BUREAUCRATIC CORRUPTION AND UNDERDEVELOPMENT IN NIGERIA: A STUDY OF PUBLIC AND PRIVATE ORGANIZATIONS IN CROSS RIVER STATE.

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Summary
The study provides an empirical analysis of bureaucratic corruption in Nigeria. It examines the relationship between bureaucratic corruption and underdevelopment. It follows from a survey of 300 subjects drawn from public and private sector organizations. The questionnaire approach was complemented with in-depth interview of some strategically placed/selected persons in public and private organizations. The study also compares its findings with the Transparency International Ranking of Nigeria in the Global Corruption Perception Index. The findings of the study corroborate the Transparency International Ranking. It is concluded from the study that corruption is the cause of inefficiency and ineffectiveness of bureaucratic organizations, and that corruption leads to the failure of development projects and programmes thus, resulting in underdevelopment. In view of the findings, the study recommends a holistic approach to the fight against corruption and a comprehensive review and streamlining of anticorruption policies and programmes in Nigeria. It also recommends professionalization of services, as well as internationalization of anti-corruption programmes by the United Nations Organization.

1.0 Introduction
The tragic story of Nigeria’s retrogression since its political independence from Britain in 1960, is a very sad one indeed. Well meaning Nigerians show great concern that, inspite of the bountiful endowment of good climate, natural resources and the advantages of oil boom since the 1970’s, Nigeria has made no substantial progress in socio-economic development and modernization. Corruption is rife
everywhere in Nigeria, from the home to the street, and it spreads from governmental agencies and institutions to the organized private sector (Bassey 1997). This paper examines corruption in formal organizations which are bureaucratic in nature whether public or private. This is because all formal organizations are by implications bureaucratic, being hierarchically structured with well defined roles and statuses and guided by rules and regulations based on legitimized flow of authority.

There is a general notion that corruption is at the root of Nigeria’s underdevelopment. Bureaucratic organizations are expected to play important roles in the process of socio-economic and political development, growth and modernization, but this social transformation is yet to manifest in Nigeria. Local and international observers look at corruption as the main impediment to development in Nigeria, to the extent of rating Nigeria as one of the most corrupt nations in the International Corruption Rating Index. This seems to justify Western liberal explanation that corruption impedes development (Todaro 1977). Whether or not, the ratings are generally acceptable might be controversial, but there seems to be the obvious fact that underdevelopment in Nigeria cannot be divorced from corrupt practices and ideologies prevalent in the public and private sectors of the Nigerian economy.

The Nigerian government is, on its part, sensitive towards popular opinion that corruption in bureaucratic organization disrupts the realization of national development goals and objectives for which such organizations were established to achieve (Okigbo 1995). Various anti-corruption policies have been put in place to eradicate and reduce the rate of corruption in Nigeria. They include, War Against Indiscipline and Corruption (WAIC), Public Complaints Commission, Independent Corrupt Practices and Other Offences Commission (ICPC), Code of Conduct Bureau and Economic and Financial Crimes Commission (EFCC). Despite the formulation and implementation of these anti-corruption policies, however, Nigeria is still seen as a corrupt nation. Government policies and administrative reforms in both public and private sectors have failed to usher in the much desired development and progress in Nigeria. Public perception that bureaucratic corruption is a major obstacle militating against development of Nigeria has continued to prevail locally and globally, and Nigeria is still considered as an underdeveloped nation.

The objective of this study was to investigate the relationship between bureaucratic corruption and underdevelopment of Nigeria. The study aims to compare and contrast the prevalence of corruption in Nigeria and the global ranking of Nigeria in the International Corruption Index. The study also assesses the rate of corruption in Nigeria vis-à-vis governmental policies and government effort at
stemming corruption. In view of the objective of the study the following null hypotheses were formulated to guide investigation.

- Corruption is not the cause of inefficiency and ineffectiveness of bureaucratic organizations
- Corruption does not lead to the failure of development projects and programmes, resulting in underdevelopment.

