

## **Corruption In The Nigerian Local Government System: The Way Forward**

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### **Abstract**

Corruption is a deadly monster that has eaten deep in virtually all sectors of the Nigerian economy. The impunity with which quantum of public financial resources are looted and mismanaged is worrisome and constitute the bane of socio-economic development in Nigeria. Hence, most Nigerians live in abject poverty amidst plenty. In the year 2015, out of 168 countries surveyed, Nigeria ranked 136. This implies that Nigeria was the 32<sup>nd</sup> most corrupt country in the world (Corruption Perception Index, 2015). The study therefore examined corrupt practices in the Nigerian local government system. The study adopted prebendalism theory. The researcher employed content analytical technique to explore issues on corruption especially at the local government level. The study observed that the unsettled value system, lack of commitment to public course, poverty, greed, lust for money, paying for official positions among others constitute the causes of corruption in Nigeria. The study concludes that corruption is harmful and should be discarded if Nigeria must move forward especially in the area of local government administration. As measures to curb the ugly menace of corruption, the paper recommends that the institutions saddled with the responsibilities of fighting corruption such as the EFCC and ICPC should be strengthened. There should not be “sacred cows” in addressing the issue of corruption and all hands must be on deck. Proper monitoring of the financial activities in the local government system should be encouraged among others.

**Keywords:** Corruption: local government: local government system: Embezzlement: Accountability.

### **1. Introduction**

Corruption is one of the most controversial concept in the field of social and management sciences. The reason is not far-fetched; the term corruption subjects itself to so many definitions, abuses and interpretations. So many people misinterpret corruption to mean when somebody steals money, but corruption means more than that. Local government administration in Nigeria, on the other hand, had come of age, not so much because of its efficiency and effectiveness, but primarily because of the academic and professional attention it commands. The history of local government in Nigeria has followed very closely the pre-colonial and post or neo-colonial political developments. The strategic position of local government as the government closer to the people in the Nigeria federal structure has made its existence inevitable. This singular fact has been buttressed by so many scholars. For instance, scholars such as Idike (1995), Ola (1988), Onwe (2004) and Okoli (2005) agreed

that the principal justification for the establishment of local government is the presumed superior capacity of local government to understand and conduct local affairs; to enable those who have common interests manage their joint interests themselves; to fill a gap which the national government is too remote to fill and implements the ideals, objectives, programmes and aspirations of the national government at the local level; local government as argued are in better positions than the central or state governments in tapping local sources of revenue eg property rates, markets stall, rates, bicycle licence, head tax etc.

In order to religiously discharge the above functions principal sources of revenue has been assigned to the local government. In Nigeria, the scope of local finance includes external sources – Statutory Allocation from Federal Account; Statutory Allocation from State Government, Grants from both Federal and State Government, loans generally, value added tax etc. Internal sources include taxes, rates, licences, fines and fees, earnings from commercial undertakings, rent on government property among others (Uruakpa, 2011).

Despite these sources and funds that accrue to the local government councils in Nigeria, not much has been put in place in terms of provision of social and infrastructure facilities and making life better for the Nigerian citizens, especially those at the rural areas. The situation is not different in Ebonyi state. More than half of the population in Nigeria lives in abject poverty, the United Nations Development Programme (2014) Human Development Index (HDI) ranked Nigeria 152 out of 197 countries studied. Life expectancy in Nigeria is placed at 52 years old while other health indicators reveal that only 1.9 percent of the Nation's budget is expended on health. The report equally revealed that about 68 percent of Nigerians live below \$1.25 daily while adult illiteracy rate is 61.3 percent. In Ebonyi state according to Chukwu 2012, physical infrastructure (such as roads, portable water and electricity) and social services (such as education, health, recreation and security) are not adequately provided. Mortality rate is still very high, women still engage in hard labour to fend for their children and complement their family income.

This deplorable condition of life has been linked to corruption. Corruption pre-dates Nigeria's independence. However, its level has increased unabated and appears to be the normal way of life in Nigeria. Successive regimes have enacted laws and established various institutions to fight corruption in Nigeria. These include: the Corrupt Practices Decree of 1975 promulgated by the regime of Murtala/Obasanjo, War Against Indiscipline by Buhari/Idiagbon regime, Code of Conduct Bureau of 1990, Advance Fee Fraud and Other Related Offences Decree of 1995 by the Abacha regime which was later re-enacted as the Advance Fee Fraud and Other Related Offences Act, 2006 by chief Olusegun Obasanjo Administration, Corrupt Practices and Money Laundering Act, 2004, the Economic and Financial Crimes Commission (Establishment) Act, 2004; the procurement Act, 2007, the Nigerian Extractive Industrial Transparency Initiative (NEITI), the Independent Corrupt Practices and other Related Offences Commission (ICPC) the Code of Conduct Bureau among others (Waziri, 2010).

