

# U4 Expert Answer



## Nigeria: Evidence of corruption and the influence of social norms

### Query

Can you provide an overview of corruption in Nigeria, presenting the existing evidence on what types of corruption take place in the country, at what levels of society, at what magnitude – and in particular, what social norms are involved?

### Purpose

Contribute to the agency's work in this area.

nepotism and cronyism, among others; and (ii) to preserve power, which includes electoral corruption, political patronage, and judicial corruption.

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Evidence also suggests that these forms of corruption are related to the country's social norms. Nigeria is assessed as a neo-patrimonial state, where power is maintained through the awarding of personal favours and where politicians may abuse their position to extract as many rents as possible from the state.

### Summary

This answer provides an overview of the existing evidence regarding corruption and social norms, highlighting the main areas discussed in the literature related to the social mechanisms influencing corruption in the country, as well as an overview of existing evidence regarding the main forms of corruption that take place in Nigeria.

Available evidence demonstrates that corruption in Nigeria serves two main purposes: (i) to extract rents from the state, which includes forms of corruption such as embezzlement, bribery,

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## 1. Introduction: The literature on corruption in Nigeria

Nigeria is the most populous country in Africa and a very important oil producer. For years it has been struggling to decrease unemployment, income inequality and its dependence on oil (African Economic Outlook 2014). The period of economic growth due to oil exports has not sufficiently trickled down to the poor, even though around 77% of total government revenues come from the oil sector (Freedom House 2012). It is widely accepted that the misappropriation of public funds and assets by corrupt elites has been a major cause of Nigeria's underdevelopment (Global Witness 2012).

Within this framework, and given the strategic position of Nigeria as the biggest oil exporter and most populous state in Africa, a lot of research has been conducted on corruption in the country. Many studies analyse Nigeria's political history and how the country's governance and anti-corruption measures have developed since colonisation. Several papers also discuss the history of corruption in Nigeria, looking in particular at the relationship between colonisation and corruption / patrimonialism, as well as the manifestations of corruption during authoritarianism and the democratisation process (first to fourth republics). Other studies focus on analysing the risks, causes and consequences of corruption in a given sector, as well as the measures taken so far to curb corruption within those sectors or the public administration in general.

The first part of this answer provides an overview of the existing literature regarding corruption and social norms, underscoring the main areas discussed and the main findings. The second section looks at the existing evidence regarding the major forms of corruption that take place in Nigeria.

## 2. Social norms and corruption in Nigeria

There are several academic papers discussing the characteristics of Nigerian society. Nigeria is often classified as a neo-patrimonial / prebendalism state (Lewis 1994; Beekers & Bas van Gool, Smith 2001 and 2007) and while these particular characteristics have serious implications on the social mechanisms enabling corruption in the country, there is hardly any literature that

investigates the relationship between these attributes and a propensity to corruption, or the level of acceptance among citizens.

Social norms in Nigeria also seem to have been influenced and challenged by the discovery of oil and gas, but again there are very few investigations into how corruption changed or adapted in response to these developments.

This section analyses the available evidence on the implications social norms have on corruption in Nigeria, and also points out the main gaps in the literature.

### Nigeria: A neo-patrimonial state?

Patrimonialism is defined as a social and political order where patrons secure the loyalty and support of clients by granting benefits from their own or state resources. Neo-patrimonialism, on the other hand, gives rise to a 'hybrid' state. The distinction between the public and private spheres exists at least formally, but in practice real decision-making happens outside the formal institutions (Erdmann & Engel 2007). Instead, decisions about policies and resources are made by powerful politicians and their cronies who are linked by informal, personal and clientelist networks that co-exist with the formal state structure (Nawaz 2008). As such, neo-patrimonial states fail to guarantee the universal and fair distribution of public resources.

