ENUGU STATE UNIVERSITY OF SCIENCE & TECHNOLOGY

JOURNAL OF SOCIAL SCIENCES & HUMANITIES

Volume 7 Number 2, 2022

PUBLISHED BY
Faculty of Social Sciences,
Enugu State University of Science And Technology

Journal of Social Sciences
Published by the Faculty of the Social Sciences

Corruption and bribery in Nigeria: Impact and panacea

Onogwu, Gordon Joseph
Great, Mirian Wilfred
Ngwu, Leonard U.
Department of Sociology and Anthropology
Enugu State University of Science and Technology.
Email: *onogwugordon@gmail.com*, *wilfredgreat1997@gmail.com*
ngwuleonard@yahoo.com

Abstract

Corruption and bribery in Nigeria is a major problem and the purpose of these study is to unravel the circumstances that leads to that. In this study statistical method is used to describe bribery and corruption in Nigeria. Finding reveals that corruption and bribery leads to political instability and the recommendation is that citizens must be accurately informed of the negative repercussion through mass enlightenment campaign. Bribery and corruption impedes economic growth, weakens the rule of law and undermines the legitimacy of institutions. Bribery and Corruption are negations of the true principles of public life. It is a conscious inducement for an after favor, and thus, violates the principles of public life. The consequences of unethical practices and corruption on any nation building do not only destroy personal virtue and social values, but as well retard development, weaken social institutions, pervert justices, and thus responsible for economic recession and un-purposeful leader as the nation continue to journey without will. Lawyers have not overlooked the social dangers caused by corruption and bribery. On the contrary, they may have been impressed with extra-legal viewpoints to the detriment of clear legal thought. Lawyers often assume that in the extra-legal fields more progress as to guiding ideas and systematization has already been achieved, than in their own field. In fact, much of our extra-legal knowledge of the ethics, etc. of bribery is still in the state of common sense-philosophy, which is a hybrid neither common sense nor philosophy, and which compares neither with the direct life-experience of the plain man nor the systematic thought of the true patriot.

Keywords: ***Bribery, corruption, instability, repercussion and unethical***

Introduction

Corruption is one of the biggest challenge of the twenty-first century (OECD, 2015), and can affect the investment climate, the effectiveness of public service, the quality of education, and competencies (OECD, 2018).

The same justifications and excuses for bribery and corruption, like other white collar crimes, are heard time and time again. “Everybody does it”, “It’s a cost of doing business”, “It doesn’t really matter”, “Nobody gets hurt”. This is not true. The corruption of public or private officials and decision makers, and the payment of bribes, raise serious moral and political concerns. These are not victimless crimes, and in fact exact a heavy economic and social cost. Bribery and corruption create an unlevel playing field for honest businesses, and cut deep into the social fabric of developed and developing countries alike. They can translate into inferior and dangerous products allowed onto the market place, substandard building materials used in infrastructure projects that can endanger people's health and welfare, and the diversion of vital money required for education, health and welfare services. In the end, we all pay the bill.

Corruption can take many forms, but all involve the abuse of public or private office for personal gain. Corruption can take place at the highest levels of government and at the top of large multinational companies. It can also happen at a local level, wherever somebody has the power to influence decision-making. Corruption is one of the main obstacles to sustainable economic, political and social development for developing, emerging and developed economies. Overall, corruption reduces efficiency and increases inequality. Estimates show that the cost of corruption equals more than 5% of global GDP, or USD 2.6 trillion (World Economic Forum), with over USD 1 trillion paid in bribes each year (World Bank). Bureaucratic processes may be slowed down, both by corrupt officials and by mechanisms introduced to identify and combat corruption. Corruption may also be linked with other criminal enterprises, such as tax evasion, money laundering and serious organized crime.

Bribery involves intentionally offering, promising or giving any undue pecuniary or other advantage to an official or decision maker, with the intention that the official or decision maker acts or refrains from acting in relation to the performance of their duties.

Corruption and Bribery in Nigeria: Impact and panacea.

Despite the durable decades of Independence, Nigeria is still facing the challenge of Bribery and Corruption. The Leadership in Nigeria has been attributed by political bickering, mismanagement, lack of vision and the worst of all is that all the leaders have been gripped by severe corruption, which has become a serious and potential threat to the survival of the country (Ogundiya, 2009).

