

**CORRUPTION AND NATIONAL DEVELOPMENT: A LECTURE
DELIVERED AT THE CENTRE FOR DEMOCRATIC DEVELOPMENT
RESEARCH AND TRAINING, PMB 1077, ZARIA, KADUNA STATE,
NIGERIA, AS PART OF THE ACTIVITIES OF PROFESOR BALA USMAN
ANNUAL MEMORIAL LECTURE, ON SATURDAY, 31ST MAY, 2008.**

**BY
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EPILOGUE**

1. It is a great honour, and with gratitude to the Centre, though with a sad memory, that I stand before this August Assembly to deliver this lecture in memory of a great and younger friend, Bala Usman, the founder and the moving spirit of the Centre for Democratic Development Research and Training. I remember with nostalgia that ten days before Bala died, he was with me in my house at Akure. He visited me to discuss not only the aims, policies and activities of the Centre and the part that I might play, but also to discuss the then on-going economic policies of the Federal Government and their anti-people trends. We also discussed his comments on the National Economic Empowerment and Development Strategy (NEEDS), Document, published by the National Planning Commission, Abuja, 2004, as the much advertised economic blue-print of the Federal Government and which was being marketed nationwide by the then Minister for National Planning and Economic Adviser to the Federal Government, and now the Governor of the Central Bank of Nigeria, Professor Charles Chukwuma Soludo. Bala had published in book form, the Centre's Occasional Publication 1-2004, April 2004, an open letter to President Olusegun Obasanjo on NEEDS, titled, "ARE YOU SERIOUS ABOUT NEEDS, MR PRESIDENT?". It is a 63-page publication, printed by Vanguard Printers and Publishers Ltd, A15 Gatari Road, Barnawa, PMB, 2048, Kaduna, Nigeria. It is a master - piece by a celebrated political historian. Even an Economist could hardly ex-ray the NEEDS Document much more critically and expose its shallowness and directionlessness than Bala did in the document. At the end of our meeting, we were united in the belief that neither Soludo, nor Obasanjo, nor the authors of the Strategy were committed to the soul of the document nor to the welfare of the generality of Nigerians. We also affirmed that NEEDS was not in conformity with the Fundamental Objectives and Directive Principles of State Policy, enshrined in Chapter 2 of our 1999 Constitution, and which the.

President, the Vice President, the Ministers and the Members of the National Assembly swore on oath to strive to preserve on their assumption of office, as contained in the Seventh Schedule of our 1999 Constitution. It was therefore a great shock to me to hear a few days after that Bala, who was so full of life while with me at Akure, had passed into eternity. May his wonderful, patriotic and nationalistic soul rest in perfect peace with his creator.

2. Bala has been more than justified about the unseriousness of President Olusegun Obasanjo with NEEDS. During his eight years as the President of Nigeria, Obasanjo had six different Economic Advisers/Ministers of National Planning who were supposed to have been responsible for mid-wifing NEEDS. They were, Chief Philip Asiodu; Dr Magnus Kpapol (now poverty alleviation campaigner); Professor Charles Soludo, Professor Ode Ojowu; Dr Osita Ogu, and, Senator (Dr) Wali! The unseriousness is more than obvious even today when, apart from NEEDS, President Umaru Yar'adua is faced with his Seven Points Agenda, the Eight Points United Nations Millennium Development Goals, the American AGOA, the African NEPAD, and, the sudden Food Crisis. Without a comprehensive, articulated National Development Plan can any President of Nigeria be taken as serious with pursuing the greatest good for the greatest number of Nigerians? So, though Bala is dead, his posers to the former President of Nigeria are germane to the sitting President of our great country.

3. One will need to read the publications emanating from the Centre for Democratic Development Research and Training to understand the inner recesses of the mind of the late Bala Usman. If you read; 'The Plunder of Nigeria: the Example of Bauchi, State, Facts and Figures' (March 2003); 'The Invasion of Iraq, the War and the War Criminals', (April 2003); and, 'Nigeria: Who is a Settler?' (August 2004), all Bala's publications in Analysis, the Journal of the Centre, amongst others, it will be obvious how great a Nigerian and an intellectual giant Bala was. His memory is worthy of celebration. I am proud to have been his friend. He was one of the most valued Consultants to the Federal Government's National Economic Intelligence Committee of which I was the Chairman, during 1994-1999. I join you all in this memorial.

