



[Corruption](#)

Nigeria's Hopeless Fight Against Corruption

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Nigeria could be one of the richest countries in Sub-Saharan Africa. Thanks to its oil and gas industry, billions of dollars flood into the state's coffers every year. Yet, the country faces immense challenges. Extreme poverty, a weakening economy, a dilapidated infrastructure, terrorism, and organised crime are all part of the everyday life of the population. Corruption, which has been depriving the country of the resources it needs to develop, is largely to blame for the current state of affairs.

Immense Challenges in Nigeria

With almost 200 million inhabitants, Nigeria is Africa's most populous country. It is also one of the world's largest oil exporters, and has been the continent's leading economy for several years. Nevertheless, the country faces immense challenges. Today, about 87 million people in Nigeria live on less than 1.90 US dollar a day, making it the country with the world's highest number of people living in extreme poverty.¹ To make matters worse, the country's economy is only slowly recovering from a severe crisis that began in 2014 and bottomed out in 2016. The unemployment rate has risen annually since the onset of the economic crisis, reaching a provisional high of 23.2 per cent in the third quarter of 2018.² However, the number of unreported cases is probably much higher. In addition, the country's birth rate is around 5.2 children per woman, leading to a rapid population growth over recent decades that is set to continue in the future. The country would need to achieve double-digit economic growth in order to develop and offer its people prospects for the future.

Other indicators that shed light on the difficult situation in Nigeria include the fact that around 60 per cent of the population is not connected to the electricity grid, 13.5 million children do not attend school, and according to the World Health Organization's latest 2015 estimate, around 58,000 women die in childbirth every year³. The country's power supply and education system are as underdeveloped as its health

care system, and its dilapidated roads are in desperate need of an upgrade.

On top of this, the security situation throughout the country has deteriorated significantly over the past decade. The Islamic terror militia *Boko Haram* and the splinter faction Islamic State West Africa Province have been destabilising the northeast for the last ten years. In central Nigeria, deadly clashes are escalating between ethnically mixed but predominantly Christian farmers and Muslim Fulani herders. Organised banditry in the northwest and the oil-rich south, along with daily kidnappings and robberies throughout the country, are all aggravating the security situation. The conflicts claim thousands of lives every year and have driven more than two million people from their homes.

The current situation in Nigeria is largely due to the scale of corruption that has deprived the country of vital development capital for decades. Corruption pervades the whole of society, is systematically practised by the ruling elite and comes in many guises, including: embezzlement of state funds, clientelism, nepotism, fraud, bribery and, as a result, large-scale money laundering at home and abroad. It permeates every level of society, from high-level politicians and civil servants to the security forces, businesspeople and the country's poorest citizens. So it is hardly surprising that Nigeria has languished in the lower quarter of Transparency International's "Corruption Perceptions Index" for many years. In 2018, the

country was ranked 144 out of 180, alongside countries such as the Comoros, Kenya and Mauritania.⁴

There is no reliable data on the damage caused by corrupt practices in Nigeria, but experts estimate that from the country's independence in 1960 until the end of Sani Abacha's military dictatorship in 1999, more than 400 billion US dollars in state funds were misappropriated, and that a further 182 billion US dollars left the country illegally between 2005 and 2014.⁵ At a meeting of the "African Union High Level Panel on Illicit Financial Flows" in Abuja in October 2018, former South African President and panel chairman, Thabo Mbeki, stated that the outflow of illegal funds from Africa had increased from 50 billion US dollars in 2015 to 80 billion US dollars per year, and that the share of Nigerian funds was by far the highest.⁶

The scale of corruption in Nigeria is pervasive and permeates every level of society.

Multinationals, particularly in the oil and gas industry, as well as banks and financial service providers are also guilty of systematic fraud, bribery and illegal funnelling of money abroad. A case that has been the concern of European courts for years, and has therefore repeatedly attracted international attention, provides an insight into the potential scale of corrupt practices and networks. In Milan, London and soon also in the Netherlands, Royal Dutch Shell PLC and the Italian company Eni S.p.A. are being prosecuted over alleged corruption in Nigeria.⁷ With the knowledge of senior executives, the two companies are accused of paying some one billion US dollars in bribes in 2011 in order to acquire a profitable offshore oil production licence for the Gulf of Guinea. According to accusations laid out by the Nigerian government in the indictments, it was not only Nigerian government officials, all the way up to then President Goodluck Jonathan,

who benefitted from such payments, but also senior executives from the two large corporations. Major US bank JPMorgan is also accused of having been significantly involved in the illegal transaction of the bribes.