In spite of all these attempts, corruption is still ravaging the country in all ramifications. Nigeria ranks 136 out of 176 countries with a score of just 27 out of 100 on the 2014 Corruption Perception Index (Transparency International, 2015). 85% of Nigerians surveyed believe that corruption has astronomically increased from 2011 to 2015. Global financial integrity estimates more than US \$157 billion in the past decade has left the country illicitly (Nkwede and Abah, 2015). It is against this backdrop that this paper examines corruption and corrupt practices in the Nigeria Local Government System.

The objective of the study is to explore the causes, effects and possible solutions to corruption and corrupt practices especially at the local government level in Nigeria. The paper is divided into eight (8) parts. Part I dealt with introduction, part II focuses on conceptual clarifications while part III treated causes of corruption in Nigeria. In part IV the

researcher discussed types of corruption while part V dealt with corruption in the Nigerian Local Government System. Part VI, VII and VIII focused on the effects of corruption, conclusion and recommendations respectively.

## **2. Conceptual Clarifications**

This part of the work is devoted to conceptualizing key intervening variables of the study. The essence is to enable the reader understand them in the way they are used in pursuance of the objectives of the study.

### **i. Perspectives on Corruption**

Corruption as noted in the introductory part of the work subjects itself to so many definitions and interpretations. As a result of the complexity of the concept of corruption, its effects on the systemic existence of its victims as does its prevalence through the efforts of its perpetrators its definition has continued to be shrouded by value preference and difference (Akindele and Adeyemi, 2011). Indeed, summits, conferences seminars, debates, workshops and even prayers have all been organized in respect of this self inflicted monster with seemingly poor results. World Bank (1997) defined corruption as the abuse of public office for private gain. Scholars such as Huntington (1968), Leff (1964) Merton (1957), Bayley (1966), Obueva (1996), Nye (1967) defined corruption in ways that is enough in common, that is, departure from accepted public roles and standards. Huntington (1968) as cited in Ikejiani (1995) defined corruption as “the behaviour of public officials which deviates from accepted norms in order to serve private ends” Leff (1964) quoted in Heidenheimer (1970) sees corruption as an extra legal institution used by individuals or groups to gain influence over the action of the bureaucracy”.

Bayley (1966) opines that “corruption... is a general term covering misuse of authority as a result of considerations of personal gain”.

Abueval (1966) in Heidenheimer, (1970) breaks down corruption into three categories, namely nepotism, spoils and misappropriation. Gboyega quoted in Olasupo (2009:188) says:

Corruption involves the giving and taking of bribe, or illegal acquisition of wealth using the resources, of a public office, including the exercise of discretion. In this regard, it is those who have business to do with government who are compelled somehow to provide inducement to public officials to make them do what they had to do or grant undeserved favour. It is therefore defined as official taking advantage of their offices to acquire wealth or other personal benefit.

The above quotation was corroborated by McMullan (1969:183-184) when he defines corruption in the following way:

A public official is corrupt if he accepts money or money's worth for doing something that he is under a duty to do anyway, that he is under a duty not to do or exercise a legitimate discretion for improper reasons.

Otite (1986:12) in his own explanation sees corruption as:

Perversion of integrity or state of affair through bribery, favour or moral depravity. It involves the injection of additional but improper transaction aimed at changing the normal course of events and altering judgments and positions of trust. It consists in doers and receivers' use of informal, extra-legal or illegal act to facilitate matter.

Olopoenia, (1998:17) put this definition in a broad perspective of three categories as thus:

Theoretically, the literature distinguishes among political, bureaucratic and economic corruption; practically however, these three typologies are no more than different perceptions of the same monster. But all these manifestations are motivated by the desire to use the instrumentality of office for private gains for the benefit of the official, his relations, ethnic group or friends at the expenses of the general good.

Nwabueze, (2002:128) in his own contribution adopted a sociological approach to the definition of corruption. He conceptualized corruption in the following way:

A form of social deviance in some cases, of criminal deviances, the result of failure or lack of will to respect the norms of social interactions. It is an extra-legal or normative approach to gaining access. It is a form of mal-adaptation involving the acceptance of society's cultural goals and the rejection of the socially approved means of attaining the goals. It is an indictment on the ineffectiveness of society's socialization function; a sign of some defects in the development of citizen's personality system. It indicates the existence of weakness in agencies of social control which should punish rather than reward the perpetrator of corruption.