The literature highlights the main characteristics of a neo-patrimonial state, and according to the patterns of corruption identified in the previous section, it seems that many of them can be observed in Nigeria. They include: (i) presidentialism, i.e. the systematic concentration of power on the hands of one individual; (ii) use of state resources for political legitimization; (iii) a culture of "rent-seeking" linked to the private appropriation of resources by a particular group; and (iv) systematic clientelism, where power is maintained through the awarding of personal favours, such as public jobs, contracts and licenses, among others (Erdmann & Engel 2007).

The last characteristic is definitely prevalent in Nigeria. Smith (2007) argues that patron-clientelism is the basis of the country's political economy and society. It is manifested in different circumstances. For example, rather than navigating through the country's bureaucracy and expecting the state to provide services, in patron-client societies citizens are more likely to look for support from a personal connection. In Nigeria,

this is usually someone of the same ethnicity or originally from the same community. This also means that individuals are likely to support political leaders from their own communities or ethnic groups, in the hope that they will benefit from greater opportunities if those politicians get into power (Willott 2009).

As such, the maintenance of patronage networks is extremely important. Obligations to communities of origin are usually strong and frequently mobilised for political and economic purposes. Therefore it is not uncommon that a person occupying a position within the government is expected to employ others from the same community or to spend public money that benefits his/her community (Smith 2007). Within this framework, many of the forms of corruption discussed in the next section are generated or exacerbated by the fact that the country relies heavily on patron-client networks.

However, the oil discoveries in the 1970s and further structural adjustments adopted a few years later slightly changed the relationship between individuals and the state, and also altered the social norms and the associated forms of corruption.

### Nigeria: A rentier state?

The discovery of oil in Nigeria brought a huge increase in state revenue, and consequently a scramble for resources among different ethnic groups. There is also extensive literature on the impact of oil revenue on Nigeria's social development. Several papers discuss the "resource curse" and its negative impact on good governance in the country.

Existing evidence suggests that state control of oil resources gave rise to a struggle to control the state and subsequently the oil revenues (Amundsen 2010; Beekers & Gool 2012). Like several other resource-rich countries, Nigeria became a "rentier state", where the political class seeks the control of the state – by diverse means that include corruption – in order to capture the rents generated from natural resources for personal enrichment (Gillies 2009).

The political consequence of oil-driven wealth in Nigeria, as observed by Amundsen's paper (2010), "has been an excessive centralisation of power, authoritarianism, a disregard for agriculture and manufacturing, the non-pursuit of internal taxation, and the development of pervasive patronage and rent-seeking cultures".

This helped to establish a vicious cycle: increased dependence on oil revenue leads to increased political instability and greater reliance on patronage networks to gain access to power (Gillies 2009). In addition, the focus on oil and the lack of investment in other areas leads to higher unemployment, which in turn increases dependency on the state and patronage networks. Lastly, the non-pursuit of internal taxation contributes to a participation and accountability deficit and to a weak connection between citizens and the state (Amundsen 2010), resulting in less social control and worse public service delivery (Fritz and Menochal 2006).

The nature of corruption and the social norms implicated certainly changed with the increased oil revenue. Combined with a weak public administration, opacity and a culture of impunity, oil provided further opportunities for public officials to extract rents from the state. As such, many of the forms of corruption identified in the country in the past years are related to the management of oil resources.

The next section discusses the implications of increased state revenue on the country's social norms and citizens' understanding of corruption.

### Social norms: The dichotomy of corruption in Nigeria

There are very few studies analysing the social mechanisms that enable corruption and prevent universalism and good governance to take root in Nigeria. As mentioned, the vast majority of studies focus on analysing neo-patrimonialism, prebendalism and the resource curse, but very few of them investigate how such concepts influence social norms and corruption. There is also very limited research on the correlation between social norms and the susceptibility of citizens to engage in corrupt behaviour.

There also needs to be further research into anti-corruption initiatives related to social norms. Very little is known about anti-corruption approaches that aim to challenge the existing social norms (or create new ones) and their impact.

