

CORRUPTION IN AFRICA: REFLECTIONS ON NIGERIA

By

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INTRODUCTION:

This paper grows out of a recent (May-October, 2000) assignment of mine in the country of Nigeria. My firm, IBTCI, had joined with another U.S. based consulting firm, Chemonics International, to work on a macro-economic policy project in the country financed by U.S. AID. In this paper I hope to look at African corruption as an obstacle to economic growth, but to look at the problem in the very specific context of one African country--Nigeria.

There were several reasons why this May to October time frame proved to be propitious for an examination of Nigerian corruption. First, it was during this period that Transparency International, the widely respected non-governmental organization monitoring governance throughout the world, published its ranking of corrupt countries, its so-called Corruption Index. TI announced that for 1999 Nigeria ranked number one on its list of 90 countries evaluated, giving it the dubious distinction of being “the most corrupt country in the world”.² The impact of this widely publicized announcement on the “man in the street” was one of noticeable frustration. This was because shortly before the TI pronouncement the National Assembly, Nigeria’s national legislative body, considered and passed the Obasanjo-initiated Anti-Corruption Act. In fact Obasanjo, in

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² TI had ranked Nigeria in 27th place only the year earlier when Cameroon occupied the top spot.

summing up his first year in office, called this his “most important piece of legislation”.

No mention was made of this act in the TI report which saw Nigeria moved from its place as the 27th worst offender in 1998 to first place in 1999.³ The sentiment most often expressed was ‘what does a country have to do?’ to begin to shake off the reputation of a very corrupt country.

The second reason stems from the fact that civilian government is still a relatively recent phenomenon in Nigeria. Prior to May of 1999 Nigeria had been ruled by a series of corrupt military dictatorships that not only enriched themselves in massive proportions but also, almost daily, suppressed human rights. The internationally-monitored, fair elections that brought Obasanjo to power and breathed life back into the country’s moribund legislative and judicial arms of government have brought dramatic changes to the country. It is this environment that I hope to share with you today and to examine corruption in its light.

In addition to being in the right country at the right time to study African corruption, the nature of my assignment was also ideal from the standpoint of getting a good exposure to the ideas and views of some very articulate Nigerians. As I stated, I was in the country working on a U.S. AID-financed capacity-building project in the field of macro-economic analysis. In that role I had the good fortune to work with about 40 mid-level Nigerian government officials from both the executive branch and the country’s

³ Nor was mention made of the anti-corruption drive sponsored by President Obasanjo, nor of the more than \$1 billion of public contracts that were cancelled or re-negotiated as the result of an Obasanjo established contracts review board. Commission of Inquiry for the Review of Contracts, Licenses and Appointments. The Commission was launched June 7th 1999, less than one month after President Obasanjo’s swearing in and submitted its report on the 25th of November 1999. The Commission reviewed all contracts that had been approved over the period 1 January through 28 May 1999. Of the 4,072 contracts reviewed, 1618 were confirmed, 770 were required to be renegotiated and 1,684, or 41 percent, were cancelled. The Commission noted in its report that most of the contracts it reviewed were awarded by procedures other than the open tendering process stipulated in government regulations.

legislative branch, the National Assembly. Working daily with such a dedicated and highly motivated group of Nigerians gave me a unique opportunity to explore the topic of corruption at some depth. I am grateful to the trainees for their willingness to speak openly and with candor of the plight of Nigeria and the impact on individual Nigerians living in the country that Transparency International ranked as the most corrupt country in the world.

I will argue that the Nigerian model of corruption, although not identical to others found across the continent of Africa, is sufficient similar to be useful to our understanding of the topic. Moreover, it is my contention that unless we focus on the cultural underpinnings of corruption we will continue to concoct half-way measures and short-term solutions that are unlikely to remain in place for any significant period of time. Worse, it will only serve to deepen the national cynicism rife in the country and will threaten the nascent instruments of democracy being developed in a “hot-house” environment.

THE ROOTS OF NIGERIAN CORRUPTION

The work I undertook for U.S. AID, under its capacity building strategy, consisted primarily of training mid-level Nigerian bureaucrats drawn from both the executive and legislative branches of government. The training courses were practically identical for the two groups and concentrated on project appraisal, economic analysis, financial analysis and welfare economics. The specific goal of U.S. AID in funding such a program was to help develop a cadre of governmental officers that could make sensible decisions as to what kinds of economic projects were in the country’s best interests.

The inclusion of staff members from the National Assembly was seen as a necessary compliment to the training given to the executive branch officials. AID hoped that they could stimulate a constructive economic dialogue across the federal government concerning the proper utilization of scarce resources and growth-generating public investments.