Buhari Brings New Hope

When Muhammadu Buhari was elected president in 2015, large swathes of the population were hoping for a turning point in the fight against endemic corruption. Buhari, a former general and Muslim from the north had already led the government from 1983 to 1985 in the wake of a military coup. The media trumpeted his "integrity" in the run-up to the elections. During his election campaign, he not only promised to swiftly defeat *Boko Haram* and boost the economy, but also to take decisive action against corruption.

Buhari's election was historic in the sense that, for the first time since the country's independence, an opposition politician was able to take power via a democratic process. However, as Heinrich Bergstresser, a German expert on Nigeria, rightly notes, the vast majority of voters were not voting *for* the former junta leader but *against* President Jonathan and the People's Democratic Party (PDP) when they went to the polls.⁸ The PDP had ruled the country without interruption since its return to democracy in 1999, and ultimately led it to the brink of ruin in Jonathan's five-year term.

At the point when Jonathan relinquished his government role, *Boko Haram's* terrorists controlled large parts of the north east, the economy was on the verge of deep recession, and corruption had reached unprecedented proportions. One of the reasons why Jonathan was so resoundingly defeated at the polls was a corruption scandal, which caused a sensation because of its sheer scale. About a year before the presidential election, the head of the central bank, Lamido Sanusi, publicly accused the Nigerian National Petroleum Corporation (NNPC), i.e. the state oil company, of having defrauded the state out of some 20 billion US dollars in 2012



Voted out of Office: In Jonathan's five-year term, Nigeria was ultimately led to the brink of ruin.
Source: © Akintunde Akinleye, Reuters.

and 2013. Sanusi was then relieved of his post by Jonathan, but the evidence presented clearly weighed heavily.⁹

It was not until 2015, after Buhari was elected, that Jonathan's oil minister and former OPEC president Diezan Alison-Madueke was arrested in London on charges of fraud. In 2017, a Nigerian court ordered the seizure of 21 million US dollars from her bank accounts and the forfeiture of 56 houses, with a total value of nine million US dollars.¹⁰ Nigeria's national anti-corruption agency, the Economic and Financial Crimes Commission (EFCC), had already confiscated land and real estate worth 44 million US dollars from the former minister, allegedly

purchased with the proceeds of corruption.¹¹ Meanwhile Sanusi – the current Emir of the state of Kano – finds himself facing serious allegations of corruption.

Doubts about Buhari's Anti-Corruption Campaign

Buhari's administration and the EFCC in particular have tried to convict many of the country's politicians and influential elites on charges of corruption. The Alison-Madueke case is one of the few success stories in the fight against corruption. Many of those investigated were also part of the government circle of former President Jonathan or PDP members. As a result,

Buhari has had to defend himself against accusations that his anti-corruption campaign is merely an attack on members of the former ruling party.

This impression intensified in the run-up to the last presidential and parliamentary elections, which took place in February 2019. Buhari was once again the presidential candidate for his party, the All Progressives Congress (APC), and in the elections he claimed victory over his fiercest rival Atiku Abubakar, a former vice president of the country and candidate of the PDP. The run-up to the elections saw a brisk flow of people crossing over from the APC to the PDP, and vice versa. This was due to the fact that the two main Nigerian parties are ideologically not distinguishable, and are therefore interchangeable in terms of providing “platforms” for political careers. Therefore, these crossovers were not so much motivated by ideology as a consequence of personal differences within the parties, and often linked to the hope of being considered for political office in the next legislative period. The chairman of the APC, Adams Oshiomhole, a former governor of the state of Edo, had already been forced to defend himself against serious allegations of corruption. He wanted his party to capitalise on this lack of ideology by indirectly – albeit publicly and very obviously – offering PDP members who were willing to join his party immunity from prosecution for crimes committed.¹²

Also in the cabinet of Buhari are politicians who were or are suspected of corruption.

The composition of the cabinet is another issue that calls the Buhari regime’s determination to consistently fight corruption into question. Newly appointed ministers include at least three who are or have been suspected of corruption, including Godswill Akpabio, who was made Minister of Affairs of the oil-rich Niger Delta. He was the PDP governor of the state of Akwa Ibom in the Niger Delta from 2007 to 2015, and was a PDP senator and Senate Minority Leader

during the last legislative period. In August 2018, he was in the spotlight when he left the PDP and joined the APC. Before his nomination was announced, the EFCC refused to respond to press queries relating to ongoing corruption investigations against him and his wife.¹³

Nigeria’s History of Corruption

Corruption is certainly not a new phenomenon of the last ten years for Nigeria, but has long been an intrinsic element of Nigerian society. US anthropologist Daniel Jordan Smith even argues that corruption in Nigeria is culturally sanctioned if family members, the tribe or members of the ethnic group benefit from an individual’s ill-gotten gains.¹⁴ Many experts like Smith believe this cultural acceptance of corrupt practices has its roots in the country’s pre-colonial period. They refer to the ancient custom of giving gifts to ruling elites, often associated with the expectation of special consideration or favour. Smith describes this transactional relationship as a patron-client relationship that, to this day, continues to shape the country’s politics and economy along family, ethnic and religious lines.

