

## CORRUPTION IN NIGERIA: A SCOURGE WITHOUT A REMEDY

### Abstract

*Corruption is a misuse of public powers for private profit. It is described as an abuse of public power for private benefit. It is the act of doing something with the intent to give some advantage inconsistent with official duty and the right of others, or official use of a station or office to procure some benefit either personally or for someone else contrary to the right of others. It can also be defined as the act of soliciting or accepting promises, gifts, offers to accomplish or to abstain from accomplishing an act of office or employment that is not subject to a salary. Scourge is a whip for inflicting suffering or punishment. It is any instrumentality or means for causing suffering or death, hence severe punishment. Scourge can also cause suffering. If corruption in Nigeria is a scourge, and a scourge, as seen from the definition, is something that inflicts suffering, hardship and punishment, are we going to continue living with corruption because there is no remedy or solution to it in Nigeria? No. The researcher therefore recommended the strict implementation and observance of section 1 of the Fifth Schedule Part 1 of Code of Conduct for Public Officers as prescribed in the 1999 Constitution of the Federal Republic of Nigeria as amended.*

### 1.1 Introduction

Constitution of Federal Republic of Nigeria, 1999 (as amended) in its Fifth Schedule prescribes the code of conduct for public officers. Thus, section 1 therefore prohibits a public officer from putting himself in a position where his personal interest will conflict with his duties and responsibilities. Section 3 forbids certain public officers<sup>1</sup> from maintaining and operating a bank account in any country outside Nigeria. While section 8 provides that no person shall offer a public officer any property, gift or benefits of any kind as an inducement or bribe for the granting of any favour or the discharge in his favour of the public officer's duties. By virtue of section 9, a public officer shall not do or direct to be done in the abuse of his office any arbitrary act prejudicial to the rights of any other person knowing that such is unlawful or contrary to any government policy. Declaration of assets and liabilities are covered in section 11, while section 15 establishes the Code of Conduct Tribunal with a composition that has a judicial outlook. The power of the tribunal includes *inter alia* adjudication over breaches of Code of conduct and imposition of punishment thereof<sup>2</sup>. Under the Criminal Code<sup>3</sup>, section 98 and 116 are the two major sections of the Code, which create offence of corruption. Each of them has two sub sections. The first covers the officials who corruptly ask for or receive bribe and the second cover the person who corruptly gives or offer it. While section 98 applies to the person employed in the public service whose duties do not touch on the administration of justice, in section 116, the duties of the public servant must be touched.

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<sup>1</sup> Such officers like the President, Vice President, Governor, Deputy Governor, Ministers and commissioner et cetera

<sup>2</sup> Section 8 1999 Constitution of the Republic of Nigeria as amended 5<sup>th</sup> schedule

<sup>3</sup> Cap. C.38, Laws of Federation of Nigeria 2004. This applies to the Southern part of Nigeria

However, inspite of these statutory provisions and precautionary measures, corruptions still remains the bane of Nigeria society. This work has discussed among other things; the history of corruption and its impact on the economy, development and progress of the Nigeria nation. The researcher is of the view that no matter what happens, corruption must be abhorred and frowned at. Anybody caught in the act must be made to face the music by the execution and or implementation of the relevant law.

## 1.2 History of Corruption

The word corruption is derived from the Latin word “*corruptus*,” which means “*corrupted*” and, in legal terms, the abuse of a trusted position in one of the branches of government or power (executive, legislative and judicial) or in political or other organizations with the intention of obtaining material benefit which is not legally justified for itself or for others<sup>4</sup>.

Corruption was referred to as a great sin in the Holy Bible<sup>5</sup>: “Do not accept a bribe, for a bribe blinds those who see and twist the words of the innocent.” However, the history of corruption is in fact related to the beginning of the creation of law and the state and was already in the antiquity considered an evil, which negatively affects the public administration and the functioning of the political system. The earliest records of corruption date back to the thirteenth century BC, to the time of the Assyrian civilization. From the found plates, written in cuneiform, the archeologists managed to discern how and who accepted bribes. Under the Roman law, the criminal offense of corruption was defined as giving, receiving or claiming benefits in order to influence an official in connection with his work. Due to the prevalence of corruption in the country, this law was supplemented by a new law, which predicted compensation for damage in double value of the damage, and the loss of political rights for the perpetrator of the corruptive act. However, this did not help alleviate corruption, especially due to the fact that corruption was most practiced by the members of the Senate and senior state officials, both in Rome itself and in the remote Roman provinces<sup>6</sup>.

