

CORRUPTION AND UNDERDEVELOPMENT:

(A CASE STUDY OF HALLIBURTON)

BY

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APPROVAL PAGE

This thesis has been satisfied as being worthy of presentation in the Department of Political Science for the award of Bachelor of Science (B.Sc.) Degree by the following.

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DEDICATION

This project work is dedicated to God Almighty who is the author of knowledge.

I also dedicate this project work to my caring and loving parents Chief and Lolo Rita Okafor for their all-round support towards this academic accomplishment.

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This is the end of a mission that began so many years ago in distinguished institution in our contemporary time, the great caritas university "lifting a biblical injunction" i want to say, "it is the lords doing and it is marvelous in my side. It began with large group but only the microscopic few survived. I thank God that i was among the microscopic few and also a seed, sown in faculty of social science in the great magnetic Caritas University Amorji-nike, Enugu, tender and inexperienced but now trained and nurtured by great mind. Am grateful i was born a Greek not a barbarian, a man of history and not a man that makes history, a man that is born in days of Socrates. Nobody is a monopoly of knowledge; a candle cannot burn without fire. How could i have passed through this wall, the great incomparable Caritas University, without those incandescent densities of personality that helped me because without them, i would not have been who i am today. Do i possess any academic prowess? Plato was referring to Socrates influence of this intellectual accomplishment. By extension, i thank God that i was born in the days of Dr. Omenma whose ocean of wisdom have put more colour to his work and also his meritorious supervision. I say Bravo.

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Therefore, I have every cause to thank my opponents (not enemies, for enemies are those we hate and not those who hate us, since I hate none, I have none). Who have in diverse ways made things difficult for me, unknown to them, their challenges have become my strength, they are friends in disguise by their actions, they have toughened me, made me utterly fearless, courageous, versatile, supremely self-confident and indifferent to obloquy.

Finally, I have one debt that I cannot but acknowledge though I have claimed considerable amount for originality, I am compelled by humility to say that there may be debts in this book which I have not acknowledged. If by accident, I have quoted the works of others or borrowed other's material without acknowledgement, I ask for their pardon. I have collected materials and sometimes failed to note from where they came.

Long live political science Department

Long live Caritas University

Long live Nigeria.

CHAPTER ONE

GENERAL INTRODUCTION

Background of the Study

A man can be born again; the springs of life can be cleansed instantly...if this is true of one, it can be true of any number. Thus, a nation can be born in a day if the ideals of the people can be changed [William Jennings Bryan].

Nigeria is one of the Countries in Africa that loses billions of dollars yearly because of corruption. She was ranked the second most corrupt country in the world in 2004 [Olu-Olu, 2008]. In 2005 and 2008, Nigeria was ranked 13th and 17th respectively out of 146 countries by Transparency International's Corruption Perception Index [TICPI]. Although the 2007 ranking placed Nigeria as the 32nd most corrupt country out of 147 countries by TICPI, corruption still remains a serious problem in Nigeria [Shehu, 2006].

Corruption is a “multifaceted phenomenon with multiple causes and effects” [Andvig and fjeldstad, 2001:1]. It is a trinity of illegal money, commercial and criminal activities [Baker, 2005; Guanardi, 2008]. According to section 8(1) of the Anti-Corruption Law of Nigeria (2004), it entails the act of asking for, receiving or obtaining any property or benefit of any kind for oneself or for any other person. It involves the abuse of public office for self-aggrandizement or private benefits [World Bank, 1997].

The term “corruption” covers a wide range of conduct patterns. It is a product of the socio-economic and political structure of any society. As a multi-faceted

phenomenon, no single theory is equipped enough to explain its causation and/or control.

Corruption is not a Nigerian Word. It is an English Word. While corruption is an English word necessarily laced with western ideas, the concept behind it is found in other cultures. Corruption is one of the dare devils that stares humanity in the face. It is also a global problem with certain destructive tendencies in the Third World Countries like Nigeria. But the rate of corruption in Nigeria is so alarming that one is constrained to ask: Is there anything peculiar to the nature of Nigerians that makes them to be corrupt? Achebe [1983: 35], quoting from the weekly star newspaper of May 15, 1983, wrote that the corrupt nature of the Nigerian society is such that, keeping an average Nigerian from being corrupt is like keeping a goat from eating yam.

Corruption serves as a spring board to under-development in Nigeria. Most economic, political and social problems in underdeveloped societies like Nigeria emanate from corruption which manifest in many ways such as: lack of accountability, inadequate funding of programs, diversion of public resources to private ownership, different types of discriminations, ethnicity, lack of competence, inefficiency etc.

The problem of corruption as a phenomenon is historically rooted in the country's political economy. In the colonial period, it was attributed to colonialism.

Although, the government has embarked upon anti-corruption measures, these are not sincerely and properly implemented such that the expected objectives and

goal are not achieved. The problem is thus rather aggravated. Consequently, corruption has continued to perpetuate underdevelopment in Nigeria. Many factors seem to have combined to make the situation severe or worse than the case in the colonial era. Firstly, Achebe (1983: 1) fascinatingly explained that:

The trouble with Nigeria is simply and squarely, a failure of Leadership. There is nothing basically wrong with the Nigeria land and climate or water or air or anything else the Nigerian problem is the unwillingness or inability of its leaders to rise to the responsibility or to challenge of personal examples, which are hallmarks of true leadership.

There is also a common belief that poverty is one of the major causes of corruption. Here, it is argued that there exists a great deal of poverty among Nigerians in almost every segment of their social life. In Nigeria today, it is just a few families that can boast of three square meals a day, wear good clothes, or enjoy the basic necessities of life, such as water, good road network and electricity. Hence, everyone takes to corruption, no matter one's own small capacity as a way of making up or balancing the prevalent inequalities. It is also equally true that, corruption is due to the degeneration and shaky foundations of our moral upbringing.

Corruption transcends nearly every structure of Nigerian society. The situation is so bad that corruption has been institutionalized to a point where it almost passes for official policy in both public and private sectors of our national life. The socio-economic and political system itself appears to be built on corruption and it thrives on it. Even the churches and other religious organizations are

themselves not completely free of corrupt practices.

This study attempts to assess the impact of corruption in Nigeria's development with a view to suggesting alternative approach of tackling the phenomenon.

- **Statement of Problem**

One of the most fundamental problems facing Nigeria today is corruption. The corruption has not only weakened the moral fiber of Nigeria, it has also wreaked havoc in its body politics. Corruption in Nigeria is so devastating and alarming that it has virtually affected every sector of the economy.

Consequently, it is obvious that corruption has been a major bane of socio-economic and political development in Nigeria. This leads to the following questions on which the research is based.

- Is corruption responsible for Nigeria's underdevelopment?
- Is the persistence of corruption in Nigeria linked to external factors?
- Can deregulation curb the menace of corruption and engender development in Nigeria?

Corruption has affected many sectors of the economy. For instance, Nigeria presents a typical case of a Country in Africa whose development has been undermined and retarded by the menace of corrupt practices.

To say that corruption has eaten deep into every aspect of the Nigerian Society is to affirm the obvious. This can be inferred from the revelations of probe panels that have been set up at different times by different regime.

In Nigeria, since independence, series of reforms have been carried out in the public service so as to make the public bureaucracy more efficient and result oriented. However, the anticipated gains of such reforms have not been visible due to series of factors which include that of corruption.

Whichever way one views corruption, particularly bureaucratic corruption, it involves a violation of public duty or deviation from high moral standards in exchange for [or in anticipation of] personal pecuniary going. It is connected with moral and dishonest acts. Gould D.J cited in identified more than twenty categories of corrupt practices in developing nations which are very much visible in Nigeria State. These are bribery, fraudulent use of official stationary, payment for office visit, payment for letter of recommendation, kickback for wiring, money travel documents and travel related peccadilloes, misuse of official housing two salaries, neglect of public service for per tonal business, salary computation fraud, embezzlement in its various form among other.

Corruption in the bureaucratic class is the type of corruption the citizens encounter daily at places like the hospitals, schools, local counseling offices, encounters with the police, taking offices, etc. it is petty corruption of need that occurs when one obtains a business from the public sector through inappropriate procedure.

However, corruption in the bureaucratic class in Nigeria came into being when public servant not steamed in the traditions of a political professionalism, saw how politicians who hitherto, were nothing, became rich overnight through patronages, gift, bribes and actual embezzlement of government funds. It was only a matter of time before the bureaucrats joined them.

In Nigeria's fourth republic, corruption has become a Norm and practice of politics among the present political class [i.e. those that control the affairs of the state] from the presidency of the councilors of local authorities and party chairman. The furniture mentality which this political class brought to governance represents the highest form of corruption and enslavement of the popular masses of the country.

Political corruption in Nigeria encompasses the use of official power and government resources by the political class for sordid and disrepute private gain. Indeed, political corruption could be said to be the "head" and other forms of corruption are the "body" cut of the head; the other parts could cease to grow. Nigeria's main development problem is political corruption which needs to be eradicated.

Accurately, it can be asserted that, it is the duty and responsibility of every good government to create their environment and set the tone for good and effective policies, including conducive business environment, protection of persons and properties etc. in any society or country. The Nigeria government has been blamed properly. So, for not setting a conducive environment, economic and social

development over the years, particularly at this time, when public security and safety has steadily become a major issue for citizens and corporate investors alike.

Corruption additionally, has become a hot topic among citizens and investors both apparently risen, due in part, to a battered and depressed economy, and since, the discussion or debate regarding corruption, has tended to be focused or centered around the government or public sector component of the hydra-head corruption monster. This is so, even though, corruption levels or magnitude is not much different, in the private sector.

But is quite another thing, and pretend that corruption in Nigeria is localized to public officers and public office-holders sellers of adulterated kerosene are practicing unethical business methods, and even a criminal enterprise, ditto for the groundnut seller who cheats you out of more groundnut because he uses a crooked cup-measure, it is corruption practices, when banks and other financial institutions charge outrageous interest rates, refuse to grant loans to legitimate business people and companies, for capacity building, but grant loans to the well-connected and those willing to wet- the ground, but would never payback the loans.

Government has brought ways of combating corruption through some crude in Nigeria. The provisions are laid down in the constitution of federal republic of Nigeria. These include the criminal code, probe panels and commissions, the anti-corruption tribunal, the anti-corruption acts and War against Indiscipline and Corruption Conduct of Bureau, Independent Corrupt Practices and other related offence commission etcetera.

In December 31, 1983, Gen. Muhammadu Buhari became the 7th Head of State in Nigeria selected to lead the country by middle and high ranking military officers after a successful coup d'état that overthrew civilian president Shehu Shagari on December 31, 1983. Buhari justified the military's seizure of power by castigating the civilian government as hopelessly corrupt, and this administration subsequently initiated a public campaign against indiscipline known as "War against Indiscipline" [WAI]. Aspects of this campaign include public humiliation of civil servants who arrived late for work whilst guards were armed with whips to ensure orderly queues at a bus stop. He also moved to silence critics of this administration passing decrees curbing press freedoms and allowing for opponents to be detained up to three months without formal charges. He also banned strikes and lockouts by workers and founded Nigeria's first secret police force, the national security organization. This policy was a bit effective, as it curbed Nigeria's indiscipline for a while until Ibrahim Babangida succeeded him in August 27, 1985.

Public office is a trust which should not be abused. This necessitated the establishment of the Code of Conduct Bureau and Tribunal Act, Chapter 56 LFN 1990 which gave the bureau the mandate to establish and maintain a high standard of public morality in the conduct of government business and to ensure that the actions and behavior of public officers conform to the highest standard of public morality and accountability [Federal Republic 2002].

The Bureau has through its enlightenment programs enabled the people to know what is expected of them and to an extent inflamed fear in the minds of some public officers as against corruption practices. Though, they have not achieved expected

result, hence, ICPC [Independent Corruption Practices and other related offense Commission] was established.

ICPC [Independent Corrupt Practices and other related offence commission] was inaugurated on September 29, 2002 by the Nigeria president Olusegun Obasanjo. The ICPC mandate is to prohibit and prescribe punishment for corrupt practices and other related offences.

This anti-corruption commission was eventually passed and signed into law on the 13th of June 2000. The Act established the Independent Corrupt Practices and other related offences Commission [ICPC] with Justice Mustapha Akambin a returned federal appeal court judge as the chairman, and the act in section 3 [4] providing from the independence of the commission and gives the chair authority to issue orders for the controls and general administration of the commission.

