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The Impact of Corruption on the Socio-Economic Development of Nigeria

Urien, James

Department of Psychology,
Delta State University, Abraka
E-Mail: jourien@delsu.edu.ng

ORCID Number: 0009-0002-5862-2462

Abstract

Corruption is a relatively recent phenomenon that affects all facet of activities in Nigeria. However, corruption is rarely mentioned. There are many unresolved problems in Nigeria, but the issue of the upsurge of corruption is troubling. And the damages it has done to the polity are astronomical. In fact, the major factor obstructing her path towards sustainable development is corruption. It was concluded that corruption has had a profoundly debilitating, impact on Nigeria's socioeconomic development, exacerbating poverty, inequality and social injustice. The effects of corruption in Nigeria includes; stunted economic growth and development, reduced government revenue and public resources, inefficient allocation of resources and mismanagement of public funds, undermined trust in institutions and governance, encouragement of illegal activities and organized crime and disproportionate impact of vulnerable population. Based on the conclusion, it was therefore recommended that the government to strengthen anti-corruption agencies: empower and resource agencies like EFCC and ICP to effectively investigate and prosecute corruption cases. Implement treasury single account (TSA): Consolidate government revenues to reduce mismanagement and embezzlement. Conduct regular audits: ensure transparency and accountability in government finances and contracts.

Keywords: Corruption, Development, Nigeria, Socio-Economic

Introduction

One of the most serious social evils in any community is corruption. This is due to the fact that corruption, like any fatal infection, targets the essential systems that enable civilization to advance. This is especially true for developing nations where scarce but precious funds and resources that are originally set aside for businesses, healthcare facilities, educational institutions, and other infrastructures are either outright embezzled, misappropriated, or otherwise severely depleted through bribes and excessive billing by government representatives. Individuals are assigned jobs or tasks depending on who has the means and the desire to appease those in authority, not on their abilities or merit (Morris, 2023).

Consequently, there is currently a growing global worry about corruption; a number of things are to blame for this. Nevertheless, everyone agrees that corruption exists everywhere these days. It exists in the public and commercial sectors, in non-profit and philanthropic organizations, and in all nations—developed and developing. In the same vein, more than at any other point in history, accusations and claims of corruption are a major factor in politics. Governments have suffered severe consequences, including the loss of well-known public officials' careers and severe damage to the reputations of reputable businesses and organizations (Thompson, 2022).

Scandals and unethical conduct, particularly by individuals in positions of power, are highly newsworthy and should be thoroughly probed, as the global mass media thrives on them. Scandalous and corrupt behavior, a common human frailty, has come to light due to the growing trend of using corruption as a tool to discredit political opponents, the media's obsession with it as a highly marketable commodity, and the public's fascination with seeing famous personalities in embarrassing situations. In addition and perhaps most significantly, corruption can pose a significant challenge to a nation's efforts to modernize and advance. Many now believe that it ought to be given top priority in a nation's development agenda.

"Corruption is the intentional non-compliance with the arm's-length principle aimed at deriving some advantage for oneself or for related individuals from this behavior," according to a study of 150 high level officials from 60 countries. A person in a position of public authority may be corrupted if their activities violate certain principles of conduct because of their riches, power, or status. "Acts of corruption to include bribery and extortion, which necessarily involve at least two parties and other malfeasances that a public official can carry out alone, including fraud and embezzlement," (Jonny, 2018). According to them, it takes the form of official actions such as politicians and high-ranking officials embezzling public cash or using public assets for private gain.

According to Lace (2020) corruption involves using illicit ways to achieve wealth or influence at the expense of the public. Corruption is defined as "the abuse of public office for private gain". This definition excludes corruption in the private sector and only addresses corruption in the public sector. This notion aligns with Nobel Prize laureate Gary Becker's belief that eliminating the State eliminates corruption. According to Okeke (2019) corruption occurs when two individuals seek to benefit themselves at the expense of a third party. This does not mean that an individual cannot commit the act. Telvin (2013) defines corruption as "the misuse of entrusted power for private gain". Transparency International distinguishes between "according to the rule" corruption and "against the rule" corruption. Facilitation payments involve paying a bribe in exchange for preferential treatment for a legally mandated action. The latter involves paying a bribe to gain services that the receiver is not required to provide.

