolytes. At the micro level, the post-war distributive principle inherent in General Gowon's declaration of Adebo award in 1972 and Udoji bonus in 1974 (fallout of excess resources from crude) also became a catalyst for the embeddedness of corruption among Nigerians. Those developments not only broadened people's appetite for luxury and their quest for more shares of state resources but it also triggered the development of innovative strategies aimed at circumventing procedures and socially acceptable means of wealth acquisition and consumption. With the exit of Gowon's administration, the Murtala Obasanjo regime attempted to sanitise Nigeria's system from corruption. During the exercise, significant number of government administrators were indicted of corrupt practices (financial misappropriation). Although, little or no deterrence was achieved it nevertheless marked an important step towards nipping corrupt practices in the bud. Some major setbacks were also recorded in the life of the administration. There were cases of capital flight, embezzlement and other corrupt practices. There were instances of contract inflation, money laundering and outright conversion of government properties to private use (Operation Feed the Nation's (OFN), farmlands and equipment acquired at the expense of government were diverted to private acquisition). The second republic led by Alhaji Shehu Shagari was characterised by the reduction of government establishments into money spinning ventures. It was a period when government appointees perpetuated multi-dimensional forms of corruption. During the period, inflated and unexecuted contracts became the norm, misappropriation, uncontrolled embezzlement, and the dampening of national economy close to a point of comatose became a defining feature of Nigeria's society. The sophistication of financial corruption around government circle under the second republic remained to a large

extent within the local boundary since major arrests effected to retrieve government funds revealed that substantial part of the money was either kept in private residence, used to purchase properties locally or deposited in local banks. Okolsor (2007) succinctly concluded that the phenomenon of corruption contributed in no small measure to the destruction of the first republic (1960-1966) and the second republic (1979-1983). Major development between the second and the aborted third republic also present a unique implication for the growth of corruption in Nigeria. The Buhari-Idiagbon regime dissipated substantial energy towards the eradication of corruption and this was exemplified in the popular programme War Against Indiscipline (WAI). Several political actors during the second republic were incarcerated and considerable amount of government funds stashed in private pockets were recovered by the regime. Anti-corruption campaign during Buhari-Idiagbon regime presents one of the unresolved ethical dilemmas in the history of Nigeria. The celebration of retrogressive laws, dehumanisation of Nigerians and selective application of policies became noticeable. It should be recalled that the execution of the trio of Bartlomew Owoh, Ojulope and Bernard Ogedegbe was done through a backdated legislation and the policy, which stipulated the mandatory eighteen years qualification for the observance of Hajj was widely claimed to have been violated by Idiagbon when he went with his son to Mecca. The General Babangida regime elevated corruption to the level of national ideology and during his tenure the ability to show dexterity in the practice of corruption became a rewarding state duty. This period marked the solidification and mutation of internationalised corrupt practices. The gulf war oil windfall totalling twelve billion dollars remained unaccounted for even till date. General Babangida clandestinely established International Business Empire through systemic money laundering facilitated by modern technologies in the financial sector. Several multi-national corporations became a conduit for stashing funds into private accounts abroad in aid of the regime's powerful political actors. Major government business socio-economically, was underscored by monumental corruption and the remarkable feature of

this regime is the alarming proportion which corruption assumed since the phenomenon became a way of life for significant portion of Nigerians. The political recklessness and the moral depravity displayed by this regime earned Nigeria its enviable position among comity of corrupt nations globally. Abacha's regime was a replica of Pinochet regime in Italy, Emperor Bokassa's regime in Central African Republic especially when judged from the standpoint of corrupt practices and state sponsored violence. Under Abacha regime, selective enrichment became noticeable. With international sanction in place, stakeholders under Abacha regime enlisted the services of jobbers and experts in money laundering. The pervasiveness of corruption during the period portrayed Nigeria as a private empire of Abacha Family. With the demise of the military junta, the Obasanjo led democratic regime recovered looted funds totaling \$1.2 billion and \$300 million respectively per bond from his family. Government acolytes equally enjoyed unrestricted access to public fund and severally adopted the supportive strategy of state violence to quash the resistance of the opposition. Violence became potent leadership myth and state resources equally became a reward for mis-rule. The General Abubakar Abdulsalami regime did not fair better when assessed from the standard of corruption already laid by his predecessors. The outright embezzlement of several billions of dollars realized from the sale of crude during gulf crisis presented a unique style of corruption that clearly demarcated this regime as an elongation of Babangida's regime. Though, the regime ushered in the current democratic arrangement, the baton of corruption was nevertheless handed over to the democratic elites. The contribution of General Olusegun Obasanjo led democratic government to corruption in Nigeria will be explored in the later part of this paper. Let's briefly examine the contribution of globalisation to corruption in Nigeria.

