

Strengthening Citizen's Resistance Against Prevalence of Corruption (SCRAP-C)

POLITICAL ECONOMY ANALYSIS REPORT

Centre for Democracy and Development, Abuja

December 2017

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1. Background

1.0 Introduction

Nigeria like many other countries in the sub-Saharan Africa are in transition of experiencing different strands of capitalist and socialist ideologies predicated on social production of material values. The productive system in periphery economy like Nigeria is largely based on rentierism. The system is driven by the ruling class who controls the political power and also sees the state as an apparatus and instrument of primitive and capital accumulation. The problem therefore is the class relations and struggle within and between the ruling and dominated classes. The struggle is usually agitated and antagonistic rather than organized. For the political class, access to political power is not dependent on control of social relations of production but a matter of opportunity and ability to grab and amass regardless of the role of the state in an economy.

The general laws and policies governing the development and economic role of Nigerian state on socio-economic system in the country has not been a continuum. The role of the state in addressing issues of production and distribution of wealth has been subjected to debates and national questions drawing from historical contexts, social, economic and political variables. The public sector remains the state apparatus in driving the enabling environment for the production and distribution of wealth in the country. In as much as the private sector also has a germane role to play in this regard, the state through the public sector has the overriding role in fostering development.

Unfortunately, in the public sector, corruption remains an intractable issue confronting effectiveness of transparency and accountability in the delivery of social services and infrastructure in the country. Ironically, the onus regarding the fight against corruption across levels of government lies on the public to sector to drive the process through enabling laws and collaboration with the civil society and private sector. Incidentally, the public sector through the political leadership across the three tiers of government has insufficiently impacted in this regard. The misappropriation and embezzlement of public resources have been a major challenge in providing infrastructure and social services, and above all creating wealth for the citizens. More instructive is that as corruption affects public finances, business investment and environment, there has not been conscious and effective efforts to explore the dynamic effects of corruption on the volume of businesses and commercial activities across states in the Nigeria.

In a bid to curtail this national issue of corruption, formal structures have been recognized to be weak and ineffectively productive, thus the need for an alternative strategy of harnessing and adopting traditional approaches through informal groups to address corruption. This is necessitated against the backdrop of the following four contexts: (i) the changing dynamics around the interaction of political and economic processes on corruption at National and sub-national levels; (ii) the contestation and negotiations between stakeholders especially around power, influence and wealth; (iii) the influences and direction of political power and; (iv) the processes under which wealth is generated.

The aforementioned perspectives require an in-depth sectorial understanding and analysis of issues of corruption around them. Corruption as aptly observed, takes the form of misappropriation of funds, refusal to deliver the required services as expected when resources are provided, lack of sincerity, lack of accountability as well as negligence of duty. In the public sector, ethnicity, religion and nepotism influences recruitment, promotion and deployment, while bribery affects service delivery in sectors like, the power sector. Across sectors, malpractice among staff of procurement shows unprofessional methods of service delivery.

As a nation, corruption has become a national tragedy, and Nigerians have remained the most affected, while corruption remains poorly addressed. It is pertinent that citizens be adequately empowered on how to effectively engage and support the fight against corruption, since the state has failed to address the issue over the years. The Strengthening Citizen's Resistance Against Prevalence of Corruption (SCRAP-C) project therefore is designed to help this address this gap, and in doing this some states (Enugu, Lagos, Kaduna and Borno) were selected based on their strategic importance to the project. The project does not only provide opportunity to focus on understanding official corruption and acts of corruption in major public sectors and projects but also the role and influence of the businesses and private sector in the spread of act of corruption.

1.1 Objective

The project objective is basically to influence and interrogate the social norms and attitudes that help corruption thrives and sustained in Nigeria, with a view to effect social change. To achieve this, some states were chosen as data collection points and targeted stakeholders contributed immensely to the discourse.

1.2 Methodology

The project is research driven from conception, and as such it adopted primary and secondary sources for gathering data. Aside the extant literature consulted, fieldwork was carried out in Enugu, Lagos, Kaduna and Borno states. Across the states, some key informants and stakeholders within formal and informal groups provided some valuable information needed especially during the interviews conducted. While some identified and mapped informal groups participated actively during the focus group discussions across the project states. The informal groups provided useful insights while responding the questions that guided the discussion.

This report is structured into four major sections excluding the conclusions. First is the introduction where the contextual background of the study including the methodology adopted in the study were narrated. The second section addresses the political economy of corruption, and the third section focused on the sectorial analysis of corruption, while the fourth section discusses the traditional approach of using the informal groups to address corruption and the challenges the face in doing this.

