

Corruption in Nigeria: An Attempt at Modelling Eradication Strategies

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Abstract

Corruption has been identified as the greatest hurdle slowing the pace of growth of the Nigerian economy. Nigeria has been noted globally to be economically very promising with abundant natural and human resources, and the development expectation of the country has been seen to be far from optimal: this condition has been attributed mainly to corruption. Using a conceptual theoretical frame built around marginal benefits and marginal cost as well demand and supply of corruption the paper draws a clear insight into the theoretical reasons for the sustenance of corruption in Nigeria. The paper probes further into the causes and enablers of corruption in Nigeria from field survey adopting the participatory research methodology. Specific participatory tools adopted included Focus Group Discussions and interviews, personalized interviews using checklists, specialized questionnaires, as well insights from historical literature. The paper's findings indicated that corruption enablers in Nigeria were both demand and supply pressured. Demand pressured issues included: greed; social, community, and peer pressured; fear of high value of corruption market, among others. Supply pressured issues included: easy availability of public fund to loot, easy legal framework that gives room for easy manipulation to looters, willing attitude of public and civil servants to collaborate as accomplices of crime, among others. Contentment policies were thereafter suggested to deactivate the enablers.

Key words: Corruption, participation, marginal cost, marginal benefit, demand, supply

1.0 Background

Transparency International in its 2014 report ranks Nigeria as the 136th most corrupt country in the world out of 175 countries with a score of 27%. Interestingly, this has been the most favorable ranking Nigeria has attained since 2011 when the country was ranked 143 of 175 countries. In 2012, Nigeria's ranking improved to 139. It took another leap in 2013 to 144, until the recent 'improved performance'.

The deep corruption trough in Nigeria as indicated in the ranking of Transparency Initiative is confirmed in a report published in 2012 that Nigeria is estimated to have lost \$400 billion to corruption since independence (<http://dailypost.ng/2012/31/nigeria-lost-400bn-oil-revenue-corruption-since-independence-ezekwesili/>).

As early as 1947, when Nigeria was not an independent State, the colonial government, in a report issued that year described corruption thus in Nigeria: "The African background and outlook on public morality is very different from the present day Briton. The African in the

public service seeks to further his own financial interest,” (Harsch: 1993). Notice that even at the time, corruption was perceived more in the economic terms of seeking private gains from public service. Thus, since corruption is hydra-headed it is important to define corruption from a particular standpoint in order to be able to adequately address its outcomes.

Several definitions had been proffered for corruption. In some cases the meanings ascribed confuses the description of the term. In early 2015, President Jonathan of Nigeria had argued that stealing is not corruption. He was emphatic on this assertion. Many experts and commentators on corruption argued then that the President might not have been too right in making the assertion.

Drawing from the above, this paper, before attempting to either adopt, adapt, or invent its definition of the term corruption, seeks first to describe corruption. The definition of corruption had been one of the most contentious issue in recent history. Many had tried to skew their definitions to reflect particular climes, regions, countries, and situations. A better understanding of the activities and content of the word ‘corruption’ will make room for a more meaningful discourse on how to tackle it. This paper perceives corruption as a universal set, with many elements acting within the universal set as subsets to realize the Universal set, corruption. This paper considers elements like embezzlement, stealing, converting public wealth to private interest, immoral life, favoritism, social vices, advanced fee fraud, among others, as subsets in the universal corruption set or rather tools in the corruption box. A clear understanding of the concept, as this will make it easy for the paper to align to a consensual body of definition of corruption that will best explain the objectives of the paper, is required.

Conceptually, this could be represented thus:

$$C = \left[S_p, F, S_h, I_m, A_f, e \right]$$

C = Corruption

S_p = Stealing from public funds

S_h = Sexual harassment

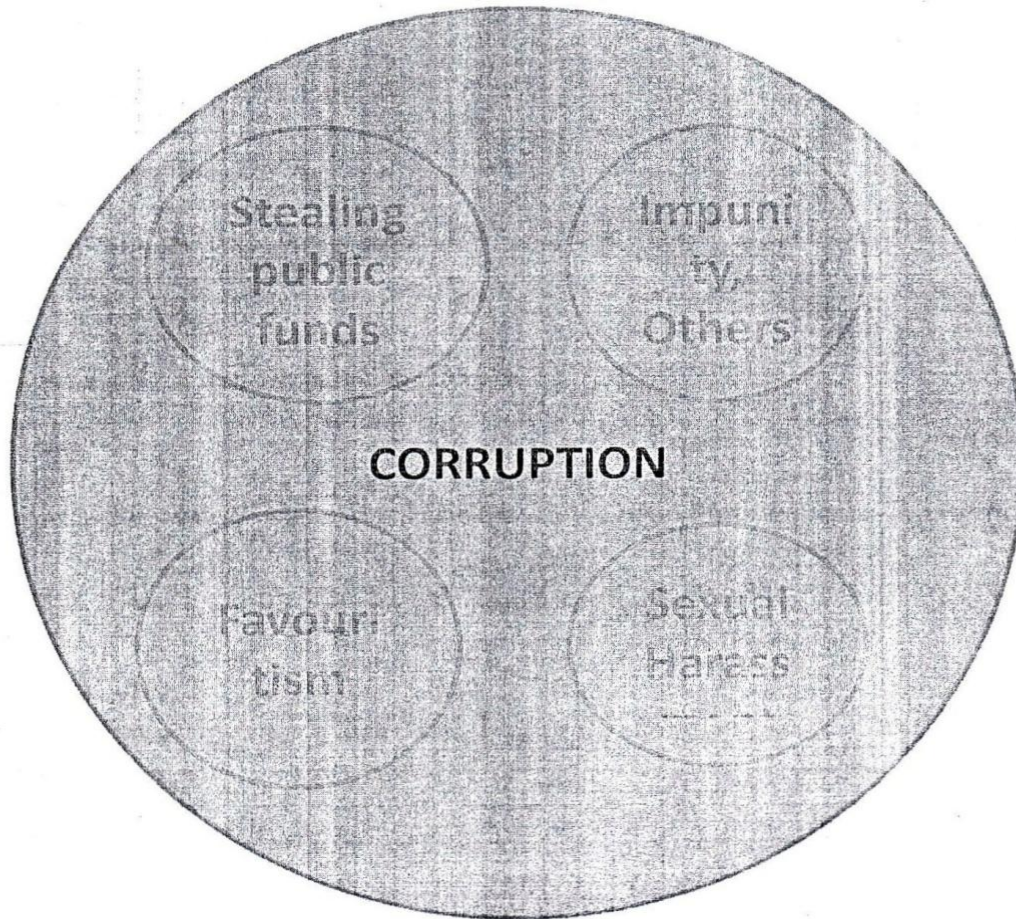
I_m = Impunity

A_f = Advanced fee fraud

e = other elements in the universal set

This relationship indicates that corruption is set C containing several sub sets like stealing from public funds, sexual harassment, impunity, advanced fee fraud, and others.

Fig 1 – The corruption set



The Nigeria's anti-corruption Act No. 6 of 2003 defines corruption as the use of one's office for pecuniary advantage, gratification, influence peddling, insincerity in advice, with the aim of gaining the advantage less than a full day's pay tardiness of slovenliness.

The World Bank (1992) defines corruption as the abuse of public power, for private benefit.

Andvig and Fjeldstadt (2000) define corruption as an exchange of favours between two actors, an agent and a client.

In his work, Harsch (1993), while studying corruption in Africa, described Africans as people who see corruption as a practical problem involving the outright theft, embezzlement of funds or other appropriation of State property, nepotism, and the granting of favours to personal acquaintances and the abuse of public authority and position to exact payments and privileges

From the definitions of corruption reported above and the current trend in worry against corruption in Nigeria, which is more skewed to conversion of public interest for private benefit, than other elements in the corruption universal set, this paper therefore decides to rely on the World Bank's definition of corruption as earlier indicated, "the abuse of power for private benefit".

This paper is divided into sections thus:

- 1.0 – Background
- 2.0 – Problem Statement
- 3.0 – Evolution of corruption in Nigeria
- 4.0 – Literature Review
- 5.0 – Theoretical Framework
- 6.0 – Methodology
- 7.0 – Findings from field survey
- 8.0 – Recommendations/Conclusion

2.0 Problem Statement

Corruption has remained one of the most famous words in use in Nigeria. Corruption as a word has been so used and misused in Nigeria such that its meaning and importance has recently become so misunderstood and bastardized. President Jonathan in 2015 expressed that the position in Nigeria about people equating corruption to stealing was wrong. That stealing was never corruption. In reaction to this assertion, several corruption commentators, experts, and even the general public made several conflicting analysis to this presidential statement, which at the end of the day did not draw any onerous consensus on what constituted corruption.

Since the demise of the First Republic in Nigeria, every other government (both military and civilian) had always anchored on the anti-corruption message as to the reason of why they wanted to serve. And in all occasions and situations, Nigerians had always supported such messages and the messengers. This goes to indicate that Nigerians are very supportive of any move to eradicate corruption in their land, without recourse to the governing style or strategy, who governs, and the manner that they got the power. Corruption had therefore been the bane of Nigeria's assertiveness as a nation as so indicated by the response of Nigerians to anti-corruption messages. From Aguyi Ironsi to Yakubu Gowon to Murtala Mohammed to Olusegun Obasanjo to Shehu Shagari to Muhammadu Buhari to Ibrahim Babangida to Sanni Abacha to Abdulslami Abubakar to Olusegun Obasanjo to Umaru Yaradua to Goodluck Johnathan and to Muhammadu Buhari, the underlying message that they had always used to warm into the hearts and acceptability of Nigerians had been their declaration to fight corruption and bring all the loots exported away by corrupt Nigerian leaders and public officers.

To the chagrin of Nigerians, these anti-corruption messages, as fiery as they seemed during military take over speeches and campaign slogans of politicians, wane immediately they stepped into the office. They become consumed by the message they barked against. The carriers of the

anti-corruption message soon turned their coats and become the corrupt in the process. They jettisoned their anti-corruption messages and rather preached messages of ‘soft landing’ for corrupt public officers. This smoggy scenario that beclouded our understanding of the reason for the turn-around in every government resolve to fight corruption that they adopted as the reason for their ambition to rule the country is what informed this paper.

3.0 Evolution of Corruption in Nigeria

The insensitive and unabated corruption in Nigeria had been described by many scholars and writers of corruption as a scenario that started from the Independence of the country: when the colonialists handed over power to Nigerians in 1960. However, this paper, after a thorough review of corruption literature in Nigeria sees the inauguration of corruption in Nigeria from a very different perspective. The paper’s evolutionary perspective derives from the way, manner, and purpose that Nigeria was created. Prior to 1900, the Royal Niger Company (RNC) was empowered by the British government to administer the segments and protectorates of Nigeria. The main purpose of the Company was to trade. They were protected by the British government for this purpose. Even when the British government took over from RNC and amalgamated the various protectorates, the Presidents of the RNC were deployed as Governors. The engagement of Nigerians from the different segments (protectorates and regions) was therefore a derivative of market and not that of nationalism. Received theory confirms that the goal of market is profit maximization. Therefore, coming from ethnic nationalities to a center organized and arranged by trade and profit motive, whatever any player took home, notwithstanding the means was seen as heroic acquisition of the whole nationality (segment, region, protectorate) – even when the player was the only beneficiary of the acquisition. The pride then was that somebody from their ethnicity was able to muscle through to partake in the capture of benefits from the market center. Nigeria was seen as a market where agents were to compete to take the lion share home (worldstatesmen.org).