2.0 CONCEPTUAL ANALYSIS AND REVIEW
Corruption manifests in various forms, shapes and magnitude in Nigerian bureaucratic organizations. In any corrupt act there are three classes of mediating actors, the corrupt, the corruptor and the non-participating audience. Corruption is either voluntary or involuntary. In voluntary corruption the person who receives a favour or expedited action, will volunteer to reward the official(s), even though it is his right. In involuntary corruption, things will not be done, even the legitimate ones, unless the officers are gratified, or indeed, bribed. However reluctant one may be, in both forms of corruption, the contact may be direct or indirect (Ndubisi, 1991)

According to Bell (1953) corruption is a process by which members of a society can manipulate a system which is unable to cope with demands made upon it. Consequently, Nigeria experiences three forms of corruption in bureaucratic organizations, these are endemic, planned and developmental corruption (Ndubisi 1991). Endemic corruption is the abuse of office which occurs in varying degrees. It prevails in the administrative systems which control exclusively the distribution of scarce welfare services. In endemic corruption money is given to, or demanded by the officials so that they will ignore the rules of conduct set up by the organization for public good. Planned corruption is an instrument of control by politicians to retain power at all cost, while developmental corruption are all activities by officials which are at variance with the set standard rules and are therefore detrimental to the success of developmental programmes.

From the literature and related sources, corrupt activities in bureaucratic organizations in Nigeria can be outlined as follows:

- Election and electoral fraud;
- Falsification of records/documents;
- Wealth acquisition through financial impropriety;
- Award of false contracts;
- Misuse and abuse of office;
- Conversion of organizational facilities and equipments for personal use;
- False/illegal charges for services supposed to be rendered for free;
- False claims and false bills;
- False travel documents;
- All forms of bribes and “kick backs”
- Ghost workers and salary fraud;
- Bank fraud, postal fraud, tax fraud etc.;
- Embezzlement, misappropriation, looting;
- Accounting/Auditing fraud, money laundering;
- Various forms of cyber crimes.

Sources: (Yahaya 1993; Ottong, 1986, 2006; Bassey, 1997; Ndubisi, 1991; FRN, 2001.) The above list is by no means exhaustive, nevertheless, it portrays vividly the extent, scope and dimension of bureaucratic corruption in Nigeria.

Bell (1953) is of the view that criminal behaviour including bureaucratic corruption can be considered a substitute avenue of achieving positive response to demands emanating from the environment to the bureaucratic machinery. This notion is doubtful because corruption is not only induced by the environment but can be initiated (demanded) by the officials of bureaucratic institutions as noted by Ndubisi (1991) analysis of endemic corruption which is the actual demand for bribe by bureaucrats to ignore the rules of conduct set up by the organization.

Ndubisi (1991) provided a functional analysis of corruption based on Merton (1968) distinction of manifest and latent functions. Social function is the objective consequences of a pattern of action on a system. Manifest function refers to anticipated consequences, while latent refers to unanticipated consequences. It is observed that bureaucratic corruption has both functional and dysfunctional elements. Corruption is functional only in the sense that it aids individuals acquire wealth though illegally. Corruption is absolutely dysfunctional because it destroys the organizations where the wealth is illegitimately drawn from. Leff (1966) adopted a somewhat different approach to the phenomenon of corruption and viewed it as a stabilizing force which helps protect special interest in a crucial stage in countries developmental process, such as helping to increase investment, economic growth and stability. This is however not the situation in Nigeria, where corruptly acquired wealth is stashed away, because of the fear of being found out, or are illegally, corruptly transferred to foreign lands. Such wealth is therefore not available for investment in the country thus, the practice is anti-development.

Smelser (1971) using the Parsonian theory of wealth, power, influence and value system suggested that bureaucratic corruption can be a cause as well as effect of social instability. It can act as a divisive as well as an integrative force. Smelser (1971) further expressed the fact that low income level can influence corruption, which can stimulate failure of government policies, development programmes and inefficiency of bureaucratic machineries.