Corruption is a serious challenge in the public administration of Nigeria. That competition has deeply eaten into all the sector of the Nigerian Society is to affirm the obvious. This can be attested from the exposures of various probe panels that have established or launched at various times by various regimes in the Nation. Actually, Corruption is at the core of the crisis in issues such as legitimacy and governance, rule of law, the application of sustainable democratic order, and the welfare of the citizens and National development. Corruption is the main evaluation of the glaring insolvable challenges of diseases, poverty, hunger including the general severe development challenges in the country (Of India, 2009). Corruption has severally affected the growth and the proper utilization of resources in the Nation. With the huge wealth from oil resources; political, social and economic strength, the country is referred to as the Giant of Africa.

However; it was discovered that 25 years of corrupt and brutal military rule, which left a legacy and various mark of political corruption in the hands of the country's influential political elites, who are sitting on top severe patronage networks the country was subdued to a non-giant status. The Educated and the Influential primarily views the governance through the lens of their private survival and enrichment rather than National Development. The Centralized economic and political structures in the country tend to make those who regulate and handle Major state posts stupendously wealthy, while 75% of Nigerians fall into extreme poverty (Omeh et al, 2013).

Statement of problem

The growing importance of corruption is based on the consensus that the development of the country needs good governance. So in the study of corruption related factors, the relationship between corruption and the development is the first to enter the vision's field. Mauro (1995) analyzed the corrupt data of over 70 countries in the world and concluded that corruption led to low investment and affected economic growth (Mauro, 1995). Treisman (2000) found the causal relationship between the economic development and reciprocal causation of corruption through the study of the per capita GDP (Treisman, 2000). Compared with the developed countries, the poor countries are more common. Bardhan (1997) pointed out that corruption had a devastating effect on the economy, while it cannot be denied that corruption has a positive meaning in some areas (Bardhan, 1997). Farooq and Shahbaz et al. (2013) shows that corruption is an obstacle to economic growth by building a time series model (Farooq et al, 2013). The relationship between inequality and corruption is also controversial. By studying the cross section data of 37 countries (using the Gini coefficient as the measurement scale), Gupta and Davoodi et al. (1998) pointed out that corruption has increased the income inequality and increased poverty (Gupta et al, 2002).

Literature review

Rich but unresolved theoretical debates compose the vast majority of the literature on corruption and bribery. However, new empirical studies have begun to resolve long disputed issues. This is especially true with regard to the literature on the impact of corruption on development, pertinent to the goal of building political will to counter corruption. In light of the difficulty in collecting data on corruption, given its intrinsic secrecy, it is not surprising that there have been few empirical works. In general, the studies that have been done on corruption draw their data from original surveys, interviews, and focus groups on public perceptions, and purchasable corruption indexes created for business-related purposes. Examples of the former include Corruption and Democracy in Thailand by Pasuk Phongpaichit and Sungsidh Piriyarangsan1 and "Corruption: The Facts" by Daniel Kaufmann. (Kaufmann, 1997) Phongpaichit and Piriyarangsan incorporate public opinion surveys, focus groups, and interviews to study the public perception of corruption in Thailand. Daniel Kaufmann uses surveys to generate data on elite perceptions of corruption in various developing countries.