Rationale for states selection:

The selection of case study states provides gives the project the opportunity for widespread influence as there are constant relationships between the selected states and other states' citizens especially in the area businesses in locations around them by the virtue of being considered as regional business hubs. The states are also populated by citizens with high level of political awareness and attendant social activism, therefore, they are also focus of attention in the mass media. Activities and the dominant thoughts in these locations have for some time impacted on the public sphere nationally. However, Borno provides a different dynamic with the attendant huge investment in post-reconstruction and the need to build an accountability regime as part of that reconstruction.

2.0 Political Economy of Corruption in Nigeria

The evolution of westernized and adopted contemporary public administration have continued to create opportunities for increased incidents of abuse of power and positions, official misuse of resources for personal enrichment. Whereas the discovery and heavy reliance on the extractive sector (oil and natural gas) have led the managers of the sector and political leadership into corrupt practices without any conscious effort to explore alternative national revenue generation source over the years. As Dudley (1982)¹ aptly contend that political power provides a rare opportunity to acquire wealth and prestige to be able to distribute jobs, contracts, and gift of money, among others, to allies (p. 30). The argument implies that those, including their communities and cohorts, who associates with political leaders in power, would have the high tendency of support the actions of embezzlement and fraud in the polity since they are beneficiaries of the system.

It is however as response mechanism to address menace that successive governments in Nigeria since 1999 have introduced several anti-corruption initiatives, campaigns and strategies. Sadly, the results achieved so far are not commiserate with the huge human and financial resources that several governments and foreign donors in the country have invested in anti-graft projects. This is evident in the annual corruption perception index of Transparency International where Nigeria has maintained a lead as part of the corrupt countries of the world. There has also been consistency in the reported cases of treasury looting among those entrusted with public fund virtually in all the governments in Nigeria in the last 19 years of democracy. The system became overwhelmed with various dynamics corruption occur to the extent it now appears as norm in the society. Regrettably, this situation did not only further weaken the formal anti-graft institutions, but more worrisome the civil society and most especially the local informal groups found themselves in a hapless environment since they cannot effectively engage the system. One of the dangers here is that the corruption as social phenomenon has not been taken seriously by the informal groups especially its effects on the totality of the relations of production which constitute the economic structure of society and bedrock upon which corruption thrives.

This section however, looks at three sub-themes which include, the dynamics and patterns of corruption; social norms shaping corruption and; the effects of corruption. The analysis therein draws from specific information gotten from the four project locations of Borno, Enugu, Kaduna and Lagos.

2.1 Dynamics and Patterns of Corruption

The transition of Nigeria from colonial rule to civilian and to military and back to civilian government has delved an impact in the struggle of consolidating any of the regimes particularly the civilian governments. The various degrees of orientation in political leadership occasioned by these transitions were accompanied with the complex competition in the struggle of who gets and/or produces what, how and when, and for who. The political power in the midst of all this is engrossed in a clear class issue and competition which most times have resulted to pervasion of rules to gain advantage and damage mobilization of ethnic primordial ties to ensure victory. This confirms the point argued by several neo Marxist scholars, that it is

¹ Dudley, B. J. (1982), *An Introduction to Nigerian Government and Politics*. London: Macmillan Press.

development in political leadership that necessitated the emergence of corruption in Nigeria's public service across all sectors. Similarly, most participants at one of the focus group discussions attests that:

political and economic drivers of corruption in Nigeria, includes abuse of power and/or rules and regulations by a public officer, with intention of selfish gain and to the detriment of others, and in order to remain in control of the economy and the quest to get rich quick (fieldwork, 2017).

At the community level, leadership aspirants are seen taking advantage of vulnerability of the poor by providing food items and financial inducement while seeking for their votes. This is usually done along ethnic or tribal and religious sentiments. In a similar vein across the public sector, competency and merits are no more the basis for recruitment, promotion and deployment, rather major emphasis is on tribe, religion and other primordial considerations. This situation most times is a function of who is in the helm of affairs in a given sector. A typical example was given by a high level recruitment officer in a public sector who narrated that:

the basic criteria for recruitment include intelligence, integrity, your experience, academic grade, which will be placed a par with your skill set, that is in the private sector. In public sector, it is a different ball game. It is all about whom you know, 'who-know-man'. Relatives and friends are given priority over competent ones. That is why we have mediocrity in civil service. In 2008, for instance, Central Bank of Nigeria (CBN) called for application for employment. They asked people to go online only for job portal in their website to very difficult to access, but still they employed people. How did they do it? So it is about who-you-know, and there is no clear selection process in civil service, unlike what exist in private sector. There are again issues in promotion where some people are either stagnated for many years and others who are favoured in promotion. Even in deployment. If you "settle the Oga" you will be posted to a favourable station. Promotion and deployment are therefore done primarily on loyalty. In as much as loyalty is important, but it should not be the determining factor (fieldwork, 2017).

