

# CORRUPTION AND ITS IMPLICATIONS FOR ACTUALIZING NIGERIA VISION 20-2020

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## ABSTRACT

This paper examines corruption and its implications for Nigeria's vision 20:2020. Using descriptive analysis, this study takes a sweeping look at the issues of corruption and the corruption situation in Nigeria. The study finds that corruption is not only high in Nigeria but it permeates all the facets of public and private sectors. The research went further to highlight the various and possible ways through which corruption would impede the actualization of NV 20:2020 in Nigeria. On that note, the study argues that the country needs a committed, transparent and purpose-driven government that is determined to reduce corruption to the barest minimum. To achieve this, the foremost anti-corruption agencies in the country, ICPC and EFCC, should be granted full autonomy and should be provided with a special court. The constitution should be amended to include stiffer punishment meted out to offenders to the tune of death or life imprisonment as practiced in China, Malaysia and some other countries.

**KEYWORDS:** Corruption, transparency international, actualizing, Nigeria, Vision 20:2020

## 1. INTRODUCTION

Over the years, successive governments in Nigeria have applied several strategies aimed at managing the national economy with the objective of ensuring a high level of economic growth that would improve the standards of living of the people. The various strategies appeared to have failed as benefits recorded were often reversed. The outcome of policies had been the inability of socio-economic development policies and measures to achieve their stated objectives consistently and improve the standard of living of people, especially the weak and underprivileged.

The failure of these strategies in fine-tuning the economy to bring about the needed level of development had been attributed to so many reasons by analysts and academics at all levels. Among the reasons that have been put forth as being responsible for the dismal performance of the various strategies adopted is corruption. Corruption as a phenomenon, is a global problem, and exists in varying degrees in

different countries (Agbu, 2003). Corruption is not only found in democratic and dictatorial politics, but also in feudal, capitalist and socialist economies. Christian, Muslim, Hindu, and Buddhist cultures are equally bedeviled by corruption (Dike, 2005). Corrupt practices are not an issue that just begins today; but the history is as old as the world (Lipset and Gabriel, 2000). In Nigeria, it is one of the many unresolved problems that have critically hobbled and skewed development (Ayobolu, 2006). It remains a long-term major political and economic challenge for Nigeria (Sachs, 2007). It is a cankerworm that has eaten deep into the fabric of the nation. It ranges from petty corruption to political / bureaucratic corruption or systemic corruption (International Center for Economic Growth, 1999). World Bank studies put corruption at over \$1 trillion per accounting year for up to 12% of the Gross Domestic Product of nations like Nigeria, Kenya and Venezuela (Nwabuzor, 2005). Corruption is endemic as well as an enemy within (Agbu, 2003). It is a cankerworm

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that has eaten deep into the fabric of the country and had stunted growth in all sectors (EFCC, 2005). It has been the primary reason behind the country's difficulties in developing fast (ICPC, 2006). This is evident in Transparency International's consistent rating of Nigeria as one of the top three most corrupt countries in the world (Ribadu, 2003). Corruption and inefficiency are characteristics of service delivery in Nigeria, although private companies seem to perform more efficiently and less corrupt than public enterprises (Amadi, 2004). Corruption has become so blatant and widespread that it appears as if it has been legalized in Nigeria (Gire, 1999). Up till 2011, Nigeria has not been exonerated from the list of the top ten leading countries on corruption by transparency international.

Thus, the fact that the country has not achieved success in significantly reducing or wiping out official corruption from our polity cannot be denied. It is argued that this seemingly failure has been due largely to the fact that the transmission mechanism by which official corruption is perpetrated (practiced and condoned) and by which the perpetration impairs economic growth which is the ultimate objective of vision 20:2020 has not been properly articulated and documented. The aim of this study is to fill the above gap by clearly articulating and examining how corruption would impede the realization of Nigeria's Vision 20:2020. Interestingly, no study has related corruption to Nigeria's Vision 20:2020. Nigeria Vision 20:2020 is an economic transformation blue print for stimulating Nigeria's economic growth and launching the country onto a path of sustained and rapid socio-economic development. The blueprint articulates Nigeria's economic growth and development strategies for the eleven-year period between 2009 and 2020 and will be implemented using a series of medium term development plans. This study is therefore an empirical analysis (which is largely descriptive in nature) of corruption and its implications for actualizing NV 20:2020.