In 1914, what was seen as a mere collection of territories for trading was upgraded by the official amalgamation of these lucrative economic blocks under the colonial administration of the British government to engender continuous and controlled benefit by the British government. To be able to control and enforce their will on the confined ethnicities, the colonial governments created pockets of ‘benefit captors’ who were allowed to corruptly enrich themselves while making sure that they made everything possible for the colonial authorities to smash any voice of dissent against their rule and command. Local Chiefs were allowed and empowered to corruptly enrich selves if only they could deliver in their services to the colonial government. Those who dared to ask questions or challenge the local chiefs and authorities were immediately recommended for or directly sold out as slaves. This acted as a great deterrence against agitations and advocacy against corruption. Maybe the effect is what we are experiencing till recently, now that our level

and sophistication in corruption trade is detrimental to the existence of those who started and encouraged its fruition.

In 1947, the colonial government in Nigeria started setting up commissions of inquiry to investigate cases of corruption. The purpose of the inquiries was to expose wrong doing and to punish the culprits (stopcorruption-nigeria.com/chronology-of-corruption-in-Nigeria.html; Okonkwo (2007) in [africanchained.blogspot.com.ng/2007/09/corruption in Nigeria](http://africanchained.blogspot.com.ng/2007/09/corruption-in-Nigeria)).

In 1955, just 17 months after the inception of Igbo-Etiti District Council in 1954, the colonial government held an inquiry into the affairs of the council. The inquiry judged that the “conduct of the Council’s affairs had become a public scandal.” The colonial officer who conducted the inquiry, F. P. Cobb, noted thus: “public indignation was widespread and strong.” The public was outraged at the corrupt behavior of their representatives.

The report on Igbo-Etiti District Council revealed that there was ‘systematic corruption’ in the appointment and promotion of staff and in the awarding of contracts. Bribes of £80 to £100 were demanded for unnecessary appointments. The brother of the Secretary to the District Council was hired above a more qualified applicant. In one case, a man paid a £400 bribe to secure a post and was never refunded his money when he did not get the job.

Contractors routinely paid 10% of the value of the contract as bribe. The contract were not awarded to the lowest bidder or to the most experienced or competent persons. At the end of its first seventeen months of its existence, the Igbo-Etiti District Council was £6000 in debt, and there was great wasting of public money due to “gross dishonesty in handling council affairs.”

In 1956, the Foster-Sutton Tribunal investigated the Premier of the Eastern region, Nnamdi Azikiwe for his involvement in the affairs of African Continental Bank (ACB). Under the code of conduct for ministers a government officer was required to relinquish his holdings in private business when he assumed public office. The Foster-Sutton Tribunal felt that Azikiwe did not sever his connections to the bank when he became a Minister. The Tribunal believed that Azikiwe continued to use his influence to further the interests of ACB.

Azikiwe, his family, and Zik Group of Companies were the principal shareholders of the ACB. ACB loaned over £163,000 to the Zik Group of Companies at low interest. The Zik Group did not have to repay the loans until 1971. ACB was a distressed bank. The new registrar of banks in 1952 refused to grant ACB a license. Attempts to find partners for the bank in Britain failed because of the insolvency of the bank.

The Governor of the Eastern Region Sir Clement Pleass observed that “The exercise of public power for private profit is established in the East. A number of sensible people realized that Zik had done harm in the East in the last two years but the mass of the people, ignorant and uneducated voted him back to power”.

Obafemi Awolowo, the first premier of Western Region, was found guilty of corruption by the Coker Commission in 1962. In 1954, the Western Region Marketing Board had £6.2m. By May 1962, it had to exist on overdrafts amounting to over £2.5m. A loan of £6.7m was made to the National Investment and Properties Co. Ltd. for building projects out of which only £500,000 was ever repaid. The Western Region Finance Corporation and the West Nigeria Development Corporation also received loans of millions of pounds, which were never repaid. The Western Region Finance Corporation and the West Nigeria Development Corporation also received loans of millions of pounds, which were never repaid. The Coker Commission found Awolowo responsible for the ills of Western Region Marketing Board, and Awolowo “without a doubt has failed to adhere to the standards of conduct which are required for persons holding such a post.

In the Northern region, against the backdrop of corruption allegations leveled against some native authority officials of Bornu, the Northern government enacted the Customary Presents Order to forestall any further breach of regulation. Later on it was the British administration that was accused of corrupt practices in the results of elections which enthroned a Fulani political leadership in Kano. Post electoral reports that linked the British Colonial authorities to the electoral irregularities in the north were later discovered, Robert L. Tignor (1993).

The First Republic with Nnamdi Azikiwe as President was marked by widespread corruption. Government officials looted public funds with impunity. For instance, the Minister of Aviation, K. O. Mbadiwe flaunted his wealth by building a palace in his hometown. When asked where he got the money to build such a mansion, KO replied, “From sources known and unknown,” Minister of Finance Chief FS Okotie-Eboh responded to charges of accumulation of wealth by government officers by quoting from the Bible, “To those that have, more shall be given. From those that do not have, shall be taken even the little they have”.

With the reported level of impunity exhibited by earlier leaders of the country who have been recently so honoured and respected the inertia to do better than them in corrupt practices became the order of the day.

The Second Republic saw corruption with increased tempo. Looting of public property was so intense and pervasive that Nigerians called on the military to sack the Shehu Shagari government and come back to take power. The military take-over saw several politicians being imprisoned for cases of corruption. Among the very celebrated was the Umaru Dikko crate extradition scandal. The government of Nigeria had attempted to kidnap the former Minister from London and bring him to Nigeria to stand serious corruption trial.

