

UNIJERPS
Unizik Journal of Educational Research and Policy Studies VOL.6;
https://unijerps.org
2021 Impact Factor: 5.641; 2020 Impact Factor: 5.355. January-June, 2021
Indexing and Impact Factor URL: http://sjifactor.com/passport.php?id=21363

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CORRUPTION: AN IMPEDIMENT TO ECONOMIC DEVELOPMENT IN NIGERIA

OKEKE, AUGUSTINA O.
Department of Edonomics,
Nwafor Orizu College of Education, Nsugbe,
Anambrs Atate.

Abstract
In Nigeria corruption has continued to be a serious impediment to economic development. This paper explains the concept of corruption as it affects economic development of Nigeria. It examines the nature of corruption and the causes of corruption. It critical discussed the effects of corruption on Nigeria economic development. The paper recommends that leaders should imbibes and respects the virtues of honesty, integrity, sincerity and responsibility and de-emphasizes the value attached to materialism. It also recommended that national wealth should be re-distributed equitably and there should be an upward review of public workers salaries and allowances. Conclusions were made.

Introduction
Every nation whether developed or developing strives towards achieving economic or sustainable development. A very crucial obstacle to development is the phenomenon of corruption. It is an established fact that corruption runs counter to national development and government developmental policies. Though a worldwide phenomenon, corruption is more a deep rooted social malady in most developing countries like Nigeria. Many factors according to Nwachukwu (2002) contribute to rising problem of corruption such as lack of proper political culture, distorted value system ostentations life style, poor remuneration of workers, avarice and lack of patriotism. It is on record that, it was due to high level of corruption in the first Republic by civilian rulers that led to military intervention in our political system. It is not an exaggeration to state that corruption has been one of the factors militating against national

development in Nigeria. Despite many laudable and wonderful economic, political educational and social innovations introduced to bring about national development, Nigeria still lag behind due to corrupt practices perpetrated by officials in government. In fact, this terrible evil has severely affected and frustrated the great hopes of people and the country for genuine development.. It is not an over statement to state that people outside Nigeria see our country as one of the most corrupt countries in the world. Transparency international rated Nigeria as the second and forth most corrupt country in 1999 and 2003 respectively.

The Meaning of Corruption

Anyacho (2002) says that corruption is as old as man and it exists in all societies in different degrees. In view of its being so rampant to the extent that, it has become a household name, makes it easy to recognize but difficult to define.

Dike (2002) defines corruption as perversion or a change from good to bad. It involves the violation of established rules for personal gain and profit. It is also an effort to secure wealth or power through illegal means. Corruption can also be defined as the perversion of public office for private advantage (Akpotor, 1998). The private advantage may be on account of personal, family, ethnic group, private clique or pecuniary interests. Oxford Advanced Learners dictionary (2000:261) defines corruption as "dishonest or illegal behaviour especially of people in authority. The act or effect of making somebody changes from moral to immoral standards of behaviour.

Nature of Corruption in Nigeria

a. **Political Corruption:** This takes place at the highest level of political authority. It occurs when the politicians and political decision makes who are entitled to formulate and implement the laws on behalf of the people are corrupt themselves.
b. **Bureaucratic Corruption:** This involves buying favours from bureaucrats who formulates and administer government economic and political policies. The areas involved are the acquisition of foreign exchange, import licenses, avoidance of tax etc.
c. **Electoral Corruption:** Manifestation of electoral

corruption in Nigeria includes rigging of elections and intimidation as seen in 2003 general election.

Other forms of corruption manifest in Nigeria as identified by Dike (2002) include:

1. **Bribery:** This involves payment that is done in corrupt relationship such as kick backs, payoff.
2. **Fraud:** This involves some kind of swindle, forgery, smuggling, and deceit etc.
3. **Embezzlement:** This is theft by public officials. It involves state and federal officials stealing from public institutions in which they are employed.
4. **Money Laundering:** This involves illegal transfer of funds across national borders by avoiding official controls.
5. **Extortion:** This involves extraction of money and resources by the use of force, threats or violence.
6. **Favouritism/Nepotism:** This is a mechanism of biased distribution of state resources. This is however a natural human disposition to favour family, friends and close persons.
7. **Examination Malpractices:** Examination irregularities have become a monster that continues to threaten the foundation of our educational system. These include act of insincerity for the purpose of gaining admission and passing examinations.