This paper is organized into 6 parts. Following this introduction is part 2, which takes a look at conceptual issues bordering on corruption and its theories. Part 3 examines the current situation on corruption in Nigeria while part 4 gives a concise overview of Nigeria's vision 2020. Part 5 articulates and examines the implications of corruption for Nigeria actualizing the vision and finally, part 6 concludes the paper with recommendations

## 2. Conceptual issues

This section throws more light on corruption and its theories. This would ultimately enable us to understand the links through which corruption may impede the realization of the vision.

### 2.1 Corruption: causes and types

As a social malaise, corruption is as old as time. The first ever-recorded incident of corruption was in the bible – when the serpent in the Garden of Eden confronted Eve. She was undoubtedly the first human being to succumb to the corrupting influence of the serpent by eating the 'forbidden fruit'. Thereafter, Adam was induced by Eve to partake of the 'forbidden' meal. It would therefore appear that from the biblical view of evolution, it was corruption that led to the fall of man (Umoh, 2003). The magnitude and types of corruption have varied between historical epochs and across countries. In contemporary times, its frequency, variance and sophistication have reached unprecedented levels, especially in less developed countries, hence, the analytical attention it has attracted from scholars in different disciplines including economics, law, sociology, psychology and criminology.

Arriving at a precise definition of the word corruption is however difficult. This is because corruption covers a wide range of morally offensive or criminal acts; thus, its precise definition is not easy. Otite (1998) defined corruption as the perversion of integrity or state of affairs through bribery, favour or moral depravity. Corruption involves the injection of additional but improper transactions aimed at changing the normal course of events and altering judgments and positions of trust. Gray and Kaufmann (1998) defined corruption as the use of public office for private gains. This includes bribery and extortion, which involves at least two parties, and that which public official, can carry out alone including fraud and embezzlement. Schleifer and Vishny (1993) defined government corruption as the sale by government officials of government property for personal gain. Khan (1996) also defines corruption as an act, which deviates from the normal rules of conduct governing the actions of someone in a position of public authority because of private-regarding motives such as wealth, power or status. Equally, this paper defines corruption as evasion of normal order of things for personal aggrandizement.

The above definitions of corruption do

not point to some critical factors that come to mind when the word corruption is mentioned. For instance, a public officer may deliberately connive to violate another person's rights by remaining silent or by his/her inaction. This again is corruption. Indeed, without defining it exactly, most people recognize corruption when they see it (Umoh, 2007). To economists, corruption is grouped under what is referred to as 'rent seeking' activity. This is an activity that illegitimately yields income over and above what a factor needs for retention in a particular employment. Rent seeking is mostly associated with unfair exploitation of loopholes in official policies. Thus, smuggling, bunkering and black marketing are parts of rent seeking.

Because of the ambivalence associated with corruption (i.e., the great deal of controversy concerning its desirability or otherwise) in many societies, a variety of terms are used in referring to corrupt acts in these societies. Thus frequently, one hears of such terms as 'kick back' and 'side deals' (in American tradition). In Nigeria, corruption has been referred to by expressions such as 'man know man', giving of 'kola', "runs" and use of 'long legs'. In Ghana, one hears of 'kalabule'.

On the causes of corruption, Bryce (1921) as quoted by Otite (1998) summarizes the causes of corruption to include inequality in the distribution of wealth, using political offices as the primary means of gaining access to wealth, conflict between changing moral codes, weakness of social and government enforcement mechanisms and government contracts. It is on the basis of these causes that corruption has been classified to include

Political corruption, Economic corruption, Bureaucratic corruption, Judicial corruption and Moral corruption (Umoh, 2003).

Political corruption is highly pronounced during democratic regimes in Nigeria. The number of registered voters is inflated – to the extent that in some cases, the number of those who actually voted surpassed the number of those who registered, election results are rigged, election tribunal cases are purposely allowed to encroached into new dispensations, winners of elections are denied offices, votes are bought and election promises are not kept. Economic corruption exists when businessmen bribe to short-change government. They go to any length provided that the economic cost of such favour does not exceed returns. Example, a businessman may be assessed to pay very little tax at the expense of the government or

