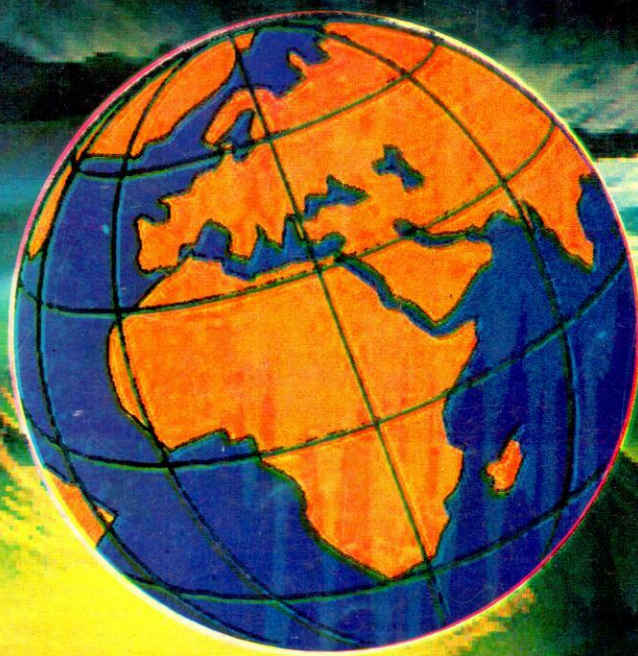


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CORRUPTION AND NATIONAL DEVELOPMENT: AN OVER- VIEW OF NIGERIAN SITUATION

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ABSTRACT

Balkaran (2008) emphasized that corruption like most concept used in the social sciences lacks an acceptable definition. Corruption is an inducement in cash or kind to secure services or goods from public officials or other agencies through illegitimate or unlawful means. Corruption takes places when people try to get what they do not deserve by using money, harassments and other bad influences. Bribery and corruption are linked together and inseparable. A person bribed is someone corrupt. Corruption occurs in many forms and several factors are responsible for corruption in Nigeria. Corruption is very prominent and endemic in Nigeria and hence this work on corruption and national development is imperative and essential. Corruption has contributed immensely to the poverty level and under development of Nigeria. Thus, this paper discusses the corruption as a social problem in Nigeria and the implications for national development.

INTRODUCTION

Corruption has been variously defined; the meaning ascribed to corruption varies just as the definition varies. Each definition or meaning depends on the context in which it is used. It could denote depravity and perversion of integrity through bribery or favor. It could equally denote "a conscious and well-planned act by a person or group of persons to appropriate, by unlawful means, the wealth of another person or group of persons (Aluko, 2006).

Corruption is observed by Ajibola (2007) as the violation of the established rules for personal gain and profit. Myint (2000) also view corruption as efforts to secure wealth or power through illegal means, secure private gain at public expense and (or a misuse of public power for private benefit. The definitions of corruption as indicated by the authors include all bribery acts such as the use of rewards like kickbacks, pay offs and greasing palm to prevent the judgment of a person in a position of trust. It also includes nepotism such as the bestowal of patronage through partiality rather than merit with the miss-appropriation of public resources for private uses.

Wikipedia (2008) also sees corruption as an anti – social behaviour conferring improper benefits, contrary to legal and norms, which undermines the authorities to improve the living conditions of the people. Ndife (2007) defines corruption as "the diversion of resources for the betterment of the community to the gain of individuals at the expense of the community".

Nwankwo (2000), defined corruption as socially impermissible, some ideal standard of conduct. In this sense corruption means the use of public resources for the achievement of personal ends. Agbo (2007) defined corruption as "abuse of authority or trust for private benefit; and is a temptation indulged in not only by the public officials but also by those in positions of trust or authority in private enterprises or non-profit organization". For operational definition, this paper view corruption as a phenomenon within the wider socio-economic and political context aimed at selfish gains at the expense of the rest of the people.

This paper therefore answers the following questions:

- (a) What forms does corruption take in Nigeria
- (b) What are the causes of corruption in Nigeria.
- (c) What is the extent of corruption in Nigeria.
- (d) What are the measures to curb corruption in Nigeria.
- (e) What are the implications of corruption for national development.

THEORETICAL FRAMEWORK.

This paper anchors its theoretical framework on the marxian perspective.