AGOA = African Growth and Opportunity Act, designed by USA for Africans to supply cassava for American cattle while Africans starve for food!
NEPAD = New Partnership for Africa's Development, for good governance. It is a ruse.

PERSPECTIVES OF CORRUPTION

4. Corruption is an ethical and moral problem not subject to a consistent theoretical construct, because corruption varies from place to place, time to time, culture to culture and with the level of economic development. Nevertheless, there seems to be a correlation between the level of economic development and the incidence of corruption, more developed economies being less corrupt than less developed economies and the differential in income and welfare being a determinant factor in corruption. Where incomes are less unequally distributed the incidence of corruption is lower than where there is a high degree of inequality in income distribution. Therefore, more socialist and more welfarist economies tend to be less corrupt than capitalist or market-oriented, individualistic economies.
5. Since it also appears that the higher income earners are generally the more corrupt, possibly, because their responsibilities or wants also increase faster than their income, there seems to be no diminishing marginal utility of money among the rich, otherwise, the Head of Government of a country or the Governor of a State should not be corrupt, employers should not exploit their employees nor those in employment seek to take bribe from the employment seekers.
6. Also, the productivity theory of corruption is a possible theory in the sense that since corruption seems to redistribute income in favour of the corrupt class, wise investment of the proceeds of corruption can contribute to a more rapid rate of economic growth, through a higher level of savings and investment. Therefore, the proceeds of corruption, if invested, preferably at home in the economy, generates more development than if its proceeds are hidden in foreign banks. In economics, that is what is called, “productive corruption”, even though ethical economists also aver that woe to him or to a country that develops an economy with iniquity.
7. The fight against corruption seems a lost battle since every economy has a certain degree of corruption, as has been demonstrated by the Transparency International in its corruption indices of many countries, varying from the least corrupt to the most corrupt, the most corrupt scoring zero and the least corrupt scoring 10 marks. It is economically more productive to fight poverty than to fight corruption and the battle against the former is more likely to be won earlier than the battle against the latter.
8. The lecture demonstrates with statistics that poverty has increased in Nigeria since the 1980s, largely because the purchasing power of Nigerians had diminished due to the massive devaluation of the naira from NO. 5564 naira to \$1 in 1980, to N132.9 to \$1 in 2004, and to N120 to \$1 in May, 2008, without a corresponding rise in earned income or in government revenue, inspite of the phenomenal rise in the price of crude oil which is the main source of our

government revenue. The economic policies of the Federal Government of Nigeria since the 1980s have been individualistic and market- oriented, with consequent intensification of corruption within and outside the government, including in the private sector, which is in public- private partnership, (PPP) with government in corruption.

DEFINITION OF CORRUPTION

9. Encyclopaedia Americana defines “corruption” as a general term for the misuse of a public position of trust for private gain, and that its specific definition and application vary with time, place and culture. It goes further to state that many actions that are regarded as corrupt may not be so defined in law even though they may constitute a departure from strict ethical standards of a society. It also admits that the definition of corruption in areas outside politics is uncertain, inspite of the fact that corruption in large, quasi-public enterprises and in private enterprises may be injurious to the society and to the economy. The Concise Oxford English Dictionary (Wordsworth Reference) defines corruption as putridity, taint, debasement, spoliation, impurity, perversion, bribery, dishonesty, venality, rottenness and immorality. Religious books, like the Bible, regard idolatry, covetousness, oppression, violence, corruption of princes, corruption of prophets, corruption of priests, wickedness, pride and greed as corruption. When, however, we talk of Corruption in Nigeria, as we so often do in our public and private discussions, and when our friends and our detractors abroad talk of corruption in Nigeria, it appears that it is the financial aspects that are the main focus. It is also assumed that the focus of the organisers of this memorial lecture on “Corruption and National Development” is essentially material, financial and economic. This paper will therefore, focus mainly on financial corruption as it is injurious to the economy, without neglecting its other aspects which may directly or indirectly adversely affect the economy and the society and which may, in essence, be the main causes of corruption. It is necessary to dispose of these other non-financial aspects of corruption before concentrating on the financial aspects as they affect the economy and its development.