Causes of Corruption

The government does not cater for all the basic needs of the people any more, and so people get corrupt to be able to cater for such needs. Elekwechi (2003) summarizes the causes of corruption as follows:

- Lack of accountability in government ministries.
- Unnecessary foreign trips by public officials
- Political instability i.e inconsistency in policy formulation and implementation by the government.
- Poor contract awards, standards and procedures.
- High level of poverty, unemployment and under-remuneration of workers.
- Ineffective and inefficient police force structure.
- Late payment of wages to public employees and contractors.

However, Dike (2002) attributed the causes of corruption to poor reward system and greed. He stated that Nigeria reward system is one of the poorest in the world. Nigeria is a society where national priorities are turned upside down and hard work is not rewarded, instead rouges and people who are failure often glorified.

The change in African values has increase cases of corrupt practices in Nigeria. Today people are largely respected because of money they have, the houses they built etc. good characters are no longer appreciated.

Effect of Corruption on Nigeria Economic Development

The impacts of corruption are evidently enormous in all sections of the economy. Some of the sensitive areas of the economy are hereby examined.

1. **Employment:** Corruption has contributed significantly to the high rate of unemployment today in Nigeria. Instead of using the tax payer's money to establish industries and other avenues for employment opportunities, the money is siphoned into private pockets.

   Even other investors, foreign and domestic are highly scared by the prevalent mistrust which has created fear and insecurity in them. In most cases employment opportunities are reserved only for the relation and children of top corrupt politicians and government officials most often the unqualified and inexperienced people are employed because they can afford the kick backs by the superior officers.
2. **Investment:** Corruption in the country has become a formidable obstacle to entrepreneurship since many world businessmen have given corruption as one of the reasons they will not want to do business with Nigeria. Foreign investors who would have loved to come and contribute in the industrialization of the country are scared away because of lack of confidence and trust in Nigerians due to the prevailing fraud and corruption. Investment is therefore low due of the fear of fraudsters who enjoy reaping where they did not sow. It is on this basis that Chuta (2007) posits that in the presence of large scale fraud and

embezzlement of public funds and in absence of foreign investment of the economy either retards or stagnates but never progresses.

3. **Trade:** Corruption has also dealt badly with the exchange of goods and services both internally and externally. There is the dangerous trend in the forgery of some trade names on the labels and cork. The advanced fee fraud (419) is most prevalent in the service sector. This has resulted to cut off by some other nations from ordering for such goods and services because of their unwholesomeness. The apparent impact is the drastic reduction in the country's export earnings, a plunge in the value of Nigerian currency, lowering in the production level and eventually the laying off of workers from the production sectors.
4. **Loss of Revenue:** Substantial financial losses are sustained through fraud in the public sector. The federal government losses millions of naira every month as salaries to non-existing (ghost) workers. Another area of revenue loss to the government is through the evasion of tax payment by Nigerians at every opportunity. This is further complicated by the wide spread dishonesty and in effect collusion between the tax payer and the staff of the board of inland revenues. In the long run, little goes into the government offers as tax.
5. **High Poverty Level:** When there is high level of unemployment, poor investment, unorganized trading activities as a result of high level of corruption, the average citizen is bound to be impoverished. Corruption does not only heighten poverty through the misallocation of resources but also keeps individuals and poor countries poorer.

Recommendations

1. The value attached to materialism by those in leadership position must be de-emphasized. Leaders as social reformers must imbibe and respect the virtues of honesty, integrity, sincerity and responsibility.
2. Leaders should live above board avoiding any form of manipulations and must be ready to sacrifice on behalf of their people avoiding self indulgence to satisfy group interest.
3. There should be legal backing for people who have any vital information about any corrupt public

figures and such report should be treated in confidence.

4. Attempt should be made to redistribute national wealth equitably. Government workers should be paid well. There should be an upward review of public workers salaries and allowances.
5. Government should overhaul the entire civil service, the names of dead workers should be deleted from the pay roll.
6. There is need to reward hard work, integrity, in the civil service and government. Materialism should be de-emphasized, it should not be used as a yard stick for measuring success.

Conclusion

The pervasiveness of corruption in Nigeria has done an incalculable damage to the Nigerian economy. Corruption has become so massive and widespread that is now threatening Nigerian economy.

There is no doubt that, improved governance, reduced unemployment, functional social and economic infrastructure will make a positive impact on Nigerian economy. There will be sustainable economic development when leaders are transparent, accountable, honest, responsible, committed and rational in decision taking.

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