invariably, the public. Bureaucratic corruption involves buying favour from bureaucrats who formulate and implement government policies. Fertile areas of bureaucratic corruption include, acquisition of foreign exchange, import licenses, over-inflated contracts, etc. Aguda (1974) observes that "it is true that there are many situations in which many people may press bribes on officials thus tempting away from the path of probity". Judicial corruption is the most frustrating corruption. It is often said that the court/judiciary is the last hope of the common man. In Nigeria, bail is for a fee, and justice is for the highest bidder. Instances abound where judges are accused of bids or impartiality in their judgments. Little wonder in recent past, several election tribunal verdicts given in some courts have been refuted in higher courts. Most studies on corruption as quoted by Becker and Stigler (1974), Banfield (1975), Rose-Ackerman (1975, 1978), Klitgarrd (1988), and Schleifer and Vishny (1993), focus on the principal-agent corruption. This model operates on the basis of the relationship between the principal, (that is, the top level government functionaries) and the agent, (an official who takes the bribes, on behalf of the principal, from the individuals interested in doing business with the government). In this connection, corrupt officials go unpunished because their bosses often share in the proceeds and also because public pressure to stop corruption is weak. As stated by Chand and Moene (1999), "a poor record of applying sanctions lowers the cost of being corrupt".

Another version of corruption is what Schleifer and Vishny (1993) describe as corruption monarchies such as Bourbons in France or Marcos' Philippines in the old-time communist regimes, and in regions dominated by single mafia. In this arrangement, the bribe is uniform and any deviation from the agreed upon pattern of corruption could be penalized. Indeed, this is similar to what Olopoenia (1998) describes as the "patrimonial political settlement". Moral corruption is multifaceted. There is the flamboyant demonstration of individual materialistic possessions in the midst of abject poverty, the exploitation of the powerless by the powerful rich.

However, corruption is not peculiar to Nigeria alone. Corruption is a universal phenomenon. In Japan, Belgium, United Kingdom, Brazil, Italy, Spain, Russia and other countries, allegation of corruption play more central role in politics today than at any other time in recent memory (Klitgarrd, 1998) contained

in Adawo (2004). But then the degree and level of corruption differ from country to country.

## 2.2 Theories of corruption

### Social control theory

Social control theory posits that without effective control measures; deviance becomes the norm; (Weidman, 2007). According to this theory, humans rationalize on what is more rewarding and proceed to take action on that basis. Thus, in the absence of fear of penalty or sanctions, there is nothing to deter people from fraudulently enriching themselves at the expense of others. As this phenomenon snowballs, it actually becomes accepted as a norm: as is currently the case with some forms of corruption in many African countries including Nigeria.

### Socio-cultural theory of corruption

This view as stated by Medard (1998) holds that corruption is as a result of imposition of western methods of governance and upholding that system as opposed to our traditional system. Corruption in developing countries is often associated with inharmonious relationship between traditional values and western norms, which are evidenced in modernistic unbridled acquisition tendencies. In the first place, the origin and nature of the public service as a colonial instrument and the inherent contradictions between this and current nationalistic goals have continued to impede its efficiency, as governmental machinery in the post colonial era. In its origin, the public service was based on colonial hostility to indigenous development interests. It can thus be concluded that corruption is an imported phenomena which came with colonization.

## 3. Corruption: The Nigerian situation/experience

Of the aforementioned causes of corruption, government contracts and distribution of government benefits are the foremost grounds for corruption in Nigeria. The Nigerian government claimed to have spent over ₦1trillion and ₦204 billion between 1999 and 2007 on power and road construction/maintenance respectively, yet we still live with epileptic power supply and unimaginable deplorable roads. In the case of distribution of benefits, the process suffers from benefit capture syndrome (Adawo, 1996; Ekong, 1997).