In view of the foregoing, it can be deduced from the definitions that corruption can better be described than trying to pin it down to one single definition. It is any act that deviates from the agreed standard in order to favour one party against the other. It often involves financial matters, nepotism, favouritism etc. In terms of financial corruption, it has two actors the giver and the receiver and has been the major challenge of governance in Nigeria.

## **ii. The Concept of Local Government**

Orewa and Adewuni (1992) see local government as “a system of local communities and towns which are organized to maintain law and order, provide some limited range of social services and cooperation of inhabitants in joint endeavours towards the improvements of their conditions of living”. To Odenigwe (1977), local government is the system under which local communities and towns are organized to maintain law and order provide limited range of social services, public amenities and encourage cooperation and participation of the inhabitants in joint endeavours towards the improvement of their conditions of living. Akinyele (1988) also added that local government is “a political subdivision which is constituted by law and has substantial control of local affairs”.

In as much as one agrees with some of the views expressed by the above scholars on a face value, a critical look at the contents of the definitions exposes its flaws. This is because local government means more than any organized body at the local level for any particular purpose. If such is the case, any social cultural groups like the age grade, family groups, cooperative societies, council of elders, can pass for a local government. However, this could be misleading.

On the other hand, Emezi (1982) defines local government as the government of a particular place. He sees it as that part of the government of a nation or state which deals mainly with matters of concern to the people of a particular area. For Berber (1972) local government is the government of some local community. Ogunna (1988) views local

government as local self government which emphasizes the freedom of a locality to decide and act. In his own view, Akpan (1967:2) defined local government:

as the breaking down of a country into small units of localities for the purpose of administration, in which the inhabitants of different units of the locality concerned, play a different and full part through their elected representatives who exercise powers to undertake functions under the general authority of the national government.

The definition by Akpan (1967) appears to be more broad with a relatively wider acceptance. However, the author did not explicitly state the modalities for breaking down the country and the probable statutes that guarantee local units the powers to administer over a given area. In order to buttress the above assertion, it is a common practice for organizations be it at federal, state or local levels to elect their leaders or representatives.

Furthermore, the United Nations office for public administration (1977:1) sees local government as:

... a political sub division of a nation or (in a federal system) state, which is constituted by law and has substantial control of local affairs, including the powers to impose taxes or to exact labour for prescribed purpose. The governing body of such an entity is elected or otherwise locally selected.

Though the above definition appears to be encompassing in content and in pursuance of the search for the true meaning of local government, Ezeani (2004:5) however cited (Ozor, 2003:17) has pointed out some of its serious flaws: According to him,

First, the power of the local government to “exact labour” creates an impression of its tendency to resort to forced labour which is unacceptable in modern times. Second, the assertion in the definition that governing body of a local government can be “locally selected” is faulty. It implies that in the case of Nigeria for instance, all the caretaker committees of management and sole administrators can pass as local government, whereas in actual fact, such appointed bodies are mere brands of local administration.

In his conceptualization of local government, Okoli (2000:1-2) posit that there are four hypotheses which justify the existence of local government:

Hypothesis one states that you cannot talk of local government without talking about national government. Local government implies the existence of a higher level of a more encompassing or broader government. Hypothesis two states that local government exists to fill a gap which the national government is too remote to fill. Hypothesis three states that, local government implements the ideals, objectives, programmes and aspirations of the national government at the local level. This is in a way an extension of hypothesis two. Finally, the fourth hypothesis states that the, ideology of the national government will to a large extent determine the structure and functioning of local government.

Ezeani (2004:254) maintained that a more comprehensive definition of local government and one that comprised the essential features of local government are contained in the guidelines

for a reform of local government in Nigeria. According to the guidelines, local government is:

Government at the local level exercised through representative council established by law to exercise specific powers within defined areas. These powers should give the councils substantive control over local affairs, as well as the staff and institutional and financial powers to initiate and direct the provision of services, and to determine and implement projects, so as to complement the activities of the state and federal government in their areas, and to ensure thorough active participation of the people and their traditional institutions, that local activities and response to local needs are maximized.

The above definition clearly and in a broader manner reveals the essence of local government as a distinct tier of government in the Nigeria federal system. In view of the above, definition of local government by the 1976 reform is a working definition of this study.

