

*Review*

# Elite corruption and the culture of primitive accumulation in 21st century Nigeria

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Nigeria is often perceived as the 'giant of Africa' by most Africans, perhaps, because of its remarkable achievements in the continent in the past three decades. Today, the same country is looked upon by the rest of the world as a 'crippled' giant, a veritable modern wasteland, a nation where corruption is extolled as a national culture, tradition; as a nation of business scams and fraudulent investment and contractual opportunities. The paper argues that the situation became worse during Olusegun Obasanjo's eight years administration 1999 to 2007 when his government tactically opened the floodgate of elite corruption and primitive accumulation, which subsequently brought the country to its knees.

**Key words:** Elite, corruption, primitive accumulation, development, economy.

## INTRODUCTION

The country's picture and identity is that replete with confused, factionalized and extremely corrupt elites with a limited sense of nation. These elites lacking strong and viable base in production, turns the state as its primary instrument of primitive accumulation. In the end, the state is mangled and rendered impotent in the quest for nationhood, growth and development, much less democracy (Ihonvbere, 1999). The paper argues that one of the main factors militating against the socio-economic and political development of Nigerian state since independence is elite corruption which arguably is one of the inherited colonial practices and ethos. Specifically, the paper attempts to draw on Olusegun Obasanjo's eight years administration. It advances that it was a monumental failure because its policies and operations were organized and structured around some cabals and elites who directly or otherwise aided and abated gross corruption at various levels of governance.

Nigeria is a country abundantly blessed and endowed with natural and human resources. It is the 8th largest oil producer and has the 6th largest deposit of natural gas in the world. And with over 90 tertiary institutions (aside polytechnics and colleges of education) producing more than 200,000 'graduates' per annum, the basic human

capital for development is assured. Given all this, it is amazing to note that for the past four decades of its independence, Nigeria's potentials have remained largely untapped and the little that has been tapped is seriously mismanaged. In other words, in the midst of its abundant resources, the economy (on the average) has remained stagnated as over 70% of the population lives below the poverty line. In practical terms, the Nigerian economy is yet to experience the necessary structural changes that would guarantee rapid growth and sustainable human development, an economic growth that will match the rate of population growth. This state of affairs has rather become apparent given the current wave of globalization which has reduced the world to a mere global village. Perhaps, it is in view of this some scholars remarked that Nigeria is one of the most unpredictable states in Africa, a country of paradoxes (Soludo, 2006). The question that may come to mind is what factor is responsible for the country's inability to tap and conscientiously manage the quantum resources at its disposal? The answer to this question is often tied to a couple of factors, namely, poor leadership, selfish interest and corruption.

As Anya (2005) puts it, there is no doubt that any state with a good and transparent government institution is usually associated with higher income growth, national wealth and social achievements. Higher incomes, investment and growth as well as higher life expectancy are sure to be found in countries with effective, honest

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and meritocratic government institutions as well as streamlined and clear regulations. The question is whether Nigeria is one of such states. Evidently, corruption to all intents and purposes has become the bane of Nigeria's leadership and society. Many Nigerian leaders practically see positions of leadership as opportunities for personal aggrandizement. And because Nigerian (political) elites have always been found wanting on issues of transparency and accountability, this therefore, raises question on their integrity; they lack the trust of the masses.

## **CONCEPTUAL AND THEORETICAL ANALYSIS: ELITE**

Elite concept gained a wider currency within the academia towards the end of the nineteenth and early twentieth centuries through the works of classical Italian political theorists - Vilfredo (1935), Gaetano (1939) and Robert (1911). Since then, the existence and role of elite and its activity has been widely recognized and discussed in the social science literature. This very loose term encompasses all those who through educational exposure, connection and talent, are materially empowered, they also exercise considerable influence in the nation's political, economic, cultural, social and intellectual life (Parry, 1976; Bottomore, 1976; Nwankwo, 1997). This group of people (a privileged minority) is imbued with or characterized by organizational skills, leadership abilities, knowledge and information, drive and ambition. Thus, elites are the societal agents through which broader forces such as ethnicity, class and religion are filtered to ordinary people. They play significant role in defining or recognizing important policy issues and deciding which and what should receive priority in relation to others. In other words, when elites uphold a clear picture of what should be done, the public tends to see events from that point of view, suggesting therefore that the society is elite directed. As Ihonvbere (2009) puts it, elite not only control and dominate the commanding heights of the economy, exercise legal monopoly over the means of coercion, dominate the structures and institutions of politics and economy, but also shape the ideological and philosophical direction of society.