The early Christian faith condemned corruption, yet corruption later also increased greatly in ecclesiastical structures, and achieved its peak with the selling of indulgences in the Middle Ages, all until the condemnation of the latter (as well as of other immoral acts of the clergy, with the Pope at the head) by Martin Luther. Apart from the condemnation of corruption, the Reformation also led to a break with until then dominant Catholic culture and the emergence of Protestant ethics.

As a child (he was a hostage at the Ravenna court), Attila noticed a high level of corruption among the state officials of the Western Roman Empire and how they appropriated the state money (as a consequence, there was less money in the Treasury and therefore the taxes increased). He thus decided that if he would ever rule, he would do so fairly and by oppressing the corruption in his own country.

The early feudalism was familiar with various laws that punished the bribing of courts also with death. Later, when the developed feudalism again turned to the Roman law, a number of laws (Dušan’s Code, Mirror of the Swabians) discussed the abuse of position. Then, in late feudalism, countries became virtually helpless in the fight against corruption, as illustrated by

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<sup>4</sup> Corruption, Causes and Consequences/intechOPen <https://www.intechOpen.com/books/trade-and-global-market/corruption...> Accessed 17th January, 2021 by 10.30 am

<sup>5</sup> Exodus 23: 8: *The New Community bible Catholic Edition* St. Paul’s Publications, Ibadan, 2015 , p.125

<sup>6</sup> WIKIPEDIA EN.M. Wikipedia. Org. Accessed Monday 10<sup>th</sup> January, 2022

the case of France, which in 1716 established a special court in which should adjudicates over case of abuse of royal finances. However, these abuses (embezzlement, extortion, bribery, scams, etc.) were so extensive that the court was abolished and a general amnesty introduced in 1717 which made some forms of corruption quite a tradition. The corruption was also widespread during the time of the Spanish Inquisition, where the victim of the accusation could make amends with money, which made the corruption, especially among the inquisitors, extensive<sup>7</sup>.

Throughout the history, many intellectuals dealt with corruption or theorized about it in one way or another. Machiavelli had a low opinion on republics, considering them even more corrupt than other regimes, and according to him, corruption leads to moral degradation, bad education and bad faith. On the other hand, however, the great philosopher, diplomat and lawyer Sir Francis Bacon<sup>88</sup> was known both for receiving bribes and taking them. When he reached the highest judicial position in England, he was caught in as many as 23 cases of accepting a bribe and defended himself before the parliament by saying that he usually accepted a bribe from both parties involved and that the dirty money therefore did not affect his decisions. The parliament did not accept these arguments and sent him to the jail where he spent only a few days as he was able to bribe the judge.

Thus, although the corruption has been occurring in society ever since, it has only been given more attention in the recent period—the researches on the phenomenon and its negative impacts have become more common after 1995, when countries and international institutions began to be aware of this problem. The attitude of the public toward corruption was, until then, neutral. In 1998, Kaufmann and Gray found that<sup>9</sup>:

- Bribery is widespread, especially in the developing and transition countries; there are, however, significant differences between and within regions.
- Bribery increases transaction costs and creates insecurity in the economy.
- Bribery usually leads to ineffective economic results, in the long term impedes foreign and domestic investments, reallocates talents due to income and distorts sectorial priorities and technology choices (for example, it creates incentives for contracting major defense projects or unnecessary infrastructure projects, but does not encourage investments in rural specialist health clinics or in preventive health care)<sup>1011</sup>. This pushes companies into the “underground” (outside the formal sector),

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<sup>7</sup> Corruption, Causes and Consequences/intechOPen <https://www.intechOpen.com/books/trade-and-global-market/corruption...Accessed> 17th January, 2021 by 12.00pm

<sup>8</sup> Sir Francis Bacon, 1<sup>st</sup> Viscount St. Alban, P.C., also known as Lord Verulam Wan, an English Philosopher and Statesman who served as Attorney General and as Lord Chancellor of England. His works are seen as developing the scientific revolution, Bacon’s public career ended in disgrace in 1621. After he fell into debt, a parliamentary committee on the administration of the law charged him with 23 separate counts of corruption.