Since the inauguration of the ICPC in 2000, the commission, however, has been performing its duties with great zeal and dedication, despite its perennial insufficient funds and manpower. These problems have also been made worse by the citizens who also are disgusted and devastated by corruption but have greeted the ICPC with outright hostility, suspicions and disbelief. Also they face the problem of slow judicial process and rigid procedures and National Assembly incompetence. For instance, it took National Assembly nearly one year to pass the ICPC Bill into law and this has been the case of other ICPC issues in National Assembly.

An important institution that was put in place by Obasanjo's administration is the Economic and Financial Crimes Commission [EFCC]. The agency was set up in 2002 to tackle financial crimes including fraud and money laundering. Money laundering is a criminal process whereby the proceeds from crimes are hidden and the integrated into the financial system as legitimately acquired funds.

The EFCC act was a major departure from the past enabling laws fighting economic and financial crimes in Nigeria: in terms of powers, functions and responsibility.

Some problems emanated in the activities of EFCC. These problems are quite enormous and influential that it has impeded its great success. The crusade is Punic in nature and as a result, orchestrated by the politically exposed persons [PEPs] to the settling of political scores. For instance, it was allegedly noted that the commission under Ribadu's chairmanship the beamed it search light on the political foes of the former president Obasanjo. Hence, the commission suffers politization. Also EFCC can rarely exercise the fall Wrath of the Law on these political readers because the law allows them to claim "political community". Hence they serve only as prosecutors of crime negating the mandate of crime prevention. Government interference and the slow nature of judicial procedures also militates their activities.

It could be observed that the several crusade made by the government in order curb corruption in the Nigeria Society has not been effective. More so, the EFCC and ICPC are not independent, they are been controlled by the executives

and these have been a major hindrance in the fight against corruption in Nigeria. Making corruption history is the surest way of making all the problems of Nigeria a history.

- **Objective of the Study**

The major concern of this study is to investigate how the growing incidence of corruption has stunted underdevelopment in Nigeria. However, the specific objectives are stated as follows;

- To discover if corruption is responsible for Nigeria's underdevelopment.
- To ascertain if the persistence of corruption in Nigeria is linked to external factors.
- To determine if the deregulation policy is capable of curbing the menace of corruption in Nigeria.

- **Significance of the Study**

The study has two basic significances. They are both practical and theoretical in nature. Practically, this research work will be a guide to policy makers, economists, political analysts, policy implementers, and researchers. In other words, it will serve as a tool for the government and private organizations on how to curb and prevent corrupt practices and engender development in Nigeria.

Theoretically, the study will close the existing gap in the literature in corruption and by so doing; add to the existing volume of knowledge on the connection between corruption and underdevelopment and how it can be curbed.

- **Literature Review**

In order to justify the objectives of the study, it will be necessary to review the works of other scholars in the field of study since such a review will provide us with

adequate background. It is through such a review that we will be able to diagnose the short comings of previous studies and the way in which the present study will help in providing solutions to the problems.

Ebenezer [1986] in his book *Corruption in a Neo-Colonial State: The Nigerian Experience*, tried to pose the question—what causes corruption and why various policies that are against corruption in Nigeria have failed? In his answer, he maintains that our leaders failed to comprehend the real causes of corruption. He emphasized that “corruption is a clear cut product of neo colonization which bases its economic program on the capitalist form of development”. Stretching further, he examined the efforts of past administrations to bring to an end, the act of corruption and explained why they were defective. According to him, they failed because corruption is often a symptom of deeper difficulties in the societies where it is prevalent, and usually operates within the broader context of other social problems. The writer’s [Michael Johnston] argument is fraught with same problems.

One of the problems is being that he was unable to highlight these deeper difficulties which he sees as symptoms of corruption. Hence, corruption is associated with slow economic growth, reduced investment, and feeble property and contract rights, ineffective institutions, limited social interaction and weak rule of law, poor economic competitiveness, deep ethnic divisions and conflicts, low popular participation in politics, weak protection of civil liberties, low educational attainment, and closed economic and political systems. In other words, corruption is pervasive in underdeveloped societies and there is hardly any effective means of combating the cankerworm.

Okadigbo [2000] stated that:

“When a regional leader is at the helm of a nation’s affairs, where loyalty to an ethnic group supersedes national loyalty, where the national treasure chest is seen as the body of the conqueror at Lagos, when the winner takes all or want to take all without apology and without remorse. When the citizens are careless about how wealth is acquired but cares more whether the conditions of political economy of the state are complete, corruption becomes the order of the day from top to bottom and from bottom to top”.

This implies that in Nigeria, the phenomenon of corruption must be subjected to more intensive analysis as Nigerians by and large, ask less of what is stolen but more of who stole and from where he comes. It is by discovering the much that was stolen, squandered, mismanaged or siphoned abroad that the citizens would begin to appreciate the link between corruption and underdevelopment as those resources that were frittered away would have been able to stimulate the economy and engender socio-economic and political development of the country. What is underdevelopment? Many scholars have given different meaning to the concept. To Rodney [1972] underdevelopment results from unequal interaction between two societies. The more this unequal relationship lasts, the more the backwardness of the less privileged ones. In other words, development is a sign that the developed and underdeveloped societies came into contact when they were in different levels.

He further said that if the underprivileged society hopes that they can make ways in this type of relationship, then it is deceiving itself. The poverty of the less privileged

one is the development of the other. This situation will be worsening as far as the relationship continues. He gave example of the European capitalism and the indigenous hunting societies of America and the Caribbean. He said that the contact between the two nearly exterminated the later. This can be applicable in what is happening in the capitalist society today, this is a warning that as far as the relationship lasts, the third world countries will not make any breakthrough to industrialization. From experience, it could be seen that the situation is worsening instead of improving. He uses Soviet Union, China and Korea as the concrete instance of the operation of this rule. He said that these countries were nearly exterminated when they came into contact with the more mature capitalism of the western Europe and that these societies advanced to their present state of development because they succeeded these relationship with the capitalist world and followed a new path altogether. He went further to conclude by saying that, “indeed, as far as the two biggest socialist states are concerned [the former Soviet Union and China], socialist development has already catapulted them beyond states such as Britain and France, which have been following the capitalist path for centuries.

Rodney [1972] catalogued the disadvantages that go with the unequal relationship with the advanced countries. He mentioned poverty, stagnation, greed etc. and traced the present predicament of Africa to the time it came into contact with the advanced countries. In the 15th century, this contact gave birth to the underdevelopment of Africa today. This in this view is why Africa has continued to stagnate and Europe continues to develop. In other words, before this contact, Africa

has been developing on their own pace but, this was truncated since its contact with the capitalist world. Rodney concluded by delinking from this relationship and the adoption of socialist mode of production in line with the Soviet Union and the Republic of China. He based his argument on the fact that socialism aims at and has significantly achieved the creation of plenty, so that the principle of egalitarian distribution becomes consistent with the satisfaction of the needs of the members of the society. To him when this is achieved, the workers and the peasants will control the economy, and the exploitation and misery will end. What Rodney [1972] has said, is what is really happening to Africa today. I strongly share his view of severing the relationship from the two advance capitalist countries, though he did not tell us of the consequences of this option and how to avoid it or the palliatives to cushion the effect of delinking.

Ake [1981], in his *Political Economy of Africa*, dwelt extensively on the contemporary features of African economy and how they might be changed in the future. He traced the history of Africa from the colonial period to the neo-colonial period. He also dwelt extensively on the strategies which the national leaders have adopted to engineer development but these strategies failed to work because of the international atmosphere which make the plan unrealistic. In his opinion, “more often than not the plan is really not a strategy for development but an aggregation of projects and policies, which may sometimes be incompatible”. He agreed that the underdevelopment of Africa is as a result of its long contact with capitalism, and pointed out that the national bourgeoisie contributes a lot to the underdevelopment of Africa through their connivance with the international bourgeoisies by applying

wrong and incompatible policies. He went further than Rodney [1972] and Fanon [1961] to show the conditions that led to the emergence of the petty bourgeoisie, the instrument of this accumulation and the national post-colonial state.

According to him, the post-colonial state involves itself in the class struggle. That is to say that the state was highly politicized. The state is highly developed and acts as an instrument of wealth accumulation, and naturally results in a bitter struggle to gain control of it. A critical focus of this struggle is the control of government, which is the formal access to state power. Thus in Africa, those in office do all they can to perpetuate their hold on it, and those out of office do all they can to get it. There is hardly any restraint to struggle because the boundary between the state and the ruling class is blurred. The implication of this according to him, “is a crudely oppressive class rule, because the state and government are too involved in the class struggle, and because of the high premium placed on political power, this to him is what makes political power in Africa to be highly authoritarian as the hegemonic faction of the bourgeoisie adopts a siege mentality”.

Fortunately, the tendency to accumulate through the use of state power rather than through productive activities makes post-colonial capitalism less conducive to the development of productive forces and the increase of surplus. In conclusion, he recommended socialism but went on to say that the state of the productive forces in Africa will be detrimental to the attainment of socialism. He also mentioned the interaction of the external forces as an obstacle to socialism, but said that, “in the long run objective conditions are more likely to move Africa to socialism”.

Fanon [1961] argued that Europe is literally the creation of the third world. The wealth were accumulated is that which stolen from the underdeveloped people. “He went as far as saying that we should not tremble with gratitude when any help comes from Europe. He says this should be the ratification of a double realization: the realization by the colonized people that it is there due and the realization by the capitalist power that in fact they must pay”. What Fanon [1961] is basically saying is that Africans should realize that Europe was created by them and therefore should disregard anything that comes from them in the name of gifts or aid. Fanon [1961] enumerated the criminal activities of the colonialists in their robbery adventure in Africa. These include deportations, massacre, forced labor and slavery.

These are the methods that capitalism used to increase its wealth, its gold or diamond resources and establish its power. He said that violence was their main instrument of accumulation. He mentioned in detail how the European activities undermined the development of Africans both mentally and physically through the imposition of western culture.

He further castigated the indigenous bourgeoisie for their activities which is instrumental to the internal weakness of the colonized. He said this traditional weakness which is almost congenital to the national consciousness of underdeveloped countries, is not solely the result of the mutilation of the colonized people by the result of the colonial regime. It is also the result of the intellectual laziness of the national middle class, of its spiritual penury and of profoundly cosmopolitan mould that its mind is set in. According to him, this bourgeois class who took over from the colonialist had little or nothing before they came into

power. At the attainment of independence, they engaged in the accumulation of capital to the neglect of the masses that stood behind them during the time of struggle for independence. Instead of investing in productive ventures, they prefer to invest in the one that will yield quick money. Hence, he succinctly remarked. “The landed bourgeoisie refuses to take the slightest risks and remained opposed to any ventures and to any hazard, it has no intention of building upon sand, it demands solid investments and quick returns. On the other hand, large sums of money were spent on display on cars, country house and all those things which has been correctly described by economists as characteristics of an underdeveloped country.

Fanon [1961], after condemning bourgeoisie’s activities, recommended that it should not be allowed to find the conditions necessary for its existence and growth. In other words, the combined effort of the masses led by a party and intellectuals who are highly conscious and armed with revolutionary principles ought to bear the way to the elimination of this unuseful and harmful middle class. He also recommended the complete obliteration of the type of business to which this group of people engage in. Finally, he advised the underdeveloped countries not to imitate the European way of life and not to expect anything from them but to try and fashion out new life for the entire people of the underdeveloped society and recommended socialism if possible by violence because in his exact words: Every generalization must out of relative obscurity discover its mission, fulfill it or betray it. Effiong [1980] and Nwankwo [1981] dwelt extensively on the nefarious activities of the multinational corporations [MNCs] in Nigeria, but unlike of Effiong [1980],

Nwankwo recommends outright nationalization of these companies. He enumerated the visible activities of the multinationals which include:

- Monopolization of the means of production.
- The repatriation of profits etc.

On the invisible activities of MNCs, he says that they engage in transfer pricing and over-invoicing. After weighing the advantages and disadvantages of the multinationals, he concluded that their disadvantages outweighed the advantages and therefore argues that the contributions of these corporations are at best illusory.

All scholars so far reviewed are basically saying the same thing but from different angles. This boils down to the conclusion that the underdevelopment of the third world countries in general and Nigeria in particular is due to the integration of their economy into the capitalist system.

