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CORRUPTION IN THE POLITICS AND ECONOMY OF NIGERIA: IMPLICATIONS FOR NATIONAL DEVELOPMENT

Introduction

In 1996 and 1997 Nigeria was perceived by the Transparency International as the most corrupt of the 52 countries ranked according to perceptions registered in a range of surveys. By 1998, with 85 countries under evaluation, Nigeria moved up to position 81 alongside Tanzania.¹ But is corruption that pervasive in Nigeria to warrant its being consistently grouped with the most corrupt countries in the world? Perhaps the diverse manifestations of what are regarded as corrupt transactions would help us understand and identify why Nigeria qualifies to be grouped with the most corrupt. According to the United Nations Human Development report, these ranged from:

*Acceptance of money or other rewards for awarding contracts, violations of procedures to advance personal interests, including kickbacks from development programmes or multinational corporations; pay-offs for legislative support; and the diversion of public resources for private use, to overlooking illegal activities or intervening in the justice process. Forms of corruption also include nepotism, common theft, overpricing, establishing non-existent projects, payroll padding, tax collection and tax assessment frauds.*²

The wealth of written material on corruption in Nigeria is adequate to convince an outsider that the phenomenon is widespread. Aside from official corruption and indiscipline, cases of corruption included the prevalence of vices such as smuggling, breaching of oil pipelines and National Electric Power Authority installations in order to make illicit monetary gains, money laundering, illegal currency exchange, hoarding of goods such as petroleum products, advance fee fraud (419), dishonesty as regards the use of trademarks, tax evasion and a plethora of other vices.

Undoubtedly, the totality of all these vices has contributed significantly to stagnating or slowing down the pace of development in Nigeria. While bearing in mind the current lack of consensus among scholars on the meaning and contexts of the concepts of Development and Economic Development, this work attempts to define these concepts in order to fully grasp the issues at stake. The term – development, is used in this paper to mean the gradual expression of available facilities and resources both

quantitatively and qualitatively so as to produce a better and greater state. Also, economic development could be defined as an upward movement of the society especially the economic segment, which includes increases in income or GNP over a sustained period of time through continuing increases in per capita productivity, increases in the level of industrialization and the state of technology as well as marked improvement in the level of general well-being or standards of living of the people.

In this paper, special emphasis is accorded official corruption among Nigerian leaders and its debilitating effects on the nation's development. This will be followed by the way out of corruption and under-development in which the paper proffers suggestions aimed at mitigating and arresting the abysmal state of affairs. Finally, the paper is rounded off with the conclusion.

Endemic Corruption and National Development

It is pertinent to stress that corruption especially among Nigerian leaders manifested in multifarious ways. The first is financial mismanagement and economic corruption. There is hardly any regime in the course of Nigeria's chequered political history that has not accused its predecessor of economic corruption. Emphasis in Nigeria has been on the distribution of the 'national cake' with no reciprocal emphasis on baking this cake. The concept of 'chop-politics' was popularised to the detriment and stagnation of national development.³

With particular reference to the First Republic, it is pertinent to state that the Nigerian ruling elite and people looked on helplessly as foreign capital consolidated its hold on the country, and intensified the underdevelopment of the nation. Basically due to its pursuit of petty fortunes, the petty bourgeois ruling class closed its eyes to foreign encouragement and promotion of corruption in national life, over-invoicing of imports, under-invoicing of exports, indiscriminate issuing of letter of credit, fraudulent inflation of the national debt, and foreign encouragement of Nigerians to deposit their ill-gotten wealth in foreign countries.⁴

This political dispensation maintained the pattern of production, trade, foreign aid, and international monetary transactions inherited from the colonial period which was designed in the interest of the Western powers. Thus, instead of a shift in trade from the West to the rest of the world, there was a shift from Britain to Western continental Europe and then, the United States. From 1960 to 1967, over 80% of the total value of the country's exports and re-exports was concentrated on the West, while over 90% of the net flow of private investment in the country also came from the same region.⁵ Coupled

with monetary dependence on Britain and the domination of the Nigerian banking system by British banks, this structural economic dependence on the West adversely affected Nigerian interests.⁶