### **iii. Local Government System**

Local government system encompasses all the parts including the councils, the departments within a local government, the Local Government Service Commission; laws establishing local governments; the Model Financial Memoranda, National and State chapters of the National Union of Local Government Employees (NULGE), Ministry of Local Government and Chieftaincy Matters, the Office of the Auditor General for Local Government, the Local Government areas and Local Government publics among others. All these institutions and bodies combine to condition the activities of local governments in Nigeria.

### **3. Theoretical Framework**

The paper adopted Prebendalism theory. Prebendalism refers to political systems where elected officials and government workers feel they have right to a share of government revenues and use them to benefit their supporters, co-religionists and members of their ethnic group. Max Weber used the term to describe India and China in the early middle ages in his 1915 book titled "The Religion of China and his 1916 book "The Religion of India". However, it was Joseph (1996), the Director of the Programme of African studies at Northwestern University, who first used the term to describe patron-clientelism or neo patrimonialism in Nigeria. According to the theory of prebendalism state offices are regarded as prebenders that can be appropriated by office holders who use them to generate material benefits for themselves and their constituents and kin groups.

As a result of that kind of patron-client or identity politics, Nigeria has regularly been one of the lowest ranked nations for political transparency by the Transparency International in its Corruption Perception Index.

Prebendalism is so widespread that it skyrocketed during the regimes of the former Nigerian dictators Ibrahim Babangida and Sani Abacha who were alleged to have stolen over US\$5billion. Akomaye (2007) noted that corruption reached its peak between 1994 and 1998 during the regime of General Sani Abacha who was acknowledged to have stolen between 4 and 5 billion US dollars. Nigeria ranks 136 out of 176 countries with a score of just 27 out of 100 on the 2015 corruption perception Index (Transparency International, 2015). Eighty five (85%) percent of Nigerians surveyed noted that corruption has astronomically increased from 2011 to 2015. Global Financial Integrity estimates that more than US\$157 billion in the past decades has left the country illicitly. In Nigeria, most public officials mismanage and embezzle funds and make illegal acts of converting public funds into private use appear legal. Prebendalism is very much prevalent in the social and political fabric of Nigeria. The extent

of prebendalism's stronghold on the Nigerian bureaucracy is such that it prevents the nation from being to practice democratic government and develop.

At the local government level, the story is the same. The level at which public financial resources are mismanaged and misused is worrisome. Ogbornia (2000) sees these dimensions of corruption as the illegal, unethical and unauthorized exploitation of one's official position for personal gain. He further noted that in practical terms, political and bureaucratic corruption usually associated with acceptance of bribe, but it is more than that, it involves fraud, nepotism, kickbacks, favoritism and misappropriation by public officials using positions for their own advantage.

The relevance of the theory to the study is predicated on the fact that corruption among public officials in Nigeria results from this misleading idea that public office is a means to plunder public resources. Politics is too lucrative in Nigeria and most politicians see public office as their return on investment and a means of helping their kinsmen and women. This harmful practice has made corruption endemic in the Nigerian political, social and economic spheres and must be discouraged. The present administration in Nigeria is prosecuting many past government officials on cases bordering on corruption. This is a step in the right direction and all hands must be on deck to fight the ugly menace of corruption for socio-economic development in Nigeria.

#### 4. Causes of Corruption in Nigeria

Some many factors account for corruption in Nigeria and other places. According to Ikejiani (1995:145-147), some of the causes of corruption include the following:

**i. Unsettled value system:** These unsettled value system must be explained in the context of the Nigerian culture, value, economic and histories. During the period of colonial rule Nigeria was subjected to political, economic as well as socio-cultural colonization. In the process, Nigeria inculcated values and behavioural patterns that reflected those of Britain, sometimes distorted. The Nigerian officials did imbibe the values of the British. However, at this period, corruption was parochial and characterized by a system in which kingship and other parochial ties determined access to the favours of these new system community leaders- interpreters, court clerks etc. At this period, Nigerians were introduced to new institutions, various codes of behaviour and standards of conducts.

After independence, Nigeria inherited the capitalist economic system and values. The behavioural patterns and infused values were maintained and in fact reinforced. Corruption in politics, administration and business in Nigeria has its counterpart in a similar tendency by the clerk to extract a bribe for a file to be moved through the process to the administrator. Government property was not regarded because it was alienated from the population.