Corruption is defined as a systemic vice in an individual, society, or nation that involves favoritism, nepotism, tribalism, sectionalism, undue enrichment, wealth accumulation, misuse of authority, power, and position, and the derivation of undue gains and benefits. Bribery, kickbacks, over invoicing, fraud, unlawful payments, money laundering, drug trafficking, document falsification, false declarations, and aiding and abetting are all examples of corrupt behavior. Ultimately, corruption can be defined as an intentional attempt or purposeful diversion of resources from pursuing the general interest to pursuing one's own interests. Even though some of these definitions of corruption date back more than ten years, they are still quite relevant and adequate in light of the recent developments in Nigeria, where it has been discovered that stolen public monies total billions of US dollars and Nigerian naira.

Forms of Corruption

- A. Bribery: The exchange of cash or in-kind benefits in a corrupt partnership. These consist of payoffs, gratuities, sweeteners, greasing palms, and kickbacks.
- B. Fraud: It involves some form of fraud, deception, and trickery, as well as falsifications racketing, counterfeiting, and smuggling.

- C. **Embezzlement:** This is public officials pilfering public resources. It occurs when a state employee embezzles money from the public organization where they work. Perhaps as a result of lax regulatory frameworks, misappropriation of public monies is one of the most popular means of accumulating wealth in Nigeria.
- D. **Extortion:** This refers to the stealing of funds and other resources by way of threats of violence, coercion, or other malicious methods. In Nigeria, the primary perpetrators are the police and customs officials.
- E. **Favouritism:** This is a power abuse mechanism that suggests a blatantly skewed allocation of public funds. It is believed that people naturally choose their friends, family, and other close and trustworthy people.
- F. **Nepotism:** This is a unique type of partiality where the person holding the office gives preference to their relatives and family. It happens when someone receives undue favoritism when allocating limited resources or is excused from applying certain laws or regulations.

Causes of Corruption

The causes of corruption in Nigeria are complex and multifaceted and addressing these causes requires a comprehensive approach that involves government, civil society, the private sector, and individuals. George (2023) highlighted some of the key factors:

1. **Weak institutions:** Ineffective and inefficient institutions, lack of accountability, and poor governance.
2. **Cultural factors:** Entrenched cultural practices, such as nepotism, cronyism, and tribalism.
3. **Economic factors:** Poverty, unemployment, and income inequality create an environment conducive to corruption.
4. **Lack of transparency and accountability:** Insufficient oversight, secrecy, and lack of access to information.
5. **Poor leadership:** Corrupt leaders and public officials who set a bad example and prioritize personal gain.
6. **Inadequate legal framework:** Weak laws, inadequate enforcement, and poor judicial systems.
7. **Corrupt political system:** Politicians and political parties prioritize personal interests over public good.
8. **Societal norms:** Acceptance of corruption as a normal part of life and business.
9. **Lack of civic engagement:** Limited citizen participation in governance and oversight.
10. **External factors:** International corruption, money laundering, and illicit financial flows.
11. **Historical legacy:** Colonialism, military rule, and political instability have contributed to corruption.
12. **Lack of education and awareness:** Limited understanding of the negative impacts of corruption.
13. **Inadequate public sector management:** Poor human resource management, procurement, and financial management practices.
14. **Private sector complicity:** Businesses and corporations engaging in corrupt practices.

The Effects of Corruption on Socio-economic Development in Nigeria

A nation's sociopolitical and economic development can be negatively impacted by systemic corruption, which the National Planning Commission has identified as the main cause of development failures (National Planning Commission, 2005). Among other things, corruption impedes economic growth, as noted by Lipset and Lenz (2020) who also point out that this

effect is partially due to lower investment levels due to increased investment risk. Because the government spends comparatively more on items to make room for graft, corruption has an impact on education (Shleifer & Vishny, 2013; Lipset & Lenz, 2020). Furthermore, dishonest public servants would direct government spending to places where they could readily obtain bribes. Fraud is easier to commit on large, complex projects like highways or airports.

Furthermore, corruption, poverty and income inequality are related. In Nigeria, development projects are frequently too complicated in order to justify their unethical practices and exorbitant costs. Society suffers from corruption in a number of ways. First, because productive people are doing the work, productivity is not at its best. Second, it lowers morale throughout the nation and fosters feelings of frustration and pessimism. Passive or overly cynical attitudes arise when a significant segment of the public believes that honest efforts will not result in positive and desirable consequences. Economic distortions, inefficiencies, resource waste, and revenue loss or monies diverted from their intended purpose are some of the issues.