Corruption and Bribery - Defined and Redefined

Controversy over corruption begins with its definition. The term "corruption" has been used to refer to a wide range of illicit or illegal activities. Although there is no universal or comprehensive definition of what constitutes corrupt behavior, the most prominent definitions emphasize the abuse of public power or position for personal benefit. Mark Philip identified three broad definitions most commonly used in the literature: public office-centered, public interest centered, and market definitions. These three types of definitions are used as starting points for analyzing political corruption in Heidenheimer's Political Corruption (1970) and its successor volume edited by Heidenheimer, Johnston and Le Vine (1989). (Philip, 1997) Public office-centered corruption is defined as behavior that digresses from the formal public duties of an official for reasons of private benefit. J.S. Nye provides an example of a public office-centered definition: Corruption is a behavior which deviates from the formal duties of a public role because of private regarding (personal, close family, private clique) pecuniary status gains; or violates rules against the exercise of certain types of private regarding influence. This includes such behavior as bribery (use of reward to pervert the judgment of a person in a position of trust); nepotism (bestowal of patronage by reason of ascriptive relationship rather than merit); and misappropriation (illegal appropriation of public resources for private-regarding uses). (Nye, 1989) Nye's definition avoids mention of the public interest, which Nye considers to be affected by corruption, rather than a component of the phenomenon of corruption. Public interest-centered definitions, on the other hand, focus on behaviors which impact negatively on the welfare of the public. In the words of Carl Friedrich: . . . Corruption can be said to exist whenever a power-holder who is charged with doing certain things, i.e., who is a responsible functionary or office holder, is by monetary or other rewards not legally provided for, induced to take actions which favour whoever provides the rewards and thereby does damage to the public and its interest. Neither public office-centered or public interest-centered definitions provide a consensus as to the standards that should be utilized to determine what constitutes "private regarding pecuniary status gains" or actions that "damage the public and its interest," for example. It is ambiguous whether these standards should be established from public opinion, legal norms, or norms derived from modern western democratic systems. Market-centered definitions base their analysis of corruption on social or public choice theory, utilizing an economic methodology within a political analysis.

Corruption, once broadly defined, can then be further broken down in many ways and into many categories. Corruption can be described according to where it occurs: at the political or bureaucratic levels of the public sector, or within the private sector. It can be defined according to its intensity: whether it is isolated or systematic.

Political scientists and experts in public administration have focused on institutional factors and the systemic roots of corruption. In this vein, an important characteristic of a system enabling corruption is a divergence between the formal and informal rules governing behavior in the public sector. The vast majority, if not all, of countries have rules against corruption (although not all countries have all the rules they may need), (World Bank, 1997) but in cases of systemic corruption, formal rules become subordinate to informal rules. In some countries, the divergence between formal and informal rules results from the manner in which political authority is exercised and maintained. In other cases, the root cause may reside in weak public management systems and inappropriate policies. In both situations, reestablishing formal rules requires institutional strengthening (World Bank, 1997).

Bribery endures as one of the most pervasive forms of corruption. Nations try their utmost to prohibit bribery and to punish contributors and participants, yet the practice persists despite the fact that addressing it is relatively straightforward. Many unsuccessful antibribery campaigns have addressed the symptoms rather than the underlying institutional pathology. Other antibribery campaigns (or witch-hunts) are aimed more at eliminating political competition than corruption, and never intended to succeed. Of all types of corruption, bribery has received the greatest attention from both the international community and the literature. Recently, 29 nations of the Organization of Economic Cooperation and Development (OECD) agreed to a treaty outlawing the bribery of foreign government officials. The November 20, 1997, signing concluded a lengthy negotiation process and holds all industrial countries to anticorruption standards adopted by the United States 20 years ago under the Foreign Corrupt Practices Act. Until recently, most industrialized countries brushed aside the idea of outlawing bribery of foreign officials, and some even provided tax deductions for bribes as an unfortunate but legitimate business expense. The OECD's efforts addresses the problem of bribery from the supply side by trying to reduce its practice through elimination of the source. While the treaty is an important step in the right direction, as long as there is a demand for bribery a supply will likely rise to meet it. Thus, it is important to address the demand for bribery, and the incentives that create this demand. Bribery has been defined as "[giving] any article of value to foreign government officials in exchange for any act or omission in the performance of that official's public functions." Bribery is not only the most widespread form of corruption, but it is one of the principle tools of corruption. (World Bank, 1997) Rose-Ackerman observes that individuals and firms offer officials bribes for two reasons: to obtain access to government benefits and to avoid costs. (Susan, 1996) Many goods and services provided through central or local governments can be bought with bribery, or officials may expect bribes to supply them. Bribery can be utilized as a method of influence by firms bidding for government contracts, and as a means of directing government allocation of benefits. It can also be used to reduce taxes and fees, to acquire a license that conveys an exclusive right, to speed up government's granting of permission to carryout legal activities, or to change outcomes of legal processes (World Bank, 1997).

Attributing this research work to my personal view and opinion, I'll clearly state that Corruption and Bribery erodes the trust we have in the public sector to act in our best interests. It also wastes our taxes or rates that have been earmarked for important community projects – meaning we have to put up with poor quality services or infrastructure, or we miss out altogether. In controlling this cankerworm called 'Corruption and Bribery', one will have to speak up and make complaints that will help to expose corrupt activities and risks that may otherwise remain hidden, keep the public sector honest, transparent and accountable, stop dishonest practices, ensure that public sector employees act in the public interest.