Current evidence suggests that as members of a neo-patrimonial state that relies heavily on patronage and clientelism, Nigerian citizens show tolerance and understanding towards acts of favouritism to certain groups of society. In fact, according to Smith (2001 and 2007) and Willott (2009), an individual occupying a public position is expected to benefit his/her community. Not doing

so could have a negative impact on his/her relationship with family members and members of the community.

The literature also points to changes in the social norms caused by the oil boom and its consequences (i.e. increased resources, increased dependence on oil and lack of development of other areas such as industry and agriculture), which led to a breakdown of the traditional patron-client society (Willott 2009). Patronage and clientelism continued to play a key role in politics and social-economic interactions, but this was now joined by rent-seeker behaviour, which also sought personal (individual) enrichment.

Willott views such breakdown as a decline in moral values. He suggests that Nigerians see individual rent-seeker behaviour as immoral. For them, corruption for the purposes of personal enrichment means that those with influence are “neglecting to support their client groups”. There is thus ambivalence towards corruption: what is moral or immoral, or what should be considered corrupt depends on the motive. It is therefore considered moral if state resources are used to the benefit the community (even to the detriment of others), but immoral if the same resources are diverted for personal enrichment (Willott 2009; Smith 2007).

Marquette (2011) who investigated the causal relationship between corruption and religion in Nigeria, shows that religion may have an impact on attitudes towards corruption, but it is unlikely to impact actual corrupt behaviour particularly because corruption is so widespread. According to the author, “(R)espondents—who often described themselves as both religious and ethical—were able to engage in a process of what Bandura calls ‘selective moral disengagement’ through ‘diffusion of responsibility’: ‘Where everyone is responsible, no one really feels responsible’, as negative attitudes can be attributed to the behaviour of others, weakening social control.

## Forms of corruption in Nigeria

### General corruption trends

Existing surveys and assessments provide an overall picture of the extent of corruption in the country. In particular, they illustrate how citizens and companies *perceive* corruption in the country. As these are mainly perception-based assessments and may be influenced by media

reports, and the quality of public services provided, among other things, they do not offer a real picture of the problem, nor are they helpful to understand the main areas affected by corruption and the different forms it takes. Nevertheless, they are useful tools for understanding the overall corruption problem in a country.

Nigeria is included in the main international corruption assessments, including the World Bank’s Worldwide Governance Indicators, Transparency International’s Corruption Perception Index and the Global Corruption Barometer, as well as the World Bank business surveys.

For instance, the Worldwide Governance Indicator regarding control of corruption, which ranges from 0 (lowest control of corruption) to 100 (highest control of corruption), shows that the levels of corruption in Nigeria have remained alarmingly high during the past years. The country scored just 11 on control of corruption in 2012, and little significant variation can be seen since the first assessment in 1996, when Nigeria scored approximately 9. Nigeria’s current score on control of corruption puts the country way below the sub-Saharan African average of 30 (World Bank 2013).

Similarly, Nigeria scores poorly on Transparency International’s Corruption Perception Index. In the 2014 assessment the country gained two points compared to 2013, receiving a score of 27 on a scale from 0 (most corrupt) to 100 (least corrupt). With this score, Nigeria ranks among the 38 most corrupt countries in the world (it is ranked 136 out of 175 countries assessed). This score is comparable to those of Cameroon, Lebanon and Russia, and means the country comes in at 31 out of the 47 countries assessed in sub-Saharan Africa (Transparency International 2014).

Data from the 2013 Global Corruption Barometer (GCB), assessed by Transparency International, also suggests that the population’s perception of corruption is increasing. When asked whether corruption had increased, stayed the same or decreased between 2011 and 2013, 72% of respondents answered that it had increased and only 8% said it had declined. Citizens’ experiences with corruption in the country are also alarming. More than 80% of those who came into contact with the police reported paying bribes, and the figures are also significant regarding education services, utilities, and registry and permit services, among others.

## Existent evidence on the forms of corruption

Corruption in Nigeria manifests itself in different ways, both on a micro and a macro level, and it occurs at all levels of society. Evidence on the forms of corruption, actors involved and its magnitude is however scattered across many academic papers, newspaper articles, and reports from donors and civil society organisations, making it difficult to gain a clear understanding of the types of corruption that take place in the country.