In Nigeria, there are few issues that deserve mentioning. These include

bastardization of the social system. In Nigeria, money is worshipped instead of God. Therefore, most Nigerians are out to make money than earn money. The rich pervert justice, cause laws to be interpreted in their favour, take laws into their hands without a damn. The society adores the rich rather than the knowledgeable and intelligentsia. The widespread corruption in Nigeria has become a norm in the society, and non-participants are considered social misfits or abnormal. The more Nigeria failed, the more her people escaped into self-adulation. It is common place to hear about all manner of merit award ceremonies, book launch, commissioning of questionable projects, unnecessary public ceremonies, and such other manifestations of self-adulation that have become the fastest growing activities in the country since the 1980s when corruption was institutionalized in Nigeria (Phillips, 1997). Corruption is both widespread and systematic and therefore, difficult to stem. Despite the setting up of the Independent Corrupt Practices Commission (ICPC) in 2000 and the Economic and Financial Crimes Commission (EFCC) in 2003 in Nigeria, corruption remains largely unabated – as efforts by the two commissions make for mere window dressing. About US \$400 billion was stolen from Nigeria and stashed away in foreign banks by past corrupt leaders before the return to democratic rule in 1999. But according to Ribadu (2006) Nigeria's previous leaders stole about 64 trillion naira (about US \$507 billion) from public coffers. When benchmarked against the 2008 budget of N2.456 trillion naira and 2011 budget of N4.972 trillion naira, this translates into 26 years and 12 years budget respectively.

Corruption increases the costs of doing business, wastes resources, and reduces revenues accruing to the state. It also results in poor service delivery, corruption deepens poverty and make it difficult for ordinary people to get ahead as the result of their own efforts. Ajibade (2010) supported the above view when he stated that in the past three years, more than 10 ex-governors and political leaders who alleged to have embezzled public funds, estimated at \$250 billion, arrested and charged to court, still move about freely. This is probably the prime reason why Transparency International (2010), (an organization that measures corruption indices of countries) in a publication, showed that corruption is almost seen as a normal way of life in Nigeria. "Corruption is worse in countries where institutions, such as the legislature and the judiciary are weak, where rule of law and

adherence to formal rules are not rigorously observed, where political patronage is standard practice, where the independence and professionalism of the public sector has been eroded and where civil society lacks the means to bring public pressure to bear” (Lawal, 2007).

Interestingly too, a recent survey on ‘perception of very common corruption techniques’, comprising 8 African countries, which placed Nigeria first in 7 out of 8 corruption variables considered.

**Table 1: Perception of Very Common Corruption Techniques (%)**

S/N	Corruption Technique	Benin	Cote d'Ivoire	Ghana	Guinea Bissau	Liberia	Nigeria	Senegal	Sierra Leone
1.	Bribery of Govt. officials	40.0	55	56.7	44.4	45.5	87.3	28.0	85.0
2.	Embezzlement, misappropriation or other diversion of property by gov. officials	52.0	58	56.7	66.7	54.5	88.6	25.0	82.4
3.	Abuse or misuse of office	35.0	50	46.7	58.3	40.9	79.7	19.0	76.5
4.	Trading in influence to get things done or not done	44.0	62	50.0	58.3	36.4	67.9	44.0	67.7
5.	Bribery of foreign officials	4.0	14	6.7	16.7	4.5	23.6	0.0	5.9
6.	Bribery or embezzlement in the private sector	12.0	23	10.0	8.3	22.7	41.6	13.0	44.1
7.	Illegal transfer or taking of money abroad	32.0	14	13.3	36.1	45.5	57.0	9.0	35.3
8.	Inflation of contracts	28.0	56	56.7	55.56	45.5	86.1	16.0	82.4

**Source:** Adapted from Ajibade Akinola (2010), page 26, being a collation from country report of field survey.

From the table, it is clear that corruption is rife in the country and permeates every sector of the economy (i.e., both the private and public sectors), as well as in our dealings with foreigners. Nigeria recorded the highest corruption perception level in a whopping 7 out of 8 corruption variables considered; and was only beaten to second place by Sierra Leone in the area of perceived bribery or embezzlement in the private sector – with a value of 44.1% as against Nigeria’s 41.6% – a marginal difference of 2.5%.

A simple analytical approach – with weights assigned to each country – on the basis of its position in each of the variables [i.e., 1<sup>st</sup> (8)...8<sup>th</sup> (1)], and divided by the total number of variables (i.e., = 8), show that closely following Nigeria, which has a corruption perception index of 7.88, are Sierra Leone, Cote d'Ivoire and Guinea Bissau, with corruption perception indices

of 6.88, 5.13 and 4.0, respectively. The lowest values of 2.0, 2.63, 3.75 and 3.88 were recorded by Senegal, Benin, Ghana and Liberia, respectively.