2.2 Social Norms Shaping Corruption

Corruption is entrenched and has prevailed over social values in the public and private domain. Virtually across most communities in Nigeria there is a general sense of legitimizing corruption. There are several observations by scholars on the issue of dual legitimacy and corruption, particularly the concern on community where the notable corrupt public officials are celebrated in the community perhaps because s/he used the proceeds from corruption to embark on a development project in the community. In this situation, it is argued that corruption

is rationally accepted both by the ruling class and the community where the ruling class belongs. Incidentally, this has also contributed to bane of the fight against corruption because of community patronage and protection given to the corrupt elements in the society. As noted by one of the key informants:

within the community I kind of feel it is engrained in the people. .. If you are in a public office the people are constantly asking you what you are bringing for them. They are not asking you what you are doing for the constituency where you are supposed to work. For example, a Vice Chancellor his constituency should be the university where he is supposed to work but when he goes to his village, his people wants what he will do for them. So he might try to please them and start hiring people from his village, even those who are not qualified. And this is how this corruption keeps growing. Now when you look at the government, you see there are different levels, people sometimes focus on their own small village, their own small family and build roads that leads to their home. That is corrupt because the people who should get the roads are those who most needed. Those farmers who need the roads to bring out their products (KII/Enugu/01 Dec. 2017)

Therefore, the place of social norms in shaping corruption brings to the fore both the supply side and demand side of corruption in Nigeria. On the supply side, the prevailing social norms shapes the thinking and behavior of public office holders who believe that abuse of public office for personal gain should be the order of the day. They therefore indulge on all sorts of corrupt practices such as misappropriation of public funds, influence peddling etc to meet the societal expectations. On the demand side, the masses who should actually question the public office holders and hold them accountable also influence public office holders to indulge in corruption placing much expectation on the public office holders to do what ordinarily is beyond their powers.

Similarly, through influence peddling, some elites collect money in the name of communities from donors and government agencies and fail to account for such money nor use it for the project it was meant for. According to one key informant: “one major form of corruption in our locality is people not accounting for money they collected in the name of the community and even working against those who genuinely mean well for the community because they feel they will not benefit from the project” (KII/Enugu/04 December, 2017).

2.3 Effects of Corruption

The effects of corruption are multi-dimensional. First is the gross deficit of social amenities in the society arising from the diversion or misappropriation funds meant for provision of social amenities in the society. The fundamental duty of the government is to provide basic amenities to the people. But due to the endemic nature of corruption in the country, basic amenities such as water, light, healthcare, good roads etc which should be taken for granted are not being provided despite the huge amount of money budgeted and allocated for such amenities. For instance, Nigeria has just five hospital beds for every 100,000 people as at 2015 as against a

global average of 35 beds population. An estimated 150,000 children under five were reported to die annually due to causes traceable to the consumption of non-portable water.²

Related to the above is the rising level of poverty in the country. In fact, as at 2010, the poverty level in Nigeria was at 69%, indicating that about 112.47 million Nigerians are living below the poverty line. Poverty in Nigeria is linked to the gross deficit of social amenities and the daily extortion of the poor masses by public and private agents. Nigerians have to provide and pay for virtually all amenities with their meager salaries. Virtually every household has to provide for their own water, security, roads thereby reducing the amount of money left for the household for feeding, clothing and housing. Worse still, in the course of their daily activities, Nigerians are further impoverished by extortion by government agents like the police, army, road safety and other security agencies on the check points on the road. They are extorted in public schools by the school management who demand for payment of what should not be paid for and by teachers/lecturers who extort the students to award marks. They are extorted in the public hospitals by hospital managements for demand payment for some services and even drugs that should be free. The implication of this is that poverty is entrenched in the country because after expending the income of households on provision of what government should provide and settling extortion, the household have little or no disposable income for other necessities and therefore continue to wallow in poverty. For instance, it is estimated that Nigerians spent about \$975mn on alternative power supplies in 2008 and \$1.9bn in 2012. This amounts should have gone into disposable incomes or savings of households and firms but are wasted on alternative power supply.