However, initial instances of extreme corruption emerged among the first military dictators to rule the country after independence. In the late 1980s, the US political scientist Richard Joseph described this new form of corruption as prebendalism.¹⁵ Referring to the medieval prebends in the Catholic Church in Europe, the term describes a widespread sense of entitlement and refers to the behaviour of leading politicians and civil servants who believe they have the right to claim their share of government revenues and use them to benefit the people and groups who are closest to them. This behaviour was particularly encouraged by the fact that the modernisation of the state was left unfinished under British hegemony. This led to the emergence of weak institutions and inadequate control mechanisms.

However, corruption in Nigeria only assumed its extreme and rampant form under General Ibrahim Babangida and General Sani Abacha,

whose military regimes followed each other almost seamlessly between 1985 and 1998. This period in Nigeria's history was characterised by clientelism, nepotism and unscrupulous self-enrichment at the expense of the state and its people. When he took office, Babangida immediately pardoned a number of people who had previously been convicted of corruption by the first Buhari government. When Abacha took power, he continued the deregulation of the oil, telecommunications and media industries that began under Babangida.¹⁶ Abacha's loyal followers were rewarded with licences that enabled them to earn money from public and private enterprises. Abacha himself, whose power was underpinned by a violent regime from 1993 until his death in 1998, cultivated a luxurious lifestyle and used state-owned goods and money without scruple. It is estimated that he and his closest circle illegally remove three to five billion US dollars from the country in just five years.¹⁷

Politics as a Democratically Legitimised Business Model

After almost 20 years of dictatorship, Nigeria returned to democracy in 1999. The first presidential and parliamentary elections were won by Olusegun Obasanjo, also a former general who had ruled the country as junta leader in the 1970s and was imprisoned under Abacha, and the then newly founded PDP. Atiku Abubakar, a former senior Nigerian customs official who had made his fortune in the logistics and oil sectors, was appointed vice president and stood against Buhari in the 2019 elections.

Obasanjo and Abubakar allowed the continuation of many corrupt practices, including the clientelism and nepotism that had been so rife in previous years. But now these practices, cronyism and the sharing out of influential positions and pecuniary advantage were cloaked in democratic legitimacy. The democratic practices of politics was transformed into a business model. Today, this model provides not only opportunities for members of the military and security forces, appointed officials, senior civil servants but also for elected representatives of the people

to personally enrich themselves from the state's coffers, which should be subject to parliamentary control. The high salaries and allowances received by MPs – said to be some of the highest in the world – do not present a moral obstacle.

Political offices are financially attractive as they offer opportunities of self-enrichment.

One of the consequences of the monetary incentive to work in Nigeria's parliament is a high turnover of MPs, something that is deliberately encouraged. At the national level, between 60 and 70 per cent of elected representatives, and at the state level up to 90 per cent, do not stand for re-election. Influential people in the parties nominate new candidates with no parliamentary experience to replace previous MPs. This practice guarantees that positions of power and access to state funds are rotated from one person to the next, and often from one social, ethnic or religious group to the next. Nigerians call this principle "zoning", a system that aims to give people their turn to have a say in multi-ethnic and multi-religious Nigeria. However, it is also used to pay back favours and buy loyalties. It can also be assumed that the high fluctuation of deputies serves the interests of the ruling elite. The large-scale turnover of MPs ensures that experience and knowledge are lost at the end of each legislative period, interrupting the continuity of parliamentary work. Once a new parliament is assembled with inexperienced MPs, it usually takes a long time to become operational again. This significantly weakens parliament and its ability to fulfil its oversight function.

The monetary incentives associated with gaining political mandates also explain why election campaigns in Nigeria are so bitterly contested. Moreover, since the country's re-democratisation in 1999, its elections have been overshadowed by violence and extreme forms of electoral fraud. There is one key principle: the winner takes it



For a handful of dollars: In Nigeria, politics is also a business model which provides opportunities for elected representatives of the people to personally enrich themselves from the state's coffers. [Source: © Mike Segar, Reuters.](#)

all. Supporters and members of the same ethnic group are thus prepared to take all kinds of risks, including illegal action, in order to guarantee their candidate's success at the polls. However, they expect their efforts to be rewarded with a share of the legal and possibly illegal income once their candidate is elected.