The military governments that came after the collapse of the second republic (second attempt at civilian government) did not do better. The 1990 Iraq war oil earnings windfall had been one of the greatest scandals that the Ibrahim Babangida administration will have to contend with for the rest of their lives on earth. Many reports have accused the Babangida administration as the one that introduced massive corruption into the public sector. The Abacha administration that took

over from Babangida was very pervasive in amassing wealth through the diversion of public funds. Gen. Abacha himself and his family were noted to be so corrupt such that till date, long after his demise in 1998, countries who kept his and his family’s stolen money from Nigeria are still returning such monies.

The Gen. Abdulsalmi Abubakar regime that took over after Abacha’s death was said to be ruthless in corrupt activities. In his testimony at the Oputa Panel on Reconciliation, the CSO of Gen. Abacha, Major Al Mustapha, made damning revelations of corruption against Gen. Abubakar to the tune of \$1trillion.

Ensuing governments in Nigeria after the second republic saw improvements in strategies for looting and laundering of public funds. In the fourth Republic, much respected individuals were accused of corruption. Sitting governors (DSP Alameighsia and Joshua Dariye) were arrested and detained for questioning and further arraignment in UK courts. They however, jumped bail. But James Ibori (former governor of Delta State) was not as lucky as he is still serving jail term with the wife and other relatives today in London.

Currently, the immediate past Minister of Petroleum in Nigeria, Diezani Allison-Madueke with the mother and many others have been arrested in London by the British Police on cases of corruption in Nigeria.

In 2003, a study conducted by the Institute for Development Research, Ahmadu Bello University, Nigeria presented the ranking of public institutions perceived to be corrupt as in table 1 below.

Table 1 – Public Institutions perceived as Corrupt in Nigeria (2003)

Ranking	Institution
1	Nigeria Police
2	Political Parties
3	National & State Assembly
4	Local and Municipal Council
5	Federal and State Exe. Councils
6	Traffic Police and FRSC
7	PHCN
8	NNPC
9	Nigeria Customs
10	FIRS

Source: Final Report (June 2003). Nigeria Survey and Corruption Survey Study. Institute for Development Research. Ahmadu Bello Univ. Zaria.

4.0 Literature Review

Literature on corruption had been varied and copious over the years. Issues ranging from definition, character and practice of corruption all over the world are replete in literature. In this section of the paper, we will take an in-depth analysis on literature on corruption.

Treisman (1998), in his work on corruption in Asia, stated that in nearly all Asian countries there has always been a tradition of corruption. In a follow up to this, Myrdal (1970) posited that Public office means prerequisites. That to be made a public officer was a precondition to be corrupt, as this was a given to this set of persons.

Sajo (1994) while reporting on corruption in Russia quoted Prince Bakunin thus, “there is stealing and corruption everywhere ... but in Russia I think there is more stealing and corruption than in any other state”.

Banfield,(1958), Heidenheimer, (1994) and Heywood, (1996) in their respective works on corruption in Western Europe, concluded that Italy had a strong propensity to offer bribes, while Spain specializes in the use of contacts and intermediaries in dealing with the bureaucracy, and influencing trafficking in political life

In Latin America, corruption is not merely a social deviation; it is a way of life (Mario Diament cited in Little and Posada – Carbo (1996).

Treisman (1998) argue, that a culture of distrust and private – spiritedness foster high rates of corruption than occur in communities where generalized trust and civic engagement are strong. Distrust and suspicion boosts the demand for corrupt services on the part of private agents. Therefore, there is perceived uncertainty of entering into partnerships with strangers, which may impede legitimate private business activity. The suspicion that what competitors are getting is ahead through corrupt acts and that regulatory officials will impose predatory sanctions if not paid off may make a business strategy of keeping one’s hands clean seem counter-productive

At the same time, the lack of trust and civic engagement may increase the supply of corrupt services by reducing the danger to officials of being exposed and punished. Societal organizations to monitor and protest abuses will be weaker (Treisman, 1998). A related argument links corruption to ethnic polarization. According to Treisman (1998), the demand for corrupt services may be higher at any given price. For one thing, generalized trust is likely to be lower. Members of ethnic groups may feel that demanding favours from co-ethnics in office is the only effective way to obtain government services.

At the same time, the supply of concept services may be increased by the social leverage that ethnic leaders have over officials of their ethnicity, fear of social ostracism may make them reluctant to refuse their co-ethnic demands (Treisman, 1998). Different scholars also argued that competition between different ethnic groups within the same state could also foster patronage politics and bureaucratic predation. In view of this, Easterly and Levine (1997) maintains that a relationship between ethnic fragmentation and growth retards public policies.

On corruption in Nigeria, Ogundiya (2009) notes that during the Ibrahim Babangida regime, corruption was raised to a level of state policy and allegation of corrupt practices were treated

with utmost levity thereby destroying all the efforts of the previous administration. He also noted that Chief Olusegun Obasanjo laid the foundation of his civilian administration on the belief that corruption would be eliminated in Nigeria. In order to achieve the corruption free society, Obasanjo established the Independent Corrupt Practices Commission (ICPC) and Economic and Financial Crime Commission (EFCC) to frontally tackle corruption. Ogundiya (2009), however, concluded that corruption continued to grow unabated, notwithstanding the anti-corruption agencies and policies. The Human Rights Watch (HRW) in 2007 concluded that some western diplomats had the belief that Nigeria lost between \$4 billion and \$8 billion yearly to corruption during the eight years of Obasanjo's administration

Also, the 2008 Corruption Perception Index (CPI) released by the Transparency International revealed that the country was rated 121 out of 180 countries surveyed. On the scale of 10.0, Nigeria scored 1.6 in 1999; 1.2 in 2000; 1.0 in 2001; 1.6 in 2002; 1.4 in 2003; 1.6 in 2004; 1.9 in 2005; 2.2 in 2006; 2.2 in 2007; and 2.7 in 2008 (TI, 2008). This of course became a source of embarrassment to Nigerian officials travelling abroad and Nigerian nationals all over the world.