The major thrust of Marxist social theory is on the deficiencies of the capitalist economic system which is seen as inherently contradictory and therefore conflict ridden. In a capitalist society like Nigeria, the battle line is drawn between the "have" (Bourgeois) and the "have not" (proletariat). The workers always get a raw deal from the capitalists who also determine who to employ and how many, what wage to pay each worker, days and hours of work including leave and rest period and when to reward and even dispense with the services of worker.

In this one side Bargain, the capitalist maximize their profit to the detriment of the worker and because of this, the workers then feel exploited, cheated, oppressed. Law are made to protect the capitalists and their property against the workers.

Base on the proceeding argument, Marxist criminologist see corruption as the inevitable out come of monopoly capitalism. Such distinctive feature of the capitalist system as individual/private ownership of means of production, free enterprises, competition, private acquisition in Nigeria today tend to encourage corruption and other crime as people struggle for economic advantage.

The conflict perspective believe that society will always be in conflict arising from the competition and struggle for wealth and power between the "have" and "have not". For corruption to be properly deal with, Marx agued that the government should abolish the hurdles placed side by side by the capitalist bourgeois against the freedom and eventual freedom of the workers. The worker and owners of means of production should be treated equally in terms of production, justice and economic distribution. There should be no immunity clause where some are immunized against justice, poverty and unemployment while some are made vulnerable as is the case in Nigeria. The capitalist system is inherently corrupt ridden it is crimogenic and therefore should be made away with for socialists form of economy where there will be no individual means of ownership of means of production and wealth but the government should own and control the country's means of production and means of distribution

A. Forms OF CORRUPTION ACCORDING TO BALKARAN (2008)

In the discussion of corruption, a good number of studies have taken a broader and holistic approach by classifying it into types and forms, They are:

i POLITICAL CORRUPTION

This occurs at the various levels of political authority. It is mainly perpetuated by political office holders and their collaborators who aspire to acquire or retain political power. Political economic or social power is the means of perpetuation. Ideals and values of the polity feel the devastative impact. It occurs when the politicians and political decision makers entitled to formulate, establish and implement laws on behalf of the people are themselves corrupt. It also takes place when policies formulated and legislated are tailored to benefit politicians and legislators. The primary motivation is to acquire or retain political power through vote-buying. Illegal act directed towards the election or defeat of particular candidate or the illegitimate patronage of civil service appointment (Aluko: 2006).

Further more, political corrupt practices in Nigeria include the use of public resources for campaigns, illegal donations by organization and individuals and vote buying. Of the biggest problem is the financing of political parties. The more money political candidates and parties need to win elections, the more difficult is will be to minimize political corrupt practices (Okara: 2000).

ii ECONOMIC OR COMMERCIAL CORRUPTION

According to Aluko (2006), economic/commercial corruption covers acts that are largely perpetuated by businessmen and contractors who are directly motivated by financial gains not only for themselves but also to enrich their political allies, military sponsors or the civil services facilitators who help them to get the contracts. Thus, this type of corruption is largely perpetrated by businessmen, contractors and consultants who make unearned profit at the expense of generally of tax payers and other citizens. The enabling instruments of perpetration are economic power and socio – political connections.

iii BUREAUCRATIC PETTE CORRUPTION

This is seen as corruption of need, and it occurs in the public administration or implementation end of policies. It also referred to as low level and street-level corruption. The citizens encounter this kind of

corruption daily at places like hospitals schools, local licensing offices, police, tax offices, and so on (Dike:2005).

iv ELECTORAL CORRUPTION

This include buying of vote with money, promises of office or special favour, coercion, intimidation, and interferences with freedom of election. This type is prevalent in Nigeria where votes are bought, people are killed or maimed during campaign and election processes; losers become winners in elections, and votes turn up in areas where votes are not cast (Dike, 2005). Electoral corruption may as well involve sale of legislative votes.

v ADMINISTRATIVE OR PROFESSIONAL CORRUPTION

Aluko (2006), describes this as causal but deliberate and large criminal acts by top administrative and professional personal for private material and socio-political gain. Such acts include falsified accounts, embezzlement of corporate or government funds, padded, mileage and related false claims fraudulent tax returns and actions which cover up professional misdeeds. Administrative/professional corruption expands to indirect or even, sometimes brazen demand for inducement to perform legally bound obligations.

vi WORKING CLASS CORRUPTION

This type of corruption is similar in almost all aspects to the administrative/professional type except for the status of the perpetrators-artisans, messengers, account clerks, and the like (Balkaran: 2008).