Corruption and inefficient administration were the order of the day during the First Republic. It became increasingly common knowledge that school leavers could not obtain jobs in government service unless they gave financial inducements for same, while award of contract works by ministers or their delegates with regards to matters under their portfolios necessitated handing over a prescribed percentage (usually 10 percent) of the award to them as a condition precedent to such awards.⁷ Rather than check these illegal practices, the police proved sterile on account of its alarming partial and corrupt practices.⁸ It is pertinent to stress that the leader of Nigeria's first military coup, Major Kaduna Nzeogwu also explained that the aim of his revolution was to get rid of the corrupt and incorrigible politicians and have them replaced with what he called "honest progressives" who would work under military supervision.⁹

Again, despite the fact that the oil boom of the 1970s had brought in huge amount of wealth, which under proper management was capable of transforming Nigeria economically, the Gowon regime failed utilise the increased wealth in any progressive fashion. The mismanagement of the money derived from petroleum (petro-dollars) after the civil war, is a pointer to the economic corruption of the regime of the period. Engrossed by its desire to cultivate the friendship of its immediate neighbours after the civil war, the regime resorted to the use of financial incentives, facilitated by the newly-found oil wealth of the nation instead of the appeals to the latent desire for economic liberation and complete independence of such countries. It used financial incentives to get agreement on the creation of the Economic Community of West African States (ECOWAS), while it also sold oil at concessionary prices to some African States.¹⁰ Nigeria also offered the following financial aid¹¹ to drought - affected countries in Africa: Mali ₦432,579; Mauritania ₦214,912; Niger ₦342,105; Ethiopia ₦200,000; Senegal ₦333,333; Burkina Faso ₦407,895; Chad ₦320,176; Sierra Leone ₦20,000; Somalia ₦1,007,893. Grants were made also to the following countries at independence: Guinea Bissau ₦500, 000; Cape Verde ₦60, 000; Mozambique ₦675, 890; Sao Tome and Principe ₦60, 775. Grants were made to other countries for various reasons as follows: Niger ₦664, 000; Zambia ₦500, 000; Sudan ₦400, 000; Sao Tome and Principe ₦124, 000. The Zambia, Guinea, Uganda, Liberia and Kenya were other recipients of such grants.¹² Nigeria also donated a printing machine worth the sum of ₦42, 000 to the Republic of Benin and built for her the ₦1.8million Idiroko-Porto Novo

highway; while it offered her ₦2million as a 25 year interest free loan, 30% equity and ₦7.2 million investments in a joint cement project.¹³ Thus the impression was given that Nigeria was a big spender, an 'African Yankee'. While it is arguable that the above grants help to promote Nigeria's image on the international scene, the action could also be seen as a squandering of public funds especially viewed against the background of the fact that the grants and the oil boom were not accompanied by critical investments in key sectors of the economy like agriculture, a move which could have laid the foundation for transforming Nigeria economically. The mismanagement of the money from petroleum is symptomatic of the economic corruption of the regime of the period. The emergence of millionaires and multi-millionaires in Nigeria mostly military leaders has driven home the point of exploitation and consequent pauperization of the Nigerian masses.¹⁴

Again, Nigeria compradors assisted foreigners in their exploitation of the nation's resources. Such practices reached their most perfidious extremes in the cement scandal of 1974-1975 when Nigerian businessmen and bureaucrats colluded with foreigners to exploit the ports congestion for the purpose of defrauding the country of large sums of money. The cement fiasco turned a handful of operators (including top-level bureaucrats) into multi-millionaires by ordering millions of tonnes of cement; resulting at one time in over four hundred ships tied up at the Lagos ports, claiming demurrage payments until it was their turn to choke the already strained docks system at Apapa. It has been indicated¹⁵ for instance, that the Ministry of Defence made a reckless order of 16million tonnes of cement for its barracks building programme, to be delivered within the space of weeks. This did a lot of harm as it led to port congestion on a large scale. Large sums of money were also spent on demurrage, litigations and decongesting the port.