Yet again, Ogundiya (2012) observed that the experience of the Fourth Republic indicated that corruption has become a norm. That it was no longer news that the back covers of Nigerian newspapers were always inundated with news about political and bureaucratic corruption. Resulting from this the Fourth Republic politicians in Nigeria's watch word was, "thou shall not be caught". That by this, they meant that only those caught are corrupt. Therefore, they evolved different sophisticated methods of perpetrating this crime without being noticed.

As a result of wanton corruption, the international community became so much concerned with the lack of good governance in the country. Consequently, the Obasanjo administration was placed under international pressure and threats of sanctions to implement measures against corruption and other forms of financial offences. The federal government of Nigeria was then promised some financial benefits if reforms were implemented. This included a possible debt cancelation, which eventually materialized when the Paris Club wrote off \$18 billion, representing 60% of Nigeria's debt in 2005 (Ademola, 2011).

Following this development, the former Delta State Governor, James Ibori, was arrested on 129 count charges by the EFCC of laundering over N9.1 billion. Another notable case of alleged corrupt practice was by Orji Uzor Kalu, the former Governor of Abia state. He was accused of using his loot of N3.1 billion to fund SLOK Airline and two banks in the Gambia and Sierra Leone. He also owned some houses in the U.K. and U.S.A. (Ademola, 2011). Another ex-Governor, Saminu Turaki of Jigawa state was accused of spending N36 million of public funds to acquire oil blocks from the federal government. Ex-Governor Reverend Jolly Nyame of Taraba state was charged with stealing N1.6 billion belonging to the state. Other former Governors charged for various financial crimes are Edo states Lucky Igbinedion, Ekiti's Ayo Fayose, Rivers Peter Odili and Chimaroke Nnamani of Enugu state. Ex-Governor Nnamani and two of his former Commissioners, Peter Mba and Spine Ejiofor were alleged of stealing N5.6 billion while some companies were also linked to him (Ademola, 2011).

Apart from the above, the former President's daughter, Iyabo Obasanjo Bello, a senator of the Federal Republic was involved in two separate scandals. In December, 2007, Iyabo Obasanjo

Bello was involved in a contract scandal amounting to N3.5 billion involving her and an Australian firm. According to the EFCC, the senator used her mother's maiden name, Akinlawon to hide her identity in the contract (The Punch, March 19, 2008).

Senator Iyabo Obasanjo, was again involved in another financial scandal of mismanagement of funds in the Ministry of Health. It was this scandal that led to the resignation of Mrs. Adenike Grainge and her Deputy, Architect Gabriel Aduku. Iyabo Obasanjo was later arraigned in court over N300 million unspent budget scam (Thisday, August, 6, 2008:9).

Ademola (2012) brings out the case that led to the resignation of Obasanjo's Finance Minister, as a testament to the indictment of that government as being consumed by corruption, as she was openly protesting the brazen corruption at the Ports and the oil industry

Also Ribadu, the former EFCC chairman alerted that over \$400 billion was looted from the Commonwealth by the leaders which in his estimation, was "six times the total value of resources committed to rebuilding Western Europe after the Second World War (Ademola, 2011).

The reviewed literature had brought out the ravaging corruption situation in Nigeria. It has been indicated that corruption had eaten into the main fabric of the country's flesh. It had also shown that, indeed, all governments that came to rescue the country from corruption were consumed by corruption. This makes a convincing reason for this study, which is aimed at developing coping strategies that would eventually eradicate corruption in Nigeria.

5.0 Theoretical Framework

From a pure economic sense, and deriving from the literature review, the current corruption situation in Nigeria cannot be said to without some real economic benefit. Even though considered very heinous, some activities that come with corruption is seen by economists as economic activity. Economists classify economic activities into legal and illegal. That people decide to go into illegal activity, like corruption, because of the benefit they derive therefrom.

Economists do not view criminals as deviants nor do they suggest that the physiology is different from that of the model citizens (Edwards, 2007). To an economist, crime is a question of labor supply. People choose to work in legal or illegal occupations. Following Becker's (1968) rational choice theory as recorded in Edward (2007), individuals choose crime if the marginal benefit of committing crime is greater than the marginal cost. People become criminals not because their basic motivation is different, but because their benefits and cost differ. Individuals allocate time to work, crime, and leisure to maximize their utilities. Benefit from criminal behavior is the same as those behind every day legitimate activities: the pursuit of pleasure, profit, gain, status, power and for same satisfaction of rebelling against authority.

The marginal benefit curve for crime slopes downward: indicating that the criminal maximizes the net benefits from non-violent crimes at each period.

The marginal cost curves slopes upwards because a person who commits more crime has to devote more resources to do so. Stealing people's purses or cigarettes from shops does not require as many resources as creating and organizing an international gang of shoplifters, for instance. The cost of criminal activities also results from internal and external deterrents. Internal deterrent signify the self-restraint of the person. For most people, internal deterrent are sufficient to make crime a passing temptation. External deterrents are calculated by estimating the probabilities of getting caught, convicted or sentenced (Edwards, 2007).

It is also important to note that corruption, as defined, is an economic phenomenon as demand for corruption is undertaken by the market agents. Individuals involve in corruption in order to maximize utility while the firms do so to maximize profits and earnings. Therefore, apart from theorizing the compelling conditions for corruption based on marginal benefits and marginal costs, the author considers it important and necessary to investigate the arena and confines of demand and supply to see if it can truly explain the scenario in the corruption market in Nigeria.

5.1 The demand and supply of corruption

The simple demand and supply model is adopted here to analyze the corruption market in Nigeria. Corruption here is considered as a commodity which is demanded and supplied into the corruption market.