De-investment is another disturbing effect of corruption in Nigeria. Evidently, the volume of foreign and domestic investment in Nigeria is below what is expected for a large country Nigeria especially when compared with other African countries like South Africa. This is connected to the incidence of corruption in the country. For instance, the poor state of infrastructure especially electricity not only discourages potential investors but has caused many industries to relocate from Nigeria to neighbouring countries where power supply is relatively stable. It is estimated that a total of 750 companies representing 30% of companies operating in Nigeria either relocated to nearby countries like Ghana or closed down completely in 2006 due to electricity failure³. Similarly, the lack of transparency in business processes especially in the public sector undermines investment in the country. Nigeria scored 52.02% and ranked 145 out of 190 economies in the World Bank 2018 Easy of Doing Business ranking. This ranking, though an improvement over the years demonstrates there are still obstacles in business process some of which can be attributed to the incidence of corruption in various levels of doing business in the country. A direct result of this de-investment is the frightening level of unemployment in the country. For instance, there were a total of 28.58million persons in the Nigerian labour force in fourth quarter [Q4] of 2016, that were either unemployed or underemployed⁴.

The high level of unemployment is further related to the increasing level of criminality and other social vices in the country. It is also important to note that the high level of unemployment has equally contributed to the incidence of corruption in the country by creating

² Centre for Democracy & Development (2017). *Buharimeter mid-term report*. Abuja, Nigeria: Centre for Democracy and Development.

³ Akaeze, A. (2009). Counting their losses. *Newswatch*, March 16.

⁴ National Bureau of Statistics (NBS) (2017). *Unemployment/Underemployment Report Q4 2016*

avenue for public office holders to extort money from unsuspecting applicants for positions in the public offices. Recruitment processes has also becoming a money making venture for public office holders and their cronies who pose as recruitment consultants. Applicants are now forced to pay for scratch cards as a way of applying for advertised positions in the public office. A good example is the immigration saga of 2014 when about six billion naira (N6,000,000,000) was extorted from applicants who were asked to pay N1,000 each as processing fee for 4,500 advertised job positions in the Nigerian Immigration Service (NIS). The inability of the organizers of the interview on the scheduled date led to stampede in the various stadia used as the test centers where the applicants outnumbered the seating capacity of the various stadia. In Lagos, Abuja and Port Harcourt for instance, it was reported that the number of applicants that trooped out for the test were over 56,000, 69,000 and 23,000⁵. This is what is referred to as the “vicious circle of corruption”. That is a situation where the effect of corruption creates avenue for other forms of corrupt practices to thrive. In fact, according to one of the FGD participants shared her experience with regards to this corruption in public service employment:

I was looking for a job, a lady connected me to a man in the civil service in Abuja. When I met the man in Ministry of Education, he told me that if I want the job, I should come with a beautiful girl for his oga and me for him so I can get the job. He said if I can't get a pretty girl plus myself, I should get 150,000 so that we can get the job. So I did not get the job because I could not meet the criteria. He is in Ministry of Education in Abuja (FGD/Kaduna/11 Nov. 2017).

Loss government revenue and poor productivity in the public sector. The level of corruption in the public services especially in the area of taxation amounts to loss of huge revenue accruing to the government. The practice of tax evasion by the masses and diversion of tax proceeds and other government revenue by revenue collecting agents of government translates to huge loss of revenue for the government. Similarly, since employment in the public sector is largely influenced by prebendal considerations, most of the people employed are not qualified persons and are unable to perform optimally. Worse still, much of government employees spend a lot of the working hours idling and loitering around the office premises without doing the work for which they are employed. The overall result is poor productivity in the public sector.

Illicit financial flows (IFFs) and money laundering. IFFs are cross-border financial transfers which contravene national or international laws and include all funds with criminal origin, such as the proceeds of crime (including corruption). Much of the proceeds of corruption are illegally transferred to bank accounts outside the country leading to high level of IFFs out the the country and money laundering. Nigeria ranks as one of the top 10 sources IFFs from Africa accounting for 30.5% of total IFFs out of Africa between 1970 and 2008 which translates to about 217.7 billion US dollars⁶. IFF out of Nigeria is estimated to be about 12% of the country's GDP. The indirect effect being tendency to use such illicit funds to sponsor terrorism and other criminal activities.

