

Global Corruption and Governance in Nigeria

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Abstract

The paper focused on governance in Nigeria vis-à-vis global corruption. It examined the various ways by which global corruption has affected governance in Nigeria. Key concepts were discussed, namely, corruption, governance, global corruption and characteristics of global corruption. The paper which defined corruption as impairment of integrity, virtue or moral principle, also identified its causes as greed, love of money, and excessive pleasure, among others. Corruption was found to have a symbiotic relationship with poverty. Global corruption, characterized by the rich western countries supporting dictatorship in developing countries and destabilizing democracies in these countries for their selfish purpose, is found to be responsible for many failing states in the Third World countries, Nigeria as a typical example. While the paper identified the attributes of good governance as transparency, rule of law, accountability, efficiency, effectiveness, equity, and responsiveness, these were found to be almost out of place in the governance system in Nigeria thus contributing to governance failure in the country. The paper suggested the way forward as being transparency in every transaction, especially transactions between the donor western countries and the recipient countries, among others. The paper concluded that in addition to internal causes, namely ethnicity, religious intolerance, nepotism, and bad leadership, global corruption has greatly contributed to governance failure in Nigeria.

Keywords: global corruption, governance, corruption, leadership

1. Introduction

Governance in Nigeria dates back to the pre-independent period. This was an era when the colonial masters were at the helms of affairs. At independence in 1960, governance changed from the hands of the British colonial masters to the hands of Nigerians. The Parliamentary system of government, patterned after the British system, was adopted. However, the first Republic led by Sir Tafawa Balewa collapsed on January 15, 1966 with the coup-d'état led by Major Patrick Chukwuma Kaduna Nzeogwu. As a result of the coup, the Constitution of Nigeria was suspended. The coup brought on board Major-General J.T.U. Aguiyi-Ironsi as the Head of Military Government and Commander in-Chief of the Armed Forces. In August of 1966, another coup-d'état terminated the regime of Aguiyi-Ironsi and brought to power Colonel Yakubu Gowon who ruled for 9 years. Gowon's government was terminated in a military coup in 1975 and it ushered in Brigadier Murtala Muhammed who was assassinated during the Dimka Coup on February 13, 1976. His second in command, General Olusegun Obasanjo, succeeded him and continued with the transition programme which he (Murtala Muhammed) started on getting to power. It was that transition programme that brought in the Second Republic on October 1, 1979. Obasanjo's government lasted until 1979 after organizing an election among 5 political parties. These parties were Unity Party of Nigeria (UPN), National Party of Nigeria (NPN), Great Nigeria People's Party (GNPP), Nigerian People's Party (NPP) and People's Redemption Party (PRP). The election was won by Alhaji Shehu Shagari of the NPN. By December 31, 1983, Shagari was deposed in a bloodless military coup which ushered in Major-General Muhammadu Buhari. President Shagari's regime was "perceived to be notoriously corrupt and incompetent (<http://www.iss.co.za/af/profiles/nigeria/politics.htm> of 2/19/2012). In August 1985, another bloodless military coup that ousted General Buhari was staged by Major-General Ibrahim Badamasi Babangida who ruled until 1993. He was the first military leader to call himself "President". By 1992, Babangida introduced what was described as a diarchy into the governance system of Nigeria. This system had the military president at the centre and the civilian at the helms of affairs at the state and local government levels. Babangida embarked on a transition to civilian rule programme that led to the general elections in 1993. The June 12, 1993 election was believed to have been won by Chief M. K. O. Abiola. It was the cancellation of the June 12, 1993 election