<sup>9</sup> Kaufmann and Gray. Corruption and Development open knowledge repository by CW Gray, 1998. Cited by 763-Gray, Cheryl W, Kaufmann, Daniel 1998 corruption and Development PREM notes, No. 4 World Bank, Washington DC. Accessed on Saturday 9<sup>th</sup> of January, 2022 by 9.am

<sup>10</sup> <https://www.intechopen.com/books/trade-and-global-market/corruption-causes-and-consequences>. Accessed 14/01/2021 by 9.20 am

weakens the state's ability to increase revenue and leads to ever-increasing tax rates (as too little tax is taken), which is levied on less and less taxpayers, consequently diminishing the state's ability to provide enough public goods, including the rule of law.

- Bribery is unfair, as it imposes a regressive tax, which heavily burdens in particular commercial and service activities performed by small businesses.
- Corruption destroys the legitimacy of the state<sup>12</sup>.

### 1.3 Laws of Corruption in Nigeria

- **The Constitution of Federal Republic of Nigeria, 1999 (As Amended)**

The constitution is the most important law in a country. In the Fifth Schedule to the 1999 Constitution which deals on the Code of Conduct it prohibits public officer from accepting property or benefits of any kind for him/her or any other person for anything done or omitted to be done by him as the discharge of his duties<sup>13</sup>.

- **The Economic and Financial Crime Commission (EFCC) Act 2018**

The EFCC Act is the Act which established Nigeria's anti fraud agency. Section 46 of the Act defines "economic crime" as a non-violent criminal activities committed with the objectives of earning wealth illegally. The Act mandates EFCC to combat financial and economic crimes and empowers it to prevent, investigate, prosecute and penalize economic and financial crimes. Apart from establishing the agency. It has several sections which deals with financial crimes and corruption, and provides penalties for breach of sections<sup>14</sup>.

- **The Corrupt Practices and Other Related Offences Act 2000**

The act seeks to prohibit and prescribe punishments for corrupt practices and other related offences. It established the Independent Corrupt Practices and other related offences. Commission (ICPC) vesting it with the responsibility of investigation and prosecution of offenders thereof. The Act generally prohibits the various perceived Act of corrupt practices arising from interactions and transactions involving public/government officers and the general public or private individuals. The main aim of the act is prohibition of corrupt practices and bribery. However, it also seeks to curb corrupt practices in private business transactions and inter-personal relationship among individuals and persons<sup>15</sup>.

- **Criminal Code**

The Criminal Code is applicable in most of the states in Southern Nigeria, and has several sections which deal with corruption and unjust environment specifically by public officials. For instance section 98 of the Criminal Code deals with the offence of corruption by defining what it is and prescribing an offence for corruption and its related offences<sup>16</sup>.

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<sup>12</sup> Ibid.

<sup>13</sup> 1999 Constitution of the Federal Republic of Nigeria as amended.

<sup>14</sup> The Economic and Financial Crime Commission (EFCC) Act 2018

<sup>15</sup> Money Laundering (Prohibition) Act 2011

<sup>16</sup> Criminal Code Act Cap 38, Laws of Federal of Nigeria 2004.