Corruption and corrupt practice in all its ramification cannot succeed or thrive without the connivance of the international bourgeoisie who provide a safe haven for loot public fund in a various home countries, for instance when Gary Foxcroft and Sam Itauma produced the documentary entitled: "Saving Africans witch Children aired on the British Broadcasting Corporation, BBC, and channel 4 of the United kingdom three years ago, the whole world was outraged. The outrage was as a result of the cruelty meted on children who were accused of being witcher. As a result many individuals, corporate bodies, nations and governments took decisive actions to curb the trend and doled out money to Foxcroft and Itauma organization

to assist the kids. But unknown to many donors, Foxcroft and Itauma were scammers who were abusing the opportunities and goodwill provided by the documentary to line their pockets. Sally the duo has turned the misfortune of the children into a fortune making business, amassing wealth from unsuspecting donors under the guise of helping the 'child witches'. None of the kids have sufficiently benefited from their funds as they are being kept in a very particular condition. So far they have collected over £10 million pounds (~~₦~~2.6 billion) documentary available to news watch shows that between November 2008 exactly after two days after the documentary was first aired in London and April 2009, Foxcroft and his accomplice had collected £25,638 British pounds or ~~₦~~68.2 million from donations made online through his website WWW. Justgiving.com stepping stone Nigeria on behalf of the stepping stone Nigeria, SSN, and his nongovernmental organization, NGO, supposedly for the upkeep of children in Akwa Ibom state. Records also show that the amount realized within 6 months after the discovery was shown in UK was above their project target of £20,000 pounds or ~~₦~~5.08 million.

By September 2009, Foxcroft's stepping stone Nigeria whose UK headquarters is at 24 St Leonard's House, Leonard's Gate, Lancaster, had raked in 1.5 million equivalent to 381 million in donation for the purpose of financing the kids in Itauma's child rehabilitation network, CRAR centre in Eket

When Foxcroft appeared on channel 4 on November 16 2009 he claimed that the total amount he had received as at then was £200000 pounds out of which he remained £72000 pounds CRARN for the upkeep of the children, but there was no record to show that. But news watch learnt that Itauma was not even aware of the £20000 pounds. Akwa ibom state government donated to stepping stone in 2006 during the administration of the former governor victor Attah and Foxcroft claimed to have used in building a hostel and accommodation for the kids in the CRARN centre, again without the knowledge of Itauma, Foxcraft took two staff from CRARN to establish a parallel organization like CRARN which he called stepping stone Nigeria child empowerment foundation .SSNCEF. With the help of Leo Igwe, executive director of the Nigerian humanist movement and secretary of the atheist in Nigeria he has able to gather some indigent children which he quartered and abandoned qua river hotel and the Ekets sport stadium. Unlike the children of CRARN centre; the children at qua river hotel which stepping stone claimed to have being taken care of were in very pitiable condition before government came to their rescue. the cold between Foxcroft and Itauma which is said to revolve around accountability of funds was exposed at February 18,2011,when the Briton terminated his partnership with the CRARN .he claimed that he took the decision himself because of their unwillingness to uphold internationally held standard in child protection accountability and transparency. Foxcroft decision did not go down well with Itauma and his reaction exposed the fact that Foxcroft activities were not in tandem with their agreement.

According to Itauma, their agreement stipulated that each party should give a three months notice before pulling out of a partnership. But Foxcroft breached that agreement. Itauma also disclosed that fox croft had stop assisting the centre long before his decision to sever ties with him Perhaps worried that his scam has been exposed.fox croft recently placed a paid advertorial in a national daily in Nigeria to counter the allegation of fraud leveled against him by Akwa ibom government.In that advertorial signed by felicities Holman, chair of trustees, stepping stones, which was published in august 6 2011 edition of the nation, the fox croft admitted that his organization received a total of £1.338million pounds or ₦34.5 million in the past three year (2009-2011) and claimed to have spent 1.057 million pounds translating to more than 300million on project to improve the lives of Nigeria children. He stated that the remaining funds are kept in their charity bank account for continued support of their partner in Nigeria.Ongoing it also said its model school had been funding 121 scholarship places at the school for indigent students; that it sunk two boreholes at its neighbour model school: 40 children since 2010; that it has trained a total of 1,145 teachers from government school to fast track literacy method known as jolly phonies and equally used the funds to provide 40000 workbook free for its pupils and handbook to 1,145 teachers in participating schools.The bogus claimed by stepping stones has further helped to strengthen the fact available that fox croft is a fraudster news watch investigation have revealed that all what stepping stone Nigerian , claimed to have done with the money he collected was false.

For instance, SSN said it realized a total of £1.338 million pounds or ~~₦~~34.5 million out of which it claimed to have spent £1.057 million pounds or ~~₦~~264.25 million for projects and overheads, but news watch gathered that between 2008 and 2011, SSN had realized more than three million pounds and to date, the amount it remitted to CRARN is not up to £60,000 pounds.

He claims that 50 percent of the pupils attending the school are provided with scholarship which also takes care of books and uniform, of the pupils on scholarship, he said that 25 percent of them are orphans .but news watch investigation have proved otherwise .the school is just like a normal private school without any scholarship scheme in place for orphan.

The act prohibits child labour which it includes hawking, using a child to beg for alms, domestic labour and child trafficking. It also prescribes an imprisonment term of 10 to 15 years for anyone accusing a child of witchcraft.The judicial panel instituted by Akpabio on November 22, 2010 to investigate the extent of child witchcraft and related child abuse was another positive measure aimed at checking child abuse in the state. The panel was setup to investigate the Fraudulent activities of Foxcraft and Itauma who are currently on the wanted list by the government. One of the recommendations of the panel was that the state government should curb the activities of the NGOs like stepping stones Nigeria and child rehabilitation network. The panel also recommended that effort should be made to recover all the money collected by Fox croft and Itauma on behalf of the

children at Itauma home and other such child center. It was on the strength of the panel's recommendation that the CRARN CENTRE was sealed off and the children evacuated to government rehabilitation home in Uyo.

But how did Foxcroft and Itauma meet to plot the scam? Investigation revealed that Foxcroft came to Nigeria in 2003, to research on oil industry in Mobil Producing Nigeria, Eket, as part of the thesis for his Master's degree programmed under the University of Uyo and University of Lancaster student linkage programmed. While in Eket, he lodged at Royalty Hotel along Eket Oron Road and was later evicted from the hotel when he could no longer pay the bill. It was during his sojourn in Eket that he met Itauma who intimidated him on the plight of the children. Not long after their meeting, they came up with the idea to do a documentary on the plight of the children. In their thinking, and rightly so, doing a documentary would not only project the good works of Itauma which was hitherto unknown to many outside Eket local government area of Akwa Ibom state and environs, it would bring in financial support from Nigeria and the international community.

So, Foxcroft had to go back to the UK to facilitate the production of the documentary. As at that time, he had no money to even reconfirm his flight ticket back to the UK. News swatch gathered that it was Itauma and his group that provided the money for his ticket. While in Britain, he developed the concept but lacked financial backing to carry on. So, he sold the documentary idea to Red

Label films owned by the trio of Mag Garvans,

Tracy McVeigh and Hoost Van Der Valk. Garvans then co-opted Marvin Tracey of the London Guardian of the UK and Sophia Okonedo, a Jewish born Nigerian journalist and mobilized them for the Akwa Ibom documentary.

- **Theoretical Framework**

Having carefully and painstakingly reviewed the topic of the study, it became imminently imperative that a theoretical framework must be adopted which will serve as a guide in describing, analyzing, interpreting and predicting phenomenon. This theoretical guide will also serve as an arbiter in legitimizing the review.

Therefore, the dependency Theory has been chosen as a theoretical frame to guide this study.

According to Dos Santos [1979] “dependency relates to a situation which the economy of certain countries is conditioned by the development and expansion of the other to which the former is subjected. The relation of inter-dependence between two or more economies, and between these and the world trade, assumes the form of dependence when some countries-the dominant ones which are the capitalist nations like America can expand and can be self-sustaining while other countries, the dependent ones like Nigeria can do this only as a reflection of expansion which can have either a negative or positive effect on their immediate development. His basic assumption is that there is a dialectical relationship between development and underdevelopment. In other words, according to Andre Frank [1975] “development

and underdevelopment are two different sides of a universal historical process". To him, what causes underdevelopment in third world is as a result of what brought about development in Europe and America.

This dependency refers to the unequal relationship between the centre which refers to the technological advanced countries of the world and the periphery which refers to the third world countries. Also, when looking at this theoretical framework, we talk about the centre of the centre which refers to the ruling class of the industrial nations while Centre of the periphery refers to the ruling class of the developing countries like Nigeria; periphery of the centre refers to the masses class of the industrialized countries while the periphery of the periphery refers to the masses class of the developing country. This relationship where the center of the developed countries dictates the terms of their co-existence economically, socially and politically is an exploitative and vertical relationship between the center of the centre and the centre of the periphery. In this regard, the periphery is subordinate to the centre, as the centre is assigned the role of manufacturing industrial products while the periphery produces primary goods [raw materials] and needed resources.

Consequently, the periphery now depends on the centre for her economic survival thus, the justification and consumption of the theory proved the truth.

I prefer this theory of the dependency because it illustrates the exploitative tendency of the developed countries against the less developed countries [LDC] which led to their underdevelopment.

The new form of internationalism accompanied by economic and technological

communication network has led to developing countries especially the poor and corrupt ones, swallowing hook, line and sinker all ideas and concepts associated with what is now called globalization. In so doing, they obey the rhythms of international capitalism and its institutions with their attendant consequences. Devastating competition is the hallmark and the motive force of capitalism whose philosophy is encapsulated in the notion that we live in a “world of win-lose competition between the leading economies” [Kingman 1997: 10] where developing nation states like Nigeria are out of sheer lack of will, morality, ethics and rule of law, condone corruption and underdevelopment. Developing countries wallowing in corruption dance to and obey the discordant tunes of the Bretton Woods’ institutions—the International Monetary Fund [IMF], the International Bank

For Reconstruction and Development [the World Bank] and International Finance Corporation [IFC], which are more often than not, the sole intelligent planner for these economies. Hence, holding the stick and carrot, they kill or make “the key economic policy of the new world of globalization, democracy and market economy” [El-Rufai, Nasir 2003: 41]. Some have argued that privatization is predicated on the following principles. Firstly, in promoting private sector and liberalized market economy, the government is divested of any kind of business and competition with its citizens because as El-Rufai explained “when government owns, nobody owns and when nobody owns, nobody cares”. Yet, this is only feasible when the government decides to abdicate her responsibility and sovereignty. From the Socratic period through the renaissance to the contemporary times government or social contract is built on trust that the sovereign allocates and

reallocates resources to bridge the yawning gap that would otherwise be created through competition and disparity in expertise, skill and opportunities. But in Nigeria, for instance, corruption has pushed the so-called private sector to seek to maximize its own value at the expense of the economic empowerment and integrity of the common man. An example is the modus operandi of large scale corruption by the government in Nigeria. The government would announce the importation of fuel, say, at three trillion naira, when in actual fact; the barrels of fuel were imported at two trillion, ripping off one trillion naira. In selling the fuel to the independent marketers, the government increases its fraudulent three trillion naira. The independent marketers then turn round to distribute the cost at three trillion naira plus their profit and that of value added tax to the public and effective users of petrol. With these fraudulent chains by which the corrupt government gets the essential commodity [fuel] down to the ordinary man in the street, she rips off the public hundred percent of the cost price of the good [petroleum commodity] before the independent marketers rip off the public again some fifty percent of the government's fraud. In this cyclic corrupt chain, the individual as a motorist or a commuter suffers various disabilities depending on social location within the society. The system, as we have graphically seen, is a situation where the sovereign [or the state] sends corruption instead of good life down to the public. Hence, the state, in the case of Nigeria, has contradicted its existence and could justifiably relinquish its existence in business and service to the public to the private sector participation that would be more corrupt.

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- **Hypotheses**

For the purpose of guidance and in order to achieve the statements of problems and the objectives of this study, the researcher has proposed the following hypotheses:

- Corruption is responsible for Nigeria's underdevelopment
- There is a close link between external factors and the persistence of corruption in Nigeria.
- Deregulation is capable of curbing the menace of corruption and engendering development in Nigeria.

- **Methods of Data Collection and Analysis**

In this study, we adopted the use of secondary sources of data as the main method of data collection. The use of the secondary sources of data is justified due to its intrinsic values. For any research to be meaningful, reliable and scientific facts and ideas, must be supplemented with empiricism.

Secondary materials like text books, newspapers, magazines, government publications, research papers, journal etc., were seriously put into use.

- **Scope and Limitations of the Study**

The scope of the research is limited to the relationship between corruption and underdevelopment in Nigeria.

This research work like virtually everything done by man has its limitations. This was largely because of the insufficient time.

Secondly, there were too many data to manage as the library that was consulted for example does not have sufficient current phenomenon of corruption and underdevelopment has elicited a plethora of literature from scholars and analysts in the field of social sciences and political science in particular. Also, lack of sufficient fund on the part of the researcher is another limitation because lack of fund made it possible for the researcher to purchase new materials and makes it possible to make required tours to the various sources of information. Time too was another constraint. The duration of time given to the researcher to carry out the research work was too short as the researcher has other academic commitments pursue too. So the time pressure affected the scope of the work.