### 3.0 THEORETICAL BACKGROUND

The researchers in the study employed Fred Riggs “Prismatic sala model” as the theoretical framework of analysis. The model was considered suitable in so far as it fits accurately to the Nigeria’s bureaucratic structures which, in all ramifications,
are transitional. Riggs (1966) built his models around three ideal types of social organization which he called “fused” ‘prismatic’ and ‘diffracted’. The fused society represents the traditional society, the prismatic society represents developing nations, while the diffracted society represents the developed nations. The level of administrative inefficiency of bureaucracy in the three types of social organization varied inversely with their peculiar features. In the fused society there exists the “chamber” bureaucracy which consists of the king and his officials sitting in courts. In the prismatic society existed the “sala:” bureaucracy and in the diffracted society existed the “office bureaucracy’. In the prismatic society law is conveniently ignored especially for those with whom the officials have special reciprocal relationship, leading to fraternized dependency syndrome. This situation according to Garmer (1976) aided corruption as noted:

At this point it is difficult for elites to control one another’s activities; every one is to depend upon someone else to cover up himself and keep his bribe money. Riggs theorization shows that corruption is inherent in prismatic society, which he equates with developing nations.

In view of the above, prismatic sala is characterized by heterogeneity, formalism, overlapping, over-bureaucratization and corruption. Riggs (1966) prognosis for the socio-economic development of prismatic societies is for them to move towards the diffracted stage where resource can be widely distributed, standard of living raised, quality of life improved, welfare and equitable allocation ensured. In the diffracted stage structural differentiation and specialization is attained through a kind of outside competition to countervail the aggrandizement of bureaucratic power.

Since the conditions and state of bureaucratic organization in Nigeria equates that of Riggs “prismatic sala” with its inbuilt corruption, the prismatic sala model was used as a guide to investigation in determining the relationship existing between bureaucratic corruption and underdevelopment of Nigeria.

4.0 METHODOLOGY
The study employed survey method to aid data collection. The researchers relied on both primary and secondary data. The primary source of data was the survey conducted by the researchers. The secondary sources of data comprise archival materials, government publications, texts, journals, newspapers and magazines. The study population was the population of Nigeria represented by the population of Cross River State. The survey was conducted in Calabar, Cross River State. As the state capital, Calabar is the seat of government and therefore home of the civil service bureaucracy and by implication a stronghold of the bureaucratic ethos. A sample of 300 respondents was selected using a combination of cluster and stratified sampling technique: the dichotomy of public and private organizations was ensured and from each sector 3 organizations were selected.
The public organizations selected included University of Calabar Teaching Hospital, Cross River Basin and Rural Development Authority and Cross River State Ministry of Education. The private organizations included: Niger Mills, Davandy Investment Limited and United Cement Company Limited. In each of these organizations 50 subjects were purposively chosen from those seen by the researchers at the premises of the organizations. Effort was, however, made to guarantee a proper "mix" of the respondents. When analyzed, the subject comprised employers (management), employees, clients, suppliers, contractors, distributors, patients, consultants and visitors. All the subjects were likely to experience the incidence of corruption in the course of their interaction in the various organizations.

The researchers administered three hundred structured questionnaire consisting of twenty structured questions requiring ‘yes” or ‘no’ responses. Five open-ended questions were also included in the questionnaire. Percentage distribution and comparison are the statistical tools adopted to analyze the data to test the hypotheses guiding the investigation. Given the nature of the study and the sensitive issues involved, the empirical approach and the data handling strategies adopted, were considered appropriate in tapping and presenting the findings of the study.

The issues were sensitive. Consequently care was taken to reduce bias and rhetoric in data collection. The characterization of the organizations being studied and the relationship between them, the status of respondents and how they were approached were all taken into consideration since this could affect the validity and reliability of the data collected. The methodology also involved in—depth interview of ten persons strategically selected from the formal organizations studied. The subjects comprised political appointees, bureaucrat, middle and lower cadre officers and the laity.

5.0 Analysis and Discussion of findings
The study was guided by two main hypotheses which are hereby presented before the findings of the study are discussed.

**Hypothesis 1**

\( H_0: \) Corruption is not the cause of inefficiency and ineffectiveness of bureaucratic organizations.