The genesis and development of the Nigerian elite is as interesting as the generic rooting of the Nigerian state. The new Nigerian elite which took over power from the departing colonial authorities also took over from them the development ethos of the colonial administrations. This could be stated as the self-interested exploitation of the people and the country. The self-serving ethos which had been the foundation the colonial state had engrained in the mentality of the emerging Nigerian elite. The devastating effect of this formed the basis of development orientation in the post colonial Nigerian state (Coleman, 1958; Ayandele, 1974; Post and Vickers, 1973). Though the elite is meant to play a central role in

promoting and designing democracy as it is quite impossible to prosecute any democratic project in any society without the input of the elite, the Nigerian elite have continued to impede and frustrate the democratization trend. They see democracy or governance more as a means to an end, and have a tendency to 'pious material wooliness and self-centered pedestrianism' (Achebe, 1983). Consequently, the group remains just like its colonial progenitor an instrument of exploitation and suppression of the popular classes and a tool for primitive accumulation and class consolidation for the hegemonic groups. In other words, the few who control the system have access to all imaginable perks while the many who are excluded are victims of all forms of abuse. Perhaps, it is for this reason, the struggle to attain and retain power has become a veritable war fought without restraint and with total disregard for the ethos and conventions of democracy (Enemuo and

## **CORRUPTION**

The term corruption is a common phenomenon found not only in the Third world or developing countries, but also in advanced societies in Europe and North America despite their structural and cultural differences. Though the ubiquity of corruption is well acknowledged, its magnitude and character are defined by different social and cultural contexts and time dimensions (Otite, 1986).

### **But what is corruption?**

Corruption involves the injection of additional but improper transactions aimed at changing the normal course of events and altering judgments and positions of trust. It consists in the doers' and receivers' use of informal, extra-legal or illegal acts to facilitate matters. The concept can also be described as the wanton craze for illegal, unethical and often criminal acquisition of wealth or benefits by individuals whose main motive is ego bossing and self aggrandizement with its attendant negative consequences on the rest of the society. Put differently, corruption is a general concept describing any organized, interdependent system in which part of the system is either not performing duties it was originally intended to, or performing them in an improper way, to the detriment of the system's original purpose (Aiyegbayo, 2007; Otite, 1986). As it were, there are myriad forms of corruption and these include: political corruption, bureaucratic corruption (misappropriation of public funds), money laundering (such as looted funds and wealth kept secretly abroad), gratification (which involves monetary, pecuniary, material or physical favors as a condition or reward for performing official duty), and nepotism which confers undeserved favors and advantages without receiving or giving gratification

except that of primordial identity (Onimode, 2001). Of all these, political corruption is rated higher in the Nigerian society. This is because it induces other forms of corruption.

Political corruption in broad terms is the misuse by government officials of their governmental powers for illegitimate, usually secret, private enrichment. To say the least, all forms of government are susceptible to political corruption - bribery, extortion, cronyism, nepotism, patronage, graft and embezzlement (Gyekye, 2003). Interestingly, political corruption can flourish under weak political leadership since political leaders or top public officials who are weak can hardly be expected to control their subordinate officers who succumb to the temptation of receiving bribes and committing other forms of political corruption either because being weak leaders they do not have the moral gut to exert control or perhaps being dishonest themselves, they have compromised their own integrity and moral authority and so cannot discipline others (Gyekye, 2003). Buttressing this view, Obasanjo (1994) remarked that corruption holds sway in situations of non-accountability, relative anonymity and it is exacerbated by absolute discretion. It pushes whatever limits there may be if there are no checks and controls. Thus, a corrupt regime is the one most likely to abuse human rights in order to repress accountability and transparency. What is more, its pernicious effects are debilitating, oppressive, corrosive and more of hindrance to democracy, good governance and development in African than elsewhere. This being the case, it is also instructive to highlight some of the causes of corruption in many societies such as Nigeria. They include opportunity to engage in corruption with impunity, dictatorship and poor application of democratic ethos, weakness of the post-colonial state; poor law enforcement; pervasive poverty; morbid greed and materialism; cultural lag and moral decay. Other factors include, lack of ethical standards and poor reward system. The effects of all these on a nation's socio-political and economic development are widespread. It is a form of debasement as it reflects retardation in socio-economic development (Mauro, 1995; 1997).

In Nigeria, to be specific, 'corruption runs rampant' and has become synonymous with Nigeria. It has dented the image of the country so much internationally that Nigerians are commonly viewed with suspicion. The Transparency Index (TI) used by Transparency International has consistently put Nigeria on top of the ladder of corruption rating from 1998 - 2001. Since independence in 1960, no administration has been declared corruption free in Nigeria. What has been the notable difference is the degree of corruption. For instance, the first Republic collapsed in early 1966 when the military intervened ostensibly to stop, among others things, the spate of corruption with which regional and national governments had been associated. In essence, corruption and disrespect for the rule of law which feed