Corruption manifests itself in diverse of ways. In post independence Nigeria, cases of corruption are too numerous to be cited here. However, the following cases are worth mentioning; Cases of bribery and corruption, which have been known to the police in Nigeria, rose from 300 in 1976 to 1,191 in 1987. This is about four-fold increase in 10 years. On institutional/sectoral distribution, the nationwide corruption survey in the Nigeria Corruption Index (NCI, 2007) identified the Nigeria Police as the most corrupt organization in the country (Uffot, 2010).

In May 1982, the Department of Customs and Excise reported a total of 238 cases of

various forms of corruption involving its officials between 1978 and 1980. These cases included falsification and alteration of import documents, direct abetting of smuggling, collecting bribes from violators of the country's customs regulations, etc. These incidences are recurring decimals in customs and other para-military institutions in Nigeria up till date.

Numerous commissions of enquiries, to investigate corruption have been set up in the past 35 years (1976-2011) and most highly placed political officers have been sent to jail for periods running from 20 to 90 years and 3 to 5 years, especially during the Buhari regime of 1984-1985 and Obasanjo democratic government of 1999-2007 respectively.

In 2009, 15 former bank Executive officers/Managing directors have been charged with corruption of money laundering and allied offences under the EFCC Establishment Act. Critically, it has been observed that in Nigeria, unbridled corruption has led to bad governance. Corruption and institutional mismanagements/failures swallow about 40 percent of Nigeria's \$20 billion annual oil income (Ribadu, 2004).

The Transparency International Corruption Index (TICI) is a measure of perception as seen by business people, risk analysts and the general public. TICI ranges from one to ten, with the index of ten reflecting 'highly corrupt'. Countries over the world have been rated in terms of their intensity of corruption. In the list by the Berlin based anti-corruption watchdog for its 2010 rating, Nigeria is ranked 134 out of 178 countries surveyed with 2.4 points. The ranking shows that it dropped four steps below its last year position of 130 and 13 steps below its 2008 ranking of 121 and 149 in 2007. The rating also shows that Nigeria is ranked 22 ahead of other African countries like Togo, Sierra-Leone, Zimbabwe, Mauritania, Cote d'Ivoire, Libya, Guinea, Guinea-Bissau, Congo and Kenya (Transparency international, 2010). In 2003, Nigeria was rated the second most corrupt country, second only to Bangladesh while Finland was the most incorrupt, followed by Singapore, Britain, Hong Kong, Germany and United States. Between 1998 and 2001, TICI, focusing on African countries showed that corruption tended to be less in Botswana, Namibia and South Africa while it was consistently high in Nigeria, Uganda, Kenya and Cameroon (Umoh, 2007).

Gray and Kaufmann (1998) cited in Adawo (2004) have listed the costs of corruption to include rising transaction costs and uncertainty

in an economy, impeding long-term foreign and domestic investment, misallocating talents to rent-seeking activities, and distorting sectoral priorities and technology choices (e.g., creating incentives for large defence projects rather than rural health clinics specializing in preventive care), pushing firms underground (outside the formal sector) reduces the state's ability to raise revenue and leads to higher rates being levied on fewer tax payers, reducing the state's ability to provide social services, including the rule of law. The result is a vicious circle of corruption, imposing a regressive tax, the burden of which falls heavily on trade and service activities undertaken by small enterprises and undermining the state's legitimacy.

In Nigeria, corruption has led to wrong people occupying political offices. Also, huge amount of money has been appropriated into private pockets leaving mounting internal and external debts. The near non-existence of both social and economic infrastructure (the existence of which foster economic growth and development) is not unconnected with corruption.

The operation of budget deficits for 33 years since 1970-2011 is largely due to corruption. It is perplexing to ask, where has all the deficit budgets gone? Acceptably, deficit budgets could be proxied for corruption in high places. The inability of successive governments in Nigeria to use budget as a tool to grow the economy so as to achieve the desired national goals, is buttressed by the words of Akpakpan (2005) as follows:

About the beginning of each year governments in this country – both the federal and state governments – announce their budgets for the New Year. They state the goals they intend to pursue over the period, and the broad 'strategies' by which they expect to achieve their goals...the government is left to settle down to the implementation of its budget, and the next we hear again about the budget is preparation for the next year's. This goes on year after year and, unfortunately, most of the problems the government budget was designed to tackle persist year after year.