**TABLE 1: Field observation and percentage for hypothesis I**

(Corruption, inefficiency and ineffectiveness of bureaucratic organizations)

<table>
<thead>
<tr>
<th>Responses</th>
<th>Public</th>
<th>Private</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>172 (78.5%)</td>
<td>63 (77.8%)</td>
<td>235 (78.3)</td>
</tr>
<tr>
<td>No</td>
<td>47 (21.5%)</td>
<td>18 (22.2%)</td>
<td>65 (21.7)</td>
</tr>
</tbody>
</table>
From table 1 (78.3%) of the respondents attested positively to the linkage between and the resultant inefficiency and ineffectiveness of bureaucratic organizations. This overwhelming response necessitated the rejection of the above null hypothesis. Consequently, alternative hypothesis was invoked stating that corruption is the cause of inefficiency and ineffectiveness of bureaucratic organizations. The rejection of the null hypothesis is indicative of the strongly held belief that corruption in bureaucratic organizations can not produce efficient and effective performance.

**Hypothesis 2**

H₀; Corruption does not lead to the failure of development projects and programmes resulting in underdevelopment.

**TABLE 2: Field observations and percentage for hypothesis 2 (Corruption and underdevelopment)**

<table>
<thead>
<tr>
<th>Response</th>
<th>Public</th>
<th>Private</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>160 (73.1%)</td>
<td>48 (59.3%)</td>
<td>208 (69.3%)</td>
</tr>
<tr>
<td>No</td>
<td>59 (26.9%)</td>
<td>33 (40.7%)</td>
<td>92 (30.7%)</td>
</tr>
<tr>
<td>Total</td>
<td>219 (100.0)</td>
<td>163(100.0)</td>
<td>300 (100.0)</td>
</tr>
</tbody>
</table>

Source: Field survey (percentage in bracket)

In the survey, 208 respondents (69.3%) answered ‘yes’ to the question on the linkage between corruption and underdevelopment, while 92 respondents (30.7%) respondents answered ‘no’. This result negates the null hypothesis and invokes acceptance of the alternative hypothesis. Thus, the conclusion is that corruption leads to the failure of development projects and programmes resulting in underdevelopment.

The findings of the study arising from the analysis of the two hypotheses above are further articulated with the findings arising from the in-depth interview. There was a general consensus among the ten persons interviewed that corruption is bad and that wherever it rears its head the consequences are negative and detrimental to the system. The respondents associated inefficiency in performance in organizations with corruption because corruption affects the processes of admission, recruitment, appointment and / or selection as the case may be, into institutions, establishments, or organizations, thus jeopardizing the cardinal principle of merit. Further analysis of this observation points to the fact that bureaucratic corruption promotes mediocrity. The subjects also associated systemic ineffectiveness with corruption because corruption encourages perversion in decision making. It is argued that when decisions are corruptly influenced as is often the case in many bureaucratic settings in Nigeria, the system
becomes ineffective, unproductive and unprogressive. This is the bane of the body politics and socio-economic carriage of the Nigerian society.

Findings from the interactive approach also show that the concept “corruption” is pejorative in Nigeria, yet the practice is pervasive. It is the unanimous opinion of all categories of respondents in this study that, besides the bureaucratic organizations, no segment of the society has been spared the devastating influence of corruption. The subjects were vocal in associating the various ills of the society as discrimination, favouritism, nepotism, sectionalization, marginalization and ethnic chauvinism, among others, with corruption. The findings of the study also show that there is a general consensus that while Nigerians know what corruption is and accept the fact that the country is highly corrupt, rather paradoxically no one admits of being “the corrupt one”. Further investigation shows that from the point of view of the average individual, corruption is “what others do” and “not what the individual does.” This observation is indicative of the extent of the perpetration and pervasiveness of corruption in the society. The findings of this study have bearing on policy orientation if corruption is to be stemmed in Nigeria. Before further discussion in that regard, the activities and approaches of Transparency International in the global assessment of corruption in countries are presented.

6.2 GLOBAL RANKING DATA

Transparency International is an international non-governmental organization (NGO) based in the Netherlands. This organization vests on itself the task of determining the level of corruption in various countries in the world, including Nigeria, with a view to stemming the problem. This is based on a ranking system referred to as the ‘international corruption ranking system’ conducted and published annually.

There are four major components of these ranking systems namely: position of countries, Corruption Perception Index (CPI), confidence range and surveys. Position of countries is a serial number which shows the position of a particular country in the rating e.g. 1st, 2nd, and 3rd etc. The Corruption Perception Index (CPI) is a score which relates to perception of the degree of corruption as seen by business people and country analysts of Transparency International. CPI ranges between 10 and 0. (10 represents highly clean/ corruption-free countries and 0 represents highly corrupt country).