SOME EXAMPLES OF CORRUPTION

Disobedience to laws and to constituted authority

10. Corruption is not a Nigeria or an African word. It is Anglo-Saxon and it is as old as humanity. When Adam was commanded by God, in the Garden of Eden, that he could eat of all the fruits in the garden except one, and he and his wife ate the forbidden fruit, they were condemned as corrupt and driven out of the garden. It consequently brought hardship and corruption on the human race. But it has also brought phenomenal development to the human race and to society, politically and technologically. Many continue to wallow in corruption, though they do not get thrown out of their countries but are, more often than not, the main rulers, the leaders and the elites in their respective

countries, including ours. So, disobedience to constituted authority is corruption and it is universal in varying degrees in time and space, but it also creates leaders, rulers and elites. Those who disobey our laws, for instance, and corruptly violate them with impunity become our Presidents, Governors, Parliamentarians, and leaders, and preside over the development of our nation.

11. In Europe, corruption began with the kings and the queens who brutally ruled and pillaged their subjects. The struggles between the kings and their subjects, say in England, led to the rise of parliaments and to the election of the people's representatives to fight the excesses and the corruption of the monarchs. They led to the electoral reforms, first in England, later in the European Continent and latterly in the United States of America. The struggles against political corruption gave rise to the democratic system of government and to the rise of the modern states and governments and to the worldwide campaigns against corruption. So, campaign against corruption has also brought out good governance, rapid economic and political development and the reduction of man's inhumanity to man.

ELECTORAL CORRUPTION

12. Electoral corruption was the first type of corruption to be combated in England. Prior to 1832, the elite, the land-owners, and the local rulers purchased votes and sent their cronies to the British Parliament to protect their specific interests. The British parliament was filled with representatives of those whom we now refer to in Nigeria as 'political god-fathers'. They financed the elections of poor but willing candidates whose elections they manipulated and whose actions and inactions in Parliament they controlled and determined. Then, through the Reform Acts of 1832, 1867, 1884, 1897 through 1928, the voting systems in England were reformed and they, today, reasonably reflect the true wishes of the British electorate.
13. In the USA, similar purchasing of votes, electoral coercion, promises of office, granting of special favours and similar acts that interfered with the freedom of electors occurred. The corrupt system, known popularly in USA as the 'spoils system' began to be curbed through the Pendleton Acts of 1883, the Federal Anti-Corrupt Practices Act of 1890 and 1925, the Hatch Act of 1939 and 1940, the Taft-Hartley Act and the Revenue Act of 1971, the Campaign Funds Acts of 1972, and the other Acts, ever since, that sought to limit unduly large expenses on elections and on corruptly influencing the electoral processes. They have helped to reduce the ostensibly corrupt stable of the American Political Scene, even though no known American leaders, except President Richard Nixon and Vice President Spiro Agnew, had ever been casualties of the American corrupt electoral system. But the cleaning of the electoral system in the USA continues and has greatly enhanced the cleansing of the USA economic system which initially thrived and developed largely on corruption and gangsterism.

14. **The Greek City States and Corruption**: Even the citadel of democracy, the Greek City States, were the bee-hives of corruption in money, influence and power which the Greeks spread across Europe, as the Greek civilisation expanded from their recluses to the commercial centres, provinces and dominions in ancient Europe. The Romans succeeded the Greeks and their corrupt exploits were even matters of reference in history books, including the Bible, up to and after the time of Jesus Christ. Ever since, many empires had risen and fallen mainly because of internal and external corruption and contradictions. Therefore, corruption has always been in the world, it is with the world, and it will always remain in the world.