The trainees in the classes all had records of substantial public service and had had exposure to earlier authoritarian regimes. The specific subject of corruption came up frequently especially when the topic of failed projects was discussed and the reasons for the failures. The trainees took very little time in getting involved in the courses. They were a bright and articulate group that would frequently stay beyond the appointed quitting hour to carry on with an intense debate over some aspect of the day's teaching. Nor were they especially shy about stating their own opinions about the topic of corruption.⁴

When I learned that I might be attending this symposium at Colgate University I asked the trainees for assistance. I asked both classes to set down on paper their own thoughts and attitudes about Nigerian corruption. I gave no instructions about how to prepare the statements except to say that they were to be voluntary and could be submitted unnamed. In this way I hoped to get the trainees to speak more candidly about the subject of corruption in Nigeria. Roughly one third of the two classes responded to my plea to give me their own personal views on 'what corruption means to me' and submitted statements. I should add that in my explanation for why I needed the

⁴ The openness and candor of the trainees was undoubtedly enhanced by the press of Nigeria. The daily newspapers were as critical and unrestrained as any I had ever seen anywhere. It would not be an exaggeration to say that no day went by during my stay in Nigeria that I didn't read at least three or four stories on past and present corruption in the country.

statements I told them about this conference and how helpful it would be to have some personal statements from people that had lived through the recent military dictatorship known as the Abacha regime.⁵ To underscore the importance of this point I would add that while I was in Nigeria the press was reporting almost daily on an estimated \$4 to \$5 billion that the previous ruler had siphoned out of the country and placed in secret bank accounts in Europe and North America. The fact that a number of reputable and respected western financial institutions had assisted in this process was certainly not lost on the students.⁶

As I thought about the subject myself and knowing I was working in an African country given the dubious distinction of receiving the top rank of Transparency International's list of most corrupt countries, I tried to approach the subject with the degree of seriousness it deserved. I asked myself 'what it would be like if I lived in a society so corrupt that people from other countries would not bother to get to know me as a person, but simply lumped me into a category of corrupt individuals and gave me no opportunity to set the record straight regarding my own family situation?' As a husband, father, and soon to be grandfather, I thought of what I personally had tried to instill in my children in terms of values and mores. It came as a staggering realization to fully understand that my behavior had little effect on how I would be viewed in another country. I came to realize that my good name would have been stolen from me by individuals who had no idea who I was, nor would they care about what their actions had

⁵ I have quoted some of the trainee statements and have included them in an annex to this paper.

⁶ Indeed in the last month before this conference was to be held one found frequent references in the western financial press to how these transactions were facilitated by western banks. According to an October 19th article in the Financial Times: "Banks in London played a key role in enabling former Nigerian dictator Sani Abacha to launder more than \$4 bn looted from the country during his four and a half year rule...", Financial Times, Oct. 19, 2000.

caused me to lose. It was only then that I began to recognize the true dimensions of Nigeria's corruption problem, and at the same time, be able to grasp what would be required to rescue the good name of the average Nigerian. In spite of the country's immense poverty (with 70 percent of the population living on \$1 per day), the robbery of a country's good name was in actual fact a greater hardship than poverty, or so it seemed to me.

Tribal Loyalties and the Foundation of Corruption

Most Nigerians can trace their roots back to small villages characterized by a single ethnic grouping and the involvement of frequently four generations living side by side. The typical Nigerian village was "undemocratic" in the modern sense of the word, being led by a chief with lifetime tenure. The chief might head a village council of elders or wise men. Village tasks such as farming, hunting, carrying, cooking, child-care, etc. were usually well established and performed by a sub-group of the village population. Special events in the life of an individual or family were honored often with the involvement of the entire village. Major requirements in the lives of villagers were brought to the doorstep of the village chief or one of the elders. A sense of obligation based on ethnicity and village standing carried with it an unwritten understanding that the most well-off among the villagers were under obligation to help the least well-off among them. This sense of village or tribal loyalty has often been admired and respected far beyond the borders of the village community.

But it is precisely this sense of loyalty and obligation that provides the starting point for much of Nigeria's corruption when the individuals move out of the village and

onto a larger stage such as a district, state or federal government position. It was widely acknowledged by the majority of trainees that local/ethnic loyalties remain strong in the new locale. Jobs, contracts, inside information, are all recognized as being dependent upon these special relationships that were often nurtured at the village level.