- **Administration of Criminal Justice Act 2015**

The Act provides for the administration of criminal justice system which promotes efficient management of Criminal Justice Institutions, speedy dispensation of justice, protection of the society from crimes and protection of the rights and interest of the suspects, corruption, the defendant and the victims in Nigeria<sup>17</sup>

- **Money Laundering (Prohibition) Act 2011**

Money laundering, according to the Act is when any person in or outside Nigeria directly or indirectly conceals or disguises the origin, converts or transfers, removes from the jurisdiction, acquires, uses, retains or takes possession, or control of any fund or property, knowingly or which he/she should reasonably have known that such fund or property is or forms part of the proceeds of an unlawful Act. In a nutshell, it is when an individual intends to legitimize proceeds from criminal activities. The Act prescribes penalties for money laundering<sup>18</sup>

#### **1.4 Impacts of Corruption**

Corruption erodes the trust we have in the public sector to act in our best interests. It also wastes our taxes or rent that has been embarked upon for important community projects. This means we have to put up with poor quality services or infrastructure or we miss out all together<sup>19</sup> Corruption increases the volume of public investments (at the expense of private investments), as there are many options that allow for public expenditure manipulation and are carried out by high-level officials so as to get bribes (which means that more general government expenditures or large budgets offer more opportunities for corruption). Corruption redirects the composition of public expenditure from the expenditure necessary for basic functioning and maintenance to expenditure on new equipment and government embarking on white elephant project. Corruption tends to pull away the composition of public expenditure from the necessary fixed assets for health and education, as there is less chances of getting commissions from them than from others, perhaps unnecessary projects. Corruption reduces the effectiveness of public investments and the infrastructure of a country. Corruption can reduce tax revenues by compromising the ability of the state administration to collect taxes and fees, although the net effect depends on how the nominal tax and other regulatory burdens were selected by the officials, exposed to corruption<sup>19</sup>.

The influence of corruption on the economy are as follows:

**Through the Impact of Corruption on Businesses:** The impact of corruption on a business is largely dependent on the size of the company. Large companies are better protected in an environment that is prone to corruption, they avoid taxes more easily and their size protects them from petty corruption, while they are often also politically protected, which is why the survival of small (especially start-up companies) and middle-sized companies, regardless of their importance for the growth of the economy and the development, is much more difficult than the survival of large companies.

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<sup>17</sup> Administration of Criminal Justice 2015

<sup>18</sup> <https://lawpadi.com/5-laws-corruption-nigeria>. Accessed 18th January, 2021 by 9.00am

<sup>19</sup> <https://www.ibac.vic.gov.au/corruption>. Accessed Saturday 8<sup>th</sup> January, 2022 by 11.am.

**Through the Impact of Corruption on Investments:** Corruption affects (a) total investments, (b) the size and form of investments by foreign direct investors, (c) the size of public investments and (d) the quality of investment decisions and investment projects.

**Through the Influence of Corruption on the Allocation of Talents:** Indirectly, corruption has a negative impact on economic growth through the allocation of talents, since gifted and prospective students are driven, due to the influence of the environment and the situation in the country, for example, to study law rather than engineering, which would add value to the country.

**Through the Impact of Corruption on Public Spending:** Corruption has a negative impact on public spending and has an especially strong impact on education and health. There are also indications of the correlation between corruption and military expenditure, which means that high level of corruption reduces economic growth due to high military expenditure<sup>20</sup>.

**Through the Impact of Corruption on Taxes:** Because of corruption, less taxes are levied than would otherwise be, as some of the taxes end up in the pockets of corrupt tax officials. There are also frequent tax relieves in the corrupt countries, selective taxes and various progressive taxes. In short, there is much less money than the country could have, and so corruption, through the country's financial deficit, also affects the economic growth; and conclude the findings on the negative impact (both indirect and direct) of corruption on economic growth.

Wei came to similar conclusions regarding the effects of corruption on the size and composition of investments. Corrupt countries are less attractive for investors, and if they do opt for an investment, due to non-transparent bureaucracy, they often enter the market with a joint venture, as they usually understand or control matters of the home country better. The local partner can also help foreign companies with the acquisition of local licenses and permits or can otherwise negotiate with the bureaucratic labyrinths at lower costs. Generally inclined (as investors) to the joint venture in the corrupt countries are especially the US investors. However, even investors from those European countries, which are among the highest ranked on the CPI, quickly adapt to local conditions<sup>21</sup>.