Political instability is another effect of corruption which results from the adoption of various corrupt strategies including electoral malfeasance by political elites who connive with officials of the Electoral Management Bodies (EMBs) at various levels to win elections by all

⁵ Vanguard Newspaper, 16th March, 2014

⁶ Kar and Cartwright-Smith (2010). Illicit Financial Flows from Africa: Hidden Resource for Development. Washington, DC: Global Financial Integrity.

means. Since return to civil rule in 1999, Nigeria has experience varying levels of political instability across the country arising from the struggle for political power by all means. The 2011 post election violence across the Northern part of Nigeria reflects one of such forms of political instability arising from the corrupt activities of politicians and their supporters who cause violence when election results do not favour them. Hence, political instability is a direct outcome of corruption by officials of EMBs and political elites.

3.0 Sectoral Analysis of Corruption in Nigeria

This section presents analysis of the key corruption issues across various sectors in the economy. The sectorial analysis of corruption serves as a veritable method for revealing the political economy of corruption in Nigeria especially as it concerns how the elites use political power to appropriate public wealth from the process of wealth creation to the process of wealth distribution and allocation within the polity

3.1 Power Sector

Power sector is critical to the overall development of Nigeria due to dependence of large number of operators in the formal and informal sectors on power supply to carry out their daily business activities. Accordingly, over the years, huge amount of money has been appropriated for the power sector. Between 1999 and 2013 alone, the federal government has spent about N5 trillion (\$31.45 billion) on the power sector in order to bolster power supply in the country. Unfortunately, despite the importance of power and the attention given to the sector by successive administrations, the sector continued to deteriorate leading to its privatization in 2013. Despite the unbundling and privatization of the power sector, the sector has remained inefficient in delivery of essential service to the masses mainly due to the corruption in the sector. The power sector is characterized by alarming rate of corruption at all levels, from power generation to transmission and distribution. In fact, it is estimated that the total financial loss to Nigeria from corruption in the electricity sector starting from the return to democracy in 1999 to date is over Eleven Trillion Naira⁷. One of the key informants noted that: “the government pumps money into the sector and it is stolen. Right now we have a large amount of megawatts but the power is still not there, we can go for 2-3days without power supply and can we develop with this?” (KII/Kaduna/04 December, 2017).

The situation in the power sector is characterized by mutation in the form of corruption before, during and after privatization. Prior to the privatization of the sector, corruption took the form of misappropriation, diversion of budgetary allocation, award of shady contracts etc. in fact, much of the corruption prior to privatization revolved around the issues of procurement. According to one of the FGD Participants:

⁷ Socio-Economic Rights and Accountability Project (SERAP)(2017). From darkness to darkness: How Nigerians are paying the price for corruption in the electricity sector. Lagos, Nigeria: Eddy Asae Press.

Big money is budgeted to replace infrastructure but the old ones are refurbished and returned as new ones. Since the regime of Obasanjo, the money allocated to power sector is enough to build another Kainji Dam. During Obasano, money was allocated for the Manbilla project but this project was not done (FGD/Kaduna/ 11 November, 2017).

The form of corruption experienced during the privatization process revolved around transparency in the privatization process leading to the transfer of the sector to elites who had no previous experience in the sector. This further entrenched monopoly, extortion of the masses and inefficiency. One of the FGD Participants observed that: “the problem (in the power sector) emanate because there is still monopoly and people don’t have alternative. The privatization of power sector is like the experience from frying pan to fire”. The post privatization era in the power sector has also been characterized by various shades of corruption. The most pervasive forms of corruption identified by most of the key informants and FGD participants include the extortion of the masses via high and arbitrary billing, lack of transparency in procurement and deployment of meters to consumers and electricity theft by electricity consumers sometimes in connivances with officials of the electricity companies. As noted by one of the FGD participants: “Even the so called meter they say is free, in my place when our credit card finished, I went to buy credit but I was told I had arrears of N5,000. This is supposed to be a new and free meter” (FGD/Kaduna/11 November, 2017). This is corroborated by another FGD participant who decried that: “the billing is what we don’t understand. A house without the basic appliances but they sometimes bring the bill of ₦7,000.00 – ₦8,000.00 per month it’s not supposed to be so.” (FGD/Maiduguri/26 October, 2017). In trying to explain the reason behind the high and arbitrary billing, one of the FGD participants explained that:

Power sector is worse now. There billing is based on arrangement. If you know the marketer, you get low bill. Disconnection of light even when bills have been paid so that people can pay reconnection is another form of corruption in the sector (FGD/Kaduna/11 November, 2017).