that led to wide and violent protests which forced him to step aside after ruling for about 8 years (1985-1993). Before stepping aside, however, he instituted an Interim National Government (ING) headed by Chief Earnest Sonekan in August 1993. By November 1993, General Sani Abacha, his Defence Minister, staged a palace coup against the Interim National Government and reverted to full military rule with him as Military Head of State and Commander-in-Chief of the Armed Forces. His regime ended abruptly on June 7, 1998 with his sudden death. The members of his Provincial Ruling Council (PRC) then selected the Chief of Defence Staff, General Abdulsalam Abubakar, as his successor. It was General Abubakar that successfully conducted the general election which brought in a civilian administration headed by Chief Olusegun Obasanjo on May 29, 1999. His tenure lasted till May 28, 2007. Democratic governance has since been in place but the headship has changed twice: Alhaji Umoru Musa Yar'Adua succeeded Chief Obasanjo on May 29, 2007 but he died in office in May 2010. His term was completed by Dr. Goodluck Ebele Jonathan (Vice President) as Acting President until May 28, 2011. He was sworn in as substantive President on May 29, 2011 having won the election that year. There have since been a series of accusation of corruption and non-performance against the democratic government under President Jonathan.

The background information as given is to correct people's belief that military intervention was probably the sole cause of governance failure in Nigeria. There is also the belief that the military actually planted and nurtured to maturity the culture of corruption in Nigeria. This accusation cannot be shrugged off easily because the military was in power for 29 years before 1999: 1966-1979 (13 years) and 1983-1999 (16 years) out of 51 years of governance since independence in 1960. However, events under the democratic rule since 1999 have shown that corruption is not limited to a particular regime type but that it is inherent in the Nigerian system (Omoso, 2008).

Corruption is considered to be the bane of governance in Nigeria. Although accusing fingers are, most of the time, pointed at internal sources, can we really blame internal corruption alone for the problems of failure in governance facing the Nigerian government? No! There are external forces contributing to governance failure in Nigeria. After all, corruption occurs at the global level. In this case, globalization of corruption may have its effect on the Nigerian situation. This paper, therefore, intends to discuss the issue of corruption from the global perspective and relate global corruption to the problems of corruption and governance in Nigeria. While highlighting other causes of failure in governance in Nigeria, the paper intends to look into key issues, namely, the concept of corruption, global corruption, the characteristics of global corruption, governance, and the effect that these have on governance in Nigeria.

2. Corruption

Corruption is defined as "impairment of integrity, virtue or moral principle" (Dictionary definition). In his paper titled "Constitutions, Good Governance and Corruption: Challenges and Prospects for Nigeria", Oyewo (2000) sees corruption from within the context of legal system and administration of justice, as well as from the "internal legal normative expression of the term". According to him, there is no universally acceptable definition of corruption. Another scholar Heidenheimer (1977) categorized corruption into three, namely, public-office centred corruption (poc), market-centred corruption (mcc) and public-interest centred corruption (picc) (Note 1). From a philosophical point of view corruption is defined simply as decay, the coming into being of a gradual destruction of morals, society and institutions or government by the behaviours of persons as agents of decay. Decay is the natural cause of odour in a dead body. It is the corruption of the body, like putrid smell of a rotten animal (Makinde, 2009). Perhaps, it is this corruption as putrid odour that is fouling Nigerian social, political and economic systems. Whatever the type of corruption, there is no doubt that acts of corruption are capable of destroying the fabrics of administration as a result of their negative impact on governance (Makinde et al., 2008). For the purpose of this paper, corruption will be seen from the perspective of the dictionary meaning which is "the impairment of integrity, virtue or moral principle".

Many causes have been given as being responsible for the endemic nature of corruption in the Nigerian society. They include greed, love of money, wine and women, and lack of fear of God, among others. Corruption is also on the increase because of non-enforcement of rules and regulations (Makinde, 2002). Many big officials in Nigeria have gone off the hook after being indicted for collaborating with foreigners in defrauding Nigeria of huge sums of money. The Halliburton case is a good example. While the other countries punished their own citizens, nothing was done to those indicted in Nigeria. Even some of those who were found to be corrupt locally had a "plea bargain" and went to prison for six months only to come out of prison to enjoy the "fruits of their dirty deeds". The former Inspector-General of Police, Mr. Tafa Balogun and Mrs. Cecilia Ibru former Managing Director and Chief Executive of the Oceanic Bank in Nigeria enjoyed this rare privilege. The plea bargain allows the culprits to trade off a percentage of the money they had stolen while in office. Poverty is also said to be a

major cause of corruption, while corruption also results in poverty (<http://www.globalissues.org/article/590/corruption>). By this, it is being argued that corruption has a lot to do with the problem of poverty, just as poverty has a lot to do with the problem of corruption. As corruption can cause poverty, poverty can also cause corruption. That means that there is a symbiotic relationship between the two, i.e., corruption and poverty.