on and reinforce each other remains the biggest impediment to Nigeria's quest for sustained growth, development, peace, stability and security. However, if the government and political processes are corrupted, the country cannot tackle its developmental challenges effectively and also take advantage of the opportunities offered by the emerging globalised economy. Furthermore, billions of dollars have been lost by Nigeria to corrupt leaders, resulting in the livelihoods of millions of people stolen and expatriated by corrupt leaders to foreign havens. The executive director of the United Nations Office on Drugs and Crime, Anthonio Maria Costa once remarked that, 'Nigeria lost close to \$400 billion between 1960 and 1999 to corruption. Consider the millions of vaccinations that could have been bought, the thousands of kilometers of road that could have been paved, the hundreds of schools, hospitals and training centres that could have been built with such money' (The Punch 14 November, 2007). In effect, the cankerworm (corruption) breeds inefficiency, diminishes productivity, discourages investments, fuels inflation and capital flight and institutes a regime of poverty and unemployment. According to Major Chukwuma Nzeogwu, "The aim of the Revolutionary Council is to establish a strong, united and prosperous nation, free from corruption and internal strife ... our enemies are the political profiteers, the swindlers, the men in the high and low places that seek bribes and demand 10%, those that seek to keep the country divided permanently so that they can remain in office as ministers and VIPs of waste; the nepotists, those that made the country look big-for-nothing before the international circle; those that have corrupted our society and put the Nigerian political calendar back by their words and deeds..." (First, 1970; Janowitz, 1968; Ademoyega, 1981).

In twenty-first century Nigeria, elite corruption is demonstrated in various dimensions, namely, presidentialism, clientelism and rent-seeking. Presidentialism implies the systematic concentration of political power in the hands of one individual who more often resists delegating all but the most trivial decision-making tasks. This concept is likened to patrimonialism or personalized rule, where an individual rules by dint of personal prestige and power. It can emerge from either the army or a dominant political party, whichever way; the point is that power is consolidated by asserting total personal control over formal political structures thereby making ways for corruption (Bratton and Van de Walle, 1997). In Obasanjo's government, President Olusegun Obasanjo was the minister of petroleum, a portfolio he never wanted any other individual to handle. He was minister of petroleum for seven years and four months yet he did not build even one refinery.

The concept of clientelism refers to a complex chain of personal bonds between political patrons or bosses and their individual clients or followers. These bonds are founded on mutual material advantage: The patron

furnishes excludable resources (money, jobs) to dependents and accomplices in return for their support and cooperation votes, attendance at rallies. In other words, the patron has disproportionate power and thus enjoys wide latitude on assets under his control (Schmidt et al., 1977; Joseph, 1987). Classic illustrations of political clientelism include, the 'Sicilian mafia' (Gambetta, 1993; Della Porta and Vannucci, 1999) and the 'political machine' or 'machine politics'. Beyond its purely criminal activities (theft, racketeering) the mafia performs quasi-political functions for deprived communities. The machine politics relies upon what it accomplishes for its supporters in a concrete way and not on what it stands for. To Joseph (1987) clientelism is the very channel through which one joins the dominant class and a practice which is then seen as fundamental to the continued enjoyment of the perquisites of that class. He likened it to what he termed, 'prebendal politics' - an office of the state, typical of feudal Europe and China, which an individual procures either through examinations or as a reward for loyal service to a lord or ruler. Accordingly, rent-seeking has indeed become a euphemism for corruption among many political scientists. But for multilateral donors and their economists, it is more than a euphemism; it is the extra amount paid to somebody or for something useful whose supply is limited either by nature or through human ingenuity (Szeftel, 1998). Interestingly, it is in the nature of the state that public official may use this capacity to extract rents for themselves. For the World Bank (1998) corruption is a function of the capacity to seek rents. The opportunity for corruption is a function of the size of the rents under a public official's control, the discretion that an official has in allocating those rents, and the accountability that official faces for his decisions. Basically, rent-seeking occurs when an individual, organization or firm seeks to make money by manipulating the economic and/or legal environment rather than by trade and production of wealth. That is, it is more often associated with government regulation and misuse of governmental authority (Ibrahim, 1997; Krueger, 1974). Beyond all this, the assumption is that elite corruption and all its characteristics thrive more in an environment where institutions are weak and government policies generate economic rents.

## **PRIMITIVE ACCUMULATION**

The nature, character and ideology of classical capitalism was expressed in Adam Smith's inquiry into the nature and causes of the wealth of Nations (1776) which recommended leaving economic decisions to the free play of self-regulating market forces. Aside free and self-regulating market forces, capitalism emphasizes profit maximization, a setting where the stronger still needs to plunder the weaker to become or remain stronger in the competition among the strong. This is largely so because

of its cherished values of accumulation, materialism and wealth. Later in the twentieth century, capital accumulation advanced to economic imperialism. Economic imperialism is rather the assertion of the economic hegemony of one nation over another from which the hegemony profits. Perhaps, it is the "raison d'être" that capitalism from its very inception has always had colonial possession or that the role of colonialism was principally to aid the primitive accumulation of capital-appropriation of surplus from colonized nations by the imperialists (Rodney, 1972; Jomo, 2006). All this can be enforced via, financial manipulation (including, currency, foreign exchange and credit manipulations), conquest, enslavement, monopolism which may involve various forms of organization, policies, bribes, blackmail, threat and war (Toyo, 2000).