Corruption, for various reasons also affects the following:

1. Employment and Productivity, because the job does not go to the most suitable or qualified person, but the one who is ready to pay for it or in any other way return the favor.
2. Total investments. Corruption reduces total investment and thereby slow down economic growth
3. The size and composition of foreign investments and the size of public investments.
4. The effectiveness of investment decisions and projects. In the presence of corruption, the investments are smaller, as entrepreneurs are aware that they will have to bribe the officials or even give them a profit share for a successful implementation of a

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<sup>20</sup> <https://www.ibac.vic.gov.au/corruption>. Accessed Saturday 8<sup>th</sup> January, 2022 by 11.am.

<sup>21</sup> SJ Wei.2000. cited by 3646,<https://scholar.google.com/citation>. Accessed on Monday the 10<sup>th</sup> of January, 2022

business. Due to these increased costs, the entrepreneurs are not interested in investing<sup>22</sup>.

Wei even made a projection which predicted that in the case of reduction in corruption in Bangladesh to the level of corruption in Singapore, the growth rate of GDP per capita would increase by 1.8% per year between 1960 and 1985 (assuming that the actual average annual growth rate was 4% per year), and the average per capita income could have been more than 50% higher, whereas the Philippines could, if its level of corruption was reduced to that of Singapore (if everything remained unchanged), would have raised their investments in relation to GDP by as much as 6.6%, which means a significant increase in the investments. At the same time, he notes that in order to reduce the corruption to the level of Singapore in the countries that he compared (India, Kenya, Sri Lanka, Turkey, Colombia, Mexico and Ghana), the State should raise the salaries of officials by 400—900%. He therefore asks himself whether this would even be possible. However, he notes that in the event of a large increase in salaries, a new form of corruption would likely arise when everyone would be prepared to pay a bribe for a well-paid official job.

Corruption often reduces the effectiveness of various financial assistance programs (both state and international), as money is “lost somewhere along the way” and does not reach those that need it or for whom it is intended, as the financial benefits, deriving from corruption, are not taxable because they are hidden. The state is thus also losing part of the income from the taxes due to corruption, while the public spending, resulting from corruption (or narrow private interests) leads to negative effects on the budget<sup>23</sup>.

The European Commission in its report found that corruption is costing the European economy about 120 billion dollar a year, and according to the European Commissioner for Home Affairs, Cecilia Malström, the corruption in Europe is most present in public procurement, financing of political parties and health care<sup>24</sup>

The United Nations estimate that the cost of corruption in Afghanistan amounted to about \$ 3.9 billion in 2012. According to Transparency International, the former leader of Indonesia, Suharto, embezzled between \$ 15 and \$ 35 billion, whereas the embezzlements of Mobutu in Zaire, Ferdinand Marcos in the Philippines and Abacha in Nigeria are estimated to amount to \$ 5 billion. However, the World Bank survey shows that \$ 1 billion in bribes, both in rich and developing countries, is paid annually, which means that even the developed countries are not immune to corruption (but in a different form) and that the political corruption is especially present in large infrastructure projects. Bađun on the example of Croatia gives conclusions, which are valid for all post-communist countries.

Impact on enterprises: A survey conducted by the European Bank for Reconstruction and Development (EBRD) and the World Bank shows that bribes paid in smaller companies account for 5% of their annual profits and in medium-sized companies 4% of their annual profits. However, both are, compared to large companies, where bribes comprise less than 3%, in a much worse position, which shows how bribes are causing problems or are putting

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<sup>22</sup> SJ Wei.2000. cited by 3646, <https://scholar.google.com>>citation. Accessed on Monday the 10<sup>th</sup> of January, 2022

<sup>23</sup> SJ Wei.2000. cited by 3646, <https://scholar.google.com>>citation. Accessed on Monday the 10<sup>th</sup> of January, 2022

<sup>24</sup> SJ Wei.2000. cited by 3646, <https://scholar.google.com>>citation. Accessed on Monday the 10<sup>th</sup> of January, 2022

these smaller companies into a subordinate position compared to the large ones, which in turn leads to their collapse.