vii ENUMERATION CORRUPTION

This includes population and all forms of illegal manipulations during population census aimed at gaining undue political advantage. Enumerators and other population commission officers perpetuate it. It ranges from outright sales of enumeration materials to inflation of population figures in some regions or states.

viii ACADEMIC CORRUPTION

This is prevalent in the academic circles of academic. It is in various forms, ranging from “extortion” to abuse of office, sexual harassment, awarding of unmerited grades and plagiarism (Dike: 2005)

ix BRIBERY

It involves payment in cash or kind given or taken in a corrupt relationship. It includes kick backs, gratification, pay-off, sweeteners, greasing palm, ground watering, brown envelop, etc. Acts of bribery are passive in that their voluntary acceptance of bribe offers an assurance of personal advantage but misuse of public responsibility. Briber endures as one of the most pervasive forms of corruptions (Dike: 2007).

x PILLAGING OF STATE ASSETS

The pillaging of state asset, includes spontaneous “privatization” of public assets by government appointed such as office equipment and stationary, vehicles and fuel. Perpetrators are usually middle – and lower – level officials who in some cases try to compensate for inadequate salaries (Williams: 2005).

xi DISTORTION OF GOVERNMENT EXPENDITURE

This form of corruption occurs when government spending decision are made in order to maximize the personal benefit of decision – makers instead of the public welfare. A normal plan for developing a nations’ economy centers around a strategic vision, and spending decisions are made to realize a set of public policy goals. These goals might centre around cultivating national resources, from capital to infrastructure, or delivering basic services such as clean water, electricity, and sanitation. Distortion of government expenditure becomes unrelated to any national vision for strategic development, even where strategic vision exists (Dike:2005).

xii PATRONAGE

This is also referred to as clientelism, its a form and instrument of corruption through which political power is acquired and maintained by granting economic advantage to backers in exchange for political support. These economic advantage may include employment in bureaucracies or state-owned out fits, access to public goods and services, property, rights and even the rights to participate in market system (may be, through commercialization and privatization), (Dike: 2005).

xiii CRONYISM:

This type of corruption undermines and supplants traditional government institutions such that personal relations, rather than formal institutions laws, or procedures serve at the basis of economic and social relations. Cronyism differs from patronage by its heightened degree of personalization, centralization or domination of rent distribution activity by an individual ruler or ruling party (Ribodu:2004).

xiv EXTORTION

This is a corrupt practice whereby money and/or other resources are extorted by the use of coercion, violence, threats or force. Ndife (2007) explain that extortion demand for something of value under threat for non- cooperation. The police, custom officers (and academics) are the main culprits in Nigeria (Dike: 2005).

xv FRAUD

This form of corruption involves some kind of trickery, swindle, deceit, Counterfeiting, racketeering, smuggling and forgery. Many Nigeria youth (yahoo yahoo boys) now extensively explore the internet and its facilities in this variant of corruption (Ribadu:2004).

xvi EMBEZZLEMENT

This is form of corruption whereby public officials steal public valuables. It occurs when a state official steal from the public institution or government parastatal in which he/she is employed. In Nigeria perhaps owing to inadequate strict regulatory system, embezzlement of public funds is one of the most common means of economics accumulation for personal benefits (Dike:2005).

xvii FAVOURITISM: This manifests in this mechanism of power abuse in the distribution of state resources. It tends towards natural human proclivity to favour friends, family and anybody close and (assumed) trusted (Dike, 2005). Its common in places of employment and or appointment.

xviii NEPOTISM: This is a special version of favouritism whereby an office –holder prefers his/her kinsmen and family members.

Ezeoke (2009) observed “Nepotism (common in Nigeria) occurs when one is exempted from the application of certain laws or regulation or given undue preference in the allocation of scarce resource.

xix MONEY LAUNDERING: This is a corrupt practice through which money from illegitimate activities is “cleansed and transformed to legitimate money. To benefit from their crime, corrupt officials and other criminals must be able to make their money appear legitimately earned. It corrupt the banking sector which facilitates the process. Further, it over inflates the money supple and provides further capitals for criminals to conduct their activities (Daniel: 1997).