Methods used

The use of statistical methods to describe and qualify corruption poses a number of methodological challenges. Since data based on reported cases of corruption usually do not reflect the real extent of corruption, a number of alternative approaches have been developed. Examples of such methods are represented by expert's assessments and composite indicators. Such methodologies present advantages and drawbacks. Also, it is perceived that such methods can play an important role at an initial phase, when there is a need to provide some baseline indications. A promising approach is represented by assessments based on representative sample surveys of a given population, as for example households or businesses. The conduct of sample surveys allows the direct collection of data on experience of corruption. Several aspects of corruption episodes can be fully investigated, with the view to better understand modalities, purposes and actors involved. Various typologies of surveys can be implemented, which target different groups such as households, businesses or civil servants. In the field of corruption assessments, reliability of the data producer is also an important requirement. The involvement of government agencies in the production of evidence-based assessments of corruption is important to show country long-term commitment to formulate and monitor anti-corruption policies. At the same time, assessments conducted by governmental agencies may be perceived as not being fully independent. In this context, the use of solid and transparent methodologies, better if tested and promoted at international level, represents a good practice to produce valuable results and, at the same time, to address possible doubts about reliability of data. The involvement of national statistical authorities can represent an additional element to guarantee data quality. The conduct of assessments to measure and "characterize" corruption represents an extremely complex task, due to methodological challenges and its political sensitivity.

Result analysis/findings

Various studies rely on three main indexes which have compiled cross-country data on corruption for banks, institutional investors, or multinational firms. (Alberton et al, 1997) The first data set was created by Business International (BI), a subsidiary of The Economist

Intelligence Unit. Data is available for the period 1980 to 1983 and covers nearly 70 countries. The data set measures “the degree to which business transactions involve corrupt payments” on a scale of 1 to 10, as seen by BI’s network of correspondents. The second data set originated with the World Competitiveness Report, a business publication produced by the World Economic Forum in Switzerland, and consists of a survey of top and middle managers in the most dynamic firms of the countries included in the study. Since 1989, the surveys have asked a corruption-related question about “the degree to which improper practices (like corruption) prevail in the public sphere.” The subject pool generally includes more than 1,000 executives, and the survey covers a minimum of 32 countries. The final data set was compiled by Peter Neuman and collaborators at Impulse, a German business publication. The index surveys representatives from the German business sector (typically exporters) involved in business with each of the countries covered. The respondents were asked to provide an estimate of the kickback per deal (as a percentage of the deal’s value) that would have to be paid in order to conduct business in each country. This quantitative question is less subjective than those that comprise the first two data sets. An additional advantage of this survey is the homogeneity of the subject pool. The data was published in 1994 and covers 103 countries. The degree of correlation among the three corruption indexes is quite high (Alberton, 1997). For example, all three have a strong negative correlation with the level of development in a country.

Political science analyses also address the opportunity for corruption within institutions. Robert Klitgaard has conceptualized the opportunity for corruption in a formula:

C (corruption) = M (monopoly) + D (discretion) - A (accountability)… (Klitgaard, 1988)

The opportunity for corruption is a function of the size of the rents under a public official’s control (M), the discretion that official has in allocating those rents (D), and the accountability that official faces for his or her decisions (A).

Conclusion

Corruption leads to political instability as excluded groups vie for political power in order to attain economic privilege. Leaders who put an end to corruption trade off access to inappropriate economic privilege for true control over policy implementation and the delivery of basic goods and services. The ability to enact policies that increase public welfare will attract a new constituency of political supporters, impossible within the context of corruption-driven government bureaucracies. Thus, comprehensive counter corruption reform can provide an effective means for attracting political support and holding public office.