Also interesting is the study of the Shadow Economy in Highly Developed OECD *Countries* where Schneider and Buehn also find the link between the low quality of institutions that are the holders of the rule of law (or degree of corruption) and the shadow economy, and therefore, the weaker the “law” is, the higher the degree of corruption and of shadow economy<sup>25</sup>. In the study *Corruption and the Shadow Economy*, the same authors explore the relationship between the degree of corruption and the emergence of the shadow economy, and their findings are that the high level of shadow economy and the high degree of corruption are strongly linked to one another. Shadow economy is also called the underground, informal, or parallel economy, the shadow economy includes; not only illegal activities but also unreported income from the production of legal goods and services, either from monetary or barter transactions<sup>26</sup>. One of the hypotheses in that survey (which has been confirmed) is also flat the higher the degree of corruption, the lower the economic development measured by GDP per capita. The authors detected a positive correlation; Corruption thus affects the economic development of a nation.

However, the extended practice of finding annuity outside the logic of the market and competition can therefore lead to a (neo) liberal conclusion that the root of the existence of corruption is in the very existence of the state—especially in excessive, selective and deforming state interventions and subsidies that create fertile soil for the development of corruption. The truth is that the devastating combination consists of widespread state intervention and subsidies in the simultaneous absence of a strong institutional framework and detailed rules of the game, including the control of public finances and effective anti-trust legislation and legal practices. On the other hand, however, there is no clear evidence that private monopolies are more effective and less corrupt than the public ones and that privatization, especially long-lasting, gradual and non-transparent one (so-called gradualism), reduces positive developmental and social effects, including the reduction of corruption. Yet market deregulation, legal and judicial reform and transparent management of public procurement would significantly reduce corruption in many developing countries (as well as in transition countries), at which point the government should play an important role in the shaping of the anti-corruption policy. There should be a strong strengthening of the public procurement institution. The law is admittedly strict about the public procurement, but one of the main reasons for public procurement problems is the lack of a skilled workforce, and public procurement is thus still the breeding ground of corruption<sup>27</sup>. There also exists a saying that “poverty is a curse,” which applies largely to all developing countries, as these are the countries that are most affected by poverty. Poverty destroys all ethical and moral values.

One of the important aspects of the damage to the global economy is also the failure to respect copyright and intellectual property. The more corrupt countries are to lower respect they have for the aforementioned, and the economic damage amounts to billions of dollars. Cavazos-Cepeda et al. found that reforms, legal, fiscal and intellectual incentives to respect copyright and intellectual property patents encourage the society to make itself more innovative and economically more effective; however, they underline the importance of

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<sup>25</sup> Ibid.

<sup>26</sup> <https://www.imf.org>pubs>issues30>. Accessed Monfay 10<sup>th</sup> January, 2022

<sup>27</sup> Ibid.



human capital and investment in people as one of the most important factors for reducing the level of corruption in the country.

There are also theories that corruption can act as the lubricant of the economic wheel and at least in some cases has a positive impact on the economic growth. The empirical analysis done by Dreher and Gassebner on a sample of 43 countries between 2003 and 2005 shows that corruption is even useful, but with some reservations. In particular, they investigated the short-term effects of corruption and found, for example, that in countries where corruption is widespread, more new entrepreneurs enter the market (corruption in the public sector is expected to promote private entrepreneurial activity). They are, however, not necessarily to succeed, as there is a high likelihood that they will go bankrupt due to the rigid regulations that block the activity and because of which bribes are needed. They do acknowledge, on the other hand, that most authors who have been doing research for a longer period of time admit the harmfulness of corruption both for society and the economy. Something similar show the data for some Asian countries, where, unlike their findings (short-term benefit), the high degree of corruption coincides with the long-term economic growth.

Svendson also notes that, in light of the theoretical literature and various research studies, notwithstanding that these show the negative impact of corruption on the economic growth, but this cannot be said for sure, since there are difficulties in measuring corruption, and at the same time, the question arises whether the econometric models that were made are good enough to capture all the important variables. He also states that corruption appears in many forms and that there is no reason to assume that all types of corruption are equally harmful to the economic growth<sup>28</sup>.