Confidence range provide a range of possible values of CPI score which reflects how a country’s score may vary depending on measurement precision, normally with 5% probability that the score is above this range and with another 5% that it is below to guarantee unbias. Survey used refers to the number of surveys with which a country’s performance were assessed (For example 18 surveys and
experts, assessment were used and at least 3 are required for a country to be included in the CPI to ensure validity). This study utilized only the CPI and position.
TABLE 3: Transparency International corruption ranking of Nigeria 2003 - 2008

<table>
<thead>
<tr>
<th>Year</th>
<th>Corruption perception Index (CPI)</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>1.4</td>
<td>2</td>
</tr>
<tr>
<td>2004</td>
<td>1.6</td>
<td>2</td>
</tr>
<tr>
<td>2005</td>
<td>1.9</td>
<td>7</td>
</tr>
<tr>
<td>2006</td>
<td>2.2</td>
<td>18</td>
</tr>
<tr>
<td>2007</td>
<td>2.2</td>
<td>32</td>
</tr>
<tr>
<td>2008</td>
<td>2.7</td>
<td>59</td>
</tr>
</tbody>
</table>

FIG 1: Bar chart showing Nigerian CPI 2003-2008

In view of the above table and Bar chart, Nigeria is rated by Transparency International as one of the most corrupt countries in the world. This position corroborates Ribadu (2005) statement that:

“There is no wonder, therefore, why crime, corruption, poverty and religious violence have become the fastest growing industry in Nigeria and this has made our hard earned democratic government worthless”.

From table 3 Nigeria was second most corrupt country in the world between 2003 and 2007, dropped to 7th position in 2005 and in 2006, reduced to the 18th position. In 2007 the prevalence of corruption further reduced with a drop in position to 32nd, and 59th in 2008, when Nigerian leaders started to show much commitment and concern for the level of corruption in the country.
The bar chart peaks show gradual reduction in the perception index except maintenance of the same level in 2006 and 2007. This gradual reduction reflects the effects of government anti-corruption campaigns policies and programmes. These anti-corruption stands of government help in raising awareness about corruption and making people concern of corrupt act which may explain the reasons for persistent gradual decline in CPI.

The position rating of Nigeria by the Transparency International corroborates the findings of this study that there exist high level of corruption in Nigeria, and that bureaucratic corruption in Nigeria causes inefficiency and ineffectiveness of Nigeria bureaucratic organizations. The state of defective bureaucracies hampered their ability to implement policies programmes and projects for which such structures were created to perform. The resultant effect is economic stagnation and retrogression which are manifestations of underdevelopment. The potency of the ranking system of Transparency International is not in doubt as it collaborate the findings of this study.

**Recommendation/Conclusion**

Having established the persistence of bureaucratic corruption and its crippling effects on effective and efficient performances of formal organization in Nigeria which result in underdevelopment of the country, the following recommendations are presented to help in curbing corruption in Nigeria.
- Government should professionalize every aspect of industrial roles so that professional bodies and regulatory councils can assist in controlling their members in order to prevent them from involving in corrupt practices.
- Focus must also be directed towards eliminating institutional weaknesses like over centralization and excessive bureaucratization, to reduce and eliminate sources of corruption. There is need for the review of various anti-corruption programmes and policies in the country, as some of the policies run concurrently and overlap one another.
- Social mobilization and ethical orientation should be heightened locally as Transparency International is at the international level. Institutional capacity development should be pursued in social mobilization and sensitization agencies like National Orientation Agencies. State and local government councils should establish similar institutions while private sector organizations should be regulated to establish anti-corruption units.
- At the global level, the United Nation should refocus towards eliminating corruption in the world as it militates against world peace. Member state must subscribe to multi-lateral anti-corruption agreement.

It has been empirically illustrated in this study that corruption hinders development and growth resulting in underdevelopment. This is possible as corruption causes the inefficiency and ineffectiveness of bureaucratic organization in Nigeria. It is
also noted that corruption hampers the implementation of development projects and programmes resulting in underdevelopment. Consequently, every thing must be put in place to raise the consciousness of Nigerians about this monster “corruption”. The effort of Transparency International deserves commendation and should serve as a guide.
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