The great majority of available studies focus on corruption related to oil resources. They mainly cover grand corruption cases involving high-level decision-makers, senior officials of state-owned enterprises and regulatory agencies, as well as companies operating in the sector.

Despite often being overlooked in the literature, public opinion surveys and anecdotal evidence suggest that corruption also takes place in other areas and sectors, and affects the delivery of public services and the daily life of citizens from all levels of society.

Moreover, due to the well-known **challenges** in measuring corruption, there is very limited information about the extent and magnitude of the different forms of corruption taking place in Nigeria.

A report published by Amundsen in 2010 provides useful descriptions of the types of corruption in Nigeria, which can be used to work out what the main forms of corruption are and how they affect the different levels of society.

The report states that corruption in Nigeria serves two main purposes: (i) to extract rents from the state, which includes rent-seeking behaviour in the form of embezzlement, abuse of power, bribery, nepotism and cronyism, among others; and (ii) to preserve power, that is, to ensure that an individual maintains his/her position of power or gains access to such a position through activities such as electoral corruption, judicial corruption or the distribution of public jobs (Amundsen 2010).

Based on this distinction, this section provides an overview of the existing evidence on the main types of corruption in Nigeria, the extent of corruption and the actors involved.

## Rent-seeking<sup>1</sup>

There is vast evidence that throughout the history of Nigeria, the military, politicians, members of the government and public officials have taken advantage of their positions to extract as much as possible from the state, private individuals and companies as well as from the economy at large, particularly from oil resources (Amundsen 2010; Global Witness 2012b; Gillies 2009).

Corruption to extract resources can take place through embezzlement of public funds, conflicts of interest, nepotism and cronyism, bribery and kickbacks in the large procurement process, as well as petty and bureaucratic corruption to access public services.

## Embezzlement

Embezzlement is defined as “the misappropriation of property or funds legally entrusted to someone in their formal position as an agent or guardian” (U4 Glossary). Systematic and/or grand scale embezzlement of public funds seriously undermines the capacity of the state to manage resources and deliver services (Abel & Blackman 2014). This has been the case in Nigeria, where in spite of huge economic growth in the past years the government has failed to manage and re-distribute resources fairly (Human Rights Watch 2012).

Academic and newspaper articles as well as investigations conducted in countries such as the US and the UK provide an overview of how embezzlement takes place, which areas of public administration are affected, its magnitude and who is involved (Ikejiaku 2013; The Guardian 2012; US Department of State 2014). However there is little detailed information about the legal loopholes and institutional weaknesses that allow officials to embezzle public money while remaining unpunished.

With regard to the magnitude, studies suggest that public funds of between US\$300 and US\$400 billion have been lost to corruption since Nigeria became independent in 1960 (Global Witness

<sup>1</sup> “Rent-seeking is a term from economics where actors attempt to derive economic rents by manipulating the social and political environment in which economic activities occur, rather than by adding value. Not all rent-seeking behavior can be equated with corruption. However, rent-seeking may involve corruption where officials solicit or extract bribes for applying their discretionary authority for awarding legitimate or illegitimate benefits to clients”. – U4 Anti-Corruption Resource Centre Glossary: <http://www.u4.no/glossary/rent-seeking/#sthash.Ruckp6EO.dpuf>

2012). General Abacha alone allegedly embezzled billions of dollars from the Central Bank of Nigeria between 1993 and 1998, which demonstrates the magnitude of the problem (US Department of Justice 2014). Other examples illustrate how Nigerian politicians and subsequent heads of the national oil company have abused their power and control over the oil industry to divert public money (Global Witness 2012b).

For instance, a UK court found former governor of the oil-rich state Delta, James Ibori, guilty of laundering money stolen from Nigerian public coffers. According to Global Witness, while his official salary was only £4,000 per year (just under US\$7,000), he managed to buy several houses around the world, including one in the UK valued at £2.2 million (US\$2 million), luxury cars and a private jet, in addition to holding bank accounts in several other countries (Global Witness 2012b).