Consequently removing these relationships, as a basis for corruption requires the difficult task of saying behavior, valued and admired in one setting, is unacceptable and illegal in another. This type of “re-education” is extremely difficult to achieve in a short period, and judging by Nigeria’s experience, it has failed miserably. So far, after just a year and a half experience with civilian rule, the public remains extremely cynical about the ability of the Nigerian administration to make much of a dent in the corrupt behavior that has plagued the country for years. Some Nigerians have argued that, in spite of the showpiece anti-corruption legislation promoted by the President and passed by the National Assembly, the public at large remains cynical and will remain so until a few individuals known to be close to the President and/or the National Assembly are actually sent to prison with stiff prison terms.⁷

COPING WITH CORRUPTION

Why corruption, as a proper subject for development, took so long to come out into the public arena is unclear. Perhaps the long existence of the Cold War which forced

⁷ As I was preparing this paper I came across a recent article in the Financial Times reporting on a major corruption trail in China that had concluded with 14 guilty participants being condemned to death. However the article also reported “relatives of top Communist party and military figures have been spared investigation...”

the super-powers to compete with each other for allies, friends, or just countries willing to remain neutral caused the aid donors to look the other way or to not raise sensitive subjects. Then too for much of the thirty-year period from the Fifties through to the Seventies it was considered not only impolite but a violation of national sovereignty if the subject of corruption was raised.⁸

A MODEST PROPOSAL

Nigeria's experience with an elected civil government is so recent that much of the anti-corruption drive is still in significant flux. The President has stated that the anti-corruption law that he promoted and was passed by the National Assembly was the most important legislation of his first year in office. Yet as Keith Henderson, law professor at American University, has pointed out: "drafting and passing reforms without building a public consensus for them usually means they will not be implemented or enforced. This kind of non-participatory process leads to more public cynicism.... Experience tells us that even if strong, independent legal institutions and well-crafted laws and hotlines exist, they will do little to expose corruption if people and society are generally unwilling to report on the misdeeds of their colleagues or fellow citizens. Toward this end, developing public trust, respect for governmental institutions and the rule of law through concrete action is a fundamental first step in the overall reform process."⁹

The trainees were asked the question, 'is it enough to simply institute laws and procedures that will stop corruption in the present and future but let bygones be bygones

⁸ As late as 1983 the United States Treasury felt that it had to raise the distasteful subject of President Ferdinand Marcos of the Philippines and his tendency to reward his "cronies" with monopoly concessions in the sugar and coconut sectors, with the IMF. At the initial meeting between the Treasury and the IMF, the Fund staff professed complete ignorance about sector concentration in the Philippines saying that it traditionally left such subjects to the World Bank.

⁹ Keith Henderson, "Abstract of Draft Background Paper Prepared for the Organization of American States", Oct. 2000, Brookings Institution Corruption Workshop.

and forget about past corruption. The commentators were nearly unanimous in saying that allowing officials to hold on to their ill-gotten gains and to simply agree not to violate the law in the future was unacceptable. They believe that some way must be found to bring past perpetrators to account and to impose some type of punishment.

It was during these discussions that a proposal was considered that might meet two tests: first, that it would have to be workable and second, it would have to be seen as a kind of rough justice. The proposal that received reasonably strong backing was as follows: Borrowing from the concept of the recent South Africa Peace and Reconciliation Commission, it was proposed that a grace period of from three to six months be established during which time individuals could come forward and account for their ill-gotten gains. The accounting would need to be confirmed by a reputable accounting firm as a fair recording of the wealth derived from illicit activities. Once this confirmation was received the individual (from the public or private sectors) or business establishment would be expected to contribute x percent of the wealth to the federal treasury. This percentage would need to be low enough to serve as an encouragement for people to come forward but also high enough so that the average citizen would understand that a significant penalty was being exacted from the corrupt official. For sake of argument we might chose a figure between 30 and 40 percent. The remaining balance would then be declared to be part of the individual's own wealth holdings and free from any further government action. After the grace period had expired any individual found to have engaged in corrupt acts going back for a reasonable, administratively manageable, period of time, say ten years, would be subject to prosecution with 100 percent of the ill-gotten wealth forfeitable, to the state to be accompanied by a stiff jail term.

Understandably this proposal would need to be subject to certain refinements dictated by actual conditions present in today's Nigeria, but it should emerge roughly in this form. Most of the trainees would settle for nothing less. They felt that to do anything less would dishonor the bulk of the Nigerians that had tried to live moral and upstanding lives only to have their country's reputation besmirched by the acts of a few selfish individuals who thought only of themselves.

CORRUPTION IN AFRICA: ANNEX

REMARKS OF THE NIGERIAN TRAINEES

These remarks were prepared by the individual trainees themselves with the understanding that they need not identify themselves by name. Several of the trainees, nonetheless, did identify themselves but I would like to treat the remarks in the same fashion and therefore none will be identified.

“Corruption is as old as man. The only difference is the degree or intensity of involvement. In Nigeria it has been elevated to a state act.”