Corruption permeates all levels of society and government in Nigeria - local, state and national governments, civil society, judiciary, businesses and the military. It negatively affects political and economic developments while it also undermines democracy and its values. However, it is not only the local or national corruption that undermines democracy. As pointed out earlier, global corruption is also a good candidate. What then is global corruption?

3. Global Corruption

From the author's point of view, global corruption is the one that goes beyond the local, state and national levels with international dimensions as it goes beyond the shores of any nation. At this level of corruption, the economic system of the affected nations is badly affected because, according to the write-up in global issue (2012), "the international economic system that has shaped the current form of globalization... has also created conditions whereby corruption can flourish and exacerbate the conditions of people around the world who already have little say about their own destiny". This statement is connected to the form of corruption perpetuated at the global level by the developed countries, especially against the developing nations. It is a form of corruption that has a lot to do with the issues of governance in the developing countries.

4. Characteristics of Global Corruption

Rich countries, especially of the Western world, have been accused of having been involved in corrupt practices around the world. Neild (2002:209) is one of the protagonists that have accused the rich countries and their agencies as sometimes being "accomplices in corruption abroad, encouraging it by their actions rather than impeding it..." Global corruption comes in different styles namely, bribery, unequal trade agreements, structural adjustment policies, and award of loans or grants to developing countries which are known to be corrupt, among other findings. Neild also highlighted some specific corrupt practices of the rich countries which usually adversely affect the governance of the Third World countries. These include:

- Supporting dictatorship, destabilizing democracies, and funding opposition, etc.;
- Firms from rich countries bribing rulers and officials from developing countries to gain export contracts, particularly in the arms trade and in construction (even justifying it by suggesting that bribery is "customary" in those countries and so they need to do it in order to compete);
- The "corruption-inducing effects of the purchase (by the rich countries and their international corporations) of concessions in Third World countries to exploit natural deposits of oil, copper, gold, diamonds and the like". Payments made to rulers often violate local (and Western) rules, keeping corrupt rulers in power, who also embezzle a lot of money.

The above are in addition to other forms of bribery which, according to Hawley (2000), may be pervasive and difficult to detect. According to her, "Many Western companies do not dirty their own hands, but instead pay local agents, who get a 10 per cent or so 'success fee' if a contract goes through and who have access to the necessary 'slush funds' to ensure that it does." She goes further to say that there was a time when many countries including France, Germany and the United Kingdom treated bribes as legitimate business expenses which could be claimed for tax deduction purposes.

There is no doubt that these atrocities have a way of affecting the governance of any country, developing or developed, Nigeria being no exception. In his write-up, Neild feels that the issue of bribery also has negative effects on the domestic political behaviour of rich countries. Of particular concern to him is "the apparent tendency for bribery, which is intense in the business of seeking resource concession and selling arms, to become a secret habit of western firms and politicians that infects their domestic political behaviour". "For too long", he lamented, "French policy in Africa has been neither moral nor effective". Susan Hawley (2000) wrote in the same vein when she indicted the multinationals of corrupt activities. She accused the international business environment of making it easy for multinationals to make outrageous profits from the poor countries as a result of some policies behind globalization "which appear to encourage and exacerbate corruption, as accountability of governments and companies have been reduced along the way". Western businesses are accused of paying huge amounts of money in bribes to win friends, influence, and contracts. These bribes, according to Hawley, are

conservatively estimated to “run into US\$80 billion a year - roughly the amount that the UN believes is needed to eradicate global poverty”.

Before looking into the ways and manner global corruption has affected governance in Nigeria, we shall quickly examine the concept of governance.

5. Governance

Governance has been defined as “the set of processes, policies, laws and institutions affecting the way a country, institution, society, etc. is directed or controlled” (IFAD, 2012). Governance can be good or bad. It is good when the society being governed is free from corruption, that is, when the authority and its institutions are “accountable, effective and efficient, participatory, transparent, responsive and equitable” (IFAD, 2012). Such governance will also be consensus-oriented and obey the rules of law. Governance is bad when the society being governed exhibits what is contrary to the characteristics of good governance as described above.