In addition to extortion in the billing system, the electricity providers are alleged to also extort masses by prevailing on them to provide certain infrastructures they are not supposed to provide. One key informant revealed that:

there is an electric pole that fell near my area, so the community development association in my area mobilized and bought the pole and wires but IEDC promised to give us grace for about 3months, but not up to 2months, they started bringing bills, so that is the corruption we are talking about (KII/Lagos/11 November, 2017).

3.2 Education Sector

The education sector is a very critical sector in the development of any country. This is because it shapes the productive forces of the society and the level of development of the productive forces in every society determines the overall socio-economic and political development of the society. Just like the power sector, education attracts much attention and funding from the Nigerian government. However, due to the prevalence of corruption in the education sector, the fund sunk into the sector has not translated to improved quality of education in the country. Corruption in the education sector takes various forms especially in the area of procurement. There is general poor transparency in the procurement system in the education sector at all levels. According to one of the key informants:

The procurement process is not followed. Even when things like classrooms and laboratory equipments are budgeted for, new entrants are still asked to bring cements, rods etc for the building. In the area of feeding, students are not fed and contractors are equally owed. The contractors cannot complain because the bidding process is not transparent (KII/Enugu/04 December, 2017).

In providing detail of corruption in procurement system in education sector, one of the key informants highlighted that:

in the university level where things should be by contract given to the highest bidder. But it is again who you know and who is going to give the highest amount. And I learnt that what is obtainable is that they will come and propose who much you will get so you will give the contract to some who gives the highest amount not the one with the best proposal. That is an issue to that is affecting the education sector. Beyond that I noticed that some people don't even have a procurator and this is an issue. So when the bursar of an institution is the one procuring and is the the one who is the overall boss. What is going to happen, there is no transparency. Every establishment and education institution, should always have a finance officer and an internal auditor. But if the bursar or the principal or the head teacher or the vice chancellor becomes the procurator, then there is a problem because the person who should be the check is no longer their. Sometimes the principal or the bursar may not set out to do something wrong but because there is no body supervising the work problem will arise in procurement and you see a lot of corruption in the way things are procured, manipulating receipts, refusing to procure what should be procured and manufacturing receipts even when the thing is not there. (KII/Enugu/01 December, 2017).

In addition to corruption in the procurement processes, the education sector also reel with corruption connected to admission into higher institutions where admission is sold like commodity and given on primordial considerations. In some instances, people are expected to pay money to get admitted into the university especially competitive courses like Medicine, Law, Accounting etc. One of the FGD participants revealed that:

In regards to the education sector as they have said earlier, the major problem we are having in terms of admission there is corruption and sentiment both tribal and religion. For instance if they give you admission in university of Maiduguri you cannot get your choice of course. If your child is qualified to study MBBS they will rather send him to DVM that's why we are having feeding bottle doctors or they send the child to Pharmacy Department. They are very selective, they are only trying to groom their children who don't have the stuff upstairs. The government have to do something and we the common man are also to be blamed if the common man wants to go for an election they won't allow him because he don't have money. The education sector is collapsing. (FGD/Borno/26 October, 2017).

Related to the above is the purchase of grades in the institutions. In some instances, lecturers collect money from students to award marks or read their project files. Some lecturers mandate

students to submit assignments with money inside the assignment. An FGD participant revealed that: “students pay money for the grades they want. I study in the Federal University Owerri there is one of our lecturer once you bring “Kilishi” to him he will as you the grade you want”. (FGD/Borno/26 October, 2017). This view is corroborated by a key informant who noted that:

at the school setting you see teachers asking students to bring what ordinarily you are not expected to bring and asking them to do one thing or the other to have their grades even when their grades should have been commensurate with what they have done and not because they have brought money, tubers of yam or bags of rice. (KII/Enugu/01 December, 2017).

Generally, corruption in the education sector takes the form of abuse of procurement processes, extortion of students and parents for grades and admission into the universities and unity schools. As noted by one of the key informants:

They say education is free but the ordinary person cannot afford education in the unity school. You have to pay about two hundred thousand naira (200,000) to get somebody started in the unity schools and federal government colleges. It may be a starter from JSS 1 or a transfer. Once you are a new person, they will bill you, put it in writing and education officers in the headquarters will keep quiet and pretend as if they don't know what is happening. So somebody like me I see this as evil under the name of ‘I see nothing, I do nothing’. In the higher institutions, people are asked to pay acceptance fee which is almost equal to the school fees. Vice Chancellors use the TETFUND as if it is their private funds (KII/Enugu/04 December, 2017).