## Globalisation, Information Technology and the Phenomenon of Corruption in Nigeria

Globalisation is the “worldwide diffusion of practices, expansion of relations across continents, organisation of social life on a global scale and growth of shared consciousness (Lechner, 2004). It encompasses transnational processes, such as in the area of technology, ideas, consumption, finance and trade. It is of great interest to business, crime and more specifically to monetary transaction since it is a sure avenue for transnational money transfer, laundering and other fraud related practices. The fundamental change ushered in by globalisation across major societies of the world consists of reconfiguration and adjustment in social relations, which is made possible by a shift in spatial relations (de Sousa and Jensen, 2000). There exist a close relationship between globalisation, democracy and crime. The internationalization of democracy was at the instance of global campaigns and pressure on divers' nations of the world. Globalisation also presents a double-edged implication for crime. The first is the diffusion of ideas and technology adapted to the perpetuation of crime across major societies of the world, and the second is the global agenda against corruption as enshrined in the policies of various international, regional and sub-regional organisations. Globalisation not only provides criminals with opportunities to widen their operations, it also creates new opportunity for crime. It simultaneously increases the choices of people and stimulates their appetite for luxury consumption thus, generating an overpowering influence on their sense of reason. With the increasing sophistication in the field of computer technology, new forms of crime are embedded into the social structure, thereby generating new form of risk. New information technology caused the shrinking of distances and thus providing the appearance of intimate knowledge about possibilities and availability of means capable of facilitating organised crime. Castell (1996) has established the relationship between globalisation and crime. The nature and the sophistication of crime have changed and when evaluated from Kendal's position, “crime has undoubtedly grown worldwide over the

last 15 years" (Kendal 1998). The development in the world of computer and Internet facilities not only created ready made channels for siphoning public funds and jobs for fraudsters, but further set in motion the impoverishment of verse majority of Nigerians. Balogun (2001) opined that the net result of globalisation from third world perspective projects poverty, unemployment instability and corruption. Similarly, Norberg-Hodge (2004) views globalisation as a recipe for economic, environmental and cultural disaster. Under the current democratic dispensation, money laundering constitutes a concrete area where economy of corruption is booming. The Obasanjo led democratic government featured prominent corrupt leaders whose activities had generated and has continue to generate world approbation. The activities of these crops of leaders have attracted the nation sufficient international embarrassment. Nigeria's current democratic arrangement portends noting but Stanslav Andreski's Kleptocracy (State power hijacked by rogues and unpatriotic elements). The major thrust of the globalizing effect on current democratic experiment in Nigeria is the opportunities it afford the dominant political actors majority of who not only got themselves enmeshed in money laundering but in the process generated a significant crisis of values and dilemma across the landscape of Nigeria's environment. The defining feature of Nigeria's home grown democracy therefore, includes illicit cross-border crime such as money laundering, trafficking in human beings, sex and drug trade. Our major concern is financial corruption within the government circle. Government offices under Obasanjo led democracy is construed as an investment outfit, where significant political aspirants jostling for public posts set aside and dispensed money to electorates to influence the outcome of election in their favor. Election results of the two transition programme organised by the regime were characterized by monumental fraud unparalleled in the history of Nigeria. Results were declared where elections were not held, a development brought by the total abduction of the National Electoral Commission (NEC.) as an extension of government ministries. 'Victory after election' by implication transfers the control and utilization of national resources to the