B. CAUSES OF CORRUPTION IN NIGERIA

The question that readily comes to mind is what are the possible causes of corruption which has eaten deeply into the Nigerian society and economy? Several variables are responsible for and cause corruption in Nigeria like other developing and developed countries of the world. Causes of corruption in Nigeria cannot deviate significantly from most of the factors which have featured prominently in the literature and debate on corruption (Dike: 2005). The focus here is on the fundamental practices in Nigeria as a developing economy. Thus the following are identified.

a. AFFLUENCE AND UNDUE GLORIFICATION

The brazen display of wealth by public officials, sources of which they are unable to explain, points to the high level corruption has reached in the society. Many of these officials, before being elected or appointed into offices, had little or modest income. But while in office, they are owners of many properties around the world. Many decorate themselves with countless traditional titles. Obsession with materialism, compulsion for shortcut to affluence, glorification and approbation (of ill-gotten wealth) by the general public are among the reasons for the persistence of corruption in Nigeria (Amanda: 1998). One of the popular, but unfortunate indices of “good life” in Nigeria is flamboyant affluence/conspicuous consumption. Public reaction to such affluence includes. “He has made it” or “he has received his break through”; etc. No consideration to the means of “making it”, “arriving” or “breaking through”. For this, people engage in dubious and abominable activities, including committing ritual murder for money making, kidnapping etc. This abominable process has become daily occurrence in many parts of Nigeria.

b. WIDE INEQUALITY IN INCOME AND WEALTH DISTRIBUTION

The socio-economic division between the rich and the poor occasioned by wide disparity in income and wealth distribution has engender corrupt activities especially among the youth, in a attempt to escape poverty and impoverishment and get to the “next level”. Inequality results in hindrance to economic opportunities, lack of skills acquisition, capital material and other resources. This breeds a neglect of the rule of the game (societal norms and ethical standards) and innovation of criminal tendencies to make ends meet (Dike: 2005). Inequality undermines economic success and strongly restricts access to legitimate opportunities. Corrupt activities are aggravated as the deprived attempt to cut corners. This probably explains the high incidence of corrupt behaviours in Nigeria. Many Nigerians are substantially achievement oriented but have relatively low access to legitimate economic opportunities.

c. NEGLIGENCE OF ETHICAL STANDARDS

The negligence of ethical standards throughout the agencies of government and business organizations in Nigeria is a serious draw back to corrupt-free environment. The issue of ethics in public (and in private life) encompasses a broad range, including a stress on obedience to authority, on the necessity of logic moral judgment into practice are escalating (Dike: 2007).

d. WEAKNESS OF SOCIAL AND GOVERNMENT MECHANISMS

Some cultural and institutional factors lead to corruption in Nigeria. Corruption is at times a motivated behaviour responding to social pressure to violate the norms, so as to meet the set goals and objectives of a social system. The attendant corrupt activities are aggravated by the lukewarm attitude of those who are supposed to enforce the laws of the land (the police and public officials). This usually lead to people engaging in more corrupt behaviour, knowing fully well that they would get away with it.

e. INAPPROPRIATE POLICIES AND INEFFECTIVE TAXING SYSTEM

According to Ezeoke (2009) bad rules and ineffective taxing system which make it difficult to tract down people's financial activities, breed corruption. Ineffective tax system is another serious problem for Nigeria. The present taxing system does not make the individual to explain his or her sources of income, may be through end-of-the year income tax filling.

f. PEER COMMUNITY AND EXTENDED FAMILY PRESSURES

Ezeoke (2009) observed that peer community and extended family pressure and polygamous household are other reasons for corrupt practices. The influence of extended family system and pressure to meet family obligation are more in less developed societies. In this regard, Etzioni (1982) acknowledges that the extended family system is an effective institution for survival but noted that it poses a big obstacle for development. As shown by the work of Etzioni (1982) a strong relationship exists between corruption and strong family orientation. The study helped to explain that high levels of corruption are linked to the strong family values involving intense feeling of obligation. Some people have the attitude of anything goes that advances the interest of oneself and family.