In developing countries such as Nigeria, primitive accumulation comes in form of theft, looting, graft, expropriation, money laundering, enslavement and internal colonization. In this sense, even governments are not eager to probe the sources of personal wealth. What is more? The prevailing trend among the Nigerian elite is how to enrich oneself in order to remain relevant in the polity and how that is done is nobody's business. To this class of individuals, 'the end justifies the means', and not 'the means to justify the end'. Little wonder, the cases of ritual killings, political assassination, human trafficking and hostage taking are common in Nigeria today. To this end, the average Nigerian simply sees the elite as an opportunist, a 'timocrat', and a 'plutocrat' who first and foremost is in office for his own end and probably those of his immediate constituency. For the purposes of further analysis, the term 'timocrat' is derived from 'timocracy' which is a form of government that represents degeneration, the love of honor. As Stumpf and Fieser (2003) contends, "In so far as ambitious members of the ruling class love their own honor more than the common good, the spirited part of their soul has usurped the role of reason. It is a short step from love of honor to the desire for wealth, which means allowing the appetites to rule. On the other hand, the concept 'plutocrat' is derived from 'plutocracy', which is a form of government where power resides in the hands of people whose main concern is wealth. What is serious about plutocracy is that, it breaks the unity of the state into two contending classes: The rich and the poor. Plutocrats are consumers of good things and seekers of constant pleasure, and when they have used up their money, they become dangerous because they want more of what they have become accustomed to".

## **ELITE CORRUPTION IN NIGERIA PRIOR TO OBASANJO'S DEMOCRATIC GOVERNMENT**

It is common knowledge that elite corruption did not just evolve during General Olusegun Obasanjo's democratic government, instead it has been on in Nigeria even since

the colonial administration. As stated elsewhere, it is pandemic in Nigeria since the phenomenon cuts across almost every political system – military and civilian. To be sure, the Justice Sutton report published on the 16th of January, 1957, indicted Nnamdi Azikiwe, the leader of the National Council of Nigeria and Cameroon (NCNC), the party in control of the government in the Eastern Region, for investing public funds in the African Continental Bank (ACB) in which he had an interest. This made Azikiwe to transfer all his rights and interests in the bank to the Eastern Nigerian government which thenceforth owned the bank (Akude, 2007). Relatedly, the report of Justice Coker Commission of inquiry indicted Chief Obafemi Awolowo, the premier of the Western Region and leader of the Action Group (AG), the party in control of the regional government, for diverting public funds to the tune of 7,200,000 pounds from the government coffers to those of his private firm, the National Investment and Property Corporation. 'We came across evidence of reckless and indeed atrocious and criminal mismanagement and diversion of public funds. We are satisfied that Awolowo knows everything about the diversion of large sums of money ... into the coffers of the Action Group', the commission asserted. The Western Regional Government subsequently acquired all the property belonging to the firm (Akude, 2007).

Corruption was deemed pervasive during the administration of Alhaji Shehu Shagari. For instance, the Shagari administration of 1979-1983 inherited 2.8 billion naira in foreign reserves from its predecessor and later earned an additional 40.5 billion naira during its tenure. But, by the end of its tenure in 1983, Nigeria was indebted to the tune of 10.21 billion naira (Akude, 2007; Rotberg, 2004; Zartman, 1995). It was also during that period public buildings were set on fire by arsonists in order to destroy incriminating evidence (Sklar, 1997; Dash, 1983). As Adeyi (2006) pointed out, when General Mohammadu Buhari took over power from Shehu Shagari administration, one major step he took was to establish case of misuse of public funds by many politicians of the Second Republic. A good number of them were sentenced to jail terms by the constituted military tribunals for crimes ranging from financial impropriety to looting of public treasury. For instance, the Lagos zone of the military tribunal charged three Unity party of Nigeria (UPN) governors – Chief Bola Ige, Chief Michael Ajasin and Chief Bisi Onabanjo of Oyo, Ondo and Ogun respectively for corruptly enriching UPN by the way of kickback of N2.8 million representing 10% of a N28 million contract sum awarded to Boargues Nigerian Limited that was meant for the construction of a building for the Great Nigerian Insurance Corporation. In Ibadan zone, the tribunal jailed Ambrose Alli, governor of Bendel State and his commissioner for Finance, Augustine Omoleye for collecting kickback from one Babatunde Adeyemi, Chairman and Managing Director, Hispanic Construction Nigerian Limited who handled a contract of

N48.5 million out of which the sum of N983,000 was collected as kickback.

The administration of Ibrahim Babangida was unfortunately a part of a government that claimed to be an offshoot of the Murtala Mohammed social revolution. On his assumption of leadership, he did not only rubbish the anti-corruption crusade started by Murtala Mohammed and intensified by Mahammadu Buhari's administration, but also reinstated the dismissed military governors to their ranks and returned all the properties earlier confiscated from them. Besides, he elevated graft to the equivalent of a directive of state policy (TELL, 20 February, 2006). On 30 June, 1991, William Keeling a Financial Times journalist was peremptorily deported from Nigeria by the Babangida regime for investigating and reporting about Gulf war oil windfall corruption. The journalist reported that actual receipt of about \$12.4 billion was not properly accounted for. This was substantiated by the Pius Okigbo panel that Ibrahim Babangida squandered the \$12.4 billion oil windfall on clearly unproductive ventures (<http://www.nigerdeltacongress.com/wartitled/why-government-should-release-th.htm>). Similarly, the death of the General Sani Abacha revealed the global nature of graft. For example, French investigations of bribes paid to government officials to ease the award of a gas plant construction in Nigeria revealed the global level of official graft in the country. The investigations led to the freezing of accounts containing about \$100 million United States dollars (Igbikiowubo, 2004). In 2000, two years after his death, a Swiss banking commission report indicted Swiss banks for failing to follow compliance process in allowing family and friends of Abacha access to accounts and depositing amounts totaling \$600 million US dollars into the accounts. The same year, more than \$1 billion US dollars were found in various accounts across Europe (Pallister, 2000). Thus, Table 1 illustrates the magnitude of looting of the Nigerian treasury under the Abacha military regime, 1993 to 1998.