political investors who allocate substantial part of the tax payers money to themselves under the guise of furniture allowance and other cooked up benefits. Successful outcome at elections equally guarantees an individualistic consumption of democratic dividends with higher successes recorded in the area of looting government treasury and diversion of public fund for private use. A very important exhibition of cross-border crime which affected key government functionaries of Obasanjo administration is the case of money laundering which involved governors of Plateau and Bayelsa state. The detection, arrest and prosecution of these anti-democratic elements were conducted outside the shores of Nigeria and also for the first time in the history of Nigeria, the Inspector-General of Nigeria police was tried and found guilty of corruption via internal judicial process. The concluding period of Obasanjo administration equally cast a serious shadow on probity and moral uprightness of key figures in his administration, a situation climaxed by the accusation and counter allegation of corruption between Mr. President and his vice. With the departure of President Obasanjo from the corridor of power, substantial astonishing revelation came up as a result of the investigation and subsequent prosecution of several state executives by the Economic and Financial Crime Commission (EFCC.). The irony of the whole revelation following from the ravelling events after the regime is the vindication of Mr. President whose efforts on anti-corruption have severally been touted as political victimisation and adversarialism. This is not to conclude that Mr. President is a saint but this is meant to show that the democratic institution in Nigeria has continue to be a Pandora box of corruption and other related anti-social vices. The sustained tempo of white collar robbery, looting and fund diversions practically exemplified in the multi-dimensional practices along the corridor of government is a clear indication of imbalances generated by globalisation. Inferentially, the driving force of corruption in Nigeria possesses the potential of wrecking the ship of democracy, national integration and social survival. This is more so as values underpinning social morality is facing an affront of extinction through the unpatriotic activities of political elites under current democratic dispensation.

## Consequences of Corruption for Nigeria's Democracy

Within the context of democracy as practiced in Nigeria and in other few African countries, the multiplier effect of corruption cannot be underestimated. The latent manifestation of corruption commences from the point of excessive duplication of offices, which is often created to facilitate the accessibility to, and share of national resources for private gain. Political party 'co-investors' (represented in political party apologists or faithfuls) are compensated for various roles played in bringing into power the dominant party which in most cases are not legitimate. At the climax, corruption possesses the debilitating effect of crippling the national economy, impoverishing the poor and serves as a potent catalyst for social disorder and war. ...Corruption in all its manifest form gnaws at, undermines, and contradicts all the democratic elements. It embodies the antidemocratic ethos, for it embraces selfishness, self-centredness, particularism, unfair privilege, exploitation of weakness and loopholes, unscrupulous advantage of the weak, the exploitable and the defenceless, and all manner of shady dealings. It is undeserved, unfair, unjust, and immoral (Caiden, 2001).

The sociological implication of this dimension is the lacing of human interaction with perpetual scepticism, lack of trust and the embeddedness of risk, which forms the major determinants of social outcomes. Risk factor is manifested in all ramifications of human relationships. The disenchantment towards political process and the withdrawal of trust by sufficient portion of Nigeria's electorates is predicated on the inclination of several democratic actors to behave opportunistically. The ontological displacement of trust brought about by non-predictability of social outcomes by necessity will determine to a large extent future interaction (scope of relationship) and this by necessity may be inimical to the continuity of mutual co-existence of the cross section of Nigeria's society. Sztompka (1998) views that the major business of government world over is fraught with the antithesis of what it purported to address. The structural features of divers' African governments represent paradox, since they operate to institutionalise distrust, nurture injustice and impoverish

majority of their citizens for the sake of democratic trust. The arena of governance has been and will continue to be saturated by corrupt practices as long as major stakeholder in politics allows their personal/private commitments to becloud the general good. The growth of opportunistic interests not only increases the risk of the governed but it intensifies relational disequilibrium, since the predictive capacity of the action of others remains difficult and uncertain. At the macro level, the disenchanted civil populace who suffered political battering as a result of failed promises no longer trusts the political actors. Inter-group relationship is also displaced because of the uncertainty and risk surrounding human interaction.

## Conclusion

One major problem of modern society is the perceived moral decline, which may be a conflict between old and new values. The decline in morality and human values can adequately be comprehended in diverse area of human relationships. One universal area that the world has witnessed moral deficiency is corruption. Corruption is corrosive and all efforts must be made to stamp it out.

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