Corruption Endangers National Security

Under Obasanjo and Abubakar, security votes developed into a key instrument for maintaining power. Security votes are government allowances paid out to political stakeholders for the purpose of countering unexpected security

threats. In a report for Transparency International, Matthew Page, an American expert on Nigeria, estimates that 670 million US dollars is paid out every year in security votes. He claims that this amount is nine times what the US has paid in support of the security sector in Nigeria since 2012 (about 68.6 million US dollars), and twelve times the UK's aid in the fight against *Boko Haram* (about 53.5 million US dollars).¹⁸ Page states that this amount corresponds to some 70 per cent of the cumulative budget of the chronically underfinanced Nigerian police, army, navy and air force. The problem with security votes, however, is that they are usually allocated in cash and the recipients are not required to account for how they use the funds. The latter is justified, inter alia, by the fact that measures in the security sector are particularly sensitive and must therefore be subject to secrecy. As a result, however, this provides a strong incentive to use the allocated funds for other purposes.

Security votes are perceived as suspect of corruption, as the use of this money intended to counter acute security threats must not be proven.

Security votes are a relic from the time of the country's numerous military dictatorships; today, the Nigerian public widely associates them with corruption. The first military dictator to make use of them was General Yakubu Gowon. In the late 1960s, he provided his military administrators in different parts of the country with small budgets that they could use without accountability in order to buy the loyalty of civilian elites.¹⁹ The regimes that preceded Babangida and Abacha were already abusing security votes as instruments of self-enrichment, but under the latter two dictators the practice took on a whole new dimension. When Obasanjo took power in 1999, he ensured that the practice was extended beyond the military sector to the civilian public sector. Since then, the main recipients of security

votes have been the governors of federal states, who use this government money to enrich themselves and strengthen their positions of power. Security votes play a particularly key role in the run-up to elections, as they are used to fund campaigns and manipulate elections. Buhari's party may have also made extensive use of this practice recently. In 2018, just twelve months before this year's presidential, parliamentary and gubernatorial elections, there was a sharp increase in the number of security votes.²⁰

However, security votes are just one way of depriving the security sector of urgently needed resources for reform and the fight against terrorism and organised crime. In the wake of the threat posed by *Boko Haram* and the rise in organised crime in the country, government spending on security, and hence the budgets of the security agencies, have soared. As a result, the procurement and awarding of contracts to security forces has become a profitable field for criminals over the last decade. Two independent commissions that were set up by Buhari, which have also investigated corruption offences in the security sector, revealed that nine billion US dollars disappeared in the space of just seven years – mostly during Jonathan's presidential term.²¹ However, Buhari's initiative to expose the corrupt practices of the Jonathan government and to bring those responsible to account has done little to change the extent of the misappropriation of funds in the security sector. In April 2019 the renowned Chatham House published a report on security sector reform in Nigeria.²² It states that even since Buhari came to power, the biggest problem in the security sector remains the systematic, illegal theft of funds.

Conclusion

With its billions of dollars in government revenues from the oil and gas industry, Nigeria could probably solve its serious development problems in the foreseeable future. However, for decades, the country has been ruled by corrupt elites who have deprived the country of its capital. President Buhari, who spectacularly prevailed over his predecessor in the 2015

elections and was re-elected this year, promised to clamp down on corruption. But even he, who is still described by the international media as having “integrity”, seems to have to bow to the mechanisms of the corrupt system in order to remain in power. Decades of clientelism, cronyism, weak institutions and opaque practices supported by the ruling elite have created an environment in which corruption is rife. The country is slowly but surely bleeding out.

There is no shortage of proposals on how to counteract the rampant corruption in Nigeria, such as calls for the introduction of transparent procurement rules for public contracts, and the establishment of an independent commission to monitor compliance with the rules. Other proposals include closing legal loopholes and providing more staff for national anti-corruption bodies. For many years there have also been calls to abolish budgets with no accountability, such as security votes. There has also been long-standing criticism of the inadequate numbers of people who are investigated or convicted of corruption. This figure would have to be massively raised via more systematic action on the part of authorities. However, many of those who are accused and presumably guilty seem to stand above the law. This is also due to the fact that the authorities and courts are open to bribery, or simply follow the instructions of the political elites. These institutions would also have to undergo a cleansing process and establish internal control mechanisms.

There is no doubt that most of these proposals are well-founded in that they aim to establish and strengthen institutions that can fight corruption in the long term. But there is a fundamental problem: Nigeria needs the political will to act not selectively but comprehensively against corruption within its own ranks, the government, parliaments, the security sector and the economy. And even then, it would be a long path before people’s attitudes towards corruption, which are often culturally rooted, would effectively change. There seems little prospect that things will indeed change for the better. The political elite that governs the country today,

and will very probably govern it tomorrow, is the political elite of yesterday. A long history of corruption has embedded it in society, and we cannot expect to see it take any serious interest in making a clean break with the past. The business of politics is too lucrative in a country that otherwise offers its people little prospect of prosperity.

-translated from German-

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