The paper conceptualizes that the driving force for corruption is anchored on the demand and supply of corruption. That is,

$$QD_c = f(p_c, Y_c) \dots\dots\dots (i)$$

Where p_c = price of the corruption commodity; and Y_c = available income to fund corruption process; QD_c = quantity demanded of corruption

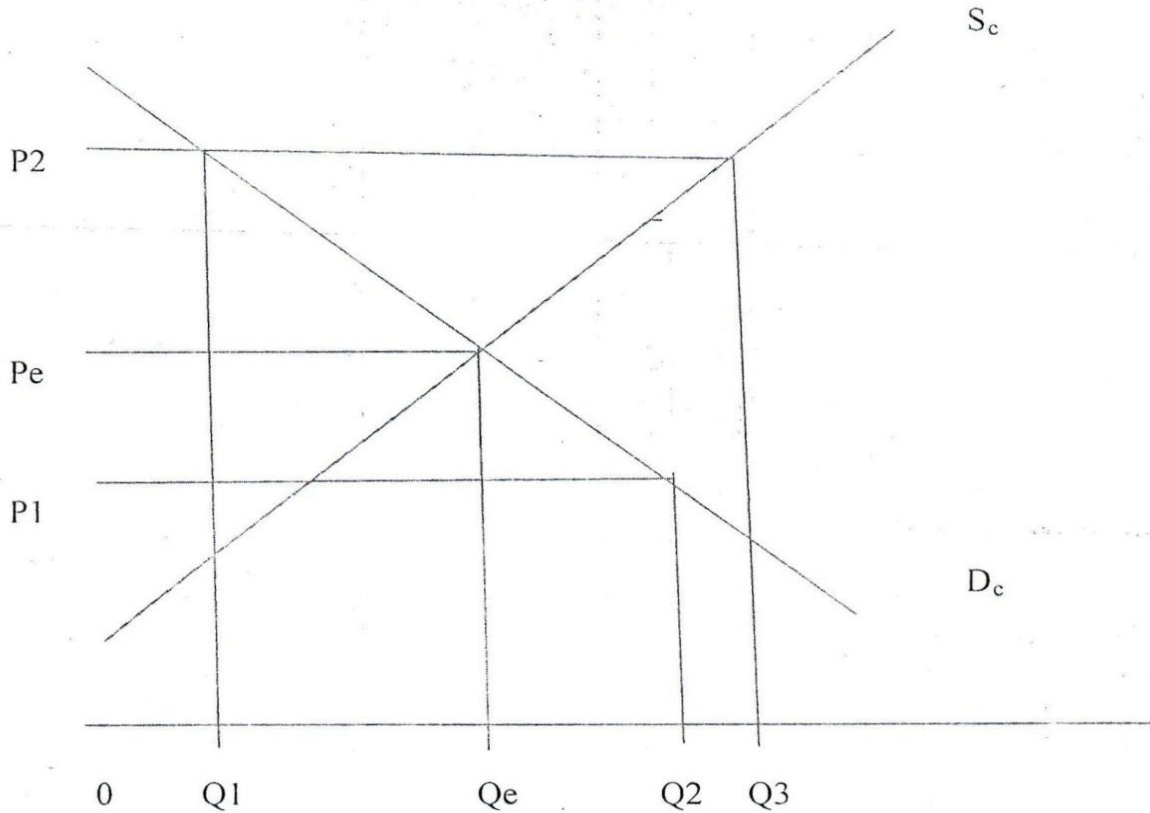
Quantity demanded of corruption (QD_c) is here dependent on the on the price of the corruption commodity, and the available income to fund the corruption process, all things being equal.

Similarly, the supply of corruption is dependent on the market relationships and responsiveness of market variables to dependent changes. Thus, the supply of corruption fund is dependent on the price of the corruption commodity itself as well the income available to fund the corruption process

$$QS_c = f(p_c, Y_c) \dots\dots\dots (ii)$$

Where QS_c = quantity of corruption fund supplied to the market; p_c = price of the corruption commodity; and Y_c = income available for corruption process

Fig. 2 – Demand and Supply of Corruption



From fig. 2 above, the demand curve for corruption is negatively sloped (D_c). A decrease in the price of corruption (say from P_e to P_1) will lead to an increase in the quantity demanded of corruption (from Q_e to Q_2). The implication here is that as the price for corruption commodity decreases, the commodity becomes cheaper to acquire. With the assumption that the value of the corruption commodity has not depreciated, the benefit of the commodity to the consumer at the new reduced price now makes the commodity to be less costly and dearer. Thus the consumer is willing to take more of the commodity at the reduced price. The explanation here makes the demand curve to be analogous to the marginal benefits curve: where the consumer derives more benefits as he or she derives higher levels of utility with less income, due to price decrease of the commodity. This indicates that the lower the price paid for corruption, the higher will be the marginal benefit from corruption.

On the other hand, the supply curve is positively sloped. It indicates that a decrease in the price of the corruption commodity will lead to a decrease in the quantity supplied of corruption. A fall in the price of corruption commodity from P_2 to P_e reduces the supply of corruption fund from Q_3 to Q_e . This indicates that the higher the price of the corruption commodity they are selling or the gain they are making from such, they will be willing to supply more corruption commodities into the market. If however the price of corruption commodity falls, the suppliers will reduce their supplies as they will be making fewer gains. At reduced prices, the cost of supplying corruption commodity to the market increases. Thus, the supply curve is similar in this case to the marginal cost curve. Here there is a decrease in peoples' willingness to pay for corruption,

which pushes down the price down, forcing suppliers of corruption to reduce the quantity of corruption supplied into the market. In this case, the marginal cost of supplying corruption into the market increases, since the suppliers are making less profit, forcing suppliers to decrease supply to the market.

The indication from the theorizing above is that if price of the corruption commodity is increased, quantity demanded of corruption will fall. If the price fall is below the equilibrium price level, it will create excess supply of corruption in the market. This will weaken the suppliers of corruption, forcing them to reduce the supply of corruption commodity into the market, as they will be acquiring increasing costs to keep non-demanded corruption commodity, arising from excess supply.