MORAL CORRUPTION

15. Personal immorality had always been part of the human nature. King David killed his army general, Uriah, in order to acquire his wife into his large harem. Many Christian and non-Christian leaders are today perverting the human nature in the form of Gay-marriages and same-sex marriages. Many African leaders are immersed in immoral sex orgies and indiscriminate acquisition of women, all of which are some of the main causes of the ongoing scourge of AIDS in the world. Yet, the world goes round, possibly improving every day, economically and materially, in spite of these aspects of corruption. What then is the place of financial corruption in National Development?

FINANCIAL CORRUPTION

16. Today, the worldwide emphasis on corruption is centered on financial corruption and its ascribed debilitating effects on economic development of the poor nations of the world. Its essence is bribery and illegal and greedy acquisition of public funds into private pockets, which otherwise would have been invested for the public good. Thus, the World Bank concluded, in its 1998 World Development Report, that if just five percent of the value of all direct foreign investment and imports into countries known to be corrupt disappears, the gains will amount to a staggering \$80 billion a year and that unless the corruption disappears the countries providing the needed assistance and debt-reliefs to the poor countries will not continue to play the game any longer. In the pursuit of the efforts to reduce graft in the world, the Transparency International embarked on an annual grading of countries according to their degree of financial corruption, beginning from the most corrupt to the least corrupt. That is done by awarding marks out of ten marks to each of the considered countries, the lowest marks being awarded to the most corrupt and the highest marks awarded to the least corrupt. The corruption perception index scores relate to perceptions of the degree of corruption as seen by business people, risk analysts, and the general public, at home and abroad, and ranges from 10 (highly clean) to zero (highly corrupt).

In its 1998 index, 85 countries were considered. Denmark was considered to be the most clean, with 10 marks, while Nigeria was the fifth most corrupt with 1.9 marks, the same as Tanzania 1.9. The corruption index for each of the 85 countries is shown in Table 1.

17. In its 2001 index, Nigeria was considered to be the most corrupt, country, falling from the fifth position in 1998 to the first position, in 2001. This is shown in Table 2 . Table 3 shows the 2003 corruption indices of 93 of the 193 member countries of the world, 191 of which are members of the United Nations (excluding Taiwan and the Vatican City – The Holy See). Nigeria became the second most corrupt, country after Bangladesh, even though Nigeria's score fell from 1.9, in 1998, to 1.4, in 2003. Several of the countries x-rayed in 1998 were not ex-rayed in 2003. No country scored 10 marks in 2003, the highest score, Finland, being 9.7, indicating that every one of the 93 countries, including Denmark that was most clean in 1998 with 10 marks, had a degree of corruption.
18. Table 4 shows also the perception corruption indices for 50 selected countries analysed by the Transparency International in 2006. The table shows that Nigeria progressed from being the 5th most corrupt country in 1998, the most corrupt in 2001, the 2nd most corrupt in 2003, to the 6th most corrupt in 2006. The per capita gross national incomes of the 50 countries are shown in the table for 1998, 2001, 2003 and 2006, in order to see their relative increases or decreases. The Human Development Index (HDI) for each of the 50 counties is also shown in the table. The Human Development Index is scaled from zero (0) to 100. Countries scoring over 80 out of the 100 are considered to have high human development index. Those scoring from 50-79 have medium human development index, while those scoring below 50 are low. The human development index is derived from the situation of adult literacy, the average years of schooling by the school going age of children in the country, life expectancy in the country, the level of the income available to the citizens and the general welfare services provided by the government and the non-governmental organization to the citizens of the country. The human development index was started in 1990 by the United Nations Development Programme (UNDP) and has been published annually ever since. The HDI is thus a signal of the quality of life enjoyed by or available to the citizens of a country at a particular point in time. Although the correlation between the level of the per capita income and the level of corruption is not absolute, there is indication that low level of income, low level of national wealth, a low level of human welfare and a high degree of corruption are very closely related. That means that it is proper to infer that the poorer a country is, the lower is its level of human development index and the more likely that corruption will thrive more easily there. This means, therefore, that as a country improves in income, wealth and prosperity, its incidence of corruption tends to decrease.