Despite all these corrupt practices; Nwankwo (1997) revealed that foreign firms and governments colluded with Nigerian political elites - military officers and bureaucrats to siphon money out of the country. In 1985, Brian Sledgemore, a British parliamentarian, disclosed how Nigerian officials, with the connivance of the Johnson Matthey Bank in London, siphoned over six billion naira in fictitious imports. The testimony of Nazir Chinoy, the Manager of the bank of Credit and Commerce International (BCCI) to the US Senate committee investigating the corrupt activities of the bank following its collapse in 1991, revealed how the bank paid large sums in kickbacks to Nigerian officials for services rendered. A former Nigerian civil servant and later Sarduna of Sokoto, Alhaji Dasuki became the bank's chairman in Nigeria. Interestingly, subsequent to the collapse of the bank, its name in Nigeria was changed to African International Bank (AIB) which immediately

**Table 1.** Looting of the Nigerian treasury under the Abacha military regime, 1993 to 1998.

<b>Bank</b>	<b>Account name</b>	<b>Balance (CR)</b>
Barclays Bank Plc (London)	Levy Account	-
Barclays Bank Plc (London)	Ship Acquisition and Ship Building Fund	\$5,648,410,55
Barclays Bank Plc (London)	Rent Account	GBP, 1, 447,14255
Barclays Bank Plc (London)	London Office Current Account	GBP, 288,946,14
Union Bank Plc (London)	Levy Account	\$17,271,783,47
Midland Bank Plc (London)	Call Deposit Account	GBP 166,949,31
Midland Bank Plc (London)	Fixed Deposit Account	GBP 435,657,47
First Bank Plc (London)	Levy Account	DM 360,500,17
FSB Int. Bank	Levy Account Non-checking	\$1,396,688,28
UBA Plc (New York)	Private Account	\$2,367,123,03
FSB Int. Bank	Income Account	\$7,342,818,60
UBA Plc (New York)	Levy Account	\$14,888,714,54

Source: Weekend, news flash "Switzerland disclose accounts of lookers" 6 July, 1999.

received a 500 million naira grant from the Nigerian Central Bank in 1991.

## **WAR AGAINST CORRUPTION IN NIGERIA**

Corruption is a dynamic phenomenon which usually manifests itself in diverse forms. Hitherto, the soaring number of corruption cases in Nigeria is quite alarming and disturbing, if anything; the bane of democratic governance since 1999 has been the destructive influence of corruption on national development. Hence, the need to evolve an efficient synergy of anti-corruption agencies to effectively combat corruption. To intensify action against this menace, Obasanjo's government in June 2000, established the Independent Corrupt Practices and other Related Offences Commission (ICPC). In 2004, Economic and Financial Crimes Commission was established. Prior to this, it is worthy of note that there were other measures against corruption prosecuted in the past that failed. These include Code of Conduct Bureau, Ethical Revolution Commission, Mass Mobilization for Social Justice and Economic Recovery (MAMSER); and the Judicial Commission of Inquiry; war against indiscipline. The mandate given to the ICPC is to check and recover ill-gotten wealth while the EFCC was given the mandate to investigate persons, corporate bodies or organizations that have committed offences relating to economic and financial crimes. In his address on the occasion of the formal signing into law of the ICPC Act, the president asserted thus:

"As we all know, corruption is a cankerworm that has eaten into the fabric of our society at every level. It has caused decay and dereliction within the infrastructure of government and the society in physical, social and human terms. The vice has been responsible for the instability of successive governments since the first Republic. Every coup since then has been in the name of stamping out the

disease called corruption. Unfortunately, the cure often turned out to be worse than the disease. And Nigeria has been the worse for it..." (The Punch, 29 September, 2002).