More recently, a scam involving government fuel subsidies also demonstrated how public money is lost to corruption. While Nigeria is rich in oil, it does not have the capacity to refine it. As such, the government exports oil and imports refined crude oil products. According to media reports, the Nigerian state lost significant amounts of money as the government was exporting oil below market price and then paying subsidies for the imported refined oil to keep prices low for the population. The problem is that corruption within the subsidy programme resulted in financial losses for the government and higher prices for consumers (Mark 2012). The Swiss NGO Berne Declaration reported that the equivalent of four times the Nigerian health budget – approximately US\$6.8 billion – was lost due to corruption in the subsidy scheme during 2009 and 2011 (Berne Declaration 2013).

According to a report by a committee of the House of Representatives, the Nigerian National Petroleum Company (NNPC) was distributing subsidies indiscriminately to several companies without any accountability, including to companies owned by senior government officials (Mark 2012). In fact, investigations found that a total of 15 fuel importers collected more than US\$300 million in fuel subsidy money without importing any fuel (Nwaroh 2012).

The latest Afrobarometer survey asked Nigerian citizens who they thought benefits the most from the fuel subsidy programme. According to 52% of respondents, government officials are the largest beneficiaries of the subsidies (Afrobarometer 2009).

In addition to embezzlement of public money, there is also evidence that the theft of crude oil (bunkering) directly from pipelines, flow stations and export facilities by public officials, oil company representatives and/or organised criminal groups unhindered by complacent government officials is also a significant problem in Nigeria. Studies report that between 2001 and 2008, a staggering 300,000 barrels of oil were stolen per day (U4 2011).

Although it is not widely discussed in the literature, money transfers from the federal government to states and municipalities also seem to be an area that faces a significant risk of corruption and embezzlement of public money. In Nigeria, as in other large federal countries, the national government shares the responsibility for service delivery with states and municipalities, but is still responsible for collecting taxes and revenues. Within this framework, this revenue are transferred by the federal government with little supervision. Governors and mayors have significant discretion to allocate these funds. The lack of oversight may make it easy for them to direct contracts to preferred contractors, or even embezzle part of the money (Abel & Blackman 2014b).

### Conflict of interest

A conflict of interest is described as a situation where an individual is “confronted with choosing between the duties and demands of their position and their own private interests” (Transparency International 2009). In Nigeria, while there are almost no studies discussing the issue in detail, examples of corrupt deals demonstrate that politicians and public officials in Nigeria have frequently found themselves in conflict of interest situations, where they chose to favour their own interests rather than the public.

For instance, it is not uncommon for government members to benefit from procedures that favour companies in which that have a financial stake or are owned by relatives or political allies (Gillies 2009). For example, senior political leaders reportedly manipulated tenders to benefit Intels Nigeria Ltd, a large logistics company, for their own private gain (Gillies 2009).

Local content rules have also been subject to politicians’ own interests and it is not uncommon that local companies owned by politicians are selected to provide services or partner with international oil firms (Martini 2014). For instance, in 2008 a bidding round for oil licensing seems to have benefited a Nigerian senator, who was chair

of a parliamentary committee tasked with overseeing the sector. This generated doubts about the fairness and integrity of the processes (Global Witness 2012b).

There is also evidence that members of the parliament inflated procurement contracts in the National Assembly, some of which were awarded to companies in which legislators had financial interests (Mohammed 2013).

### **Bribes and kickbacks**

Grand corruption in the form of bribes and kickbacks paid to politicians and public officials in exchange for large public contracts also seem to be an area of concern in Nigeria. Public opinion surveys measuring people's experiences with corrupt companies, as well as investigations into the case mentioned above, provide an idea of the extent of this form of corruption and the main individuals involved.