6. Governance in Nigeria

How would one describe governance in Nigeria? From the definition given by the International Fund for Agricultural Development (IFAD) above, there is need to examine the level of accountability, effectiveness and efficiency, the level of participation, transparency, responsiveness and equity in the Nigerian system of governance.

On the issue of accountability, Nigeria’s situation is outrageously bad. The recent petroleum probe has shown a lot of sharp practices among those in authority. For example, the subsidy claims on premium motor spirit (PMS) kept on changing on a yearly or monthly basis and without justification and accountability. *The Nation* (Business) on February 8, 2012, p.11 under the heading “Subsidy Claims Jump by N22.8b, says Lemon” revealed outrageous inconsistencies in figures being claimed as subsidy. While subsidy claim was N22.8 billion as at December 15, 2011, it jumped to N1.7 trillion by January 2012! In another report, there were “discrepancies between N1.75 trillion subsidy presented by the Central Bank of Nigeria (CBN) to the Committee probing fuel subsidy removal against the N1.9 trillion quoted by the Accountant General of the Federation (AGF) within three weeks of the subsidy probe” (*The Nation*, February 10, 2012, p.11). In the April 11, 2013 issue of *The Nation*, it was reported that -

The Economic and Financial Crimes Commission (EFCC) yesterday re-arraigned a suspended Permanent Secretary, Atiku Abubakar Kigo, and six others, for allegedly stealing N46 billion from police pension funds (p.1).

The Permanent Secretary and his team could not care what happens to the affected pensioners some of whom might have actually died of hunger and/or lack of funds to procure maintenance drugs which they need to keep them alive.

The above scenarios expose the low level of accountability, especially financial accountability, among those responsible for governance in Nigeria. Looking at the problem of accountability from the economic point of view, mismanagement of the economy by public servants has created serious economic problems to the individual and it has also aggravated the level of political and social crises within the nation (Makinde, 2002).

While effectiveness is the achievement of set objectives, efficiency is the achievement of set objectives at a minimum cost. Governance in Nigeria cannot be judged as either being effective or efficient. Although there are set objectives, especially as regards provision of adequate social services such as well equipped hospitals, good roads, adequate electricity supply, none of these have ever been on ground in the past and at present. This explains why, as a result of the poor conditions of hospitals in Nigeria, three prominent Nigerians - Chief Matthew Tawo Mbu, the Biafran leader Odumegwu Ojukwu and Professor Sam Aluko had to seek medical help outside Nigeria in the United Kingdom (UK), to be precise. Eventually, all of them died in various London hospitals. Despite government’s repeated promises of a steady electricity supply, Nigerians have been providing their own electricity through generators and inverters, and even their own water supply through wells and boreholes. It will, therefore, not be out of place to say that each Nigerian has become a ‘local government’ to himself or herself! In most cases, the Nigerian man builds the roads leading to his house, and he ensures that he provides security for himself and his family by hiring private security men known as Megads (Note 2). What then is governance when government fails to provide necessary infrastructures and security for its people? For this reason we can say that, in Nigeria, perhaps there is no government in the proper sense of the word. As for efficiency, it has been argued that even when government provides infrastructures, it does so at outrageous costs while the infrastructures suffer from lack of proper maintenance.

The level of people's participation in governance is low and this is reflected in the way and manner the oil subsidy was removed on January 1, 2012 without adequate input from the public who are the potential beneficiaries of good or bad governance. As a matter of fact, only one session of public forum took place where majority of the people actually spoke against, and consequently rejected, fuel subsidy removal. Thereafter, government assured the people of Nigeria that subsidy would not be removed until April 2012. However, contrary to its promise and all expectations, government went characteristically ahead to suddenly remove fuel subsidy, raising the price from N65 to N140, an increase of 115%. Surely this would not happen in any democracy with good governance. It is a veritable example of bad governance par excellence.