Recent empirical researches also attest to that: while many countries have suffered, as a characteristic consequence of corruption, the decline in economic growth, other countries have had economic growth (in some cases a very positive one) despite corruption. The latter is also to be expected, since corruption has many manifestations and it would be surprising if all types of corrupt practices had the same effect on economic performance. Analyses show that one of the reasons for this is the extent to which the perpetrators of corrupt practices—in this case the bureaucrats—coordinate their behavior. In the absence of an organized corruption network, each bureaucrat collects bribes for himself, while ignoring the negative impact of others' demands for them. In the presence of such a network, the collective bureaucracy reduces the total value of the bribe, which results in lower bribe payments and higher innovation, and the economic growth is consequently higher in the latter case than in the former case. The interesting question is not so why is the degree of corruption in poor countries higher than in the rich ones, but rather why the nature of corruption differs between countries<sup>29</sup>. The extent to which corruption is organized is just one aspect of this, but there are other aspects. For example, it is common practice in some countries to pay ex post (as a share of profit, for example) instead of ex ante (in advance, as a bribe) to officials or politicians, so it is assumed that the effects on the economy will be different. The precise reason why corruption should take on one form and not the other is an important issue which

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<sup>28</sup> Svendson and corruption <https://www.intechopen.com/greaterbooks>. Accessed Monday 10<sup>th</sup> January, 2022 by 10.45pm.

<sup>29</sup> Svendson and corruption <https://www.intechopen.com/greaterbooks>. Accessed Monday 10<sup>th</sup> January, 2022 by 10.45pm.

has been largely ignored and which could have to do with cultural, social and political reasons, as well as economic circumstances.

In the fight against corruption, a remarkable role was also played by the debt crisis. The *Die Welt* newspaper mentions the study of the Hertie School of Governance, which shows that Italy, Spain and Portugal have made great strides in the fight against bribery and corruption of their civil servants due to lack of money, which enabled a significantly more transparent and “pure” practice for the award of public procurement. The crisis is supposed to dry up monetary resources and thus reduce the chances of corruption. Also, the crisis has changed the perception of the society, and bad business practices, which were acceptable before the crisis are no longer acceptable. However, the fight against corruption is often similar to the fight against windmills. The case of India shows how corruption is changing, getting new dimensions, not only in scope, but also in methods. Just as the population of India is growing, so is corruption, and there are always new ways how to cheat both the state and the society. The perception of corruption is increasing year after year. Despite all the anti-corruption moves and anti-corruption initiatives, people do not hesitate to offer or accept a bribe. The bribers are becoming innovative, they adapt to the situation and the innovation of companies in paying bribes and hiding them is also visible. However, just as elsewhere in the world, the negative effects of corruption are the same; it reduces foreign direct and domestic investments, increases inequality and poverty, raises the number of freeloaders (renters, free-riders) in the economy, distorts and exploits public investments and reduces public revenues.

Corruption is, in fact, a multidirectional process. On one hand, the provider benefits, on the other the recipient, and both are aware of the deed that remains hidden. The third link in the chain is everyone else, the victims. Although not every act of corruption is yet a criminal offense, it is, however, unethical and detrimental to the economic and political development of a society. Usually, there are persons involved with political, economic and decision-making power, and as the philosopher Karl Popper<sup>30</sup> wrote in his book, *The Open Society and its Enemies*, the greatest problem is not the question of who should give orders, but how to control the one who gives them. How to organize the political and social institutions in order to prevent the weak and incompetent rulers from doing too much harm? However, as there is no general and unmistakable way of preventing the tyranny or corruptions of the heavyweights, the price of freedom is eternal alertness. Greediness, ambition, rapacity and immorality have been known to the human society ever since the emergence of civilization and use every tool available to them: kinship, common past, school contacts, common interests, friendship and, of course, political as well as religious ties.