C. EXTENT OF CORRUPTION IN NIGERIA

To say that corruption is rampant in Nigeria is to over flog the obvious. Corruption in Nigeria, as it presently manifests can be appropriately termed endemic. According to Chukwu (1999) what is unique about Nigeria is her persistence in corruption. Corruption has not only permeated the government and oil fields of Nigeria, it has attacked the entire nation. Corruption and inefficiency are characteristics of service delivery in Nigeria, although private companies seem to perform more efficiently and less corruptly than public enterprises. Corruption has become so blatant and wide spread that it appears as if it has been legalized in Nigeria (Akani:2001). As Obasi:(2009) notes, "Since 1996, Nigeria was labeled the most corrupt nation three times. 1996, 1997 and 2000: and placed in the bottom five, four more times: fourth from the bottom in 1998 and second in 1999, 2001 and 2003". The 1996 study of corruption by Transparency international and Gottingen University ranked Nigeria as the most corrupt nations, among 54 nations listed in the study, with Pakistan as the second highest. As this was not too bad enough, the 1998 Transparency international corruption perception index (CPI) of 85 countries, Nigeria was 81 out of the 85 countries pooled (Ribadu: 2004). In 1999 Transparency international (TI) released its annual corruption perception index (CPI) ranking 99 countries in order of their perceived levels of corruption with number one being the least corrupt, Nigeria at number 98, was only one rank above its neighbour, Cameroon. In the 2001 corruption perception index (CPI), the position have remained unchanged as the second corrupt nation in the worlds (ranked 90, out of 91) countries pooled) with Bangladesh coming first. In October 2003 reports released in London, Nigeria at number 152 was still only one rank above Bangladesh – even though the number of countries in the latter poll had increased to 133 countries.

The 2004 corruption perception index, released by Transparency international (TI) the watchdog on global corruption again ranks Nigeria as the third most corrupt country in the world. Up till June 2007 Nigeria has not been exonerated from the list of the top ten leading corrupt countries.

On sectoral distribution, the nationwide survey in the Nigeria corruption index (NCI) 2007, identified the Nigerian police as the most corrupt organization in the country, closely followed by the power Holding Company of Nigeria (PHCN). Corruption in the Education Ministry was found to have increased from 63 percent in 2005 to 74 percent in 2007, as against 96 percent to 99 percent for the police in the corresponding period. The independent National Electoral commission (INEC). Was the only new organization identified as corrupt among the 16 organization on a list which included joint Admission Matriculation Board, the presidency, and the Nigerian National petroleum commission (NNPC). Which the Federal Road safety Commission (FRSC) and the Nigerian Railway Corporation (NRC) have been identified as the least corrupt organization with respect to bribe taking from the populace as at June 2007. (Abimbola: 2007).

Another area in which corruption has manifested itself in Nigerian is in the are of project execution. For instance. Ajaokuta, a steel Milling Nigeria, has been under construction for the past seventeen years and thought that period of time has consumed seven billion dollars. It has produced no steel. The mill is a white monolith of steel and concrete, epitomizing the inefficiency of corruption. Another example is Alscor upper three billion dollars over the past five years. The project was to produce 190,000 tons of aluminum, but like its predecessor, Ajakuta, has not produced any aluminum to date.

D. MEASURES TO CURB CORRUPTION IN NIGERIA

An impressive body of laws has been made in Nigeria; especially during the era of military govern to checkmate corruption. Criminal and penal codes existed for trying corrupt officials. In addition, certain initiatives were taken to intensity the war against corruption such as:

Investigation of assets public officers and other persons Decree of 1986.

The corrupt practices Decree, 1975 public officers specials provisions Decree, 1976 Recovery Drug Law Enforcement Agency (INDLEA) ACE, 1990.

The public complaints commission Act Cap 577, law of the federation, 1990.

The code of conduct Bureau and Tribunal Act Cap, Laws of the federation, 1990.

The criminal code Act Cap 77, laws of the federation, 19990.

The penal code, Northern states federal provision Act Cap 345, laws of the federation, 1990.

Bank and other financial institutions Act, 1990. Recovery of public property (Special Military Tribunal) Act cap 389, laws of the Federation, 1990.

The failed Bank (Recovery of Depts.) and Financial Malpractices Act No. 18 of 1994.

Failed Banks Act No. 16 of 1996Advanced Fee Fraud and other related Offences Act No. 13 of 1995. This was intended to combat the menace of "Fraud letters" or 419.

The Foreign Exchange (Miscellaneous provisions) Act No. 17 of 1995.

The money Laundering Act No.3 of 1995.

All these laws and codes predate the enthronement of democracy in 1999. Despite this bunch of anti – corruption legal apparatus, corruption and corrupt practices thrived. Perhaps, this was why the international community saw Nigeria laws as grossly inadequate in dealing with the corruption and crimes (Ribadu:2004). To Ayoola (2005) the laws lacked diligence in implementation for the following reasons.