However, the question is, have the commissions been able to achieve the purpose(s) of their establishment? No doubt, the agencies have been operationalising since their formation, but not to the fullness or satisfaction of many Nigerian. Recently, the EFCC set up monitoring and intelligence units to scrutinize local government allocations with a view to determining how these funds are utilized. Also the EFCC in collaboration with sister agencies (for example, ICPC) had intensified its fight against oil bunkering which culminated in the recent prosecution of fourteen Filipinos. On December 10, 2008, EFCC, under its boss, Farida Waziri initiated a project called, Anti- Corruption Revolution Campaign mainly to mobilize the masses to buy into and own the war against graft (TELL, 1 December, 2008) . But in several occasions, the agencies have been accused of being biased, partial and/or Obasanjo's instrument of fighting political opponents. That is, the agencies were used as a smokescreen to blind Nigerians from the unprecedented plundering of the commonwealth by the venal regime. EFCC in particular was culpable in the many crises that threatened the polity as it offered itself as a willing tool to criminalize dissent opinion against Obasanjo. In the words of Nwabueze (2008), "the question is not whether we should wage a war against corruption or not, my quarrel is that the fight should be waged within the context of the constitution ... This is what the Economic and Financial Crimes Commission (EFCC) under Nuhu Ribadu did not appreciate, perhaps, because Obasanjo did not believe in the constitution. Hence, the commission was viewed as an instrument of vendetta. It was so selective that if you were a friend no matter how corrupt you may be, nobody would touch you, and if you were an enemy, real or imaginary, the commission would go after you".

Beyond this, there were other challenges that confronted the two agencies within the period in question. For instance, as at December 2007, the EFCC was investigating 2,000 corruption cases but at the end of the day, most of them were stalled due to the inefficiency in the nation's judicial system. Relatedly, out of the 40 cases the ICPC investigated in 2007, none actually came up for trial because of procedural delay. Apart from slow judicial process, judicial officers, especially at the lower levels were not discharging their constitutional role with honesty and integrity (The Punch, 9 April, 2008). Therefore, due to the lackluster performance of the judiciary and that of the agencies most of the already indicted past state governors have the impetus to trade their stolen billions for freedom and negotiate their escape from prosecution and justice. If this were not the case, why are some of them still holding public offices like the case of Chimaroke Nnamani, former governor, Enugu state? In December 2007, the EFCC arrested the former Delta State Governor, James Ibori and charged him with 103 counts of corruption, including an alleged attempt to bribe the commission's director - Nuhu Ribadu with \$15 million in cash in order to drop the case. Till date, the case has been foot dragging in law court. The same applies to Messrs Chimaroke Nnamani, Lucky Igbinedion, Joshua Dariye, Ayo Fayose, Orji Uzo Kalu, Ali Mmodu Sheriff.

The new EFCC boss Farida Waziri recently argued that she met only eight cases on ex-governors in court as against the thirty-one cases claimed by her predecessor Nuhu Ribadu. The rest were files with scanty information that needed thorough investigations that will make the cases stand the test of time. The investigations into allegations of corruption, abuse of office, money laundering and stealing against Senator Ali Mmodu Sheriff, governor of Borno State was also quite revealing. The EFCC investigation showed that many of these allegations against him were true. For instance, it was discovered that the governor using the state fund, purchased 10,000 units of motorcycles from China in 2006. On arrival, Sheriff converted them for his 2007 re-election bid and inscribed on them 'SAS' 2007. 'SAS' is an acronym of the governor, meaning Senator Ali Modu Sheriff (Aiyetan, 2007). Since then, Nigerians are yet to hear how the EFCC has handled the case. All this goes to show that neither the Federal government nor the agencies directly in-charge is committed to fighting corruption in the society.

### **CASES OF ELITE CORRUPTION IN OBASANJO'S ADMINISTRATION 1999 TO 2007**

Gani Fewehinmi in 2007 stated that 'Obasanjo's eight years of administration was highly characterized by self-centered disposition, deception, creating a few rich individuals, so much wealth coming to the coffers of government out of which Nigerians received aggravated

poverty and economic pain'. He is a man whose words must be assimilated in reverse order; craftiness personified (The NEWS, 26 February, 2007). To appreciate the magnitude and influence of corruption in Obasanjo's administration, during the 2003 electoral process, Aliko Dangote and Emeka Offor (both business mogul) donated N1 billion to the Obasanjo-Atiku re-election bid. Also, all federal cabinet ministers donated N10 million; and the 21 state-controlled Peoples Democratic Party (PDP) governors contributed N210 million. Worse still, the managers of some of the 'solvent' government parastatals handed in millions. In all, about N2 billion was raised (The Guardian Editorial, 2003). The question is, can this kind of money be equally donated or channeled towards other things such as, youth development and poverty alleviation programmes? Was the monies donated by all federal cabinet ministers and state governors accounted for at the end of the day? As an observer puts it, "The fund raising party, served as a conduit for corrupt government officials to channel their loots to the party in the name of political contributions". In a related development, on 14 May 2005, friends of president Obasanjo raised billions of naira for his library project. This quantum sum of money came from different government institutions and agencies. For instance, all the state governors donated N360 million suggesting that perhaps, each of the states contributed the sum of N10 million. A consortium of banks donated a sum of N622 million while Mike Adenuga, Aliko Dangote and Sonny Odogwu doled out N250 million, N211.6 million and N200 million, respectively. It was also revealed that all the federal ministers also donated their May salaries to their boss (Sawyerr and Ekenna, 2005). The question, again, is, how can it be ascertained that the money donated by the governors was not from the state coffers and if it were, which law permits such expenditure?