Although the eradication of corruption in Nigeria's national life featured prominently in General Gowon's nine-point programme released after he assumed office, Gowon woefully failed the nation in the eradication of corruption as a policy. Some of the Governors under General Gowon were accused of corruption and they became highly unpopular. For instance, Aper Aku exposed the Governor of Benue – Plateau State, Mr. Joseph Gomwalk, while Mr. Godwin Daboh also exposed the Federal Commissioner for Communications, Mr. Joseph Tarka.¹⁶ At various times, the Head of State was urged to change the Governors, but this he failed to do.

But apart from the case of Gowon's Governors, the issue of the "Super-Permanent Secretaries" under Gowon also elicited disapproval of the sycophancy in light of the enormous powers wielded by the Federal Permanent Secretaries and their alleged abuse of office.¹⁷ They became more powerful

than the Federal Commissioners. They contributed to debates at the Executive Council meetings openly contradicting the commissioners they were supposed to advise. These 'Super Permanent Secretaries' included: Mr. P. C. Asiodu – Permanent Secretary for Mines and Power; who was also Chairman of NEPA; A. A. Ayida of the finance ministry, and I. J. Ebong for Economic Development. They also served as Chairmen of several Federal Statutory Corporations.¹⁸ Also, the dichotomy between the Commissioners and the Permanent Secretaries continued hopelessly unchecked till the Gowon regime was overthrown.

General Murtala Mohammed's dismissal of Gowon's twelve State governors within hours of his take-over of government was highly welcomed by the Nigerian populace. Also, due to the endemic corruption in the Nigerian Society, General Mohammed translated his clean up campaign into positive action. Among the moves was a major purge of the bureaucracy on a very large scale. Throughout the country, there was the instant retirement of many Police Officers, Federal Civil Servants, a score of Permanent Secretaries and heads of diplomatic missions and half a dozen heads of State Civil Services.¹⁹ The foregoing exemplified the strategy to curb official corruption in the Society.

Apart from the probe into the importation of cement already highlighted, it has also been indicated²⁰ that probes into the purchase of Leyland buses for the Second World Black Festival of Arts and Culture (FESTAC), the staggering 'oil gate' scandal involving the alleged misappropriation of some N2.8 billion from oil sales overseas, huge contract awards, etc. all revealed the extent to which the Nigerian nation had been stripped of its vitality. Although the Mohammed/Obasanjo administration demonstrated a strong will to fight corruption between 1975 and 1979, it was unable to rid the society of the disease by the time it handed over power to civilian politicians in October 1979.

During the subsequent Civilian interlude (1979 – 1983), or the Second Republic, corruption became the dominant feature of the Nigerian society. Adamolekun L. has described the period as "the golden age of corruption."²¹ Corruption in the sense of public functionaries abusing their offices through such practices as embezzlement, fraud, bribery and straight forward theft was common place in the society. Some instances would suffice. In 1981, over ₦11.9 billion was siphoned out of Nigeria. The said amount was supposed to have been used to take care of import bills. However, the actual value of these imports was estimated to be about ₦2.97 billion, thus leaving a differential of ₦8.93 billion not properly accounted for.²² Between 1970 and 1981, an average sum of ₦564.78million was illegally transferred out of the

country due to over – invoicing of imports, while during the same period, a total sum of ₦6.6 billion was siphoned out of Nigeria through fraudulent merchandise trades.²³ Between 1982 and 1983, ₦3 billion was siphoned out of Nigeria through illegal foreign exchange transactions.²⁴ Alhaji Umaru Dikko, the regime's points man was accused of economic mismanagement and other forms of corrupt practices especially in his position as leader of the "Presidential Task Force on Rice" and Chairman of the "Presidential Re-election Campaign Committee."²⁵ As a result of these corrupt practices, the Nigerian economy suffered a severe downturn and relapsed into a state of depression. Inflation was the order of the day, while imports of raw material and other essential goods could not be sustained.