### **3. A brief overview of Nigeria Vision 20:2020**

Vision 20:2020 is an articulation of the long term intent to launch Nigeria onto a path of

sustained social and economic progress and accelerate the emergence of a truly prosperous and united Nigeria. Recognizing the enormous human and natural endowments of the nation, the blueprint is an expression of Nigeria's intent to improve the living standards of her citizens and place the country among the top 20 economies in the world with a minimum GDP of 900 billion dollars and a per capita income of no less than 4000 dollars per annum. Nigeria's targets for 2020 are based on a dynamic comparative analysis of the country's potential growth rate and economic structure vis-à-vis those of other top 40 economies in the world. This implies that the Nigerian economy must grow at an average of 13.8% during the time horizon, driven by the agricultural and industrial sectors over the medium term while a transition to a service-based economy is envisaged from 2018.

Fundamental to the vision are two broad objectives – optimizing human and natural resources to achieve rapid economic growth and translating that growth into equitable social development for all citizens. These aspirations are defined across four dimensions, namely: social, economic, institutional and environmental dimensions. This economic transformation strategy is anchored upon three overarching thrusts: Creating the platform for success by urgently and immediately addressing the most debilitating constraints to Nigeria's growth and competitiveness;

Forging ahead with diligence and focus in developing the fabric of the envisioned economy by: aggressively pursuing a structural transformation from a mono-product economy to a diversified industrial economy, investing to transform the Nigerian people into catalysts for growth and national renewal and a lasting source of comparative advantage and investing to create an environment that enables the co-existence of growth and development on an enduring and sustainable basis.

Developing and deepening the capability of government to consistently translate national strategic intent into action and results by instituting evidenced based decision making in Nigeria's public space. Summarily, the basic pillars of the vision is to build a large, strong, diversified, sustainable and competitive economy that effectively harnesses the talents and energies of its people and responsibly exploits its natural endowments to guarantee a high standard of living and quality of life to its citizens. From the foregoing, it is obvious that this can

only be achieved if the economic environment is devoid of corruption in all its ramifications.

#### **4. The Implications of corruption for Nigeria actualizing Vision 20:2020**

The major goal of the Nigeria vision 20:2020 is to set the economy on a path of sustainable development to create an economy that can compete with others. But given the current level of corruption in Nigeria, it is most likely that the achievement of this ultimate goal may only be on paper. This is more so because corruption in Nigeria is seen as being official and this has to a greater extent made the implementation of vision 20:2020 a total failure. Corrupt economic practices tend to increase the cost of doing business in the country. For instance, the bribes that sometimes has to be paid to public officials to move their files within a choked bureaucratic set-up and the percentage mark-up, which corrupt officials take when awarding contracts, etc add up to the total cost of carrying out a given investment, it is clear that the final costs and prices will correspondingly increase both for investors and consumers alike. This cost element can positively discourage potential investors from undertaking business/ investments in Nigeria, since the country is infested with corruption.

If the proceeds of corruption are invested within the country, it can generate some multiplier effects, thereby increasing jobs for people. This is not likely to be the case, because of possible demand for accountability. The corrupt resources transferred abroad or used for importation of non-essential goods, acts as a drain on the economy, depriving it of the ability to generate jobs for people domestically. In another sense, the smuggling of foreign made products can cause unemployment by undercutting the competitive sales of the existing legitimate industries thereby forcing them to operate under capacity. In 1983 for instance, heavy smuggling of goods into Nigeria crippled battery, textile, leather, electronics, tobacco and aerosol industries causing thousands of people to be laid off. Thus, the aggregate effects of corrupt acts either in terms of illegally siphoning out the nation's resources or smuggling in those of other nations have direct negative impact on employment (Umoh, 2003). Unfortunately, employment generation is an integral part of the vision – 2020.

Corruption leads to a reduction in goods

and services produced in Nigeria thereby depriving the citizens the much-needed goods and services. For instance, corruption has permeated the law enforcement agencies like the police force - less police protection is given to individuals. In this case, that is why crimes would proliferate and reduce the volume of economic activities. The menace of crime and corruption, has, for instance, caused a drastic drop or complete stop to some business in the country. A typical example is the drop in production by most companies around the Niger Delta region. Gross domestic product and by extension, the people's welfare is also decreased if the proceeds of corruption are transferred and invested outside the country. This phenomenon, although not well documented, has been the net result of corrupt activities in Nigeria in recent years (Umoh, 2003).