In a study by Šumah et al., we did an analysis of countries, taking into account their ranking on the Corruption Perception Index published every year by Transparency International<sup>31</sup>, and identified the main factors affecting the level of corruption in a particular group of countries, or rather, they tried to find similarities and differences between individual groups

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<sup>30</sup> Sir Karl Raimund Popper CH FRS FBA was Austrian-British Philosopher , Academic and Social Commentator. One of the 20<sup>th</sup> centuries’ most influential philosopher of Science. Popper is known for his rejection of the classical inductivist views on the scientific method in favour of empirical falsification. The Falsification Principle, proposed by Karl Popper is a way of demarcating science from non science. It suggest that for a theory to be considered scientific, it must be able to be tested and conceivably proven false.<https://www.simplepsychology.org/>... Accessed Monday 10<sup>th</sup> January, 2022 by 7.00pm

<sup>31</sup> 2020 –CPI-Transparency.org. <https://www.transparency.org/CPI>. Accessed Monday 10<sup>th</sup> January, 2020 by 7.15pm.

of countries in terms of what affects the level of corruption in these groups. We have established a basic model of three factors (risk, benefit and consciousness) that was created on the basis of the merger of several known, scientifically proven factors that cause or reduce corruption or affect its level in the individual country. According to this degree of corruption, we have identified five groups, classified the countries and analyzed their common characteristics. The findings were as follows:

- Corruption is linked to the level of GDP (the higher the GDP, the lower the rate of corruption).
- Corruption is related to the level of education (the higher the average level of education, the lower the level of corruption).
- Corruption is strongly linked to the geographical location. The highest level is in Asia (mainly in Central Asia), Africa (North and Central Africa) and South America (according to the Transparency International map).
- Corruption is strongly linked to the country's prevailing religion.
- Corruption is linked to the level of freedom in the country (personal freedom, freedom of speech, economic freedom, etc.), the degree of observance of the rule of law in a country and inefficiency of public administration, which is often also locally limited or is inherently corrupt.
- The lower the country is ranked, the more dominant is the patriarchal society.

Many researchers are still involved in corruption. The findings show that there is a link between corruption and its negative effects, but from most of the studies it is not possible to determine what the cause and the consequences are. Whether the level of corruption is lower due to high GDP, or is it vice versa, cannot be directly identified, since the corruption depends on economic indicators, while at the same time affecting them. It is also very difficult to claim that low level of education is due to corruption or, conversely, that corruption is a result of low education. The same thing goes for the rule of law and (in) efficiency of public administration. This interdependence will surely continue to be the subject of numerous researches in the future, for the only way to be successful in the fight against corruption is if we know the causes and begin to eliminate them.

Nevertheless, there remains something that needs to be emphasized. Almost all of the studies ignore the fact that the top of the most corrupt countries consists of countries with one of the various forms of armed conflict (civil war, intertribal conflicts, inter-religious wars or some other form of aggression), which means that peace in the country is a prerequisite for a successful fight against corruption. The least corrupt countries are countries that have a lasting peace on their territory (most since the Second World War or even longer), which is confirmed by the above fact. Peace is therefore one of the prerequisites for a successful fight against corruption.

The answer to the question of how to deal with corruption is not unambiguous; some countries have achieved great success in dealing with it in a relatively short time (Singapore, Estonia and Georgia) and some have been struggling for a long time (the most famous example is Italy). The first condition is in any case to ensure freedom (personal freedom, economic freedom, freedom of speech, freedom of the press, etc.) and democracy, and then education and awareness of people. However, at this point, it is not about introducing the Western type democracy, as our culture knows it, for it has often proven that, especially with the help of the army, more harm than benefit was caused. It is necessary to start using good

practices of countries that are similar to each other (religion, habits, tradition, ethics and morality) and that have common history<sup>32</sup>.

### **Conclusion**

Corruption is the abuse of trusted power for private interests. Corruption is the abuse of office, giving bribes, taking bribes, abuse of authority, commercial bribery or other unlawful use by an individual of his official position, contrary to the legitimate interests of society and the state order to obtain benefits. Pervasive corruption endures in both the private and public sectors of the Nigeria society. Even though corruption has eaten deep into the fabric of the Nigerian society, are we going to remain at that level? The researcher therefore recommend the strict implementation and observance of section 1 of the Fifth Schedule, Part 1 Code of Conduct for public officers as provided for in the 1999 Constitution of the Federal Republic of Nigeria (as amended) and other related statutory provisions to curb corruption in Nigeria.

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<sup>32</sup> <https://www.intechopen.com/books/trade-and-global-market/corruption-causes-and-consequences>