It should be noted that western business concerns as one of the covert mechanisms for the transmission of behavioural patterns played a significant role in corruption of Nigeria. The dependent nature of the Nigerian economy and the vulnerable nature of politics have contributed greatly to the second explanation of corruption.

**ii. Lack of commitment to public cause:** The problem of Nigeria is a function of the nature of the international economic system and especially the mechanism and structure through which Nigeria is linked to the developed market economics of America, Britain and France. The national bourgeoisie, technocrats, administrators, "importers and exporters", all have vested interests in maintaining this state of dependency. According to Terisa Turner

"Nigerian state officials, rather than apply rules to mediate the market, act in such a way as to reproduce its imperfections: the reinforcing comprador state and the indigenous private sector constitutes a system of instability".

In colonial Nigeria, the administrative divisions and structures which were created, coincided with ethnic, tribal, religious and linguistic boundaries. What emerged at independence were regional administrations, public agencies dominated by particular ethnic groups. This has not changed with the multiplication of states.

As a result of the strong tradition background of the population, the political culture of the people is parochial/participant in nature making them perceive national issues from primordial consideration.

At the background is the historical and dynamic issues in the federal system of Nigeria; the fact of colonial creation and seeming unwillingness of the parties to function as a federation. This “feudal system” of allegiance built around the head, influential persons of ethnic/tribal clan group, has lent itself to a situation of instability and collective feeling of non-allegiance to the nation. The immediate implication of being the lack of commitment to the nation and public causes. Instead, it is to state, tribe and person, and even then lack of commitment and understanding of public concerns at localized levels.

**iii. The third explanation is the generalized poverty of Nigerians:** The structure of the Nigerian economy has acquired its habits on account of its colonial and neo-colonial past. The structure of the Nigerian economy is a social accounting reality. This structure depicts a flow of goods and services and counter veiling flows of monetary payments and credits that occur among Nigerians and between Nigerians and foreigners. Foreigners help Nigerians to create and distribute money and credit within Nigeria’s structure of finance, and seem to have taken over the credit creation within this structure. Nigeria still has a colonial economic structure and neo-colonial external control of finance and industrial structures which have been predicted upon the pronounced privatization of governance and government agencies.

**iv. The fourth explanation is the non-existence of social services.** The extended family system in Nigeria was a resource in terms of social stability: However, due to the instability in the Nigerian state, corruption is an easy method to receive large unearned profits in order to be secure in case of any eventuality such as ill-health, job retrenchment or death. There is no national system of social security, health insurance or unemployment benefits.

Today, there exists in Nigeria a deteriorated and chaotic healthcare; the old aged and the handicapped have to fend for themselves due to demands of modernity.

In the pursuit of modernity and it’s a attractions, the rural urban drift has caused eruptions in the stability and serenity of the villages. Nobody has time and the money to look out for relatives, old and young. The cost of daily living and affordable housing in the village for retirement is now a dream. Economic power is the basis of several activities in Nigeria and as insurance to old age, needs and security which government does not provide. Hence, a public officer is prone to corruption in order to protect or secure his future.

**v. Political interference is a source that encourages corruption in practice.** Political appointments to boards, corporations, parastatals, university councils are often done as favours without taking into consideration personnel background and other requisite important data for the office. The ‘Nigerian understanding’ is that they should make money from contracts; local government personnel interfere to state preferences of contract awards and project citing.

**vi. Lust for power:** The struggle by individuals and groups; to get position of authority at all cost induces corruption. This usually manifest in bribes, electoral malfeasance.

**vii. Lust for money:** Some individuals have natural greed for money, and so, any position they find themselves is seen as opportunity for them to loot and acquire wealth.

**viii. Legitimacy crisis:** In Nigeria today, most of the political office – holders assumed power through fraudulent means, which is undemocratic and illegitimate in a democracy. Such leaders tend to suffer identity and legitimacy crisis. And one of their strategies to garner



popular support is the free distribution of public funds to influential people who could help them achieve peoples' support.

**ix. Paying for official positions:** When corruption is pervasive, positions, in the state bureaucracy become valuable assets, and there will be derived demand for jobs in the state sector. In developing countries there is a lively market for positions in the bureaucracy that generate large bribes (Susan, 1997).

## 5. Types of Corruption

**i. Moral corruption:** This is exhibited in sexual pervasiveness, greed especially in the interpersonal relationships, loose tongue ie uncontrollable tongue such that leaks secrets or slanders or busy body, indecent dressing or appearances etc.

**ii. Economic corruption** eg manufacturing fake drugs, adulteration of drinks, piracy ie copying another person's intellectual work to illegally enrich oneself (plagiarism), fraud at all levels etc.