6.0 Methodology

Researching on corruption has, apart from being interesting, been very difficult in getting the right or correct information. To get the appropriate information to strategize against corruption in Nigeria, a field survey for gathering of primary data became the preferred option.

In line the Lewin (1946), Chambers (2008), Chevalier and Buckles (2013), Heron (1995), and Reason (1995), the author specifically adopted the Participatory Action Research (PAR) as a preferred methodology for this study. PAR is an approach to research in communities that emphasizes participation and action. It seeks to understand the world by trying to change it, collaboratively and following reflection. PAR emphasizes collective inquiry and experimentation grounded in experience and social history.

PAR integrates three basic aspects of work: participation (life in society and democracy), action (engagement with experience and history) and research (soundness in thought and the growth of knowledge), (Chevalier, and Buckles: 2013).

The progenitors of PAR in the 21st century are multiple. It however originated with the works of Kurt Lewin and Tavistock Institute in the 1940s (Wikipedia, 2015). What makes the PAR more suitable for studies like this is that PAR emphasizes that research must be done with people and not on or for people. PAR constitutes a robust alternative to positivism's denial of human agency as in much of political economy.

Corruption is a very big and strong market in Nigeria with many robust actors, agents, and beneficiaries. Getting information that will help in killing it therefore needs the method we adopted to gather such. The specific tools used adopted in the PAR technique to gather data included: Focus Group Discussions (FGD), Key Persons interview (KPI), Participatory observation (PO), and Questionnaires.

In FGD the author engaged these groups: Civil Society Organizations, Community Based Organizations, and Non-Governmental Organizations.

The KPI included interviews with key public servants, lawyers, judges, civil servants, student leaders, legislators, and people standing corruption trials.

The checklists used in the discussions and interviews included the following broad issues:

- (i) Why Nigerians indulge in stealing public funds?
- (ii) Why Nigerians convert powers derived from public office for selfish interest?
- (iii) Why existing laws in Nigeria were impotent in combating corruption adequately?
- (iv) How corruption, as defined by the paper could be eradicated

The key Persons interviews (KPI) and Focus Group Discussions (FGD) were so effective for the following reasons:

- (i) We could have a one on one situation with the respondents
- (ii) Respondents do not have the opportunity to think so much about issues raised or triangulate before responding
- (iii) Engagement situation was informal and semi-formal which gave respondents the air to relax while taking on issues with experience and truthfulness
- (iv) Questions raised from interaction were open-ended which created room for robust responses

7.0 Findings from Field Survey

Responses gathered from our field interactive survey was categorized into two main frames: causes of corruption and possible measures to eradicate corruption. Drawing from our theoretical framework, the main frame was further broken into demand-side and supply-side causes, as well as measures that could help eradicate corruption in Nigeria.

We gathered from the field survey that there were enablers that grew and sustained demand-driven pressure for corruption as well as supply-driven push for corruption.

7.1 The demand-driven pressure gathered included:

- (i) Greed;
- (ii) Social, Community, and peer group pressure;
- (iii) Fear of living condition after public office;
- (iv) Criminals who found way into public service;
- (v) Ostentatious lifestyle that encourages the desire to make more money to sustain such;
- (vi) High value or worth of corruption market;
- (vii) Increased number of Beneficiaries of corruption; and
- (viii) The resilience and fight back ability of corruption.

7.2 The supply-side push factors gathered from the respondents included:

- (i) Easy availability of public fund to loot;
- (ii) Easy legal framework that gives room for manipulation to looters;
- (iii) Manipulation of the country’s legal actors (judges and lawyers);
- (iv) Easy constitutional leeway that encourages corruption;
- (v) Looking for unmerited favours – parents, students, contractors, etc.; and
- (vi) Willing attitude of public and civil servants to collaborate as accomplice in crime.

Table 2 – Results of Interaction with Respondents

S/N	Demand-side pressure Issues	% of Respondents that mentioned	Supply-side push Issues	% of Respondents that mentioned
1	Greed	98.0	Easy availability of public fund to loot	97.0
2	Social, community, peer group pressure	95.0	Easy legal framework that gives room for manipulation to looters	100.0
3	Fear of living condition after public service	97.0	Manipulation of the country’s legal actors (judges and lawyers)	96.0
4	Criminals who found way into public service	75.0	Looking for unmerited favours – parents, students, contractors, etc.	95.0
5	Ostentatious lifestyle that encourages the desire to make more money to sustain such	84.0	Willing attitude of public and civil servants collaborate as accomplices in crime	99.0
6	Increased number of corruption beneficiaries	98.0	High value or worth of corruption market	95.0
7	Decrease in price paid (cost) to acquire corruption commodity	100.0	The resilience and fight back ability of corruption	96.0
			Increase in price (benefit) of selling corruption commodity	100.0

Source: *Field Survey by author*

In the table above, responses from the FGDs and KPIs conducted brought out issues which describes demand pressured corruption and supply push corruption. On the demand side of Table 2, the first six factors lead to a shift in the demand curve of fig 2 to the right, indicating increased demand for the corruption commodity. The seventh factor, however, leads to a movement along the demand curve: meaning specifically here that a decrease in the price paid to acquire corruption commodity will lead to an increase in the quantity demanded of corruption.

The percentages show the frequency at which respondents we interacted with mentioned a particular factor.

Similarly for the supply push conditions, the first six factor lead to a shift in the supply curve of corruption, while the seventh factor leads to a movement along the supply curve. As price for supply of corruption commodity increases, quantity supplied of the commodity will increase.

8.0 Recommendations

Our findings from the field survey show factors that helped to perpetuate corruption in Nigeria. As indicated in our theoretical framework, causative and engendering factors of corruption are, as in our findings from the field survey, classified into the demand pressured and supply pressured categories. Therefore to eradicate corruption in Nigeria, policies that reduces the demand for and supply of corruption should be pursued.