- **Definition of Terms**

Corruption, according to encyclopedia Americana, is a general term for the misuse of public officer or position of trust for private gains.

Claude Ake [1981:2] in his book “Political Economy of Africa “, sees corruption to be existing in capitalist and class societies because of the prevalence of private property and scarcity which the capitalists state generate.

Underdevelopment: this means economic backwardness which results from the inability of a country to deal with its environmental, the underdevelopment is characterized by lack of indigenous industry, inadequate production of food, unscientific agriculture, underdevelopment is not absence of development but it makes sense only as a way of comparing levels of development. Underdevelopment is very much tied to the fact human social development has been uneven and from a

strictly economic view part some human groups have advanced further by producing more and becoming wealthier.

Capitalist Countries: these are western allied nations that situate in Europe and North America and have colonies in African and other third world countries.

Capitalism: a system of production in Nigeria where individuals owns both the factors and means of production.

Siphoning: It is the act of removing money from one place to another, especially dishonestly or illegally.

Corrupt practices: These are practices that are opposite to the formal way or method of carrying something out. Comprador bourgeoisie: These are Nigerian who perpetuates corruption in Nigeria.

Bribery: It refers to the act or practices of offering or taking bribes. It is the crime of elaborately using improper influence on public officials so as to win some advantage, eg. The award of a contract- chambers 21st century dictionary.

Dependency: Reliance and relying on somebody or something like Nigeria does on the westerns which is one of the causes of corruption.

Bourgeoisie: These are the individual that own and control the means of production that was achieved with the help of the comprador in exploiting the nation.

Loans: these are aid given to less developed nation or countries (LDCs) .

Power; it is the ability to make people (or things) do what they would not otherwise have done. It could come or applied in a manipulative, coercive, forceful or persuasive way. It s disobedience may lead to punishments.

Colonialism: the policy and practices of a strong power extending it control territorially over a weaker nation or people.

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CHAPTER TWO

THE HISTORICAL DEVELOPMENT OF CORRUPTION IN NIGERIA

2.1 Corruption under colonial rule

Corruption has long been considered one of the most intractable obstacles to economic development in Africa. This uses evidence on tax collection in Africa to argue that government corruption was an unintended consequence of colonial policies which influence government institutions in Africa today. Lacking the administrative capacity to collect information on taxpayers, colonial administrations allowed local officials discretion in granting exemptions to taxpayers too poor to pay the tax. This created opportunities for corruption which affected the ability of colonial administrations to collect taxes and provide public services. This argued that once established, this system of informal negotiation and the opportunities for corruption, it made it difficult for both colonial and post-colonial African states to raise sufficient revenue from direct taxation to fund development initiatives and limited the credibility of the state among local communities.

The World Bank's 1997 *World Development Report* argues that 'an effective state can contribute powerfully to sustainable development and the reduction of poverty'. Corruption, though difficult to measure, is according to Besley 'an important symptom of low quality government' and remains one of the most intractable obstacles to economic growth and improvement in social welfare

in the developing world. This focuses on what Hellman calls 'administrative corruption', or the use of 'private payments to public officials to distort the prescribed implementation of official rules and policies'. It uses evidence on colonial tax collection in Africa to argue that the emergence of corruption in local governance was an unintended consequence of colonial policies.

Lacking information on individual taxpayers, colonial administrations gave district commissioners discretionary authority to negotiate tax payment and exemptions at the local level. These semi-official bargains and negotiations were rarely monitored by the central government and created numerous opportunities for corruption on the part of local agents. Once established, this system proved difficult for colonial administrations and post-independence states to reform, hindering efforts by the colonial state to increase revenue collections and affecting the credibility of local government institutions. The colonial administrations which took charge in Africa at the end of the 19 century knew little about the territories they were to govern or the people who lived there. Ronald Robinson captured the administrative weakness of the colonial state nicely when he described colonial rule in Africa as 'a gimcrack effort run by two men and a dog' when colonial rule was established in East Africa, much of the territory 'had been given no more than a cursory glance'. Protectorate had any significant international trade prior to the beginning of colonial administration. As Frankel notes, 'while the hope for economic benefits was a potent factor in the scramble for Africa, the means to be adopted in realizing these hopes were not known, the

resources necessary were not mobilized'. With constant budget deficits through the pre-World War I period, both administrations required subsidies from London to meet their expenses. As a result, both were under pressure to maximize local revenue collections. East Africa's deficits were higher, partly reflecting the greater willingness and ability of the British government (as opposed to a Chartered Company) to invest in the establishment of governing administrations in their dependent territories. For both colonial administrations, eliminating their initial deficits meant raising additional revenue while also minimizing expenditure. Finding the balance between these two was difficult and the balance they struck influenced fiscal policy in both colonies through the rest of the colonial period and even after independence. As in colonies established earlier in Asia and West Africa, both administrations initially relied upon customs tariffs on imports. Customs tariffs are in some ways ideal taxes for the governments of developing countries. They are relatively easy to collect, particularly when international trade is conducted out of just a few locations. The costs of collections therefore tend to be relatively low. On the other hand, tariff revenue also relies on the value of imports, and countries with lower per capita incomes tend to import less. Imports, like exports, were limited in the early years of colonial administration, which meant that the potential revenue from customs tariffs was limited. Neither could collect sufficient revenue from taxes on trade to maintain even minimalist government administrations. As a result of these shortfalls in tariff revenue both imposed direct taxation on the African population from an early

date. However, colonial officials were unsure whether their skeletal administrations could cope with the demands of collecting taxes on an individual level. Gardner describes the collection of direct taxes as 'the real test of effective administration' in colonial Africa.

As they had little knowledge of the number of potential taxpayers or their capacity to pay, both relied on flat-rate taxes imposed on African dwellings (known as 'hut taxes') payable by either the owner or occupier. In East Africa, the collection of a hut tax was first imposed by the Hut Tax Regulations of 1901, which authorized a tax of 'not more than 2 rupees per annum' on 'all huts used as a dwelling' to be paid by the occupier.

In that year the tax was collected only in parts of the provinces of Seyidie, Tanaland and Ukamba. This was extended to Nyanza Province in 1902 and to Jubaland, Naivasha and Kenia Provinces in 1903. The maximum tax rate was increased to 3 rupees within the provinces of Kisumu and Naivasha in 1902. Three Rupee maximum was extended to all huts throughout the territory the following year. The collection of the tax from 1901 trailed by several years the introduction of direct taxation in neighbouring British Central Africa Protectorate (later Nyasaland), where a tax of 6s was imposed from 1891. The Nyasaland tax was reduced to 3s in 1893 when Harry Johnston, the territory's administrator, admitted that 6s was more than the cash wages which an African labourer would earn in two months. Officials in African states proceeded more cautiously in

1900, when the tax to be collected the following year was set at 3s per annum 'in respect of every hut occupied by an adult male native and also on each hut occupied by his family or dependants'. In North-West Africa, a hut tax was first imposed by Proclamation No. 18 of 1901, which imposed a tax of £1 payable annually. Collection of the tax was, however, delayed until a permanent administration was established. Collections began in 1904, when Proclamation No. 7 of 1904 superseded the 1901 legislation. The collection of the tax was extended only gradually across the territory. As an early memorandum on taxation in North-West Africa noted, 'It was not the intention of the Administration to impose a tax throughout the territory from this date or that the tax should be collected in full. The scheme proposed was that the collection should be made first in the more settled portions of the country and gradually extended as circumstances might appear advisable.' In particular, colonial administrators were aware that flat-rate taxes imposed unequal burdens on taxpayers with different incomes. The incomes of the African population were generally based on some combination of subsistence agriculture, the marketing of agricultural produce, and wages from labour on the European farms or in mines. The contribution of any or all of these varied widely between individuals and was well beyond the ability of the colonial government to measure. In west Africa, this calculation was made even more complicated by the rapid economic changes which took place across east and central Africa during the two decades prior to World War I.

Administrators attempted, somewhat blindly, to anticipate this economic growth in setting tax rates, often overestimating the speed and depth of penetration of the economic transition predicted to take place under colonial rule.

2.2. Corruption under the Military Rule.

The space of corruption in the military regime were quite high, as the military dictatorial were unchecked, hence practice all forms of corruption practices regardless of the returns to the Nigerian economy.

Gowon's Regime

Gowon's regime was not only found to be inefficient and incompetent; it was also accused of national drift and corruption. Gowon was accused of aiding and abetting corruption during his 9 years regime. During his regime there were important developments, however, there began to emerge indiscriminate contract award on an unprecedented scale. This was accomplished through international manipulations in collusion with Nigerians who aspire for individual wealth and fortune [Dike, 2003:169]

Under Gowon's regime, the incidence of corruption manifested in the unnecessary contract award for the importation of cement. This situation led to the cement scandal of the administration. A few well placed civil servants had

placed orders for millions of tons of cement, which was far in excess of domestic needs. There was port congestion in which over 400 ships from overseas landed with cement all converged at Nigerian ports to be offloaded.

Corruption in General Babangida and Abacha's regime [1986-1996]

It has been observed that the administration of Babangida legitimized corruption in Nigeria. A World Bank report had indicted the Babangida's regime on the inexplicable use of which it put about 2 billion dollars out of the total oil revenue in 1991. The same World Bank report was alarmed that the junta engaged in a major surge in expenditures authorization and contract.

The major corrupt practices that dodged the steps of the Babangida's regime before it was stamped out of office include lack of prudence and unnecessary waste of public funds, lack of accountability and sinking millions of naira into white elephant projects which were conduit pipes used in siphoning the nation's money into private pockets.

Indeed, a total of 12.4 billion dollars had been lodged in what the dictator called a “dedicate account” the junta claims that it expended the funds in the “dedicate accounts” on the Ajaokuta steel plant.

Late Dr. Chuba Okadigbo, the then chairman of the panel of enquiry set up to look into the operation of the central bank of Nigeria, stated that Babangidas and Abdulkadir Ahmed, the then central bank governor, accounted to no one for all the extra budgetary expenditures.

One can easily see that in nine years of the Babangidas regime, corruption which had always been a problem, took a life of its own and many people came to believe it had become a cardinal principle in Nigeria.

In the dying days of his administration, Babangidas retained properties confiscated from the public office adjudged corrupt by Muritala Mohamed administration. He had yet to create yet another decree, decree 5 of 1993 constitution to fulfill this design: the message he appeared to be sending was that corruption pays.

In March 1989, Gani Fayemi declared that Babangidas regime was infested with social economic aids. And as a result it was not going to deliver a socio-economic aids free regime. Commenting further, Gani berated Babangidas regime as the first military government in the country that openly legitimized corruption, consciously initiated programmers for the total collapse of the Nigerian economy and consciously implanted high grad poverty among our people.

While in Abacha's regime, we can still vividly remember that it was during the Abacha's regime that the transparency international, the German based global anti-corruption watch dog, declared Nigeria the most corruption in the world. This was not surprising, the labour as most befitting and well deserved even the Abacha's dictatorship, pathologically sensitive to any criticism, could only a feeble protest again such a damning verdict.

In the number 30 edition of July 24 tell magazine, its exclusively reporting by tracing Abacha's loots to 130 banks and the impending trail of Marian Abacha's and her children for their various role in the large scale looting by the late

dictator. Mohammed Abacha participated actively with his father in stealing public funds and receiving stolen public money. In a reaction to this callous and vicious act of Abacha, Gani Fawehinmi pointed out that what Abacha did is simply mindboggling and unbelievable.

The former national security adviser Gwarzo opened more cans of worm on gen. Abacha's looting spree. His testimony is the gujula of the government case against Mohammed Abacha, the dictator saw, who was trail for his role in looting competition. According to Gwarzo's confession, he was said to have listed at least 15 instances where money was taken directly from the Central Bank of Nigeria and handed over to Mohamed who received on behalf of his father. The lowest sum ever collected as 1.21million dollars on March 6th, 1997. The highest according to Gwarzo was 147million pound collected from the CBN on April 9th, 1997. The money was taken out in cash with the instrument of Abacha's approval in his hand, Gwarzo directed his aid Abdulganiu Lawan, to go and meet Paul Ogwuma the then governor of central bank. Lawan was known to Ogwuma, and

soon he collected the paper, satisfied that it was Abacha's signature, he quickly gave the necessary instruction.

The man was carried out Ogwuma's instruction was the staff of the foreign exchange department of CBN. They were responsible for the loading of the money from the vault into the billion van waiting with armed guards.