Against this background, it was not surprising that the early spokesman of the Buhari administration was very loud in his condemnation of corruption, while eradication of corruption emerged as one of the major objectives of the military junta that overthrew the Shagari regime. The most practical demonstration of the administration's determination to 'clean the society of pervasive corruption' was the promulgation of the Recovery of Public Property (Special Military Tribunal) Decree No.2 of 1984,²⁶ which gave extraordinary punishment of long prison sentences of at least twenty-one years for persons found guilty of corrupt practices and or abuse of office. Thus, several former functionaries were sentenced to twenty-one years imprisonment. They included Chief Bisi Onabanjo, Alhaji Adamu Attah, Mr. Solomon Lar and Mr. Jim Nwobodo, all of them Chief Executives of State governments between 1979 and 1983. Undoubtedly, the Buhari administration demonstrated a strong will to fight corruption.

However, financial mismanagement and corruption also became noticeable during the Babangida and subsequent regimes in Nigeria. It has been indicated that the Babangida regime failed to adequately account for billions of dollars, which Nigeria earned as revenue from the sales of petroleum during the Gulf war of 1990 – 1991; while Babangida also expended about ₦40 billion on an unsuccessful transition to civil rule programme.²⁷ The regime had also been alleged to employ the Bank of Credit and Commerce International (BCCI) as a channel for converting the Naira into Dollars, in order to siphon much of Nigeria's funds abroad.²⁸ The BCCI was later discovered to be a corrupt bank and its activities were halted in 1991.

Apart from under-reporting petroleum revenues to the tune of at least \$2.1billion in 1990, the regime also diverted national funds to clandestine dedication accounts specially earmarked to take care of specific projects. From 1988, about \$12.2billion had been diverted to off-budget accounts as revealed

by the Okigbo Commission in 1994. This situation made proper accountability almost impossible.²⁹

Furthermore, it had been alleged that the report of the Fashanu inquiry into the large scale corruption and looting of public funds indicted the Babangida and Abacha regimes for mismanaging the country's financial and material resources. For instance, between 1988 and 1993, Babangida and some collaborators were allegedly involved in fraudulently appropriating funds from a debt buy – back process, originally suggested as a means of giving Nigeria some relief from its debts burden. About 6 billion dollars was not adequately accounted for in this high level fraud in which almost 200 separate banks participated.³⁰

The Abacha regime carried on the trend of financial impropriety and corruption, taking it to a height unsurpassed in the history of Nigeria as an independent country. It is on record that Sanni Abacha received no less than 300 million dollars as illegal financial benefits from fuel import business; while he personally inflated the fuel import bills to the tune of 25 million dollars a month; and he may have got at least two billion dollars from the oil business alone³¹ within the few years he was in power. There was the allegation that under the regime, the Nigerian Security Printing and Minting Company (NSPMC) was mandated to print and deliver directly to Abuja, the sum of 4 billion Naira without channelling it through the country's Central bank.³² Customized television sets with Abacha's brand name were also supplied in the country using the country's limited financial resources.

Again, it was during this regime that a military administrator had a cache of Naira notes stored in twelve large overhead water tanks in his house; while Abacha's national security adviser, Ismaila Gwarzo was later on accused to have on various occasions appropriated huge amounts such as 100 million dollars, 60 million dollars, 800 million dollars and 13 billion Naira. These funds were allegedly taken from the treasury, in order to meet security needs or to launder Nigeria's image during that period.³³ Also, Zainab, General Abacha's daughter was paid a sum of 1 billion Naira for some National Electoral Commission of Nigeria (NECON) contracts which were not properly executed; while Abdulkadir, a brother of Sani Abacha received 16.75 million Naira and 1.9 million dollars offshore payment to construct a grain silo in Imo State of Nigeria. The contract was never executed.³⁴

Moreover, Selcon Company owned by Ibrahim Abacha, allegedly received 3.8 billion dollars to construct an Aluminium plant which was normally estimated at 600 million dollars; while it also received billions of naira to supply vaccines, which were never delivered. Selcon company was taken over by Mohammed Abacha (another son of Abacha) and it received an

inflated 32 million dollars contract to computerize the terminals of Products and Pipeline Marketing Company (PPMC) which is a subsidiary of Nigeria National Petroleum Corporation (NNPC).³⁵ The foregoing exemplifies the most visible and outrageous acts of financial mismanagement perpetrated by the Babangida and Abacha regimes. It should be noted that while corruption is usually one major reason given by the military to snatch power from civilian regimes, the military is not free from this corruption mania; it is even worst hit.