Corruption has led to a chronic deficit in Nigeria's balance of payments both directly and indirectly. Indirectly, the leakage-effects corruption imposes on GDP can jeopardize the country's balance of payments position. Laggard growth of the economy makes it difficult to pay external debts and obligations. More directly, the foreign exchange drain effected through corrupt means can substantially harm the country's balance of payments position. This has been the fate of Nigeria between 1979 to date. Corrupt politicians not only illegally transferred money outside the country, but also aided non-Nigerians to do so. The case of a London-based trade bank, through which some ₦6.2 billion was alleged to be transferred during the Second Republic, has been widely reported. Nigeria's balance of payments and external debt problems have been traced to such illegal transfer of foreign currency (Umoh, 2003).

When a corrupt socio-politico-economic system enthrones mediocrity in position of leadership, a vicious system of mediocrity emerges and this tends to be self-perpetuating. This is so because a mediocre leader will tend to recruit mediocre lieutenants, advisers and assistants. In any organizational setting, therefore, more competent and hardworking people get frustrated and penalized, while the mediocre get rewarded for their sycophancy and treachery. Thus, a classic human situation similar to the operation of Gresham's economic law can arise. According to the classical Gresham's law, 'bad money drives out good money'. Similarly, in a corrupt organization, or society as Nigeria, 'bad' people drive out 'good' ones, by frustrating them.

Wrong policies generated by the mediocre become costly to the society in

numerous other ways. For instance, the loss of human lives through the neglect by incompetent officials in the health sector, deaths through collapsed buildings, as well as motor accidents caused by incompetent drivers who obtained licences by corrupt means. Examples of such avoidable disasters abound in Nigeria.

Corruption tends to generate and perpetuate distributional inequality in both economic and political powers in a society. A corrupt political leadership would not only enrich its members, but can manipulate the political machinery to ensure that they control political power. This is done in order to escape social accountability. Meanwhile, it becomes very difficult for the deprived masses to share in both the political and economic resources of the nation. This is what is obtainable in Nigeria's political system till date.

The effectiveness of economic policies can be seriously undermined by corruption as is currently the case in Nigeria. This can happen in at least three respects. First, the political and bureaucratic elites who make laws for regulating the economy may engage in making self-serving laws and legislations. Second, spurious data and information may be generated and policies based on these may be misleading and ineffective. And third, corrupt officials can exploit loopholes in existing legislations.

On a general note, the prevalence of corruption in Nigeria would create a situation where rational policies such as NV 20:2020 would fail. The Central Bank of Nigeria, for instance, may find it difficult to ascertain external debts owed by Nigeria because of either spurious information supplied by corrupt agents or failure to supply any information. In the same way, economic models can fail to forecast well because they are calibrated with false data. The impacts and implications of corruption as clearly examined would definitely impede the achievements of the "core objectives" of vision 2020. This would go a long way in thwarting Nigeria's dream of being in the league of first 20 economies of the world by the year 2020.

## 6. CONCLUSION

This paper takes a look at corruption and its implications for Nigeria in her quest of actualizing Vision 20-2020 which aims at launching Nigeria into the comity of first 20 economies of the world by the year 2020. As a social malaise, corruption has permeated every facet of Nigeria and has dangerously undermined



virtually all programmes of government in the past and present. The effect of this is that the nation has been plunged into a state of very debilitating socio-economic conditions such as widening income inequalities, extreme poverty, declining GDP rates, excruciating external debt and above all institutional failure etc. It is evident thus that with the mass depletion of the resources of Nigerian nation by its corrupt leaders and privileged followers, the amount of resources left for the purpose of developing this country is very meager. Thus the development of schools, roads, electricity, good water sources and other essential services necessary to drive the development process are greatly compromised. With four (4) years already down the line, for this vision to be realized, the paper contends that we must have a committed, transparent and purpose-driven government that is determined to reduce corruption to the barest minimum. To achieve this, the foremost anti-corruption agencies in the country, ICPC and EFCC, should be granted full autonomy and should be provided with a special court. The constitution should be amended to expunge the issue of immunity for all elected government officials, including the President, since such officials can use the machinery of government to avert justice. Stiffer punishment to the tune of death or life imprisonment as practiced in China, Malaysia and some other countries, should be meted out to offenders. Finally, government should assess the wealth of every Nigerian public holder for the past two decades, and property corruptly acquired should be confiscated or nationalized.

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