For transparency, responsiveness, and equity, nothing much can be said in favour of governance in Nigeria. Many things are done in secrecy without adequate information to the people. Also, in terms of responsiveness, the Nigerian government does not seem to see it as an essential aspect of good governance. If it does, many strike actions would have been averted, especially strikes by the Academic Staff Union of Universities (ASUU) which usually occurred after government had reneged on mutually signed agreements between the Union and government. The same is true of strikes by other Trade Unions. However, government has always pretended that all was well when, as a matter of fact, the contrary was almost always the case. The above scenarios have led well-meaning people to ask the question whether there is a government in place in Nigeria. According to the United Nations Economic and Social Commission for Africa and the Pacific (UNESCAP), there is equity and inclusiveness when members of a society feel that they have a stake in the society and do not feel excluded from its mainstream policies and decisions ([http://www.unescap.org/pdd/prs/ProjectActivities/Ongoing/gg/governance of 2/20/12](http://www.unescap.org/pdd/prs/ProjectActivities/Ongoing/gg/governance%20of%202012)). This cannot be said of the system of governance in Nigeria. Many of the violent uprisings may not be unconnected with the people's feelings of exclusiveness or alienation. The problems of "Boko Haram" and the "Niger Delta Boys", etc, easily come to mind.

The question now arises: Is it only corruption that is responsible for governance failure in Nigeria? Obviously, the answer cannot be in the affirmative. Corruption (local, national or international) is not the only cause of governance failure in Nigeria. There are several other causes including ethnicity, nepotism, religious bigotry, bad leadership and poor management, among others. The problem of ethnicity dates back to the amalgamation of 1914 which brought together people of completely different cultures, values, religion, and language. Most of the time people see themselves first as Yoruba, Igbo, or Hausa/Fulani before they see themselves as Nigerians. When such an attitude is brought to governance, rather than practise equity, the contrary will be the case. This often results in people from certain ethnic nationality feeling excluded from sharing in the dividend of democracy. Recently, a Yoruba man was lamenting on the television about the way Yoruba region was sidelined by the Goodluck Jonathan administration. Interestingly, a similar complaint would be given by the Igbo and people of the Niger Delta. It is usually one before others. Little wonder then, that people are calling for National Conference where the different ethnic nationalities that make up Nigeria would come together to determine their conditions of staying together as a united country.

Poor leadership is another cause of failure in governance in Nigeria. It appears that majority of the people in position of leadership in Nigeria lack discipline and foresight. Such leaders cannot be an asset to the country. Nigeria has been unfortunate to have a history of poor leadership since its independence. Both the civilian and military leaders right from independence were adjudged to have been undisciplined and corrupt while their actions have been guided by ethnicity and nepotism. Tafawa Balewa, the first Prime Minister of Nigeria, was accused of being interested only in the North to the extent that when the western part of the country was "burning", he took no step to arrest the situation until it resulted in the first Coup d'etat of 1966. This certainly was a clear case of ethnicity! Major-General J.T.U. Aguiyi Ironsi was accused of favouring the Igbos when he became the military Head of State. He was killed along with Lt. Col. Adekunle Fajuyi in August 1966. Subsequent Heads of State - General Yakubu Gowon, Murtala Muhammed, Olusegun Obasanjo, Muhammadu Buhari, Ibrahim Badamasi Babangida and Sani Abacha were all accused of one thing or another. While Gowon was accused of not knowing how to manage the sudden wealth of Nigeria after the discovery of oil, General Buhari was accused of being a tribalist, a brutal ruler, as well as a religious bigot. General Babangida was accused of institutionalizing corruption in Nigeria through his many bad policies, including the Structural Adjustment Programme (SAP). General Abacha was accused of laziness and brutality. He was also accused of stealing huge sums of money in local and foreign currencies. General Obasanjo was, however, credited with being the military Head of State who willingly handed over government to the civilians with Alhaji Shehu Shagari as President in 1979. However, in his second coming then as a civilian President, he too was accused of stealing the nation's money. The National Library which he built in his home town - Abeokuta, and the acquisition of shares with N200m in the Transcorp Corporation and many shady deals in allotment of oil blocks