An Ibadan-based newspaper, The Nigerian Tribune also reported that the retired General Abubakar regime carted away ₦10 billion from the Petroleum Trust Fund (PTF) account held by the Central Bank of Nigeria.³⁶ The probe panels set up by the new democratic dispensation at the Federal, States and Local Government levels have unearthed many cans of worms as regards endemic corruption of some past leaders of Nigeria. In short, newspapers are replete with corruption cases. Some instances would suffice. The Guardian reported the discovery of ₦20million Sulphuric Acid Plant Project scam at Federal Super-Phosphate Fertilizer Company (FSFC).³⁷ It was also reported that Essien, the ex-boss of the National Fertilizer Company of Nigeria (NAFCON) admitted awarding fake contracts,³⁸ while Nigeria lost \$330 million yearly over unaccounted oil expenses due to official ineptitude and towering influence of multi-national corporations.³⁹

The Central Bank of Nigeria (CBN) was also deeply culpable. Dr. Paul Ogwuma; former CBN Governor was one of those who jointly refunded ₦7.8 billion to the Federal Government,⁴⁰ while the Nigerian Deposit Insurance Corporation (NDIC) reported ₦7.4 billion frauds in the country's banks in 1999.⁴¹ As a result of the methods of governance employed by most regimes which emerged in Nigeria since 1960, it has been estimated that about US 98.8 billion dollars had been fraudulently acquired by some Nigerians, while a greater part of the sums are lodged in banks abroad.⁴²

Nigeria's Fourth Republic in its early life became infested with this corruption. In the National Assembly for instance, the Idris Kuta panel indicted Senator Aluko of corruption and asked him to refund over ₦75 million to the State coffers;⁴³ while newspapers reported the then Senate President – Dr Chuba Okadigbo's looting saga and corruption of Federal legislators in general. For instance, it was reported that Dr. Okadigbo received ₦22 million for Sallah and Christmas welfare. He also spent ₦37 million as furniture allowance on his official quarters instead of the ₦25 million approved by Senate.⁴⁴ The corrupt tendencies of other senators have been shown in the inflation of the cost of cars from ₦3.5 million to about ₦5.1 million each which they all collected⁴⁵ and in their sharing of ₦319 million

through the award of contracts to ghost firms (their cronies)⁴⁶ in contravention of their jurisdiction rights. Besides, the Nigerian Tribune reported that lawmakers duped the National Assembly of ₦376 million. The money was collected to settle the salaries and allowances of non-existent personal aides. Each member was officially entitled to eleven aides.⁴⁷ Such was the extent of corruption among leaders who were supposed to be custodians of the nation's patriotic values.

Despite all the measures that have been taken to arrest the wave of corruption the phenomenon has been on the increase in Nigeria. Corruption has also manifested in other forms: inflation of government contracts in return for kickbacks; falsification of accounts; bribery; cases of arson to cover up corruption; advance fee fraud (419); hanky-panky dealings as regards the use of trade marks (patents and copyrights) and several other forms of economic sabotage.

The totality of all the corruption variables identified above has contributed significantly to the stagnation of national development in Nigeria. Nigeria still remains a developing (under-developed) nation and many indices of stagnated national development are noticeable particularly in strictly economic terms. Economically, indices of stagnant development could be seen in the form of deficits. For instance, Nigeria recorded ₦486.4 billion budget deficits in the past ten years⁴⁸ and an ever-increasing debt portfolio among others. In the area of external debt, Nigeria's external indebtedness which stood at ₦277.4 million in 1973 had risen to ₦20.4 billion in 1985 partly as a result of internal mismanagement and corruption.⁴⁹ The situation is even worse in recent times as Nigeria has about 40 billion dollars debt burden to the Paris Club. This situation has led to many Nigerian leaders going "cap in hand" to beg for debt cancellation and rescheduling from the industrialised North. However, many of them are not willing to write off Nigeria's debt as it is not a poor country in their estimation. For instance, The Guardian (Lagos) reported that "Britain won't write off Nigeria's \$600 million debt, says Thatcher"⁵⁰ because Nigeria was not poor enough to merit such assistance since internal mismanagement and corruption of Nigerian leaders accounted a great deal to this debt problem. A situation in which Nigeria spends close to 40% of its annual revenues on debt servicing,⁵¹ drastically curtails the government's ability to provide the dividends of democracy for the citizenry. The cases of runaway inflation with its attendant high cost of living, growing rate of unemployment, declining agricultural and industrial output, acute shortages including persistent fuel scarcity, epileptic power supply etc., became symptoms of an economy stripped of its vitality. Undoubtedly, the economy became anaemic and this could be buttressed by the fact that the