**iii. Political and bureaucratic corruption:** It is illegal, unethical and unauthorized exploitation of one's political or official position for personal gain. It has to do with public affairs – goods, fortunes, agencies and resources. It is therefore corruption against the state or its agencies by a person holding an official position in pursuit of private or personal profit. In practical terms, political and bureaucratic corruption is usually associated with acceptance of bribe, but it is more than that, it involves fraud, nepotism, kickbacks, favoritism and misappropriation by public officials using their official positions for their own advantage (Ogbonnia, 2000).

**iv. Electoral corruption:** This has to do with electoral frauds such as election rigging, manipulations, ballot stuffing, registration of under age, and many others.

## 6. Corruption - the Local Government Experience

Corruption has been one of the major problems bedeviling local government administration in Nigeria. Acts that constitute corrupt practices in the local government are discussed here. In the words of Onwuemenyi (2008), corruption has been described as a major cause of comatose state of local government administration in Nigeria, and a major hindrance to good government.

The types of corruption that are most visible in the local government are political, economic, and bureaucratic corruption. This practically manifests most in mismanagement of financial resources, embezzlement, looting, kickback, inflation of contract terms, fraud, nepotism, favouritism, etc.

i. Corruption manifests in wasteful spending of local government funds. This is true to the extent that it negates the agreed standard and provisions of the Model Financial Memoranda. UhumWangho and Aibieyi (2013) argued that the spending of most local government is not only characterized by waste but also by very pervasive corruption. Although corruption is described as a cankerworm found in every face of the Nigerian society as they further argued, it is particularly worrisome at the local government level. In public domain corruption is so entrenched that it almost becomes the normal way of getting things done. This may sound too superfluous. But what is clear though is that corruption is so entrenched at the third tier of government. They maintained that it is obvious to everybody that there is no much development to show for the huge financial resources that have accrued to the councils. Thus, the views of Nigerians collated in the Political Bureau Report in 1987 still remain valid till today. That despite the strategic importance of local government to national development process its contribution has been minimal. The view was corroborated by the position of the former Governor of Imo State, Ikedi Ohakim, that the council system has failed woefully in Nigeria. He further maintained that we have wasted money to the extent that the council has become an enterprise of a different dimension where some big men try to install their house

maids and houseboys so that they can be making returns... the council system has enriched only few individuals who are now being chased by the masses on the streets (Guardian, 27<sup>th</sup> December, 2007).

ii. Another act that constitutes corrupt practice in the Nigeria local government system is mismanagement and misplacement of councils funds by local government chairmen and other principal officers. Some local government chairman are in the habit of depositing local government funds in private savings account and loan companies in which the local government has no account. This is done with the intention to collecting the accruable interests on such funds on maturity. These corrupt and ugly practices were well described by Ugwu (2009) when he noted that leadership “failure and bad governance of all levels of government inhibits attracting external development assistance. Mismanagement of financial resources meant for the development of council areas is the bane of socio-economic development of most rural communities in Nigeria.

Along this line Waziri, the former EFCC boss in Onwumenyi (2008) lamented that:

... waste of government resources at the council level had reached monumental proportions. The local government council in the country could not explain the mismanagement of over N3,313 trillion allocated to them in the last eight years... a whopping sum of N3,313,554,856,541.79 was allocated to local government across the country. Unfortunately, local government officials have not left their hand unsoiled in this regard. It is with this regret that I am forced to observe that the local governments of the good days have become a mere memory of times gone by the paralysis (corruption) that pervades local governments today is widespread. Local governments have become so far removed from the lives of the people to a point where some chief executives of local council no longer reside in the domains they were elected to administer. They drive to the council headquarters in their jeeps from the state capitals or the federal capital territory pay salaries and share other monies and disappear until it is time to share the next subvention.

iii. Another corrupt practice which affects the financial base of the local government is the misuse of state might. Ola and Onwe (2005) noted that although the constitution provided that 10% of the total revenue of state should be disbursed to their local councils. However, the state had in most cases paid in only a small fraction of the 10% to their local government councils, and some cases, nothing at all was paid to the local government councils by the state governments. This still remains the position today. The misuse of state might also play out under party politics and remittances by the local government councils.