- (i) inadequate resources for designing and implementing various anti-crime measures.
- (ii) Impediments imposed by the laws on banks secrecy which shielded the criminals and/or allowed them to frustrate prosecution;
- (iii) Large and growing unregulated informal sector with varying degree of opacity and criminality.
- (iv) Fragmentation of legal provision and arbitrage opportunities for criminals;
- (v) Poverty in the country which makes excuse, if not justification, for various forms of economic crimes (corruption);
- (vi) Cross-border porosity and protection for criminals;
- (vii) Lack of political will to resolutely implement tough anti-crime measures.

Consequently, only very few offenders have been successfully prosecuted and tried for corruption as the technicalities of the laws were exploited by defense lawyers to their great advantages. Further, most of the agencies charged with enforcing the laws were not faithful in keeping abreast of the dynamics and challenges of modern society, especially the intrigues of corrupt people and their accomplices.

All these formed the background to the former president Obasanjo administration determination to combat corruption head on from 29th May 1999 (Adegun: 2007). There was also the establishment of some anti-corruption bodies as; the independent corrupt practices commission (ICPC), Economic and financial crimes commission (EFCC) and other Agencies.

According to Ajibola. (2006) on the enthronement of democracy in 1999, the former president Olsegun Obasanjo declared thus on corruption:

"Corruption, the greatest single bane of our society today will be tacked head-on at all levels. Corruption is incipient in human must not be condoned. No society can achieve anything near the full-blown cancer it

has become in Nigeria; the rampant corruption in the public service and the cynical contempt for integrity that pervades every level of bureaucracy will be stamped out”.

The Obasanjo administration enacted the corrupt practices and other Related Offences Act 2000 under the umbrella of independent corrupt practices and other offences commission (ICPC), and economic and financial crimes commission (EFCC) Act of 2002. As well as the money laundering act was thoroughly revised and updated. In the Acts tools for identifying, investigating and convicting offenders are enhanced. The use of presumption, the reversal in the burden of proof, the seizing of assets or freezing of accounts and the establishment of specialized autonomous anti corruption agencies apart from police are included in the ant corruption Acts” (Ajibola: 2006).

The responsibility of the ICPC include receiving petitions and investigating them, and in appropriate cases, prosecute the offenders, studying systems and practices of government and where they aid corruption and fraud to advise government on how to avoid and change procedures and system the educate the public and foster their support against corruption (Adegun 2007).

The EFCC Act was passed in 2002, which created the EFCC with the single established purpose of fighting crimes including Advance Fee Fraud, money laundering, fraud and bank-related malpractices. This Act was amended by the EFCC (Establishment) Act of 2004.

Other agencies in the anti corruption crusade include the code of conduct Bureau, National Food and Drug Administration and Control (NAFDAC) standard Organization of Nigeria (SON), the Budget Monitoring and rice intelligent Unit, otherwise known as “Due process”, which enforces strict adherence to probity in the award and execution of contracts (Obasanjo:2005).

E. IMPLICATIONS OF CORRUPTION FOR NATIONAL DEVELOPMENT.

Nigeria is experiencing International Shame because of corruption of her subjects. Corruption has thought Nigerians that it pays to be honest, hardworking and law-abiding. Through corrupt means, many political office holders acquire wealth and propertied in and outside Nigeria, and many display their ill- gotten wealth with reckless abandon. The implications of corruption for the Nigerian development include but not limited to the following:

1. AGGRAVATION OF POVERTY AND ECONOMIC BACKWARDNESS

According to Chukwu (1999) corruption aggravates poverty and backwardness because the money that should have been accumulated for sustainable growth and development of the economy finds itself lining in the pocket of corrupt individuals. The process is that such money is not legally available for use in production; distribution and consumption processes. This increases the level of unemployment, further destroys initiative, promotes illiteracy and stops economics development. The outcomes are aggravation of poverty and economic backwardness. Money and other resources meant for meaningful economic projects are diverted into private or a group’s pockets.

2. DISTRACTION FROM DEVELOPMENT

Corruption distracts development, which world Bank (1997) defined as “a sustainable qualitative improvement in living standards accompanied with equitable distribution, social justice, good health and environmental protection” Johnson (1996) and world Bank (1997) concur that corruption undermines competitive processes; focusing based development. This distracts from meaningful development.