According to the instruction of Abacha's, he could not accept the money in CBN 'sacks and wrappers. Therefore Gwarzo had a team, supervise by Lawan, who did the re-bagging.

In February 1995, the Abacha's looting brigade took \$4 million and £2 million from CBN. The operation was led by Lawan, who brought the money to Gwarzo, residence .the money was re-bagged and instructions of their boss made away with \$5million and £3 million. The second time was on September 1996, when Gwarzo presented to the governor of the central bank Abacha's authority to take away \$5million, £5million.

Again by 1997, some top staff of the central of bank of Nigeria was asking the proper authority for the carting away of those cash on the ground of security, Anthony any, the then minister of finance, dutifully informed Ogwuma of the operation in the interest of national security that opens up flood gates of corruption .on April 22, Month later, the looting brigade was back at the CBN, carting away another \$60 and 30 million on July, 1997.

It has been deserved that the biggest harvest for the year was November 26, 1997 when \$120 million and £5million were delivered at Gwarzo's residence, re-bagged and handed over to Mohammed at the ASO rock villa. Though after many session of interrogation, Gwarzo said he could only remember some of their operation .Mohammed told his interrogator that he could only remember two or three instance when he collected money from Gwarzo on behalf of his father, and what is father gave him, as far as he was concerned ,was a paltry sum at each occasion.

Of the numerous cases of direct looting from the central bank from the central bank in which he was involved, Mohamed said he could not remember those details. He told investigators, however that the Abacha's organization has an account with inland bank plc, and that the bank helped in transferring huge sum of money abroad to many shell companies. Mohamed was the sole signatory to five oversea accounts with the banker's trust company, New York. Bankers trust international plc, Frank Furt Germany, city bank N.A Milan Hacy, and nonbanking in Stockholm, Sweden,

To be sure, the magnitude of corruption during the military regime of Abacha was absolutely obnoxious.

Corruption in Abdusalami Abubakar's regime the government of Abdusalami Abubakar was appreciated for transferring political power to democratically elected government in 1999. not withstanding, this very important achievements ,the government was also reported for being corrupt. Evidence abounds of the corrupt practices of the administration, but because of the

circumstances in which the country was at the time, the domineering issue that as to hand over to civilian government at whatever cost .this explains why it was only after the cost of Abdusalami Abubakar that the issue of corrupt practices of his government arose.

To buttress within the period of Abdusalami Abubakar stayed in the corridor of power, the money he amassed could not be over emphasized .he used his executive power to influence the award of his various contract both genuine and fake. Abdusalami Abubakar's awarded contract of billions of naira to the completion of national assembly building and national police head quarter in Abuja, which according to economist estimates ion would not have cost half of the money used. He made billions of naira from the confistication of Abacha's loots.

Corruption at this, in the military regime, particularly Abacha's junta shows that it was virtually at its peaks in the military regimes.

2.3. Corruption Under the Civilian Rule

The trend of corruption in the first republic of Nnamdi Azikwe and Tafawa Belewa[1903-1966], level of corruption period which has maintained until 1975 .but this does not mean that there was atom of corruption, but quantifies corruption at that period as very low ,and does not affect so much the social lives .which at this stage ,almost everything could be achieved without extortion or hindrance [bat tope 1986:13]thought at this time [of the period of first republic] political leaders who have been marginalized economically by the discriminating economic policies of the colonial period or regime period used to the state power of accumulation, and they had little experience of entrepreneurial activity and little or no capital. But due to the in effectiveness of the probe panel then much was not recorded of their corrupt practices.

Meanwhile in the second republic orchestrated by Shagari's administration (1979-1983), the president addressed the participants in the graduation ceremony of the Senior Executive Course of the Nigerian Institute of

policy and strategic studies [NIPSS]at kuru, near Jos on October 29th ,1983 and lamented that he was dismayed to understand that “corruption, fraud, smuggling are not only being institutionalized but are in fact becoming a business pursuit in the country,[Animashaun 2007:20] these who rise through criminal records to the position of influence are embraced by the society ,while merit ,honesty and integrity are hardly recognized:

That was an honest statement made twenty –eight years ago about a social phenomenon that has today become a national stigma. But as good and honest as the statement sounded, Shagari could not pass the litmus test when the chips were down. And his greatest undoing in this regard was that in August 1983 of that same year, he has purportedly on a land –slide electoral victory be means of rigging. Notwithstanding, various cases of corrupt practices during his regime, Shagari often argue that corruption has not reached alarming proportion. This gave rise to the following rebuttal from Professor Chinua Achebe [1983:37]

“My frank and honest opinion is that anybody who can say that Corruption in Nigeria has not yet becoming alarming is either a fool, A crook or else does not live in the country” Shagari is neither a fool nor a crook. So I must assume that he lives abroad, corruption in Nigeria has passed the alarming and entered the fatal stage.

Achebe went further to give graphic description of the frightening magnitude to the corruption that had griped the nation and the resultant huge waste of the nation’s human and material resources.

The account of corruption in the second republic would file the archives if recorded. Corruption was evident in the payment of large mobilization fees before any work began. As a result of this many projects were abandoned half way. The federal capital development authority in Abuja and the Nigeria national supply company were habitat of corruption. They were alleged fraud in the account of the federal capital development authority and the disappearance of millions of naira worth of building materials from Nigerian national supply

company. More so, there was a sudden outbreak of fire that gutted the ministry of affairs, the 37 story Lagos headquarters of Nigeria external telecommunication and federal capital development authority in Abuja, when these establishments were under investigation of corruption and fraud. It seemed the fire was deliberately set in order to cover up corruption and fraud. [Tariola, 2001:157]

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CHAPTER THREE

External Link to Corruption in Nigeria

3.1. Subversive role of friendly European Countries.

Through their power mechanism of achieving the goals of effective and systematic political and economic domination and exploitation, the departing colonial powers in Africa succeeded in grooming and planting their marionettes in power but with a weak economic base. This was designed to keep them dependent and thus ensure dialectical link with these helpless leaders. Thus, once in power, these African leaders openly and shamelessly consort with their erstwhile colonial masters and foreign bourgeoisie to perpetuate the pillaging and plundering of their country's resources through policies and actions that do not aid economic development. For instance, consequently upon the economic degradation and usurpation arising from colonial practices which depleted the raw materials resources of the post-colonial Nigeria and the inexorable need to carry out infrastructure development, the inheritors of political powers quickly

looked for credit facilities outside the continent and incidentally, from the mischievous willing hands of the erstwhile colonialists.

The problem actually started with the insistent of this creditors on the complete surrender of the country's' national policy making and implementation to the policies designed by international experts that instigate sporadic changes in the size and structure of the country's external debt. This is inspite, of the large sums of money paid in lieu of their services (or is it disservices?) but as Abba et al (1985:57-58) observe:

The near total effective foreign control over our economy has serious consequences, not the least of which is that especially in manufacturing, the decisions about what to produce, with which machines, using what materials and at what cost, all these are left to foreigners, or technical partners as they are called.... the end result is massive over- invoicing, transfer-pricing and excessive consultancy fees collected by the foreigner mother country. One is obviously left to wonder how development could be achieved under this circumstance in which

“much of the financial aid is tied to technical assistance, which ensures that most of the money goes to pay for foreign advisors who have turned Africa into laboratories for testing their pet theories about development” (Mkandawire and Soludo, 2000:54). Even where the leaders are allowed to make policies, the dependent character of the Nigerian economy “makes the Nigerian decision makers to make choice in a situation in which they do not set terms or parameters of choice in a situation in which they do not set terms or parameters of choice” (Obasi 1989:14). This limitation on their choice of action as a sovereign state makes most the policies of African leaders a mere reflection of the policy choices of the western world and their agents which not only serve the dominant interest of international capitalist countries but also distort the economy of the dependent countries. This explains the diversion and squandering of these loans on the altar of vainglorious charity and welfare projects that are non-self-liquidating contrary to the conventional wisdom of utilizing external finance for

projects which are self-sustaining and capable of yielding a stream of income sufficient to repay the original loan (Aluko-Olokun, 1989:197).

This, of course was the major cause of the debt crisis in Nigeria. What else should have been more responsible when these so-called advisors deliberately want their countries to use their loan facility as leverage to control the borrowing countries?

Enwegbara (2002:26):

Why should Nigeria expect its potential competitors to show it the way when it is obvious that doing so not only could include Nigeria in industrial completion, but also capable of jeopardizing jobs and already industrialized nations? Or why would Nigeria expect its creditors to cancel its debt since it is clear that the debt burden is another way to make sure that Nigeria never industrializes.

To be sure, it is the creditor nations desire to use the debt situation to strangle and disrupt genuine development efforts in Nigeria that prompted the departing colonial rulers to give political power with less economic control so that they continue to control the economy of Nigeria through their international

bourgeoisie that monopolize every sector of the economy (the banking, extractive, the manufacturing industries, etc.) that are the necessary engines of development. Thus having inherited weak economic structure the Nigeria bourgeoisie were easily enticed into what Oshoba (200:26) correctly called the “the lucrative but powerless partnership and dictatorship”. That did not only frustrate indigenous effort towards implementing import substitution industrialization but also wetted appetite for imported goods. This led them to begin to connive with foreigners to invade the country with all sorts of foreign products so far they had interest up-front. This strength prevails, however, because the departing colonial power successfully replaced a sense of national identity and survival with a sense of self-survival and preservations in most Third World Countries. As a result people’s economic activities are primarily based on or determined by selfish rather than patriotic consideration (Obasi; 1989:18). In other words, the ruling class that the colonial powers maintains and controls the same colonial structures in such manner that maximize their benefits. Therefore,

it is erroneous to give the impression that the bourgeoisie of the Third World are helpless before foreign capital. According to Ake (1985:21):

Despite the concern and exploitative intensions of foreign capital, the Nigerian bourgeoisie are part of the structure of this exploitation, and the exploitative activities of foreign capital bring wealth to many members of this class.

Of course, the Nigerian dominant class sees national interests through the prism of its own specific position and interests (Toyo, 1985: 12). This explains why since independence the country is riddled with leaders that collude with their foreign allies to loot the economy through "large scale and institutionalized corruption, large scale smuggling activities and carve for foreign rather than locally made goods" (Obasi 1989:18). Because of this their coincidence of interests and the willingness of African leaders to protect the interest of the either world powers in the continent during the cold war era, loans were lavishly and recklessly given to repressive and corrupt leaders in exchange of their loyalties.

But rather than allowing the loans trickle down to serve the people, the rest to buy expensive luxury goods abroad as well as lodge others in their ban account located in the same foreign banks where the loans were taken. This is why most of these loans are regarded as odious or bad loans since they were made without regard to the viability of planned projects or the capacity of the recipient country to make repayments (Kalima, 2003:2). It is in the light of this that participants at the 2001 International Conference on "Sustainable Debt Strategy" organized by the Debt Management Office; Abuja reached a broad consensus that:

The debt crisis is a shared responsibility between Nigeria and the creditors and that the creditors are as guilty as Nigerians in the accumulation of the debt (Okonjo-Iweala et al, 2003).

This also informed the resolution of the House of the Representative in foreign debt. According to the House Committee Chairman on Finance, the reason is that:

Some of these loans could not even be established. These creditors are fully aware that large chunk of the monies that were borrowed did not reach

Nigeria soil. Even the one that did ended up in the bank accounts of the Nigerian official in the same foreign banks where the loans were taken. Even those that were secured for specific projects were diverted to private accounts and where successfully invested, it is either that the charges on the loans were bolted by the lender, who also imposed unilateral penalties and deduction... (The Guardian 15 May, 2005:37).

This not only makes the Nigerian economy to lack any regenerative capacity needed for development (Obasi, 1989: 13) but also underscores the fact that creditors use debt as an effective instrument of domination as well as a form of imperialism (The Guardian, 2005: 37). It is this in-built mechanism of fraud by the managers of national resources in Africa with the collaboration of the creditors that explains the primacy of politics in African since independence, being using state power as a powerful instrument for primitive accumulation and self development. Thus in the first republic this gave room to ethnicity and regional rivalries in both high and low places and culminated in the military take-over of government on 15

January 1966. The reason for this coup was encapsulated in the broadcast of the leader, Major Chukwuma Nzeogwu thus:

Our enemies are the political profitters, swindlers, the men in the high and low places that seek bribes and demand ten percent; those that seek to keep the country permanently so that they can remain in office as ministers and VIPs of waste, tribalists, nepotists, those that make the country look big for nothing before international circles, those that have corrupted our society and put the Nigerian political calendar back by their words and deeds (cited in Olusegun Obasanjo 1978: 99).