“Corruption has been perpetrated in various ways and forms: inflation of contracts, as patronage, in political appointments, over-invoicing of procurements and services, over subscription of welfare packages, elevation of a culture of graft and nepotism into normative patterns of official conduct, in the lopsided recruitment of a section of the country into the various arms of the military, localization of public institutions, tribalism, ethnicism, obvious neglect of some sections of the country in terms of development and appointments into the public and civil services, sharp and shady deals among others.”

“The fall from a high moral pedestal is disturbing to many Nigerians still with conscience who believe that there is still hope for the new renaissance and democratic Nigeria.”

“To fight corruption is invariably to offer good governance. Good governance is defined to include respect for the rule of law and human rights, enhanced accountability, both in the public sector management and public environment, transparency through information disclosure, public expenditure reviews, capacity in public policy expenditure reviews and capacity in public policy, analysis and dissemination. Other vital areas include a credible legal and regulatory system/ these are the vital building blocks for sustained economic growth. “

“There should also be reforms both in the public and civil service and there should be capacity building in all tiers of governance. Anti-corruption laws must be adequately enforced, the key ‘watchdog’ institutions made strong and sufficiently funded, and corrupt practices visibly punished.”

“To reduce corrupt practices, a fully adequate salary level, adequate pensions and a higher degree of accountability are a must for the civil service. The absence of these features creates a strong pressure for petty corruption at the lower level of the wage scale and grand corruption at the top.”

“The Judicial arm of the government needs to be adequately paid, well staffed and well qualified, otherwise, a weak and corruptible judiciary can not enforce contracts and property rights, and prosecute wrong doers.”

“It is unfortunate to state that today, Nigeria is one of the most corrupt countries, if not the most corrupt, in the world. That does not give cause for pride. It has seeped and soaked all facets of Nigerian life, and irrespective of the Anti-Corruption Act recently passed, it would be a hard fight to try to eradicate it. The reasons for this include:

- 1) The tradition of being one’s brother’s keeper has made some Nigerians, once in a public office, accord undue advantages to one’s brothers, kin, including ethnic members.
- 2) Once in a public office, there are unjustifiable advantages one is expected to extend to one’s family, friends and others close to the one appointed/elected.
- 3) The primitive acquisition tendencies have not been expunged from the life of an average Nigerian, after all there is the saying ‘you pass this way only once’ that is common in Nigeria”.

“As of today, most, if not all, of the political public office holders are products of the military entrenched corruption because the cost of getting into the political public office limited it only to those who could buy the offices. Consequently upon the above, these public office holders have to ensure the recovery of the money spent in getting into such offices. One has to recall the frequent saying of some of them, ‘I did not get elected to now become poor’”.

“Lack of the political will or moral justice to get the past perpetrators of corruption to account or atone for their deeds is perhaps the greatest obstacle to the eradication of corruption”.

“Before independence in 1960 there was little corruption but there were elements of it. With the incursion of the military, corruption became institutionalized and reinforced. The military, not only corrupted itself, it also corrupted other segments of society, namely: civil service, the judiciary and the traditional people. The traditional structure had been an important element, which held our social values in tact. Having corrupted this segment of our society other segments fell apart. Corruption was also rooted in our social family structure. Family values were let loose as corruption crept into our schools and universities. Merit and standards were downgraded in favor of mediocrity.

“...to the human race and especially African communities, corruption is embedded in the natural life”.

“Corruption to all intents and purposes is a global phenomena and is a product of the absence of ‘good governance’ and is a feature of most countries of the world, especially Africa”.

CONCLUSION

Nigeria’s success or failure at its efforts to rid the country of the blatant corruption that earned for that country the title, “the most corrupt country in the world” will depend on a number of factors. Partly it will depend upon the country’s ability to implement an effective strategy for economic growth. Rising national income will help reduce the country’s abysmal level of poverty. Programs to empower the poor and to establish social safety nets are costly and hard to maintain in a stagnating economy. To that end the developed countries of the world may choose to support a meaningful debt reduction program for the country with assurances that the freed-up foreign exchange can be directed into effective anti-poverty programs. But in the final analysis, it will be the

country's own efforts to re-educate the public about the importance of ethical and honest government and business procedures that will make the difference. I have tried to convey above just how difficult such a re-educational program will be if it is to prove successful. It is safe to say that this effort if it is to succeed will require a number of years. Donor nations in this day of "aid fatigue" are not known for their patience. Expecting this very difficult and entrenched problem to be solved in the near term will doom the effort to failure. Yet, Nigeria will have to demonstrate that they have earned the patience of the donors and the evidence to date, while reassuring, remains limited. In short, "the jury is still out" on Nigeria.