According to studies, vast sums of money have been lost due to overpriced contracts and non-delivery of purchased products and services (Oarhe 2013). The examples described below also demonstrate that this type of corruption usually involves senior officials of the National Petroleum Company, state ministers and other high-level officials, in addition to multinational and local companies. More than 45% of the businessmen questioned as part of the World Bank 2007 Enterprises Survey indicated that companies are expected to make informal payments or give gifts to public officials to secure government contracts. They also reported that the value of the illegal payment or gift is on average 4.7% of the contract value. This is a significant percentage, particularly in comparison with other countries in the region where companies report being expected to make illegal payments of 2.4% of the contract value.

The available literature stresses that the issue is particularly problematic with regard to the allocation of oil and gas licenses, which follows an opaque process where officials responsible for the decision enjoy wide discretionary powers (Gillies 2009; Global Witness 2012). While Nigeria became compliant with the Extractives Industries Transparency Initiative (EITI) in 2011, there is still much room for improvement in the allocation of oil licenses.

It is not uncommon for multinational companies to make illegal payments in order to gain contracts in the oil sector. For instance, in 2009 a US construction company called Kellogg, Brown and

Root pleaded guilty to paying around US\$180 million in bribes to the NNPC, the Petroleum Ministry, and other government officials. The illegal payments were to secure four contracts worth more than US\$6 billion to build liquefied natural gas facilities (Global Witness 2012). To avoid prosecution and further reputational damages, the company agreed to pay a US\$402 million fine to the US government for violating the Foreign Corruption Practices Act (FCPA).

Similarly, the Dutch company Paradigm also reported having paid bribes to secure a contract to perform service work for a subsidiary of the NNPC. According to the company, kickbacks of approximately US\$200,000 were paid to politicians through an intermediary (Oarhe 2013).

The payment of bribes and kickbacks is also prevalent in other areas and even within the government. There have also been accusations that members of the parliament frequently receive illegal payments from state ministers to secure larger budgets for their ministries (Mohammed 2013). As discussed, larger budgets often mean greater opportunities to extract rents.

### **Nepotism and cronyism**

Issues related to nepotism and cronyism have been a common feature of Nigerian society (Ekanem & Ekefren 2013) and as such are also widely addressed in the literature (Ndem et al. 2012). There is evidence that family ties and personal connections play an important role in the appointment of individuals to public positions, as well as with regard to promotions and remuneration. Government institutions are constantly filled according to ethnicity, religion or political affiliation rather than merit and professional qualifications (Okafor 2005). For instance, a former Minister of the Federal Territory appointed his wife and children to positions within the land administration (Ekanem & Ekefren 2013).

There is also evidence that well-connected individuals are appointed to public positions without ever appearing to work (ghost workers), and that there is an inflation in the number of public jobs created to accommodate ethnic and political groups, as well as to reward officials who turn a blind eye to irregularities (All Africa 2013). According to media reports, there have been recruitment-related scandals in several federal bodies – particularly in those regarded as “lucrative”, such as the NNPC, the customs services, the army and financial institutions (All Africa 2013).

There is also evidence that favouritism towards well-connected firms and individuals in relation to government decisions and contracts is a rather common practice, according to companies surveyed by the World Economic Forum as part of the Global Competitiveness Report 2014-2015.

More recently, the Nigerian government has been implementing reforms in the public administration to increase fairness in the selection of public officials (Freedom House 2013), but it remains to be seen whether the adopted measures will lead to more equal recruitment and promotion of staff.

### Corruption in the provision of services

There are a few studies that look more broadly at corruption in service delivery. They find that public officials tend to abuse their privileged positions to the detriment of Nigerian citizens (Kayode et al. 2014). There are also several studies analysing the risks, forms, causes and consequences of corruption taking place in specific sectors (see for example the [Technical Unit on Governance and Anti-Corruption Reform](#) website), such as education (Udenka 2013; Transparency International 2013c) and the health sectors (Kamorudeen & Bidemi 2012).