For instance, people protest against hardship on the 36 states of the federation, Nigeria, Thursday, Aug. 1, 2024. Thousands of mostly young people poured onto the streets across Nigeria on Thursday as they protested against the country's worst cost-of-living crisis in a generation as a result of corruption. Security forces fired tear gas to disperse some of the protesters in the capital, Abuja. (Vangaurd, 2024). People protest against hardship on the street of Lagos and Nigeria at large, Thursday, Aug. 1, 2024. Among the protesters was 32-year-old Jane Hingir, who shared her emotional struggle to make ends meet. "I have been struggling to make ends meet, but it's getting harder every day," she said, her voice filled with a mix of frustration and determination. Jane's personal story mirrored the broader national struggle, highlighting the everyday challenges faced by many Nigerians. (Vangaurd, 2024).

Corruption has had a devastating impact on the development in Nigeria, affecting various aspects of the country's economic growth and development which includes:

1. Economic stagnation: Corruption discourages investment, hinders economic growth, and leads to a decline in living standards.
2. Inefficient allocation of resources: Corruption diverts funds intended for public goods and services, leading to inadequate infrastructure, healthcare, and education.
3. Poverty and inequality: Corruption exacerbates poverty and widens the gap between the rich and the poor.
4. Lack of trust in institutions: Corruption erodes trust in government, public institutions, and the rule of law.
5. Undermining democracy: Corruption threatens democratic processes, undermines accountability, and fuels political instability.
6. Environmental degradation: Corruption facilitates environmental degradation, as regulations are ignored or circumvented.
7. Social injustice: Corruption perpetuates social injustice, as those with power and influence exploit the system.
8. Brain drain: Corruption drives skilled professionals to seek opportunities abroad, depriving Nigeria of essential expertise.
9. Loss of revenue: Corruption leads to significant revenue losses, reducing the government's ability to fund development projects.

10. International isolation: Corruption damages Nigeria's international reputation, making it harder to attract foreign investment and aid.

Strategies to curb Corruption

Implementing these strategies requires a sustained effort from government, civil society, and citizens to create a culture of transparency, accountability, and integrity in Nigeria and by tackling corruption, Nigeria can unlock its potential and achieve sustainable development. Ola (2020) outlines some strategies that can be employed to curb corruption in Nigeria as follow:

1. Strengthen institutions: Enhance the independence, capacity, and accountability of anti-corruption agencies, judiciary, and legislature.
2. Promote transparency: Implement open governance initiatives, such as freedom of information laws and budget transparency.
3. Encourage citizen participation: Support civil society organizations, whistleblower protection, and community engagement in anti-corruption efforts.
4. Improve public financial management: Enhance budgeting, accounting, and auditing practices to reduce opportunities for corruption.
5. Enforce laws and regulations: Ensure effective enforcement of anti-corruption laws, regulations, and penalties.
6. Foster a culture of integrity: Promote ethical values, integrity, and accountability within government, private sector, and society.
7. Support anti-corruption agencies: Provide adequate resources, training, and independence to anticorruption agencies.
8. Address poverty and inequality: Reduce poverty and inequality, which can fuel corruption.
9. Improve access to education and information: Educate citizens about corruption, its effects, and ways to report it.
10. Encourage international cooperation: Collaborate with international organizations and countries to combat cross-border corruption.
11. Establish a whistleblower protection policy: Safeguard individuals who report corruption.
12. Conduct regular audits and investigations: Identify and address corruption in government and private sector.
13. Strengthen asset recovery mechanisms: Enhance efforts to recover stolen assets and return them to Nigeria.
14. Improve political financing transparency: Regulate and monitor political financing to prevent corruption.
15. Support anti-corruption research and innovation: Encourage research, innovation, and technology to combat corruption.

Conclusion

In conclusion, corruption has had a profoundly debilitating, impact on Nigeria's socioeconomic development, exacerbating poverty, inequality and social injustice. The effects of corruption in Nigeria includes; stunted economic growth and development, reduced government revenue and public resources, inefficient allocation of resources and mismanagement of public funds, undermined trust in institutions and governance, encouragement of illegal activities and organized crime and disproportionate impact of vulnerable population.

Recommendations

Based on the conclusion, the following recommendations were made:

1. Strengthen anti-corruption agencies: empower and resource agencies like EFCC and ICP to effectively investigate and prosecute corruption cases.
2. Implement treasury single account (TSA): Consolidate government revenues to reduce mismanagement and embezzlement.
3. Conduct regular audits: ensure transparency and accountability in government finances and contracts.
4. Enforce asset declaration: monitor and verify asset declaration by public officials to prevent illicit enrichment.
5. Establish whistleblower protection: safeguard individuals who report corruption.
6. Strengthen judicial institutions: ensure independence, impartiality and effectiveness in prosecuting corruption cases.

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