19. It will be seen from tables 1-4, particularly from table 4, that:
- (a) Highly corrupt countries have also the least developed economies and have very low per capita incomes, and very low human development indices.
 - (b) The rate of increase in the per capita incomes of low income countries is very small and in some cases the per capita incomes even decrease over time. Examples in table 4 are Haiti, Guinea, Iraq, Myanmar, Congo (Zaire) and Paraguay.
 - (c) highly developed economies with high per capita incomes are also the least corrupt, have the highest human development indices and continue to increase their per capita incomes substantially over time. For instance, most of the countries that have more than 5 corruption perception index in table 4 increased their per capita incomes between 1998 and 2006 by over 50 per cent, inspite of their initial high incomes in 1998. They also have very high human development indices, mostly above 70.
 - (d) though they do not have the highest level of incomes, the democratic socialist countries of Scandinavia, Norway, Denmark, Sweden and Finland (the Nordic Countries) have the least incidence of corruption and the highest human development indices, because they provide elaborate welfare facilities for their citizens from the cradle to the grave. Their respective governments constitute the engine of growth of their economies and they control their markets to ensure that they have a social conscience. They do not role back their governments as is the vogue in Nigeria. They do not privatise public utilities and properties, nor do they enrich private people at the expense of their citizens, and, income differentials among persons are reducing from time to time in order to ensure national economic harmony.

NIGERIA'S SCENARIO

20. Since Nigeria is one of the internationally considered acme of corruption, the major part of the remaining paper will be devoted to the analysis of the causes and the consequences of corruption in Nigeria. Table 5 shows some basic economic indicators of Nigeria in selected years between 1980 and 2006. It will be seen that even though the total GDP in naira terms (column 3) and in per capita terms (column 5) increased substantially over the years, the per capita GDP in USA dollar terms (column 8) reduced from \$1450 in 1980 to \$459.5 in 2004. It increased to \$750 in 2006. Since almost 70 percent of every dollar earned in Nigeria was spent abroad during the period, the drastic deterioration in the dollar value of Nigeria's national wealth could not but tell on the individual and collective wealth, health and integrity of Nigerians. The role of inflation and the drastic reduction in the high exchange rate of the naira vis-à-vis the dollar were contributory to the deterioration mentioned and increased corruption.

21. Table 6 shows the annual price level index caused by the annual rate of inflation between 1980 and 2007. The table shows that the 2007 level was almost 83 times as high as the 1980 level. In other words, what cost N1 in 1980 cost N83 naira in 2007.

22. Table 7 shows the average basic wage earnings of the various levels of public officers between 1980 and 2007. The labourer on level 01 of our public sector scales of salary who was earning the minimum wage of N1200 in 1980, earned N7500 in 2007. That is, he earned about 6½ times in 2007 as he earned in 1980. The Permanent Secretary earned, in 2007, 10 ½ times what he was earning in 1980, and, the Honourable Federal Minister earned, in 2007, about 11 times what his counterpart earned in 1980. The price level indices in table 6 show that while minimum wages rose by about 6 ½ times between 1980 and 2007 prices rose by 82 ½ times and the value of the naira fell from N0.5454 to the dollar in 1980 to N120. 0 to the dollar in 2007. (column 7, table 5). That is, a naira in 1980 purchased what 220 naira purchased in 2007.

23. Table 8 shows the consequences of the behaviour of the economy between 1980 and 2007 on the total revenues of the Federal Government, the 36 State Governments, the Federal Capital Territory of Abuja, and the 774 Local Government in Nigeria. Although the total revenues of the Federal, the state and the Local Governments increased by almost 220 times from 22.6 billion naira to 4517 billion between 1980 and 2007, the dollar value of the revenue decreased from 41.290 billion in 1980 to 37639million in 2007, as shown in column 7 of Table 8. When we consider that Nigeria's population increased from 74.6 million in 1980 to 140million in 2006 and to an estimate 143 million in 2007 the increasing poverty of Nigerians in recent years becomes obvious. Table 5 shows that Nigeria's per capital Gross Domestic Product (GPD) decreased for \$ 1450 in 1980 to only 750dollars in 2006.