From the field survey result the paper thus recommends:

8.1 Demand limiting policies:

- (i) **Greed** – To fight greed, policies that inspire contentment should be encouraged. Intensive attitudinal re-orientation should be encouraged for Nigerians. Worship centers, Non-Governmental Organizations (NGOs), Community Based Organizations (CBOs), among others should be used to propagate messages of contentment. Schools, up to JSS3 should have studies of contentment built into their curriculum. Welfare policies that make it easy for young people to own homes and have a secure future should be instituted into policy making. These will minimize greed in the short run, while eliminating it in the medium and long run.
- (ii) **Social, Community, and peer group Pressure** – A new cultural and ethical re-orientation that aims at showcasing Nigeria as a Nation State and a federating union of where all members came together because each have something that the other did not have to offer for survival purposes must be encouraged and entrenched. Also, government should introduce nationalism as a subject for pupils from primary 1 to junior secondary school 3 classes. Teachers recruited to teach the subject should be specially trained to understand the importance of the subject to the country's existence.
- (iii) **Fear of Living Condition after Public Service** – Both the public and private sector should introduce sustainable welfare system, pensions, mortgages, credit, and social safety nets for its staff. Such will reduce uncertainty about life after service and will to a large extent reduce the rate of primitive criminal accumulation of wealth for the uncertain future of a life after service.
- (iv) **Criminals in who found their way into Public Service** – For new entrants into public service, conduct thorough screening to know their crime status before taking them into public service – like thump printing that can indicate if a thief is to be recruited into the Police Force, etc, or to be voted or appointed to public office. Every crime profiling agency and schools that record cheating in examinations should record culprits electronically and thereafter share such information to all other public institutions, for purpose of knowledge of the personalities to be engaged.

For those who are already in the service, organize regular routine checks and verification as information is updated.

- (v) **Ostentatious lifestyle** that encourages the desire to make more money to sustain such – **A proper private assessment tax can easily check the lifestyle of citizens. If lifestyle is properly taxed and tax evasion drastically reduced or clogged, citizens will cut back on ostentatious lifestyle.**
- (vi) **Increased number of corruption beneficiaries** – **Laws aimed at punishing beneficiaries of corruption (gifts and handouts from public officers) should be instituted. Gifts from corrupt funds should be outlawed.**
- (vii) **Decrease in price paid (cost) to acquire corruption commodity** - **The cost of corruption should be increased by removing the lacunas that limits our legal system and gives room to corrupt people to circumvent provisions of the law – like some loopholes noticed in the constitution as it relates to criminal justice administration. Special courts to try corruption issues will be of great essence in this case. The judges sitting in these courts should be trained on special criminal justice and corruption justice jurisprudence.**

8.2 *Supply-limiting policies:*

(i) **Easy availability of public fund to loot** – Government should introduce policies that **reduce availability of public funds for looting, like the Treasury Single Account (TSA), mandatory regular auditing of MDAs and other tiers of government accounts.**

(ii) **Easy legal framework that gives room for manipulation to looters** – **A total reworking of our Constitution is of essence. Inputs to the Constitution should never be decided by a select group (president, governors, national and state assemblies, judiciary, etc.) as all of them will create loopholes in the document to shield themselves from being answerable to the wrongs they did. Rather a ‘yes’ or ‘no’ vote in form of referendum for the generality of Nigerians should be adopted for every clause that Nigerians want inserted in the constitution.**

Also, legal instruments should be drafted such that it does not open lacunas for manipulation by the legal agents (lawyers and Judges) who have been accused of being so corrupt in Nigeria

(iii) **Manipulation of the country’s legal actors (judges and lawyers)** – **NJC should timely call and punish judicial officers that are seen to be manipulating the law for private interest. For instance knowingly filing faulty petitions for government against criminals to technically free the criminals off the hook should be a punishable offence, as this is the current trend in Nigeria.**

- (v) **Looking for unmerited favours** – **This action is more profound among people who do not believe in merit and those who relish in cutting corners. Nigerians must stop seeking and**

pushing for unmerited favours. Any such demand should be encouraged to be reported and reward and protection given to the reporter after proving his/her case and appropriate sanctions meted out to the culprit.

- (vi) Willing attitude of public and civil servants collaborate as accomplices in crime – Many politically appointed public officers are encouraged by the civil servants in government to steal. The Permanent Secretaries, for instance, are the Chief accounting Officers, so if they do not yield to the advances from politicians or do not have affinity chemicals of corruption within them, stealing of public funds would not be any issue
- (vii) High value or worth of corruption market – Everything must be done to reduce the high net worth of the corruption market. The market is so rich that they have the war chest to fight and bring down any government, group or organization that dares to eradicate the market. The oil subsidy war against the Jonathan government by ‘cabal’ when they organized vulnerable Nigerians to go out on street and protest government’s honest desire to remove oil subsidy for the benefit of Nigerians is a case in point.
- (viii) The resilience and fight back ability of corruption – Government must break the resilience and fight back ability of corrupt gladiators by taking prompt decisions to send them to jail. The criminal justice system must be made such that special courts are created for speedy trial of criminal matters. In many cases corrupt legal officers who are either beneficiaries of corruption or harvesters of corruption will be the ones who would always argue that the regular courts are enough to take criminal matters since the criminal justice act had been signed into law.
- (ix) Increase in price (benefit) of selling corruption commodity – Government should increase the cost of corruption by increasing the price one pays when he or she is caught in corrupt act. This, as in our model will reduce the benefit and urge to supply corruption commodity into the corruption market

If these recommended policies are implemented, they will shift both the supply curve and demand curve backwards (shrinking the curves), while also the marginal cost of corruption will increase, thus reducing the marginal benefit from corruption. Sustainance of these policies will eventually eradicate corruption in Nigeria.

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