to friends and cronies are clear cases in mind. He spent national money for personal projects - a clear case of corruption and financial indiscipline. Although Alhaji Shagari was not accused of stealing, his lieutenants did. Shagari had no control over his lieutenants like Alhaji Umaru Dikko for example. For this lapse on his part, he can be called a weak leader. Alhaji Umaru Sheu Yar'Ardua was a sick man and never had much time to devote to governance or stealing. The present President, Dr. Goodluck Jonathan is not faring better either, given the way and manner he treated suspected criminal looters of public funds and handled the issues of fuel subsidy and of security especially the Boko Haram problem. His case is like that of a helpless and hapless President.

From the above discussions, it is glaring that there has been governance failure in Nigeria all along. Unemployment which has always been the problem in Nigeria is on the increase. For example, more than 3000 bank workers were sacked in the first week of February 2012. These ones have joined the unemployment market. Inflation has gone up from 10.4% in December 2011 to 12.6% since the removal of oil subsidy in January 2012. Security is at its lowest level with the Boko Haram sect killing and maiming innocent people mostly Christians, on a daily basis. People feel insecure in their own regions, and more insecure outside their regions; universities are closed for months; pensioners are suffering from non-payment of their gratuities/pensions; there are no good roads, no well-equipped hospitals and, most significantly, people are hungry all over the country. In all of this, the part played by ethnicity (tribalism) and poor leadership is of an immense proportion. Ethnicity has led to the idea of sharing the national cake which is often distributed among prominent members of ethnic societies at the detriment of developing their societies while poor leadership is responsible for lack of fiscal discipline and lack of judicious use of human and financial resources. In most cases, leaders think only about the amount of money they can amass to themselves and their cronies than the amount of money to be spent to improve their states and general condition of their citizens. Lacking in foresight, they think more about present than the future gains, thus giving the impression that they have no plans for the future. The case of James Ibori who confessed to have stolen N37.4bn is a good one. We may now wish to ask how global corruption has impacted negatively on governance in Nigeria. This shall be discussed from three perspectives namely, economic, social and political.

7. Impact of Global Corruption on Governance in Nigeria

No doubt, global corruption has negatively impacted on governance in Nigeria economically, socially and politically.

Hawley (2000) highlights some of the impacts that multinationals' corrupt practices have on developing countries. These include undermining development and exacerbating inequality and poverty, distorting decision-making in favour of projects that benefit the few rather than the many. In addition, they increase national debt by encouraging leaders who they know are fraudulent to take loans which, eventually, will be stolen or wasted. They take actions that will benefit the companies, not the country; they bypass local democratic processes; they damage the environment as in the case of the Niger Delta Region where lands and waters have been polluted with impunity; they also put smaller domestic firms in a serious disadvantage through unfavourable trade agreement.

Economically, through the giving of bribes, the rich countries of the western world have succeeded in enriching a few individuals in the Nigerian government to the detriment of the rest of the people. By this singular act, poverty is at its peak in Nigeria. Nigeria never seems to have enough money to execute its projects because most of these projects are overpriced, and sometimes the contracts are given to the highest bidder who cannot even perform. The same project is repeated by awarding another contract that may not be executed thus leading to a colossal waste of public funds. The Halliburton case is still fresh in our memory. It was a scandal involving a Houston-based KBR who sent his men to bribe top officials with a whopping sum of \$180bn in order to win contracts for liquefied natural gas facilities (<http://thenationonlineng.net/2011/index.php/news/37768-two-brit...of-2/26/2012>). While three of the foreign collaborators, 2 Britons (74-year old Wojciech Chodan and Jeffrey Tesler) and an American (Jack Stanley) were reported to have been sent to various jail terms by their home governments, nothing was done to the Nigerian partners indicted in the case. That was just one of the numerous foreign businesses that have won contracts through bribery and corruption on the Nigerian soil. If the deal had succeeded, the bribe sum would have been added to the cost of the project and this would have cost the nation more than it ought to be, at least in excess of the amount of \$180bn.