MEASURES TAKEN BY NIGERIAN GOVERNMENT TO COMBAT CORRUPTION

24. One of the political objectives enshrined in the 199 Constitution is that the State shall abolish all corrupt practices, and abuse of power. In pursuance of the objectives, the Constitution, in the Third Schedule, provides for the Code of Conduct Bureau, to ensure that public officers conform with the ethics of incorruptible behaviour, through the declaration of their assets before and after their holding of public offices. It also provides for the Code of Conduct Tribunals to try cases of corruption and abuse of office, or of perversion of conduct in the public service. The public officers covered by both the Bureau and the Tribunals include the President, the Vice President, Governors, Deputy Governors of States, Justices of Courts, Attorney-General and Minister of Justice, Ministers, Army Chiefs, Police Chiefs, top Civil Servants, Diplomats

in Nigeria and abroad, Chairmen, members and staff of Federal, State and Local Governments, Chairmen of Boards and Corporations and other similarly placed public officers. The Constitution also provides for the establishment of Election Tribunals at all levels of elections in order to ensure a corruption – free electoral process. Furthermore, the Constitution contains in its Seventh Schedule, Oaths to be taken by the President, the Vice President, State Governors, Deputy Governors, Ministers, Commissioners and Members of National Assembly, State Assemblies and the Local Councils. The oaths enjoin the officers to discharge their duties and functions honestly and faithfully.

25. In pursuance of corruption reduction, the National Assembly passed into law the Corrupt Practices and Other Related Offences Act, 2000; the Economic and Financial Crimes Commission (Establishment Act) 2002; the Anti-Money Laundering Act, 2002, the Anti-Drug Enforcement Act, 2002, and the Fiscal Responsibility Act of 2005, to strengthen the previous legislations on bribery and corruption. Previous to the 1999 Constitution, the Federal Government passed into law decrees to combat Banking Fraud, Foreign Exchange Fraud and Business and other Related Frauds. The Federal Government has also put into operation, the Due Process Mechanism to reduce fraud in the award of government contracts and in spending of public funds. It has been enlisting the support of the international community and of the International Financial Institutions, like the World Bank and the International Monetary Fund, in its fight against bribery and corruption. All the measures are designed to reduce the international image of Nigeria from being one of the most corrupt countries of the world.

OBSERVATIONS

26. Let me tell two or three short stories before concluding this lecture. When I first went to Britain in 1955 to study, during the orientation that we were being given as to how to live and survive in Britain, one of the things that we were told was that if a taxi driver drove us, at our disembarkation we should pay his bill plus 10% tip. I asked whether that was not a bribe after paying the due fare, and that if we extended that to all favours and services done for us, is that type of 10 percent payable, not be bribery and corruption? The Orientation Officer tried to distinguish between a bribe and a gift and that we should not confuse the two. Is it any wonder that in the past, our public officers demanded 10% bribe or gift on most contracts that they awarded?
27. In 1962, during my first visit to the United States of America, a State Governor was accused of having taken a bribe of \$8 million dollars on an under ground garage contract that his government awarded. When he was to seek re-election, his lady Attorney-General, who was to contest the governorship against him, accused him of bribery and corruption in respect of

the underground garage contract. The Governor came on the radio to say that the \$8 million was not a bribe but a gift and that if he had not taken it, the money would have gone to New York, the State of the Contractor, and that in any case, he had invested the \$8 million 'gift' productively in the state and was providing employment for upwards of 5000 workers, apart from its other multiplier effects. The Governor won the re-election with a landslide.