3.3 Health Sector

The health sector in Nigeria is also characterized by various forms of corruption especially in the area of procurement of drugs and hospital equipments. This has no doubt contributed to the poor healthcare delivery in the public hospitals in Nigeria and accounts for the high level of healthcare tourism by Nigerians especially the elites. Other forms of corruption in the health sector range from diversion of hospital equipments and facilities to private clinics, extortion of patients to pay for services and drugs that should be free, diversion of patients to private clinics owned by doctors also practicing in public clinics for cases that could be handled in the public facilities. In the area of procurement, one of the key informant revealed that:

in a government hospital, I will not mention the hospital. They will do a budget for standardized equipment, such as dental or laboratory equipment. They will come up with budgets that could procure that equipment, though, over quoted; they will ask the supplier to bring 30 percent highly standard ones and 70 percent of either middle standard or lower standard ones. The 30 percent standard ones will be the ones they will showcase, and the rests they say, is history. They get refurbished equipment which was not what was budgeted. They also do what they call ‘mark up’, inflation of prices. A vendor would be asked to quote 30 million for a supply that ordinarily would be procured with 10 million.

The vendor will be asked to mark up, and bring a certain agreed percentage of the mark up to the procurement officer. (KII/Lagos/09 November, 2017).

In the area of diversion of drugs, an FGD participant revealed that: “drugs for patients are cornered and taken to private clinics of doctors and pharmacists. Most times doctors are not available in the public hospitals but if you go to their private hospitals you will see them” (FGD/Kaduna/11 November, 2017).

Corroborating the above view, another participant gave instance of a particular hospital in Kaduna by say that:

A good example is the Sabo Clinic. Just for your sample to be take, you will have to buy the hand gloves, syringes etc. For your file to be taken to the doctor, you have to tip the people. The Doctors also corner patients in the public hospitals to their private hospitals and treat them with equipments from public hospitals. (FGD/Kaduna/11 November, 2017).

Another FGD participant noted that:

now the state government have said any women that is in labour and went for delivery should be free but no it happens to be if you are a less privilege when your wife goes to the delivery and have complication they will just left the wife to bleed to death because you don't have the resources. Meanwhile it was said that delivery is free (FGD/Borno/26 October, 2017).

The corruption in the sector also reflects in the health insurance scheme where the scheme is manipulated to extort those who are insured under the scheme. As revealed by one of the FGD participants:

The issue affecting Nigeria is that after the formation of the NHIS some cabal in collaboration with the National Assembly hijacked the whole system. This is done so much that the private health providers the HMO's. Most of the HMO's are own by the principal officers of the national assembly, principal officer of the Nigerian Ministry of Health, principal officers of the presidency. This is where the problems lies in. (FGD/Borno/26 October, 2017).

Apparently, corruption in the health sector takes places at all levels from the administrative level where issues of procurement are handled to the level of service delivery where healthcare services are rendered to the patients.

3.4 Taxation

Taxation is a major source of revenue for Nigeria like most other countries across the world. The federal system of government being practiced in Nigeria has implication for tax administration in the country. Hence, Nigeria has a three tier federal structure and each of the tiers is empowered by law to administer various categories of tax within its area of jurisdiction. What is however, common in each tier is the high level of corruption in tax administration. The corruption in the area of taxation in Nigeria is a two-sided phenomenon. On the side, most of the tax payers evade tax with or without connivance of the tax collectors, on the other side, some of the tax collect divert or under-remit proceeds of tax collected. This two-sided analysis of corruption in the area of taxation was elucidated by one key informant who observed that:

A lot of people evade tax. From my studies I found that a lot of people evade tax. Some under report, some don't even report anything apart from when they are paid salaries from the company but they do other things, they do consultancy and other things which are taxable but then they don't report that. Those things constitute corruption. Now look at the level of those who collect tax, some get the tax payer to write something less than what they earn. The real truth is that the evasion of tax or under reporting or tax managers connive with tax payers to do what they are not suppose to do are all corruption. (KII/Enugu/01 December, 2017).