UNDP publication in 1999 listed Nigeria as one of the twenty poorest countries in the world.⁵² But as an oil-producing nation and indeed the 6th biggest producer of crude oil in the world with oil receipts of over \$280 billion in just twenty years. It was affirmed that because of its oil wealth, Nigeria had no business being poor.⁵³

It is pertinent to also stress the fact that the foundation of today's economic problems were partly laid in the 1970s, when attention shifted from production of agricultural products in favour of crude oil. For instance, whereas the share of agriculture in Nigeria's exports was 90% in 1950, this slumped to 1.1% in 1981,⁵⁴ while share of crude oil appreciated to 98.2% in 1981. The surge in oil revenue appeared to have induced a false sense of 'security in Nigerians'. The sudden inflow of cash into the economy brought negative effects and altered the political economy permanently. Because the 'extra' cash was directed to grand, but dubious physical projects, critical investments in agriculture were not made. The grand projects that were initiated by successive governments also encouraged corruption as those in control saw an avenue to make easy money.⁵⁵ The surge in foreign exchange receipts also created other problems. With more funds available, the federal and to a lesser degree the state governments went into all sorts of businesses that ought to have been left in the hands of the private sector. What that translated to, in simple terms, was that the foreign exchange earned was wasted on the policy of import substitution.

The Structural Adjustment Programme (SAP), the attempt in the mid 1980s to restructure the economy actually created more problems than it solved.⁵⁶ The central plank of the programme – the deregulation of the exchange rate was perhaps the most serious. The Naira, the national currency had dropped by over 2,300% between 1985 and 1993. In 1985, 89 cents was exchanged to a Naira, this had by 1993 fallen to N22 to a dollar; while this had dropped by another 339%, down from N22 to a dollar (in 1993) to N97 to a dollar in 1999.⁵⁷ Those who were most affected were salaried workers, whose income often dropped below the inflation rate.

Comparison is often made between Nigeria and Indonesia because of their similar experiences – both are populous (Nigeria – about 120million, Indonesia – about 200 million peoples), ethnically diverse, at one time or the other suffered military rule, both were at the time of their independence (Nigeria – 1960, Indonesia – 1945) poor countries which depended on agriculture; then of course both went on to become oil producers.⁵⁸

A recent World Bank country data⁵⁹ buttressed the fact that Indonesia had made appreciable national development in all ramifications such as increases in GDP, Purchasing Power Parity (PPP) and Poverty Index Line,

than Nigeria. Whereas the ratio of increases in GDP in Indonesia was 35.8% - \$23.4billion in 1977 to \$31.8billion in 1997, in Nigeria the ratio of GDP dropped by 43.9%- from \$28.3billion in 1977 to \$15.3billion in 1997. Also while the Purchasing Power Parity (PPP) in Indonesia in 1998 was \$3,490, in Nigeria it was \$920 for the period. Again, while the 1999 index showed that 14.5% of Indonesians lived below income poverty line, the study revealed about half of those in Nigeria as under the Poverty Index Line.

While it would be admitted that other factors have contributed to the stagnation of national development in Nigeria, the role of corruption appears to be prominent. This is because mismanagement of the Nigerian economy especially through corrupt practices accounted a great deal for the ever-increasing debt portfolio, run-away inflation, growing rate of unemployment, declining agricultural and industrial output, and acute shortages in the economic sector.