Public opinion surveys also provide evidence of this form of corruption that affects both citizens and firms operating in the country. For instance, The Global Corruption Barometer (2013) confirms that corruption also affects citizens' access to public services. Approximately 30% of surveyed Nigerians who were in contact with the country's tax agencies and bodies responsible for licenses and permits reported paying bribes. Corruption also affects the delivery of basic services such as health and education, with 30% of respondents reporting paying bribes in the education sector.

In addition, Nigerians are significantly affected by police corruption. The police are perceived as extremely corrupt by 92% of citizens, and 81% of those who were in contact with the police reported paying bribes (Transparency International 2013).

According to the 2007 World Bank and IFC enterprise survey, close to 40% of the firms surveyed reported paying bribes when dealing with utilities access, tax and licenses. This is double the number of companies that confirmed paying bribes in other Sub-Saharan African countries (22%). Similarly, 41% of those surveyed reported being expected to give gifts to public officials "to get things done" (as opposed to 27% in other African states).

### Corruption related to power preservation

A newspaper article on corruption in Nigeria emphasises that "losing power in Nigeria means losing access to vast revenues, especially from the opaque oil sector. It also raises the chances of being prosecuted should any new government decide to crack down on graft" (Financial Times 2013).

Within this framework, there is also evidence that corruption takes place to preserve or access power (Amundsen 2010). This includes undue influence over the selection of candidates and the election process, complete disregard for campaign financing laws, as well as a deeply entrenched patronage system. It also includes ensuring that anti-corruption agencies and the judicial system do not investigate or prosecute officials involved in mismanagement and wrongdoing, so that they can remain in power and are able to continue extracting rents from the state.

As such, the main forms of corruption that have been taking place as a means of power preservation include political corruption (i.e. electoral corruption, illegal campaign financing and corruption within political parties) and judicial corruption, including undue influence and bribery of public prosecutors, magistrates and court staff.

### Political patronage

The issue of political patronage in Nigeria is discussed extensively in the available literature. Among other things, it is used to preserve power and gain political support. Power preservation strategies include the distribution of jobs and government contracts to key individuals and groups as a means of buying political support and guaranteeing stability. This is one of the challenges faced by the most recently elected president, Goodluck Jonathan, who became president by violating an unwritten/customary pact of regional power-rotation among the political elite. He now needs to negotiate support from the political class to ensure the necessary stability to govern (Democracy in Africa 2012).

### Electoral corruption

There is extensive evidence of electoral corruption in Nigeria. The reports published by international election observation missions provide a good overview of the challenges encountered in this area.

According to these reports, election processes have been flooded with irregularities ever since Nigeria became a democracy. The 2007 elections,

for example, were marred by corruption and fraud. Throughout the country observers noted instances of vote-buying, stuffing of ballot boxes, intimidation of voters, and irregularities in the administration of the election, such as inadequate supplies of voting materials and ballot papers that did not include all the candidates (NDI 2008).

In contrast, authorities, citizens and international organisations considered the last elections in 2011 to be an improvement (Freedom House 2013; European Union 2011). Data from the 2013 Afrobarometer shows that 65% of Nigerians believed the 2011 elections were better than the 2007 elections (Afrobarometer 2013).

While some irregularities remained, observers pointed to a higher level of independence and autonomy in the management of the election process. Nevertheless, a significant percentage of the population still does not trust the election commission. 30% of respondents to the World Values Survey believe that votes are not counted fairly (World Value Survey 2014).

In spite of improvements, election observers still emphasised the lack of integrity of some electoral officials and political parties. Among the irregularities witnessed during the election, there were reports of widespread misuse of state resources, particularly by the ruling party. For instance, during the election period the incumbent president and state governors frequently made use of official events to campaign, such as inauguration ceremonies. The state-owned mass media also allocated a considerable amount of time and space to report on these events. The ruling party also made use of state vehicles and other resources during the elections. Moreover, campaign advertisements were allegedly paid for with state money in several states (European Union 2011).