28. When I first visited Moscow, the Soviet Union, in 1968, I stayed in a Hotel in Gorky Street. It had no keys to my room nor to its door because, as I was assured, there were no hotel thieves in Moscow. When I went back to stay in the same hotel in 1992, after the collapse of Communism in the Soviet Union and the enthronement of capitalism, the 'market,' in place of communism, not only were the doors of the hotel heavily locked but they were also secured with chains and dogs, but inspite, thieves went in and stole lodgers' money and property in the hotel. The social and the economic system had changed and corruption, both public and private, had thrived in the Soviet Union, from the airport to the banks, and to the Presidency.
29. From the three instances, we can see that what goes for gift in one culture can be regarded as bribe in another. Is there any wonder, then, why our National Assembly refused to extend its Code of Conduct to exclude gifts, saying that traditional Nigerian culture accepts the giving and receiving of gifts, the size or the percentage notwithstanding? Our political leaders trained in Britain and America returned to Nigeria with the concept of 10 percent tip and gifts from contract awards. It is the extension of such tips and gifts that had made Nigeria notorious as a corruption-ridden country.
30. Secondly, corruption, whether as gift or as bribe, can also be productively invested and promote economic development, as the American State Governor rightly claimed. He took a bribe, invested it wisely, created many jobs, increased the state GDP and per capita income and won re-election. The difference between the corrupt American State Governor and the Nigerian Governor is that in Nigeria, that \$8 million would be lying securely in a Swiss, British, American or Canadian bank. It would constitute capital flight and thus reduce the rate of economic development of Nigeria. If he is discovered, as the American State Governor was discovered, he would be handed over to the Courts, to either the Economic and Financial Crimes Commission, the Code of Conduct Bureau or to the Independent Corrupt Practices Commission, after a nationwide broadcast by our Head of State on how tragic and horrendous his action was. He would lose the next election or be immediately impeached. Our corruption index will fall, possibly, lower than 1.2 of 2001. So, corruption, in terms of money received as bribe or gift efficiently productively invested in the economy can enhance economic development. History of Economic Growth is replete with nations and individuals who had pillaged other nations

in order to advance the economic development of their nations. The British Empire in the colonies, America through the slave Trade, and Western Europe through their colonial and imperialistic exploits developed their economies rapidly in the 16th, 17th, 18th and 19th centuries.

31. The Russian example also shows that the social and the economic milieu can reduce or increase corruption and that rather than fight corruption, it may be more productive to fight poverty and deprivation which are the parents of corruption. An economic system that cannot provide for the basic needs of its people cannot enoble the nation. Today, crime, graft, tax evasion and tax avoidance, undue affluence of a tiny minority amidst an impoverished majority is the system in the present Russian Federation. We read regularly of the corruption of the rulers of the independent republics of the former Soviet Union and the uprising of their citizens. The economic system has changed from socialism to capitalism and so the ethics of the people and corruption have assumed a dangerously high proportion.

32. Let me also give a Local personal example. Shortly after that I returned from Britain in 1959, with a PhD in Economics, I went home to visit my parents. My wife and I were driven to the village in our new car which we purchased with money provided by the Nigerian College of Arts & Science and Technology, Ibadan, which was then my employer. After being well received by my family and the entire village Community and we retired into our bedroom, my father and my mother came quietly into the room, called me and inquired very calmly but firmly how, so soon after my arrival from England I was able to possess a car. They were worried that I should not soil the family name by possessing a vehicle beyond my financial capacity. When I told them that it was the Federal Government that bought the car for me, to repay the cost over time, and that even my wife was also entitled to a similar facility so that we could have two cars, if we so desired, but for modesty we decided to have one, they were greatly relieved. They did not want any corrupt allegations against me and against the family that gave me birth. And it was one of the smallest cars of that era. Now, in the same village, some of my family members pooh-pooh me for coming to the village in a Peugeot Station Wagon Car when even Junior public officers and minor political office holders ride the latest Jeeps, Mercedes Benz and other cars out of the ordinary. Few Nigerians today, bother about the source of wealth or affluence of fellow Nigerians. The honoured and the Honourable are those with money and property. Honesty is no longer the best policy.

33. During the Colonial period, and until shortly after independence of Nigeria in 1960, if a public officer was suspected to be living a life above his legitimate earnings he was sure to receive a query thereto. All that, has disappeared today. Even a level 7 officer, today, can have a row of houses and an array of

cars if he works in an office where he has access to public funds. That is why the country's public service which was once efficient and virtually incorruptible has become a haven of corruption. That is why, it is now an accepted dictum that nothing works in government and the private sector is now regarded as the engine of growth and development of the Nigerian economy, even though the private sector itself depends virtually totally on the public sector for its drive. It is the deterioration in efficiency and honesty of the public sector that has retarded the once dynamic growth and development of the Nigerian economy.