Though this led a bloody civil war that ended with an unprecedented oil boom, Nigeria leaders failed to distinguish between permanent income and windfall gain, and between consumption and investment hence the culture of suqandermania and imprudent management of nation's resources resurfaced with unbridled intensity.

As Enweagbara succinctly described the scenario, the oil boom:

Further killed the spirit of industrial take-off as leaders began to institutionalized corruption, bankrupting the treasury with non accountable, non transparent, winner takes all types of governments (Enwaegbara, 2000:26)

But this sheer display of siphoning spree and propensity for profligacy could not be successful or sustained with the complicity and systematic backing of bankers. In other words, The Nigerian leaders diverted the proceed of the oil boom to their private account in Europe with the assistance of their creditor countries why a huge sums of the proceed were mismanagement on alter of wrong choice priorities such as the hosting of the biggest black festival of culture in 1977 otherwise called FESTAC 77, stupendous donation of financial assistance to neighbouring countries, et cetra. In these absences of priotization of industrization as the best way to expand domestic economy in preference of squandering the golden opportunities brought about by the oil boom, in elephant projects that were never completed as well as in such non-self sustaining project as stadium, theatre, churches and mosques, Nigeria industrial take off was force to wait. In the alternative, personalization looting and bankrupting of national treasury intensified

unabated as the country's so-called leaders not only began to legitimize their primitive accumulation of wealth thanks to the practices of ethno-religious politics but also legitimized tyranny, vile opportunism and unflappable sycophancy so as to continue in power even after death. The result as experience has shown in Nigeria as well as other countries of Africa is that:

A state pertained in this way over the years needed to strive beyond been a supplier of the despotism, clientalism, prebendalism in the height of institutional corruption and patronage (Enwegbara, 2000:27)

No wonder the resort to the two jumbo loans of about 2.2 billion from the international capital market soon after depletion of oil boom was equally misapplied to inefficient investment and consumption pattern that greatly impaired the realization of income from the use of the loan and consequently created the most intractable malaise of debt servicing. To be sure, an objective enquiry into the Nigeria's debt crisis reveals that inefficient utilization of loans by the successive governments and leadership of this country is largely responsible for the deepening debt crisis and underdevelopment in Nigeria. Part of the reason is that

most these projects such as the federal housing scheme of Shagari's administration, the automobiles assembly plants and petrochemical projects, Ajaokuta steel complex, etc, were either poorly located or built with little or no regard for the culture and interest of their immediate locations thereby financing projects with a doubtful viability (See Newswatch, 1989). Perhaps, there is no better way discussing the devastating impact of misapplication of foreign loan than to quote at length Alabi's painstaking catalogue of this misapplication thus:

What is more? The automobile assembly plants that were established at about the same time with Korea's are all dead and no Nigeria is importing automobile ITT products and textile materials from there. The petrochemical project, which gulped 80 million in 1982 cannot sustain itself hence the importation of refined oil in a country that is rated the sixth in world oil production. What a paradox? In 1983, for Boeing Aircraft were secured for the Nigerian Airways with credit installment of 70.2 million and 54.2 million. Today, the Nigerian Airways had to be auctioned to Virgin Airline, a foreign firm when it became a liability. In 1982 two credit installments of 90.95 million and 85.55 million were obtained for the national

identity card project. Nothing came out of that debt. More money was put into the project by the present government since 2003 but nothing concrete has come out of it. Across the country, there are thousands of abandoned projects for which past governments especially during the defunct second world republic. Willingly mortgaged the future of Nigeria. Yet the terms of those loans were very clear (Alabi 2005: 14).

Even the present administration that has inundated the creditors with campaign to be classified among the highly poor countries that needed debt relief or cancellation has exhibited sheer incompetence and misplacement of priority in the management of national resources so much so that its claims of prudence and crusade against financial indiscipline seems to have been reduced to a mere slogan.

For instance:

Nigeria in 2003 hosted the commonwealth summit with the greatest razzmatazz in common wealth history. Nigeria has as a national priority the building in record time of stadium for the mere hosting of Sports Festival when there already existed eight world-class stadiums where the 1999 World Youth Football competition was

held. Nigeria also imported 900 or so BMW cars from Germany for the sole purpose of COJA Games and disposed them off without accountability. The present Nigerian government also considered the expansion of the presidential fleet of executive jets a priority while its officials do not behave like people whose country is passing through very difficult economic times as they not only live and work in splendor but also purchase properties outright in such expensive places overseas (Alabi 2005: 24).

This perhaps explains the initial reluctance of some of the external creditors to grant debt relief to Nigeria. The reason being that the state officials in Nigeria both misapplied and stole the very large crude of oil that swells its external reserves to the tune of over 20 billion thereby depriving it of a regenerative capacity.

According to this school of thought:

It is not a question of inability to pay, but a question of how to recover the loot from Nigeria's past officials who have corruptly overburdened the country with enormous external debt (Blum, 2000: 15).

In fact, if all the billions of money stashed into the private accounts of some leaders of Africa should be retrieved, it would be enough to pay off most if not all the debts of Africa. In Nigeria specifically, the role of the ruling class in the management of the natural resources is synonymous with what a burglar does to a building he is charged to guard. This in-built mechanism of fraud by the managers of the national economy aggravates Nigeria's debt crisis. According to Akande (2003:30-31):

Nigeria's debt crisis is aggravated by the clumsy and unskillful act of government. Most of the expenditures have been substantially incurred on the personal indulgences and pressureable diversions of those at the corridors of power.

This is particularly, while it is difficult for Nigeria to secure the debt relief from Paris club as the creditors felt that to do so amidst the presence of these subversive and profligate national bourgeoisie was tantamount to pouring water into a drum that has in its bottom a big hole that leaks the water always perhaps faster than any man can pour water into it (Chinweizu, 1975: 249). Now that the relief has eventually Nigeria is virtually free from external debt it is left for the posterity to

vindicate the fear of the creditors because since this powerful class in debtor countries benefits from debt dependency, it would be the most difficult dilemma that may only have their repression as the solution (Payer, 1974: 213).

3.2. Reckless lending and Conditions of Foreign Aid

The structure of Nigeria's external debt is influenced by the form as well as the terms conditions of the loans contracted. These terms which, influenced the debt burden pattern and structure, are maturity, interest charges moratorium (i.e. grace period). All borrowing of short term and medium term nature from private foreign suppliers have average terms that are relatively unfavorable compared with long term loan from governments and international institutions both as to the length of the grace period and rate of interest.

Nigeria contracted debt obligations from two principal sources; namely the official and private creditors. The official creditors who are leagued into the Paris club of lenders are made up of France, Germany, Italy, japan, united kingdom, united states of America, Russia, Australia, Belgium, Denmark, Finland,

Netherlands, Spain, Switzerland, and Canada, while the private creditors baptized as the London club of leaders comprise commercial banks, holders of promissory notes, contractors, manufacturers, exporter, etc. The Paris club loan is characterized by low interest rates, long-term maturity but tied to specific project, which invariably reduces the value of the loan and renders the purpose of which it is contracted nugatory.

In the first place, the long term maturity of their loan hinders the realization of the colonial states which are projects that can be self-financing that is, project can generate sufficient funds to repay any borrowing for financing them (Falegan, 1978:4). Secondly, is the adverse effect of tying the loans to specific project and purchasing from specific market. This naturally denies the recipient the choice of not only to buy its imports from the cheapest market but also makes it helpless in this face of unfavorable terms of trade. In effect, more money comes out of the borrowing countries than is given in. Nevertheless, the greatest problems associated with the Paris club apart from the long term maturity and tying to

specific project and market is their insistence on the use of their nominees, legal drafting and management (Oseni, 2005:14). Meanwhile the borrowing countries have to pay for their services as part of the amount to be borrowed with interest. This impossible conditions attached to Paris club loan are not only influenced by political consideration but are also intended to serve their economic self-interests. For instance, the lending countries view Africa's development as a thread to their own existing market since some of the projects if completed will offer direct competition to their products in the world market as well as are substitutes for their imports in African markets. This results in the employment of the harsh terms to help keep the potentially rebellious borrowers in line (Payer, 1974:48). This invariably makes it difficult to service the mounting debt obligation of African countries particularly those due to the Paris club. It also explain why Nigeria's formal finance minister, Dr. Mrs. Ngozi Okonjo-Iweala regarded Nigeria's debt problem as "really a Paris club problem" because out of the over \$30.4 billion of Nigeria's external debt then, a staggering sum of about \$30.4 billion or

75% of the remainder of about 25% was owed to the London club of commercial creditors and holders of Promissory Notes (Okonjo-Iweala, 2005:23).

As is characteristic of Paris club the string attached to the purported 60% or 18% billion dollars debt relief to Nigeria is reminiscent of their traditional shylock treatment which make a debtor to go borrowing immediately after using all he had to defray his debt without leaving some for feeding, health and other essential needs. This is also perhaps why many analysts including (Chu Okongwu 2005:40) and (Chinweizu 2005:28) described the debt relief to Nigeria as a *Trojan horse*. For how could one reconcile the fact that Nigeria could not pay \$3 billion required to service its debt annually but was forced to pay \$6 billion immediately and buy back the remaining \$6 billion.

In fact the so-called debt relief by the Paris club was calculated and designed to serve the rapacious self-interest of the industrialized creditor countries. Hence, Nigeria lost out heavily in the deal. First, creditor countries collected \$12 billion in six months, an amount that under the then subsisting debt-servicing

arrangements would have been spread over 12 years. And also, creditor nations succeeded in extorting \$54 billion on Paris club loans. Secondly, under the aegis of IMF Policy Support Instrument (PSI) that strangles and inhabits the expansion of the very domestic private sector that should serve as engine of growth and development creditor nations characteristically arranged to eat their cake by pocketing \$12 billion dollars (plus \$2.4 billion dollars London club settlement) raw cash and still have the cake by brazenly formalizing ownership of the several decades old scheme that paralyzes the Nigerian economy and facilitates its unscrupulous exploitation. This explains the glaring contradiction in the fast rising external public debt amidst budget surpluses arising from fast rising foreign reserves occasioned by a surge in crude oil prices and opportunity that otherwise would have been Nigeria's second oil-induced economic boom (the guardian April 4th, 2007:16).

This does not however exonerate the London club from Nigeria and other countries of Africa's debt crises as its terms seem even harsher unsavory. As

earlier pointed out, it was the government of General Olusegun Obasanjo that stampeded Nigeria's' external debt to a dramatic course upwards. This particularly results from the shylock nature of their terms, which are characterized by short maturity period, high interest rate and without being tied to any specific projects. The consequences of this jumbo London club loans was that:

From 1978 onwards, the structure of Nigeria's external debt became even more skewed towards the very short end of the maturity spectrum while the proportion of total debt owed to private creditors and hence attracting floating interest rose to about 80% (Oyejide et al, 1985:17).

Another problem associated with the London club loans is the high and unstable interest rates which aggravates the servicing cost. In other words, the rising interest rate weakens the capability of the borrowing countries to bear the resultant heavier external debt burden. As was the case, it was the rising interest

obligation in the early eighties that forced the commercial banks to drastically restrict their loan disbursement to the developing countries.

Be that as it may, it is the complete freedom of using the London clubs loans in whatever manner the borrowing countries want it that orchestrated from the international capital market to specific projects contributed largely to their wastage on inefficient investment and consumption by the Nigerian leaders.

3.3. The Role of Foreign Companies and Non Governmental Organizations (INGOs)

Seven years later after Thelid blew off the \$180 million Halliburton bribe-scandal across three continents-America, Europe and Africa-and some key participants jailed in the United States of America, the Nigerian government has finally woken up his slumber and begun trial of four Nigerians, three foreigners and nine companies. On Friday, September 3, government filed two charges, one at the Federal High Court, Abuja, and the other at the Abuja High Court, against the 16 suspects.

But the judicial net caught only the small fries: Bodunde Adeyanju, ex-personal assistant to former president Olusegun Obasanjo; Ibrahim Aliyu, a retired federal permanent secretary; Abdullah Dominic Bello, retired air vice marshal and former chief of staff, and Mohammed Gidado Bakare, a retired chief planning officer. There was a big cover-up of three former head of states-General Sani Abacha during whose tenure the bribery began; Abdulsalami Abubakar and Obasanjo, his successors. All the three men were earlier mentioned in connection with the monumental corruption case.

Also, other prominent Nigerians, including Atiku Abubakar, former vice-president to Obasanjo, Gaius Obaseki and Funso Kupolokun, two past group managing directors of the Nigeria National Petroleum Corporation, NNPC; Dan Etete and Don Etiebet, ex-petroleum resources ministers; Abdulkadir Abacha, brother to the late Abacha; M.D. Yusuf, former inspector general of police; Umaru Shinkafi, former boss of the Nigerian Security Organization, NSO, and Nassir Ado Bayero, son of the Emir of Kano, were let off the hook.