Misuse of state might has continued to be a challenge to revenue generation efforts of local governments in Nigeria. The constitution provides that funds from the federation account for state and local government account should be maintained by the state government. In most cases the state governments make several deductions, such as counterpart funding of projects, income tax (up front) by local government employees (payee) etc, before remitting to councils whatever it deems fits. This situation is worsened under transition committee chairman of local government councils. As usual, no transition committee chairman has the got to question the governor of a state that magnimously appointed him (Uhunmwuango and Aigbieyi, 2013). This is another sorely situation that has

negative effect on the revenue profile of local government council in the country. A typical example is in Anambra State where caretaker committee chairmanship operated for years. This had a deliberating effect on the rural dwellers and the development of the area. In this case, people were deprived opportunity of electing their leaders.

The misuse of state might also play out under party politics and remittances by the local government councils. According to Okoli (1995) the local government party politics is in practice an extension of the party in power. The financial resources and other resources of the local government are often mobilized to sustain the party from losing control at the top. The chief executive of the local government is required to make some returns to the party, for the administrative running of the party. The party in power is entitled to a certain percentage of the contracts awarded in the local government. The local government chairman and the members of the councils are encouraged to award contracts only to party members as a way of attracting members of the opposition parties and other new members into the party. All these practices minimize the financial resources available to the local governments to carry out their statutory functions and hinder grassroots development.

iv. Embezzlement of revenue by local government revenue collectors have also resulted in widespread unwillingness by communities to pay taxes. This corrupt practice has hindered revenue generation in the local government. Orewa and Adewumi (1992) posited that one of the factors responsible for local government poor revenue collection is the casual attitude of the revenue collectors and other treasuring staff. They labour under the illusion that no matter whatever federation account will provide adequate funds for the payment of personal emolument of the staff. This assumption is deceptive and unhealthy too in that with poor revenue generation efforts, some councils have found themselves unable to pay salary after deductions made by the state government.

v. Another corrupt practice according to Edoyugbo, (2012) is the practice of farming out of revenue source to persons on the basis of political patronage. This practice is prevalent in Onitsha North and Onitsha South Local Governments in Anambra state, where some party loyalists are contracted to collect revenues from the major markets like the Onitsha main market, Ose markets, Ochanja market, bridge head market etc and remit an agreed amount to the local government coffers, without recourse to the financial memoranda that regulates local government financial activities. In Ebonyi state the story is the same. Edoyugbo maintains that these revenue agents are given arbitrary monthly targets to remit to the council, contrary to the financial memoranda regulation which states that “where appropriate, a local government may appoint a person other than an employee as a revenue collector and such person shall receive an appropriate portion of tax or fee he collected as commission” (FM6:2). The implication of not complying with this regulation is that the revenue agents cashed on the loophole created by this provision to exploit helpless public by fixing rates other than the approved by the council at exorbitant rates. This ugly trend has resulted to loss of dire needed funds to local government councils, as lesser targets were given to revenue agents. Hence, achieving an efficient local government administration amidst these multifarious problems tantamounts to an exercise in futility.

## **7. Effects of Corruption**

The implication of corruption in Nigeria is very great especially in the area of political and economic development. The following could be summarized as the effects:

1. Corruption leads to non-achievement of goals.
2. It diverts resources from public purposes to private ones.
3. It weakens public bureaucracy.
4. Corruption exerts a corrupting influence on other members of the administrative apparatus.
5. Corruption lowers respects for authority.

6. Corruption diverts energy into lobbying, fiddling etc., resulting in inappropriate criteria for arriving at decisions.
7. Corruption slows down the pace of economic development through manipulation of funds for projects.
8. Corruption dilutes individual and group commitment to national values and civic responsibilities.
9. Corruption destroys or weakens efficiency and effectiveness of public services (both civil service and the corporations).
10. Corruption endangers national security internally and externally eg (a) officials selling state secrets or bargaining with foreign bodies on terms detrimental to Nigeria, and (b) members of the police force taking bribes to subvert justice.
11. Corruption detracts from the sovereign of Nigeria and its international standing, especially when foreigners distrust Nigerian nationality for acts that are unspeakable.
12. Corruption endangers national priorities and fairness if people in key positions promote projects or schemes in which they have personal or financial interest against that of the nation.
13. Corruption detracts government from giving priority to the areas of income and social inequality, poverty, malnutrition and other areas of need. The net impact of corruption on society is negative.
14. The political economic consequence of corrupt practice is that it concentrates wealth in fewer hands and hence widens the gap between the rich and the poor creating discontent among the people, a situation which also has larger implications for political development.
15. Corruption distorts political participation, stultifies the development of strong political institutions and weakens the national economic base.
16. Corruption distorts the functioning of an economy because it leads government officials to take actions that are not in the general interest. (Ikejiani-Clark, 1995:147-148).