The Structural Adjustments Programme (SAP) suggested by the International Monetary Fund (IMF) and implemented by General Babangida actually ruined the Nigerian currency and economy. It prescribed devaluation of the Naira while it gave the impression that it would attract foreign investments to Nigeria. Also, Nigeria was encouraged to borrow and it continued to borrow more while the borrowed money was usually siphoned into private pockets instead of its being used for the intended purposes. In his last conversation with

Moses Makinde, a Nigerian Philosopher, Obafemi Awolowo, a renowned politician, had made an important point about the evil of external borrowing: "If you borrow too much money you lose your economic independence and self-esteem, and I think losing your economic independence and self-esteem is good for the western countries, and it may very well be their strategy for economic and political domination which we Africans have refused to understand" (Makinde, 2008). The resultant effect of this is economic slavery and poor social service delivery to the people. The bad economy of this nation has made many of the young brains to have migrated to various countries, even within Africa. The exodus of brains from Nigeria is not restricted to the young ones, even the bad economy has made some highly qualified professionals and businessmen who should be developing Nigeria to have relocated to other countries. America and Europe play hosts to some of these brains, while some countries in Africa like South Africa, Botswana and even our neighbours Ghana and Gambia have followed suit.

Many indigenous firms have folded up their businesses because of some of the regulatory laws, through globalization, which actually do not favour them but only the multinationals. Dunlop Nig. Plc. and Nigerian Bottling Company, producer of coca cola have both relocated to the neighboring Ghana owing to the exorbitant cost of doing business in Nigeria occasioned by lack of electricity supply and high cost of powering their plants with generators. By folding up or locating to other countries, many jobs were lost and poverty went on the increase. As of today we do not know how many companies would fold up or relocate to other countries owing to lack of necessary infrastructures that industries and companies need for their developments and growths.

On the social scene, there is no doubt that there is poor social service delivery system in Nigeria. Government has failed to provide basic necessities of life because of "lack of funds" whereas as an oil rich country there are abundant funds which are only looted and siphoned into private pockets as against the use of the funds for development of the nation. As highlighted earlier, water, electricity, good roads, well-equipped hospitals, well-equipped schools, security and services are highly inadequate, if not almost unavailable, necessitating individuals to provide these things for themselves at exorbitant costs. There is a high level unemployment resulting in poverty, as well as increased crime rates such as kidnapping, ritual killings, armed robbery, prostitution, hired assassinations and other criminal activities. These anomalies can be traced to global corruption which has enabled those in government to steal money meant for the provision of social services while the foreign countries always make provision for a safe place to keep these loots in their foreign banks. Since these basic infrastructures are necessities of life, those who have access to government money sometimes have to help themselves to some amount in order to be able to provide these services for themselves and their families. By this, we mean that the inability of government to provide the needed services sometimes lead to corruption.

The issue of environmental degradation is another social problem created by global corruption. Perhaps, because of the exchange of money that has taken place between the oil companies and those who are expected to complain and make the oil companies clean the environments where they get oil, nothing is done while the people of the oil producing areas suffer a great deal due to environmental degradation. The waters in the Niger Delta has been polluted and made undrinkable while there are reports of regular loss of fish production owing to the polluted waters. All this is apart from lands devastated by oil spills and consequent air pollution that is dangerous to human life. Yet, the giant oil companies like Chevron and Shell are not doing enough to alleviate the general condition of life of people in the affected areas. Unfortunately, the Federal Government has not come out forcefully in aid of the people in these environmentally degraded areas of Nigeria probably because big foreign companies are involved as culprits. This situation accounts for the sporadic violence in the Niger Delta region. On this matter, we can say categorically that when and where there is no peace, political activities and respect for the government are hard to come by as the whole scenarios hinge on bad governance.

Politically, global corruption has impacted negatively on governance in Nigeria. The amalgamation of the Northern and the Southern Protectorates in 1914 was meant to benefit the British and not the people of Nigeria. It was meant for easy administration of the two protectorates - The North and the South. The 1914 "marriage of convenience" of the North and the South has since been one of the major causes of mutual suspicion and political instability in Nigeria. The Western powers have been accused of supporting dictatorships in developing countries (Neild, 2000); it is believed that they also support incompetent rulers so that they (the Western powers) will have their way in such countries. In the case of Nigeria, the British government was accused of supporting the North against the South before the 1960 independence because the Southerners were considered to be too intelligent and sophisticated to handle. That is, perhaps, the reason why it was so arranged that political power should always go to the northern part of Nigeria. It is even suspected that the current political uprising in the

north has to do with the current power shift to the south. Unfortunately, when there is no peace in the nation, governance becomes an impossible task, either at the Federal or State level.