Conclusion

First, there is the need to appeal to the conscience of Nigerian leaders through all available means, to live exemplary life especially through shunning all selfish interests. Thus, the 'get-there-and-grab-what-you-can' syndrome needed to be stopped. It remained a general belief that if the leadership is transparently clean, the follower-ship would have no option other than to follow suit. Again, with reference to earlier works,⁶⁰ in order to uproot corruption, there should be the adoption of the public declaration of assets by Nigerian leaders. In addition, those found guilty of corrupt enrichment should not only have their properties confiscated but also blacklisted and barred from holding responsible positions in society. The Central Bank of Nigeria, the repository of the nation's wealth and key player in the economy should be made autonomous thus freeing it from undue influences and interference. Moreover, while agreeing with the view that some foreign corporations had engaged in activities inimical to Nigeria's interest,^{lxi} calls to punish such or all foreign corporations by expropriating their assets would appear to be too extreme.^{lxii} This standpoint is predicated on the grounds that not all these corporations engage in shady deals. And in any case, it does not appear that the Nigerian government had any intention of eliminating foreign capital participation in the economy in view of the economic advantages derived from their operations.^{lxiii} If anything, successive governments have continued to take seriously the advice of a World Bank field team whose report in 1955 concluded that "without foreign investment neither public nor private endeavour can achieve the rate of economic growth that the Nigerian people

desire”.^{lxiv} Consequently, an important goal of Nigeria’s international economic diplomacy had been to attract foreign investment into the country. This has resulted in a consistent policy of encouraging the participation of foreign capital in the economy. But there is always a consistent need to monitor their activities and review their relevance.

Also, there is the need to diversify Nigeria’s export base. The neglect of agriculture and the over-dependence on crude oil has played a significant role in the mismanagement of the economy. This situation has contributed to Nigeria’s balance of trade disequilibrium. For instance, in 1981 Nigeria recorded trade arrears of nearly \$5 billion most of which were owed to British firms guaranteed by the Export Credit Guarantee Department (ECGD).^{lxv} A better focus on agricultural development would save a lot of foreign exchange and thereby reduce the colossal sums spent on food importation annually. The high level of corruption usually linked with the importation of goods would also become significantly reduced.

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- ⁴⁵ *The News* (Lagos), 29 July 2000, p.1.
- ⁴⁶ *The News* (Lagos), 27 July, p.1.
- ⁴⁷ *Saturday Tribune* (Ibadan), 15 July 2000, p.1.
- ⁴⁸ *The Guardian* (Lagos), 7 May 2000, p.1.
- ⁴⁹ Onoh, J.K., "Nigeria's External Debts and the Western Club of Debtors", (Paper presented at the Silver Jubilee of the Nigerian Institute of International Affairs (NIIA), Lagos, 9-12 December 1986, pp.19-23.
- ⁵⁰ *The Guardian* (Lagos), 29 March 1987, p.1.
- ⁵¹ *The Guardian* (Lagos), 6 February 2000, p.2.
- ⁵² *The Punch* (Lagos) 24 October 2000, pp.12-20
- ⁵³ *The Punch* (Lagos) 24 October 2000, pp.12-20
- ⁵⁴ Cited in Okolo, A., "Nigeria and the Super Powers", in Akinyemi, A.B., et al. (eds.), "Nigeria since Independence..." pp.61-62.
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- ⁵⁹ Cited in *The Punch* (Lagos), 24 October 2000, pp.19-20.
- ⁶⁰ Akinbi, J.O., "Political Leadership and Nation-Building in Nigeria..." pp.9-11.
- ⁶¹ For instance, *The Guardian* (Lagos), 6 February 2000, reported on its front page that Nigeria lost \$330 million yearly over unaccounted oil expenses due to official ineptitude and towering influence of multinational corporations.
- ⁶² Akinsanya, A.A., "Nigeria and the Multinationals", in Olusanya, G.O. and R.A Akindele (eds.) *Nigeria's External Relations...*, p.229.
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⁶⁴ IBRD, *The Economic Development of Nigeria*, (Baltimore, The John Hopkins Press, 1955), pp.28-29.

⁶⁵ Nigeria's Former Minister of Agriculture and Natural Resources, Alhaji Alfa Wali was reported to have asserted that Nigeria spends N120 billion on food importation annually. *Nigerian Tribune* (Ibadan), 2 October 1998.