In the first charge, Adeyanju, the first fall guy, was accused of receiving cash payments of \$5 million from six suspects: George Mark, Jeffrey Tesler (still at large), Hans George Christ, Heinrich J. Stockhausen, Julius Berger Nigeria PLC and Bilfinger Berger GMBH. On the other hand, Aliyu, AVM Bello and Bakare were charged alongside Urban Shelter Limited, Intercellular Nigeria Limited and Tri-Star Investment-Limited, companies where they have interest; Maizube Holdings Limited and TSKJ Nigeria Limited, the consortium of Technip S.A, Snamprogetti Netherlands B.V., Kellogg Brown and Root and Japan Gasoline Corporation that won the contracts for trains one to six of the Nigerian Liquefied Natural Gas, NLNG, project in Bonny, Rivers State, between 1994 and 2004.

The half-hearted approach of the federal government to bring to book those involved in the Halliburton bribe for contract scandal in Nigeria, was all too visible. First, the trial of the suspects was stalled as the judge declined jurisdiction and ordered that the case file should be sent back to Dan Abutu, chief judge of the Federal High Court of reassignment.

News watch learnt that the federal government was yet to prepare proper charges against the accused persons. This might have accounted for why they were not charged the charges levied against them. The haphazard arraignment was also due to the hijack of the case from Economic and Financial Crimes Commission, EFCC. Security sources told *Newswatch* that during a recent trip to the US, Farida Waziri, chairman of the anti-graft agency, had insinuated that the federal government was interfering in the cases being handled by the EFCC.

Most of the cases had gone on endlessly without any result. This unsavory interference also accounted for the small pace of work in Nigeria, on all the international corrupt cases including the Halliburton and Siemens bribery scandals. Some officials of Halliburton, a US company, had been jailed while the company agreed to pay \$559 million as fines for the bribery ring it ran to clinch the \$6 billion Nigerian project. The US was said to have been unhappy with Nigeria's sloppy handling of the Halliburton saga by all its security agencies, more so following revelations by Robin Sanders, US ambassador to Nigeria that

documents and evidence needed by the Nigerian authorities to prosecute culprits in the \$180 million Halliburton scandal have been made available. The documents contained names of all the big men who are now being shielded from prosecution. All these happened when Good luck Jonathan was acting president.

Although the \$180 million Halliburton scandal blew open in 2003, it had remained in the cooler until March 19 2009, about two years after Obasanjo left office when he brought it back to front burner on hard talk a BBC popular programmer. When asked about his involvement, the former president absolved himself of any blame. The denial reverberated across the land, with some federal lawmaking calling for a full scale investigation.

Following a directive by the late president Umaru yaradua, a five man panel consisting of Mike Okiro, former inspector-general of police as chairman, was set up on 21 April 2009. Other members were Waziri and a representative of the National Security Adviser, NSA, director general of the state security service, SSS and Nigeria Intelligence Agency, NIA.

The panel was asked “to examine the circumstances surrounding the scandal, liaise with appropriate agency within and outside Nigeria to ensure the disclosure of the name of Nigerians involved/implicated in the bribery scandal; establish the extent of involvement or culpability of any Nigerian in the scandal and the sums of allegedly paid out to any person in Nigeria by Halliburton as bribes in respect of the Bonny LNG project and liaise with the Swiss authorities with a view to tracing and recovering any sum stashed in Swiss banks for the benefit of those involved”.

Barely two months after, on May 25 Okiro submitted a 37-paged interim report to Yaradua. In it, the panel unearthed highly placed former Nigerian government official as they dramatis personae in the \$180 million bribery scandal.

The investigators traced the origin of the scandal to the foreign nationals through whom Halliburton paid the government officials and the companies used for the fund transfers. It noted in 1994, the NLNG board under the chairmanship Yusuf, opened bids for the award of contract for the project. A consortium of four

companies-technip of France , Snamprogetti, a subsidiary of ENT S.P.A. of Italy, Kellogg of the united states later known as KBR and Japan gasoline corporation, JGC registered as TSKJ, bid for the contract with BCSA. TSKJ was a subsidiary of Halliburton. It won the contract for \$1.8 billion in September 1994, to build trains 1 and 2. Its competitor's quotation was higher by about \$100 million. Thereafter, TSKJ bagged contract for the LNGs trains 1 to 6 at \$6 billion.

But events in France in 2003, threw spanners into Halliburton deal. In June of that year, investigators into slush funds managed by ELF, the French oil giant stumbled on the bribe for contract scandal in Nigeria. In the course of investigations, Georges Kramer, former director of technip, deposed that TSKJ bagged all the contracts after bribing key government officials and politicians. By October, he had told investigators that Jeffrey Tesler, a 60 year old British lawyer, facilitated the shady transaction between Halliburton and the Nigerian through tri-star investment limited, his company. Okiro's panel arrested Yusuf who accepted that he received the money but that it as a loan for his medical trip to

London in 1997 and 1998. He said he used the money to defray his medical bill but the panel noted that there was proof that the former police boss made efforts to repay the loan he claim to have taken from Tesler.

Also, the panel found out that Abdulkadir Abacha, younger brother to the late head of state, was paid \$6 million in three tranches of \$2 million by one Mark riser, an international aims merchant bank. He admitted that the funds could have been part of Abacha's loot which he had since reconciled with the federal government.

Immediately the contracts for train 1 and 2 of the NLGN were signed, Tesler wire \$63,000 into Swiss account for Etete. However the money was paid to Etete through Tri-star account in three different names. Dan Etete, Buzaki Etete and Omoni Amafeha. Etete however could not clear the air on his involvement in the scandal because he had been on the run and was jailed in absentia in France for fraudulent fund transfer.

When Abubakar succeeded Abacha in June 1998, the panel was told that Halliburton's agents met him in Abuja, on 28 February, 1999. They persuaded him to designate an ally through whom they will pay his own share of the loot. He was said to have picked Aliyu, a retired permanent secretary and his adviser on the transition programme. Tesler paid \$7.5million into his accounts of urban shelter and intercellular Nigeria plc, two companies owned by Aliyu.

During preliminary investigations Aliyu admitted that he attended meeting where the NLNG contract was discussed but he had had a close relationship with Tesler for more than 13 years. He admitted receiving \$7.5 million from him but that it as for business transaction. Aliyu claims that he sold one-third of intercellular share to Tri-Star owned by Tesler. He revealed that he paid for the share in two installments of \$2.2 million and \$3 million. Aliyu also claimed that he sold a landed property in Abuja, to Tesler for \$2.5 million. The foreigner was to develop the plot as an office complex. But the former permanent secretary could not convince the panel on the claim as the supposed office complex for which

Tasler paid in full was yet to be built many years after. Aliyu was not done yet. He introduced Mohammed Gidado Bakare, Chairman Sherwood petroleum limited, another beneficiary in the bribery scandal, to Tasler in March 1999. Barkare got \$7 million from Tesler. But he claims that it was a loan to help him exploit the OPL 256 oil bloc allocated to Share wood petroleum. From this sum, Bakare told the panel that he transferred \$4million to Aliyu's accounting Switzerland. Aliyu confirmed the transfer.

The panel found that Aliyu facilitated the award of the oil bloc to Sherwood because he had holdings in the company. When detectives shared Aliyu's home and office, they found a file containing details of the illicit transaction.

Enter Obasanjo in May 1999. The bribery agency persisted in their dirty deals. The Okiro panel found that Halliburton's agent met with Obasanjo and Gaius Obaseki then group managing director of NNPC in Abuja and a deal was struck. Adeyanju emerged as a receiving agent. Adeyanju admitted that he received \$5million from Tasler through Julius Berger, the German construction

company giants as fund from people's Democratic Party, PDP, 2003 presidential election campaign. He said that he handed over the money to Lawan Batagarawa, minister of state for defense and co-coordinator of the campaign. Julius Berger official confirmed receipt of the money from Tesler and that they handed it over to Obaseki who in turn gave it to Adeyanju. Batagarawa denied receiving the money. But the report of the panel indicated that money was converted to naira and allery delivered in bullion van to Adeyanju, Obasanjo's presidential aid. Although Obasanjo denied his involvement on BBC in March 2009, the panel's report dated May 25 2009, linked him to him to the scandal.

Former vice-president Atiku Abubakar also featured prominently in the mass. He reportedly got his share through Intel W.A, a company in which he is a major shareholder. The panel was told that Halliburton used Marubeni Corporation, a global trading company with headquarter in Japan, to pay \$50 million to lower and middle officials of the NLNG and NNPC. Marubeni, in turn, used Intel as conduit pipe to pay the slush funds.

Newswatch found out that several months after the five man panel concluded the Nigeria leg of its investigation and secured visas to travel abroad for the foreign leg of the investigation, officials of the ministry of foreign affairs scuttled the travel arrangements by ensuring that the briefs, questionnaires and information needed by the panel to do its work abroad, which were to be translated to Spanish, French, Latin and German, in accordance with procedure, were sat on for more than six months to the extent that the visas issued in October with a December 31, 2009 deadlines, for panel members to travel expired with the panel still in Nigeria .

When it became clear that the foreign affairs ministry was not forthcoming with the foreign with the transaction, the panel had to request withdrawal of the documents and employed private expert that eventually carried out the transaction but at that time the visas had expired. This sent a sad message of lack of seriousness to the foreign countries that the government of Nigeria's talked unearthing the truth about the Halliburton scam was mere political talk.

Worried by the turn of events, peter Esselte, president general of the Trade Union Congress of Nigeria. TUC enjoined the federal government to ensure that all those involved in the scandal were brought to justice. He urged government not to attention from the bribe scandal but rather pursue the case to a logical conclusion by ensuring that no one is above the laws of the land.

On March 20, Ogbonna Onovo former inspector-general of police, wrote the last progress report on the scandal. It was addressed to the NSA. But curiously, he singled out Aliyu, Bakare, Adeyanju, Obaseki, Etete, Intels, Abdulkadir Abacha, Yusuf, Nassir Ado Bayero, Malik, Shinkafi, Unuigbe and Isocratic as beneficiaries of the loot. He carefully left out all the big men.

He said the next course of action was for the panel to travel to key European countries to conclude investigations and submitted the final report. He appealed to the NSA to prevail on the ministry of justice and foreign affairs to conclude arrangements with the European countries such as Portugal, United Kingdom, France and Switzerland to ensure early department of the panelists.

Yinka Odumakin, spokesman for the Afenifere Renewal Group (ARG), said the arraignment was a travesty of justice and that government was not serious about the anti-corruption struggle as evidenced in the haphazard manner of the arraignment whereby the accused persons could not be produced in court for two days. "The issue is not about the small fry but about hitting into line all for 2011," he said.

Again the international bourgeoisies and the national bourgeoisies (through corruption practice) in perpetuating this underdevelopment, for instance;

When Gary Foxcroft and Sam Itauma produced the documentary entitled: saving Africans witch children aired on the British broadcasting corporation. BBC and channel 4 of the United Kingdom three years ago, the whole world was outraged.

The outrage was as a result of the cruelty meted on children who were accused of being witches. As a result many individual, corporate bodies, nation and government took decisive actions to curb the trend and doled out money to Foxcroft and Itauma organization to assist the kids. But unknown to many donors, Fox

croft and Itauma where scammers who were abusing the opportunities and goodwill provided by the documentary to line their pockets. sally the duo have turned the misfortune of the children into a fortune making business ,amassing wealth from unsuspecting donors under the guise of helping the child witches 'child witches' none of the kids have sufficiently benefited from then funds as they are being kept in a very particular condition .so far they have collected over 10million pounds (2.6billion) documentary available to news watch shows that between November 2008 exactly after two days after the documentary was first aired in London and April 2009 .fox croft and his accomplice had collected 25,638british pounds or 68.2 million from donations made online through his website WWW. Justgiving.com stepping stone Nigeria on behalf of the stepping stone Nigeria, SSN, and his nongovernmental organization ,NGO, supposedly for the upkeep of children in Akwa ibom state .records also shows that the amount realized within 6month after the discovery was shown in UK was above their project target of 20,000 pounds or ~~15~~5.08 million.