3. AGGRAVATION OF INCOME AND WEALTH INEQUALITIES

Corruption aggravation income and wealth disparities in the society, and renders equitable income and wealth distribution mechanism ineffective. This is not expected since the authority for policy formulation and implementation of such mechanism resides with the same corrupt individuals. Such beneficiaries constitute themselves into financial empires and can acquires wealth and property of unimaginable magnitude within and outside Nigeria. A sticking example is the EFCC investigation which has shown that the ex-governor of Delta State, James Ibori bought several companies in Nigeria and overseas (Aiyetan: 2007).

4. IMPOSITION OF HEAVY BURDEN ON SMALL AND MEDIUM SCALE ENTERPRISE

Corruption imposes a burden on small and medium sized enterprises and tends to shift government spending away from socially beneficial investment such as health, education, road, communications,

power, etc, toward irrelevant project. The essence is usually for selfish gains at the expense of the society. (Chukwu: 1999).

5. DISTORTION IN CONTRACTS AWARDS

Corruption has had many direct and indirect negative consequences on the Nigerian economy in the medium and longer run. Expectations of bribe have distorted the number and types of contracts placed for bidding, the method used to award contracts, and the speed or efficiency with which public officials do their work in the absence of bribes. Regrettably, the gains from such bribery are accessible only to certain firms and public officials.

For instance, the EFCC found out that ₦361 million contracts Alao Akala (Oyo State Governor) awarded to a publishing firm for the supply of textbooks to the state was inflated by N488 million. Another contract for the supply of textbook awarded to the same company for B631 million was inflated by N395 million (Ajibola: 2007).

6. REDUCTION IN DOMESTIC AND FOREIGN INVESTMENT AND STIMULATION OF CAPITAL FLIGHTS

Corruption reduces domestic and foreign investment and stimulates capital flight, as it weakens domestic banking system. Pervasive corruption often discourages donors from providing more aids and grants. This hampers opportunity for economic growth and development (Amanda: 1998). Corruption can slow down development through a number of channels, among which is investment. Many of effects of corruption on growth are transmitted through its effects on investment. Public and political official stock away their ill-gotten wealth in foreign bank account. This constitutes a drain on financial resources available for investment in the aggregate saving and investment which further slows down development.

7. SUB – OPTIMAL UTILIZATION OF TALENTS

Talented and highly educated individuals are highly underutilized and these adversely affect the country's economic growth rate. In the present day Nigeria corruption and other criminal acts have permeated the bone marrow and brain of talented young Nigerians who could have otherwise, utilized their talents in more general productive, legal and dignifying ventures than advance fee fraud (419), money doubling (now old-fashioned). Swindling, internet crimes (yahoo yahoo= boys) and other criminal activities.

8. DISTORTION OF GOVERNMENT REVENUE

Corruption has led to loss of tax and other revenues by the government. Tax revenue loss is associated with tax evasion or improper use of discretionary tax exemptions. Other revenues loss may result from capital flight stimulated by corruption Government revenue is further lost through corrupt activities like our-invoicing, over-valuation and inflation of contracts costs, kickbacks (10 percent), etc, all these are very rampant in Nigerian economy and those at the corridors of power and their cohort the chief perpetrators. In fact, businesses, especially in the domain of government (all – tires), are characterized b these, corrupt practices.

9. NEGLECT OF EDUCATION SECTION AND HUMAN CAPACITY DEVELOPMENT LEVEL

In Nigeria corruption leads to lower level of spending on education. This impedes on human capacity development. This is because education attainment is an important determinant of economic growth. Despite its role as an important determinant of economic growth and development low levels of budgetary allocations to education have been the case in Nigeria for several decades. The attendant consequences includes under funding of the sector, instability in academic calendar occasioned by frequent strikes (ASUU, NUT, etc), falling standards of education, turning out of half-backed unemployable graduates, further retardation of growth and development and insecure economic, social and political future of Nigeria and Nigerians. One interpretation of the shift away from educational expenditure is that it is less lucrative industry for collecting bureaucratic bribes and perpetuation of public sector corruption (Wikipedia:2008).

Conclusion

Corruption is a serious complex issue in Nigeria. Corruption is said to have taken place when the participant follow what would be termed unacceptable ways. Corruption as a complex problem in Nigeria is affecting national development. There is need for multidimensional approaches in order to alleviate the problem of corruption in Nigeria. Also orientation of people on the issue of corruption has to be made. Since corruption is a social problem and has done more damages than good to nation development, it is highly necessary to use every available resources to fight it at all cost. This cannot be achieved by mere accident. It must come through conscious and concerted efforts of the people. Fear of God by the Nigerians should be the first step in the war against corruption in Nigeria.

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