There is no way this paper will be complete without referring to the role of foreign banks, especially the Swiss Bank where money stolen and looted from most Africa countries are lodged without questioning. In many instances, even after the death of such African leaders, these foreign banks are usually not willing to return the stolen money to their countries. A good example is the foreign account kept by General Sani Abacha and which was detected after his demise. Only a negligible amount was recovered. Having examined the issue of global corruption vis-à-vis governance in Nigeria, it is very clear that Nigeria has failed to exhibit the characteristics of good governance as discussed earlier and that global corruption has contributed immensely to this failure. As things are, what is the way forward?

8. The Way Forward

Since the major problem of bad governance lies in financial corruption, there should be a way of solving the problem, focusing on financial institutions such as the World Bank and International Monetary Fund (IMF). According to a report by Hanlon and Pettifor (2000) it was suggested that there should be an attempt to “provide a more just, democratic and transparent process in terms of relations between donor nations and their creditors”. The report went further to suggest as follows:

- (i) Restoration of some justice to a system in which international creditors play the role of plaintiff, judge and jury, in their own court of international finance.
- (ii) Introduction of discipline into sovereign lending and borrowing arrangements – and thereby preventing future crises.
- (iii) Countering corruption in borrowing and lending by introducing accountability through a free press and greater transparency to civil society in both the creditor and debtor nations.
- (iv) Strengthening local democratic institutions by empowering them to challenge and influence elites.
- (v) Encouraging greater understanding and economic literacy among citizens, and thereby empowering them to question, challenge and hold their elites to account.

The World Bank can assist these developing nations by suspending the granting of loans where there are concerns about corruption. The Bretton Woods Project Organization cited the cases of Kenya, India, Bangladesh, Yemen, and Argentina whose loans were suspended by the World Bank because of corruption (Global Issues).

Back home in Nigeria, there must be a conscious effort on the part of those in government to live a transparent life, and shun overtures from foreign multinationals who may wish to bribe them in any form or manner. If foreign Institutions like the above are really interested in the economic growth and development of Nigeria as well as other African countries, they should be honest with themselves by not entering into shady deals that will enhance corruption in Nigeria and developing countries. Instead they should insist on minimum profits and good service deliveries in the economy of a country whose growth they are purported to work for in the first place. The World Bank should stop indiscriminate and immoral lending of money to countries that are only interested in the loan not for the purpose for which it was negotiated but for purpose of its embezzlement. The indiscriminate lending proves the fact of the effect of global corruption on the corruption in other countries like Nigeria. Such action, *ipso facto*, helps to escalate the rate of poverty caused by the deployment of money meant for the development of human capital, infrastructure and improvement of general condition of citizens.

9. Conclusion

The paper which examined global corruption and governance in Nigeria concluded that in addition to some internal causes of governance failure which included ethnicity and poor leadership, global corruption stands out as a major contributing factor to failure in governance in Nigeria. In the word of Robert Neild, “A former colonial power has taught corruption to its African clients - who were willing pupils - and there is nothing to persuade us that they have not rewarded their friends in Paris...” Can we then say that global corruption is one of the dividends of colonization of Africa in general, and Nigeria in particular? Our answer to this question has been suggested by facts and arguments as presented in this paper which, though not exhaustive, are relatively enough as defense of the import of title.

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Notes

Note 1. For details of these three categories of corruption, see Makinde, Popoola and Ologunde, 2008, "Corruption and its Implications for Social Service Delivery in Nigeria" in *Ife Social Sciences Review*, No. 1, Vol. 23, pp. 160-175

Note 2. *Megads* is a common word used in Nigeria to refer to private security men employed to watch over buildings.

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