34. As we can see from the various statistics that are accompanying this lecture, since Nigeria stopped planning and began to embark on a market based Structural Adjustment Programme (SAP) in 1986, and continued under a nebulous Reform Programme by the obasanjo Administration, corruption has continued to increase, because general and pervading poverty has continued to spread. Unemployment has increased. Infrastructural facilities have faltered. The few rich have grown richer but become more corrupt, partly because of the increasing pressure on them to sustain the poor, and the increasing number of dependants that they have to cater for. The poor continues to become poorer and corrupt, because life has increasingly become more difficult for them to sustain with their legitimate earnings. The middle class which has always been the harbinger of growth and integrity and society cleansing is confused and is diminishing daily and is not sure whether to join the thieving rich or the suffering and corrupt poor. In either case, the economy is the loser, because the thieving rich do not invest their loot in the productive sector of the economy as they should, and, the poor have not many places in which to work. In such a situation, the battle against corruption is a battle lost before it is begun. That is precisely what is happening in Nigeria today and in many other African and less developed economies, inspite of the plethora of anti-corruption legislations and institutions. That is why economic development in many African countries and in Nigeria is receding year after year, partly because the gift or the bribe takers refuse to invest the gift or the bribe productively in their respective economies.

CONCLUDING REMARKS

35. Nigerians and Nigerian Governments for a long time past had unduly emphasised the existence of corruption in Nigeria. Every incoming Government had always accused its predecessor government as corrupt and instituted probes of the politicians and public servants. Mohammed/Obasanjo Regime of 1975/79 dramatised it most by embarking on massive retirement and dismissal of public officers without adopting due processes. Ever since, because of the insecurity that sudden removal of public servants brought about by such actions, corruption has become more endemic in the public sector and

commitment and efficiency have suffered in the service ever since, Marched by the other economic factors mentioned already in this Lecture, the public service continues to wallow in corruption and sleaze. The economic, social and political development had consequently been adversely affected.

36. The Nigerian traditional cultures do not condone corruption but because of development imitated and cultivated from abroad, that culture of integrity, honour and candour had waned. Today, many Nigerians have become dishonest, with impunity and a large section of the society not only continue to tolerate them but also to venerate them. The result is that corruption continues to spread from the Local Governments, through the State Governments, to the National Government. But corruption is mainly a public sector phenomenon. Woe betide a Nigerian who steals his town- union funds. Which means that when the resources touch the Local community, as a close-nit community, one dare not be corrupt with it. Not even the Local leader, Chief, Oba, Obi or Emir, but if it is government's there is little or no such odium. This means that while Nigerians are basically honest as citizens, as public officers, they are inherently less than honest. In fact, many corrupt officials steal in order to benefit their local communities, which such Communities welcome as their own share of the national cake, since Governments hardly affect their lives positively from the increasing resources that have become available to governments over time, and because the richer the governments have been, the poorer and more deprived the majority of the citizens have become.
37. The result of continued deprivation of the lower ranks of our society has led to violence, armed robbery, thuggery, hostage - taking and murder against the society by the scum of our society. The result is that, today, the poor cannot sleep because they are hungry and distraust, the rich cannot sleep because the poor are awake. If the economic system does not change and improve in favour of the majority of our population, the crises will exacerbate, though development will continue, corruption in all its variants will also continue. This means that corruption can give birth to national development, and national development, if lopsided, can also give rise to increased corruption.
38. If the Federal and the State Governments of Nigeria, continue with the present policies of privatisation, monetisation, right-sizing, and the withdrawal from providing the needed social services, the gap between the rich and the poor will increase, between the private sector employees and the public sector

employees will increase and with it will increase public sector corruption and inefficiency and the corruption perception index of Nigeria will not improve.

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