In analyzing the dimension of corruption in taxation, one of the FGD participants revealed that tax collectors have their own receipts and connive with traditional rulers and police to collect and divert tax at the local level: “vigilantes collect tax for the local chiefs and give some to the DPOs. They also print their own receipts. They take some to village heads. They can't be arrested because they get protection from the DPOs and village heads.” (FGD/Kaduna/11 November, 2017). Similarly, in some climes, receipts are not issued for taxes collected. This is confirmed by an FGD participant who revealed that: “For example Lagos State, brought out a law that each compound must pay land used bill. So every year you will be compelled to pay some amount of money but there is no receipt for that” (KII/Lagos/11 November, 2017). Related to the above is the multiple taxation and use of force/intimidation to collection such tax from the people. According to one FGD participant:

I don't even know the number of tax that paying in this town. Truly we pay tax of more than what we are getting. The fact is my shop in Damboa road, I don't know the number of tax I am paying. In every month I pay tax 2-3 times, and if you complain the next thing you will see is the police who will come and lock up your shop. In the issue of taxation the government have to do something about it (FGD/Borno/26 October, 2017).

Generally, what is common in the area of taxation is that corruption involves tax evasion on the part of tax payers, on the side of the government it involves use of force/intimidation to extort multiple taxes from the people, diversion of tax, non issuance of tax receipts to tax payers and use of private receipts to collect taxes meant for government.

4.0 Informal Groups and the Fight against corruption in Nigeria: Potentials and Challenges

The proletariats have always remained at the receiving end of the consequences of corruption in the society. They feel the impact of corruption, loathe it and aspire for an end to corruption or at least its mitigation. Yet, the crystallization of these proletariats into various informal groups such as artisan associations, youth groups, women groups etc within the society have

focused mainly on initiating mechanisms for coping with and resisting incidence of corruption as it affects their livelihood. Hence, even though these informal groups are not usually mainstreamed into the anti-corruption crusade dominated by the formal institutions, they remain veritable structures for anti-corruption. This because, first, the groups have the potentials to influence street discourse around the issues of corruption and also have the capacity to influence the behavior of the masses who are at the receiving end of corruption. It will therefore be easier to change social norms that enables thrive in the society through such informal groups that have deep contact with the masses in the society.

A second potential that lies within the informal groups in the area of anti-corruption campaign is the existence of the political will among members of the groups who believe their predicament is a direct consequence of the corruption and putting an end to corruption would translate to change in their socio-economic plight. Thirdly, the structure of the informal groups makes its easy for mobilization of its members to support the anti-corruption crusade through other informal strategies targeted at changing societal values on which corruption thrives. For instance, informal groups were well mobilized to play significant roles during the protests against annulment of the presidential election elections in Nigeria and subsequent campaign for an end to military rule in the 1990s. Such strategy can be adopted in the current struggle against corruption given the potentials of the informal groups⁸.

Despite the ubiquity and potentials of the informal groups in the area of anti-corruption crusade, the groups are enervated by certain internal and external factors which undermine their anti-corruption activities and aspirations. First is the poor capacity of the groups to properly articulate anti-corruption agenda owing to the fact that they do not consider anti-corruption as the direct objective for forming the group. Thus, anti-corruption have remained a bye-product of most informal groups that can only be triggered during critical moments such as wide-spread incidence of extortion of members, death of member in police custody or under shady circumstances in hospitals etc. Secondly, there is tendency for the political class to infiltrate the groups and divert their anti-corruption agenda of such groups, create internal differences among the groups to forestall their possible convergence by emphasizing primordial sentiments which underline membership of some of the informal groups like the CBOs and FBOs. Third challenge to the informal groups is the tendency of state to adopt instrumentalities of force to harass, intimidate and repressing any form of anti-corruption campaign arising from such groups which threatens the interest of the political class especially the incumbent.

5.0 Conclusions

Over the years, Nigeria has gained infamy for being one of the most corrupt countries on earth. Successive administration have given attention to the fight against corruption leading to the setting up of formal institutions like the Economic and Financial Crimes Commission (EFCC), Independent Corruption Practices Commission (ICPC) to mention a few. Despite the anti-corruption crusade waged by Nigeria and other foreign partner agencies, corruption continues to be ingrained in the country. The social norms that enables corruption to thrive remain unaddressed. This study provided political economy analysis of corruption in Nigeria and found that corruption is rooted in the process of wealth creation and distribution in Nigeria. This is also refracted in some of the sectors of the economy where wealth is generated and others through which wealth is distributed. Accordingly, the study found alarming and vicious circle of corruption in critical sectors like power, health, education and taxation. The study notes that the informal groups such as artisans, youths, women, students, CBOs and FBOs have

⁸ Chaturvedi, R. (2016). Agentive capacities, democratic possibilities and the urban poor: Rethinking recent popular protests in West Africa. *International Journal of Politics, Culture and Society*, 29(2)

potentials to serve as veritable channels to address certain social norms on which corruption thrives in our society.