Effects of corruption as argued by Lawal and Oladunjoye (2010:233) also include the following:

Firstly, destruction of democratic values, corruption tends to destroy democratic ethos in the local government system. All the values of democracy, such as responsiveness, accountability, participation and human development, are either subdued or neglected where corruption thrives.

Secondly, development is hindered in a regime of corruption. Rather than utilizing the available resources for the upliftment and development of the council, they are diverted to private use.

Thirdly, rule of law is also subverted and replaced by muscle power. In order to successfully steal government resources, the officials in the local government system undermine the rules and regulations that guide their activities and ensure that whatever is stolen by them cannot be traced or tracked within their tenure in office. This has serious implication for service delivery as developmental projects maybe abandoned without any necessary action. Also, in this ugly capacity, contracts are bound to be inflated, bribes and kickbacks are bound to be taken and contracts are also bound to be awarded to non-existent companies (ie companies that exist on paper alone).

Finally, manpower development and capacity building becomes sluggish and discouraged in the arena of corruption. The chief executive of the council is not thinking about the need to train and re-train the staffers, but how to steal the money meant for manpower development and capacity building into his own pocket for selfish purpose. The

effect of corruption in the local government system is negative in the sense that democratic values are destroyed and development at grass root is hindered.

## **8. Conclusion**

In this paper efforts have been made to examine corruption and corrupt practices in the Nigerian local government system. Corruption is a monster that confronts local government administration in Nigeria and indeed the entire societal life. It has permeated the socio-economic and political activities that it has almost become a way of life in Nigeria. We noted that corruption is caused by unsettled value system, lack of commitment to public cause, poverty, non-existence of social services, political interference, lust for money, greed among others. It was also observed that corruption has so many dimensions ranging from political, economic, bureaucratic corruption etc. Corrupt practices in the local government manifest in looting, misplacement and mismanagement of local government funds by council officials, party politics, kickbacks, inflation of contract terms, abuse of provisions of the Model Financial Memoranda, embezzlement, etc. All these unhealthy practices hinder provision of social and infrastructure facilities and the bane of rural development in Nigeria. It is therefore the conclusion of this paper that corruption is harmful and should be discarded if Nigeria must move forward especially in the area of local government administration.

## **9. Recommended measures to curb the ugly menace of corruption in the Nigeria local government system**

Having identified the effects of corruption and corrupt practices in the local government this part of the work made some recommendations.

- i. The various institutions saddled with the fight against corruption should be strengthened. The EFCC, ICPC, Code of Conduct Bureau among others should be adequately funded and truly independent to discharge the assigned functions. A situation whereby government consistently interferes in the activities of these agencies should be discouraged.
- ii. There should not be “Sacred Cows” in the fight against corruption at every level of government. Most of these agencies such as EFCC, ICPC etc should not be selective in the fight against corruption if any meaningful result will be achieved. Government should desist from using these agencies to witch-hunt opposition and achieve devilish desires.
- iii. There should be value reorientation. Our value system is such that worships wealth. The question has never been the source of the wealth. This is why corruption is encouraged in some quarters. Both the government and traditional institutions have roles to play here to discourage ill gotten wealth and expose those who loot public treasure and punish them squarely.
- iv. The principle of accountability should be promoted if corruption must be reduced to the barest level in Nigeria. The public should come in here to demand accountability from public officials who have been entrusted with public resources. When accountability is ensured, incidences of corruption would have been reduced.
- v. There is need to ensure proper monitoring of local government officials especially those who are directly involved in the management of local government finance. A major aspect of corruption at the local government level manifests in the mismanagement of funds. Revenue collectors should be adequately checked to curtail their corrupt tendencies. Auditors of the local government should be people of integrity to track all sharp practices that are perpetrated in the system.
- vi. The level of poverty in Nigeria constitutes the major factors that result to corruption in Nigeria. In order to address the problems of corruption, efforts should be made to make life bearable for most Nigerians who live in abject poverty.

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- vii. Excessive political interference by higher levels of government in local government affairs should be discouraged. Political interference hinders efficient local government administration in Nigeria. All manner of kickbacks and sponsoring of the party in power should be discarded. These harmful and unhealthy corrupt practices dwindle local government purse.
- viii. Finally, the fight against corruption in Nigeria should be everybody's business starting from the village women, the pastor on the pulpit, the Imam, traditional rulers, public officials and the entire public.

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