In view of this, while some critics argued that the fund raising was mere 'executive extortion' at its best, some opined that the project was not only morally wrong but also a misplacement of priority. How? The president would have waited for a year or two after leaving office before embarking on such sensitive fund raising project. For example, Jimmy Carter, former US president and Obasanjo's long time friend did his library project after he had left office (Sawyerr and Ekenna, 2005). Be that as it may, during the same administration, public money were siphoned or carried abroad by state governors and ministers with diplomatic immunities at the airports. For example, in September 15, 2005, the former governor of Bayelsa State, Dieprieve Alamieyesigha was arrested in London on allegation of money laundering. He was found with £1 million cash (Agbo, 2005). Buttressing this, Ngozi Okonjo-Iweala, former Minister of Finance under the government of Obasanjo asserted:

"Every month immediately after the sharing of federal allocation, governors and/or their aides go abroad to stash away a good chunk of their states

money in coded foreign accounts. Some who are smart siphons the money away through companies which are awarded contracts whose components are sourced abroad. This is the character profile of a wealthy country that is going cap-in-hand, begging for debt relief" (Agbo, 2005).

In 2007, the Revenue Mobilization and Fiscal Allocation Commission (RMAFC) in a seventy seven page report argued that the excess proceeds account established by Obasanjo's government was illegal. It condemned the way the federal government was running the federation account particularly in the aspect of unilateral deduction and withdrawals. Corroborating this view, Farouk Lawan, a member of the House of Representatives argued that in the eight years of Obasanjo administration, it was very difficult for the National Assembly to discover the so-called special account. Efforts were made to get the executive arm to disclose the exact figure in the federation account but to no avail (Newswatch 28 January, 2007). Within the same period, the National Assembly discovered some hidden accounts amounting to billions of naira which were lodged by the executive arm of Obasanjo's government. Amongst these secret accounts was the petroleum trust development fund (PTDF). Under the Act that established the Fund in 1973, 1% of all payments from oil block sales were to go to the Fund which is kept for activities in manpower development in the petroleum and gas sector. In fact, not only that Obasanjo did not allow all accruals from the 1% to be paid to PTDF, but also that he never sought the approval of the National Assembly to divert the excess from the 1% to other matters (Newswatch 28 January, 2007) . Perhaps, it is in the light of this, that Tukur (2008) noted thus:

"Under Obasanjo, the government was not run on the basis of budget. He did not consider himself bound by the budget. He was the budget. He provided figures and allocations and spent money as he liked without any evidential accountability to the National Assembly. Nobody knew what the revenue was. The National Assembly did not know, he was not revealing anything. How much came into the government coffers from the oil sales, nobody knew except himself. He was the sole Minister of Petroleum".

Obasanjo was Minister of Petroleum for seven years and four months yet he did not build one refinery. Iran for example, is a petroleum exporting country like Nigeria, and has built more than twelve refineries. It refined 3.4 million barrels of fuel a day. But Nigeria has only four refineries that are moribund. Similarly, the administration of Obasanjo awarded 300 contracts and made 340 payments in respect of the National integrated power projects with reference to the ministry for power and steel.

Some of these contracts were awarded to unregistered firms, through the Presidential Steering Committee made up of Joseph Makoju, Liyel Imoke, Funsho Kupolokun and Foluseke Shomolu. To be sure, a German company, Lameyer which had been blacklisted by the World for fraudulent practices in some African countries got a contract of N600 million to produce the feasibility study for the Mambila hydro-electric power project. The company collected N370 million but failed to execute the contract (The Punch Editorial, 2008).

As the saying goes, 'Like father, like son', or 'as the he-goat eats, the younger ones follow its footstep'. The state governors and ministers were not left out of the game. For instance, on December 2003, some senior government officials were arrested for involvement in alleged National Identity Card project scam. These individuals were, Alhaji Hussani Zannwa Akwanga, Chief Sunday Michael Afolabi, Dr. Mohammed Shata and Chief Okwesilieze Nwodo. They were alleged to have collected a colossal sum of money amounting to \$214 million through a bribery scheme organized by SAGEMS agents in Nigeria. Till date, the commission - the ICPC handling the case is yet to tell Nigerians the fate of the accused individuals (Vanguard, 30 December, 2003). By the same token, in October 2007, Patricia Etteh - Former Speaker of the House of Representatives was accused by her colleagues for appropriating a huge sum of N628 million to furnish her official residence and that of her deputy. The question is, why should she approve such quantum of money to just renovate a building? Why did she just develop such a high taste few months she became the Speaker despite the fact that she could not be counted as one of the Nigerian women who are very wealthy in all its ramifications? Recently, Chief Bode George the PDP stalwart was arraigned before an Ikeja High Court. He was slammed with 163 counts of frauds, abuse of office and embezzlement of public funds while he was the board Chairman of Nigerian Port Authority (NPA). For example, the board approved various contracts without due process. It was revealed that he awarded over 24,252 contracts valued at over N100 billion from 2001 to 2003 (<http://www.ocnsonet/artman2/publish/Africa-8/chief-Bode-George-Accused>). Femi Fani Kayode and Professor Babalola Borisade (former Ministers of Aviation under former President Obasanjo government) were arrested by the EFCC in connection with the N6.5 billion Safe Tower project awarded to Avsatel GMB of Vienna, Austria which was said to have been inflated by N5.5 billion. While Fani-Kayode argued that it was Borisade that made the payments for the Safe Tower contract before he took over, Borisade held that though the contract had been awarded before Fani-Kayode took over no withdrawals were made by him. The case is yet to be resolved. To further demonstrate that Obasanjo's administration was fraught with self-centered disposition and anti-mass programmes, rather than repay domestic debt, pay pensions, gratuities and other domestic

creditors so as to inflate and enhance a more rapid growth of the economy, the regime embarked upon the repayment of external debt perhaps, to please its foreign sponsors and its greedy foreign partners and perhaps also, to get their support for the unconstitutional determination to perpetuate itself in office. As Aluko (2007) captured it:

“The regime bought the bait of the western creditor nations to pay \$ 12.5 billion of the debt at once, in order to receive \$18 billion debt relief, an amount which no other debtor-nation in history has ever paid at once. While some of the other debtor countries in Africa, Asia and Latin America are obtaining complete debt write-off, Nigeria paid such a huge ransom, because Nigerian government has more money than sense”.

The argument is that if there were no ulterior motive behind the payment of such lump sum to the Paris club in one year, the payment could as well be spaced for a period of twelve years. No nation is ashamed of being a debtor once the debt is ploughed into regenerative investments that have multiplier effects on its economy. After all, the greatest debtor in the world today is the United States yet it is the most powerful and developed economy in the world. Suffice it to say, therefore, that the regime completely imbibed the imposition of what has become known as the ‘Washington consensus’, propagated by the World Bank, the International Monetary Fund (IMF) and the western imperialist powers in order that they may continue to control and direct the economic policies of countries that have no independent economic policies which are not meant to provide an effective framework for combating poverty nor for generating rapid economic growth. Instead, it is designed to tie perpetually the economies of client economies to the apron-string of the pavon-metropolitan western economies (Aluko, 2007; Roxboroug, 1979; Jomo, 2006; Rodney, 1972).

## **TACKLING ELITE CORRUPTION**

Elite corruption in Nigerian can be minimally reduced if not eliminated. To effectively achieve this, some steps must be taken. For instance, ‘Political Will’ is a critical starting point for sustainable and effective anti-corruption strategy and programme. Without it, governments’ statements to reform or systemic change would be futile. Political Will refers to the demonstrated credible intent of political actors (elected or appointed leaders, civil society) to attack perceived causes or effects of corruption at a systemic level. It is manifest in the degree to which reform initiatives are participative and incorporate a range of political actors and civil society. It also emphasises commitment, dogged determination to enforce policies,

rules without reservation. Studies have shown or proven that many Nigerian past and present leaders lack political will, and that is why corruption has been on the increase in the society. Since nobody is above the Law, it is expected that Nigerian leaders and heads of anti-corruption institutions should have the political will to tackle the issue of elite corruption. The point is, whether the leaders are in government or outside it, they must display transparent honesty, purposefulness and commitment to the ideals of the society. They must lead the society by showing good examples, especially in public accountability, morality and discipline.

Another way by which (elite) corruption can be checkmated in Nigeria is encouraging freedom of information. This is a situation where individuals especially media will have access to almost every information. Unfortunately, the National Assembly has refused to pass the Freedom of Information (FOI) Bill into Law. The point is, if Freedom of Information becomes a law, citizens and the media in particular will then have the legal backing to monitor and indirectly oversee any government projects that are being carried out in their localities. In this case, the legislators-State and National would become more effective in using the democratic checks and balances to tame official graft.

## **Conclusion**

The paper attempted to appraise the administration of Olusegun Obasanjo which commenced in May 29, 1999 and ended in May 29, 2007. It contended that the government was marred and bedeviled by elite corruption in form of personal enrichment and aggrandizement, primitive accumulation, patrimonial (personalized) rule, rent-seeking and prebendalism. In other words, the administration rather than provide and promote effective framework or implementable programmes capable of addressing economic development, vis-à-vis, accountability, transparency and constitutionalism, preferred to reinforce the follies and foibles of the power elite.

To really address the problem of elite corruption in contemporary Nigerian society, the issue of morality must be taken seriously. The prosperity of a society depends on the moral disposition of its members. That is, morality is the foundation of society or every organized society is structured around moral principles as its foundation and these include, inter alia, honesty, integrity, altruism, selfless service. Since the greatest obstacle to the development of Nigerian state is traceable to immorality, corruption, it is only a moral regeneration that can solve it and such is imperative if the country is to make any meaningful progress in development. Perhaps, it is the reason the notion of re-branding Nigeria is being strongly and widely propagated today by the Minister of Information and Communication - Professor Dora Akunyili.

The main thrust of the campaign (Re-branding Nigeria) is engender social change, entrench community values, to raise once again the country's image that is at its lowest ebb that is marred by frightening cases of corruption, bad leadership and other anti-social stigma. In other words, it is perceived as a social engineering strategy to transform the Nigerian citizen from bad to good where every personality trait inimical to nation building and development is transformed. But the question is, is it not going to end up like other past initiatives that failed?

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