The most devastating consequences of bribery are usually not the cost of the bribes themselves, but the distortions they unleash within political and economic systems. For example, bribes compromise efficiency in the allocation of state resources. Examples of this arise in awarding of government contracts or privatizing state industries, as corruption favors those with connections over efficiency. Other inefficiencies can arise if officials increase regulations, delays, and unnecessary requirements as a means of inducing additional payoffs (Susan, 1996). As previously mentioned, high levels of bribery increase the costs, risks, and unpredictability of doing business. Lower levels of investment result, and consequently slowed growth and development. The principle enabling factors for bribery in many countries can be traced to weak public management systems and inappropriate government policies. These are problems which can be addressed technically, through straightforward changes in government policy to reduce both the opportunity and incentive for government officials to seek or accept bribes.

The present investment climate in the country (Nigeria) is very unattractive that even Nigerian citizens in the Diaspora are reluctant to invest at home, not to even talk of various foreign investors. Also, the Nigerian Stock Exchange has seriously remained undercapitalized as a result of corruption, therefore, frustrating the process of good governance and economic growth in the country. To ameliorate these challenges, the following suggestions are stated as follows: Corruption is a social challenge, therefore; citizens must be accurately informed of the negative repercussions through mass enlightenment campaign. Therefore, if the different anti-corruption legislations are to contribute significantly to the prohibition of corruption, the citizens must be aware of their duties as well as their repercussions of failure to carry out those responsibilities. Impunity in Governance must be punishment to act as a lesson to others. A better way to go would be to strengthen and revamp the anti-competition law and law enforcement. There is the essence to identify the current absence of political will (on the side of the government) and the present maximum rate of impunity to tackle corruption and the near fall of order and law in the Nation in other to tackle the menace. The former stance of the presidency that once said that “stealing” is not “corruption” will solely continue to increase an already sore spot in the country life. The change in orientation must begin from the top.

References

Alberton, A. & Rafael, Di Tella (1997). The New Economics of Corruption: A Survey and some New Results. *Political Studies, Vol. XLV,* 1997: pp. 496-515.

Bardhan, P. (1997). Corruption and Development*:* A Review of Issues. *Journal of Economic Literature, 35*, 1320-1346.

Daniel, K. (1997). *Corruption: The Facts,*Foreign Policy.

Farooq, A., Shahbaz, M., Arouri, M. & Teulon, F. (2013). Does Corruption Impede Economic Growth in Pakistan? Economic Modelling, 35, 622-633.

Gupta, S., Davoodi, H.& Alonso-Terme, R. (2002). Does Corruption Affect Income Inequality and Poverty? *Economics of Governance, 3*, 23-45.

Mark, P. (1997). Defining Political Corruption. *Political Studies, Vol. 45*, number 3, special issue.

Mauro, P. (1995). Corruption and Growth. *The Quarterly Journal of Economics, 8,* 1100. http://dx.doi.org/10.2307/2946696.

Nye, J.S. (1989). Political Corruption: a Cost-Benefit Analysis. In A.J. Heidenheimer, M. Johnston and V. Le Vine (eds.), *Political Corruption: a Handbook.* New Brunswick: Transaction, 1989, p. 966.

OECD (2018). *Competitiveness in South East Europe: A Policy Outlook 2018, competitiveness and private sector development*. Paris: OECD Publishing. 10.1787/9789264298576-en.

OECD. (2015). Third annual high-level conference on anti-corruption: G20 governments and business. Remarks by OECD secretary-general angel Gurría. Retrieved from *http://www.oecd.org/daf/anti-bribery/g20-oecd-conference-anti-corruption-gurria.htm.*

OECD (2013), *"What are bribery and corruption?"* in Bribery and Corruption Awareness Handbook for Tax Examiners and Tax Auditors, OECD Publishing, Paris.

Ogundiya, S.I. (2009). Corruption: The Bane of Democratic Stability in Nigeria. *Research Journal of Social Sciences, Vol.2*

Omeh, A., Casmir, C. & Ike, E. (2013). Electoral Fraud in Nigeria: A Philosophical Analysis of the Conceptual Framework of Electoral Violence. *Open Journal of Political Science, Vol.3*.

Robert, K. (1988). *Controlling Corruption*. Berkeley: University of California Press..

Susan, R. (1996). *The Political Economy of Corruption-Causes and Consequences,* View Point, Note No. 74, World Bank: April 1996.

Treisman, D. (2000). The Causes of Corruption: A Cross-National Study. *Journal of Public Economics, 76,* 399-457.

World Bank (1997). Helping Countries Combat Corruption.