In addition to the abuse of state resources, election observers also reported instances of vote buying. According to the report, candidates offered voters mobile phones, pre-paid cards and gadgets, as well as carloads of goods, such as oil rice and water pumps, in exchange for their vote (European Union 2011). In general vote-buying has been assessed as problematic. Thirty-six per cent of Nigerians surveyed by the World Values Survey believe that very often voters are bribed (World Values Survey 2014).

### Political party funding

Available resources also point to the existence of political corruption through irregularities in political

party financing. The literature does not specify in detail what impact such irregularities have/had on electoral outcomes or policy making.

The 2010 electoral law does include some regulations regarding campaign financing. For instance, it bans anonymous donations to political parties, limits donations to individual candidates, prohibits abuse of state resources and vote-buying, and requires political parties to report their income and expenditures. However in practice, studies show that the law is not enforced and several irregularities seem to have taken place in past elections (International IDEA 2013). Politicians and political parties make use of legal loopholes (such as the lack of requirements in relation to reporting on campaign expenditures), and take advantage of the electoral commission's politicisation and lack of resources to circumvent electoral laws.

For instance, in the past public resources have often been diverted for use in political campaigns, giving incumbents a huge advantage. Moreover, there have been reports that political parties exceeded their spending limits without any consequence (Freedom House 2012). Smaller political parties also complained that annual public funds were not distributed according to the Electoral Act (Freedom House 2012).

### Corruption within political parties

Corruption within political parties seems to be frequent in Nigeria, particularly when it comes to the selection of candidates. In spite of recent rules obliging political parties to disclose their list of registered candidates beforehand, primaries are still vulnerable to corruption due to the election oversight body's limited legal authority over internal party matters (Freedom House 2012). The "Godfather" figure appears to be common in Nigerian politics and is discussed quite extensively in the literature (Albert 2005; Human Rights Watch 2007).

Political godfathers are defined as "men who have the power personally to determine who gets nominated and who wins [an election] in a state" (Albert 2005). The term is linked to patron-client relationships – godfathers often use their influence (and sometimes violence) to manipulate the rest of society. They basically dictate who should and shouldn't run for office and under which terms, imposing challenges to public participation and democracy in general (Albert 2005).

Overall, political parties are perceived as highly corrupt. 94% of Nigerians interviewed as part of the Global Corruption Barometer (2013b) believe political parties are corrupt. Similarly, close to 70% of citizens interviewed by the Global Values surveys do not trust political parties.

### Corruption in anti-corruption bodies and the judiciary

Corruption in the judiciary and other anti-corruption bodies has been key to ensuring public officials go unpunished and are able to maintain their positions. This corruption primarily takes the form of political interference, illegal payments and favouritism in the appointment of judges and senior officials.

The Nigerian government has committed itself to curbing corruption. Nevertheless, the responsible institutions are yet to deliver on this promise. According to experts, it is noteworthy that cases of corruption and money laundering are not punished in Nigeria, as most high-profile corruption cases have remained inconclusive. For instance, between 2003 and 2011, the Economic and Financial Crimes Commission (EFCC) prosecuted only 35 high-level political figures for corruption. But executive interference, a weak and overburdened judiciary, and the commission's lack of capacity and resources led to a very small number of convictions (Human Rights Watch 2012). Moreover, the commission has not yet prosecuted several other senior politicians in spite of evidence of their involvement in corrupt deals (Human Rights Watch 2012).

Experts point to a noticeable lethargy in the way various established anti-corruption institutions carry out their mandates, which are enshrined in the various acts and provisions of the 1999 constitution. These institutions include the Economic and Financial Crimes Commission (EFCC), the Independent Corrupt Practices and other related offences Commission (ICPC) and the Bureau of Code of Conduct Bureau (CCB).

Likewise, the judiciary and state courts are particularly vulnerable to political pressure and interference. The executive is responsible for the appointment and promotion of state judges as well as the allocation of resources. As a result, governors can punish or reward state courts and judges depending on whether their decisions are in favour or against the government and its cronies. There is also evidence that governors have offered gifts such as expensive cars in exchange for favourable judgments (Freedom House 2012).

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