By September 2009, foxcroft's stepping stone Nigeria whose UK headquarters is at 24 St Leonard's house, Leonard's gate. Gate Lancaster, had raked in 1.5 million equivalent to 381 million in donation for the purpose of financing the kids in Ituama's child rehabilitations network ,CRAR centre in eket

When foxcroft appeared on channel 4 on November 16 2009 he claimed that the total amount he had received as at then was 200,000 pounds out of which he remained 72,000 pounds CRARN for the upkeep of the children, but there was no record to show that. But news watch learnt that Itauma was not even aware of the 20,000 pounds. Akwa ibom state government donated to stepping stone in 2006 during the administration of the former governor victor Attah and Foxcroft claimed to have used in building a hostel and accommodation for the kids in the CRARN centre, again without the knowledge of Itauma, fox craft took two staff from CRARN to establish a parallel organization like CRARN which he called stepping stone Nigeria child empowerment foundation .SSNCEF. With the help of Leo Igwe, executive director of the Nigerian humanist movement and secretary of

the atheist in Nigeria he has able to gather some indigent children which he quartered and abandoned qua river hotel and the Ekets sport stadium. Unlike the children of CRARN centre; the children at qua river hotel which stepping stone claimed to have being taken care of were in very pitiable condition before government came to their rescue. the cold between Foxcroft and Itauma which is said to revolve around accountability of funds was exposed at February 18,2011,when the Briton terminated his partnership with the CRARN .he claimed that he took the decision himself because of their unwillingness to uphold internationally held standard in child protection accountability and transparency. Foxcroft decision did not go down well with Itauma and his reaction exposed the fact that fox croft activities were not in tandem with their agreement.

According to Itauma, their agreement stipulated that each party should give a three months notice before pulling out of a partnership. But Foxcroft breached that agreement. Itauma also disclosed that fox croft had stop assisting the centre long before his decision to severe ties with him

Perhaps worried that his scam has been exposed, Foxcroft recently placed a paid advertorial in a national daily in Nigeria to counter the allegation of fraud leveled against him by Akwa Ibom government.

In that advertorial signed by Felicitas Holman, chair of trustees, Stepping Stones, which was published in August 6 2011 edition of the Nation, Foxcroft admitted that his organization received a total of 1.338 million pounds or 334.5 million in the past three years (2009-2011) and claimed to have spent 1.057 million pounds translating to more than 300 million on projects to improve the lives of Nigerian children. He stated that the remaining funds are kept in their charity bank account for continued support of their partner in Nigeria.

Ongoing it also said its model school had been funding 121 scholarship places at the school for indigent students; that it sunk two boreholes at its neighbour model school: 40 children since 2010; that it has trained a total of 1,145 teachers from government school to fast track literacy method known as Jolly Phonics and

equally used the funds to provide 40000 workbook free for its pupils and handbook to 1,145 teachers in participating schools.

The bogus claimed by stepping stones has further helped to strengthen the fact available that fox croft is a fraudster news watch investigation have revealed that all what stepping stone Nigerian , claimed to have done with the money he collected was false.

For instance, SSN said it realized a total of 1.338 million pounds or 334.5 million out of which it claimed to have spent 1.057 million pounds or #264.25 million for projects and overheads, but news watch gathered that between 2008 and 2011, SSN had realized more than three million pounds and to date, the amount it remitted to CRARN is not up to 60000 pounds.

He claims that 50 percent of the pupils attending the school are provided with scholarship which also takes care of books and uniform, of the pupils on scholarship, he said that 25 percent of them are orphans .but news watch

investigation have proved otherwise .the school is just like a normal private school without any scholarship scheme in place for orphan.

The act prohibits child labour which it includes hawking, using a child to beg for alms, domestic labour and child trafficking. It also prescribes an imprisonment term of 10 to 15 years for anyone accusing a child of witchcraft.

The judicial panel instituted by Akpabio on November 22, 2010 to investigate the extent of child witchcraft and related child abuse was another positive measure aimed at checking child abuse in the state. The panel was setup to investigate the fraudulent activities of fox craft and itauma who are currently on the wanted list by the government. One of the recommendations of the panel was that the state government should curb the activities of the NGOs like stepping stones Nigeria and child rehabilitation network. The panel also recommended that effort should be made to recover all the money collected by Fox croft and Itauma on behalf of the children at Itauma home and other such child center. It was on the strength of

the panel's recommendation that the CRARN CENTRE was sealed off and the children evacuated to government rehabilitation home in Uyo.

But how did Foxcroft and Itauma meet to plot the scam? Investigation revealed that Foxcroft came to Nigeria in 2003, to research on oil industry in Mobil Producing Nigeria, Eket, as part of the thesis for his Master's degree programmed under the University of Uyo and University of Lancaster student linkage programmed. While in Eket, he lodged at Royalty Hotel along Eket Oron Road and was later evicted from the hotel when he could no longer pay the bill. It was during his sojourn in Eket that he met Itauma who intimated him on the plight of the children. Not long after their meeting, they came up with the idea to do a documentary on the plight of the children. In their thinking, and rightly so, doing a documentary would not only project the good works of Itauma which was hitherto unknown to many outside Eket local government area of Akwa Ibom state and environs, it would bring in financial support from Nigeria and the international community.

So, Foxcroft had to go back to the UK to facilitate the production of the documentary. As at that time, he had no money to even reconfirm his flight ticket back to the UK. Newswatch gathered that it was Itauma and his group that provided the money for his ticket. While in Britain, he developed the concept but lacked financial backing to carry on. So, he sold the documentary idea to Red Label films owned by the trio of Mag Garvans, Tracy McVeigh and Hoost Van Der Valk. Garvans then co-opted Marvin Tracey of the London Guardian of the UK and Sophia Okonedo, a Jewish born Nigerian journalist and mobilized them for the Akwa Ibom documentary.

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Chapter four Strategies for Curbing Corruptions and Underdevelopment

4.1 The policy of indigenization and nationalization

One of the fundamental ways that the underdeveloped countries try to introduce a new international economic order is to endeavor to get the indigenes of those countries to determine their own economic fortune, by using equity ownership as a stepping stone into the board room where policies and programmes are discussed and determined, and into management where they are implemented. The method they adopt is indigenization or nationalization. Various countries in Africa such as Nigeria, Zaire, Ghana, Kenya, Mauritania, Sierra Leone, Senegal, Togo, Zambia, Tanzania, Uganda, Ethiopia, Somalia, Congo, Benin, Mali, Malagasy, and guinea have either indigenized or nationalized. Because of our familiarity with Nigeria, we use this as our case study.

Indigenization: the case of Nigeria

In Africa, however, this has had complete dominance. This situation resulted from the fact that Africa was forced into the international economic system at a

time when it was ready. In the course of this master-slave relationship, the possibility for her generating locally owned enterprises was very slim, in fact, nonexistent since the colonial policy was to stifle any domestic economic initiative that stood in the way of the metropoloes. In the early part of the twentieth century large foreign trading companies spread their tentacles all over the continent to buy raw materials and to sell consumer goods. Subsequently these trading companies and the European settlers (in the case of East Africa) established small manufacturing plants to process domestic products and make simple articles.

These companies have not come to Africa because they love Africans or have any genuine interests in developing Africa. In fact, they have a keen interest in Africa's underdevelopment. They are here because Africa countries offer them excellent investment terms, which include cheap labor and agreement to allow them to export profits.

Foreign domination of African economies, as already discussed, has contributed in no small measure to underdevelopment and growth development. Nationalization refers to the taking over of foreign-owned companies by a

government. Indigenization on the other hand refers to a situation in which a government restricts participation in particular industries to indigenes of the country thus forcing alien business owners to sell them. Africanisation, on the other hand, involves replacing non African employees by Africans.

The path out of underdevelopment which began about four centuries ago has been long and arduous and to many African countries, indigenization seems to be the way out. Rood has argued that African countries have resorted to indigenization or nationalization because of their lack of respect for international law. As far as international law is concerned, the U.S is the greatest outlaw, an international bandit. She pays lip service to international law and creates a monster, the CIA, and licenses it to move about like a rogue elephant committing all sorts of crimes against people whose only crime is refusal to be opposed to the U.S by adopting policies that are opposed to the business and political interests of the U.S.

Nationalization and indigenization far from being the result of lack of respect for the sanctity of law, have resulted from the genuine belief of the

exploited peoples of suited from the genuine belief of the exploited peoples of the third world that the way out of their present underdevelopment consists of their exerting a significant control in their economic lives. The Decree categorized certain selected areas of the economy into Schedule 1 while others were labeled Schedule II. Those in Schedule I were to be taken over by Nigerians from April 1, 1974, while for Schedule II enterprises, it was mandatory to have, by the effective date of the Decree, a paid up capital of over ₦400,000 or an annual turn-over of 1 million with 40% equity participation by Nigerian citizens or associates.

Schedule I was designed to give protection to existing indigenous businesses in areas where there had been intensive local investment and to also offer them additional opportunities in areas which were up till then dominated by foreigners. Such areas included advertising agencies and public relations business, blending and blotting of alcoholic drinks, blocks, bricks and ordinary tiles manufacture for building and construction works, bread and cake making, candle manufacture, casinos and gaming centers, cinemas and other places of entertainment, hairdressing, manufacture of jewellery and related articles, newspaper publishing

and printing, municipal bus services, taxis, radio and television broadcasting, rice milling, singlet manufacture, and tyre retreading.

Schedule II was designed to enable Nigerians to acquire equity participation in service industries and commercial companies and industrial ventures such as beer brewing, boat building, bicycle and motor cycles type manufacture, bottling soft drinks, coastal and inland waterways shipping, construction industries, cosmetic and perfumery manufacture, departmental stores and supermarkets, estate agency, furniture making, manufacture of bicycles, manufacture of cement, manufacture of matches, manufacture of metal containers, paper conversion industries, poultry farming, printing of books, shipping, travel agencies, wholesale distribution. All these constituted what is known as indigenization Phase I.

The “policy of indigenization” as stated by Dr. Adebayo Adeji; former Federal Commissioner for Economic Development and Reconstruction, “would optimize interests of foreign investors as well as those of the government and people of Nigeria...our policy of indigenization simply means local participation through negotiation and the payment of equitable prices for the equity shares of

those foreign businesses covered by that policy”. Foreign investors were given a three year period during which they were given orderly transfer of their business to Nigerians willing and able to buy them. And to ensure equity in such transactions the FMG set up a national enterprise promotion board as an overseer. The FMG foresaw two problems: (1) money to buy over alien business and (2) lack of managerial skill and know how among the Nigerian businessmen. One of the solutions was establishing the Nigerian Enterprises Promotion Board and the Council for Management Education and Training. This Board has launched a country wide scheme of management training for local businessmen. The government established a liberal lending program to help domestic businessmen. It also established the small scale credit scheme (SCCCS) to give loans to small scale industrialists in order to set up viable manufacturing, processing or service industries in the scale sector. It also established Industrial Development Centre (IDCs) to provide free consultative and extension services as well as managerial and skill training for staff of small scale enterprises.

General Obasanjo then claimed that significant progress had been made in transferring equity ownership to Nigerians under phases I and II of the indigenization programme. Since 1972, the head of state claimed, about 500 million shares, valued at ₦472 million, had been transferred to Nigerians from foreign shareholders. He further stated that some 1,858 companies had been affected and that their operations cover the entire range of economic activities.

Furthermore, the head of state did not see the indigenization programme just as a means of transferring shares and earning of dividends. The basis for indigenization was political. It aimed at “getting Nigerians themselves to determine their own economic fortune by using equity ownership as the springboard into the board room where policies and programmes are discussed and determined, and into management where they are implemented.” There have been instances in which the government threatened to take drastic action against certain foreign enterprises which did not comply with the Degree but within a few days Nigerians emerged with millions of naira to buy up the company and then retained all the expatriates as their employees. There also have been instances in which the

government wanted to sell shares to private citizens in order to embark on a new industry. Quite often Nigerians have emerged with fantastic sums of money. There was a particular instance in which a state government wanted to build a certain industry and it encouraged citizens to buy shares. Suddenly a person who had never been heard of in the world of finance as a heavy weight came up with ₦1.4 million to buy 30% of the shares. All that he said was that he had worked abroad for a foreign company and accumulated that much money and that the government of that country had been so magnanimous as to allow him to transfer the money to Nigeria.

Finally it has not been possible to document that Nigerians are being used as fronts because the government is very cautious in the matter of knowing fully well that these foreign concerns can always invest their money in some other countries where they will not worry about indigenization.

4.2 Establishment of Anticorruption Agencies

From the strategies adopted by successive administrations in fighting corruption, several institutions were established and charged with the responsibility of fighting corruption. The surviving institutions include the police, the code of conduct bureau, the independent corrupt practices commission, the economic and financial crimes commission, the judiciary, the office of the attorneys general of states.

The Nigeria police: the police act empowers the Nigeria police to investigate the commission of all crimes in the statute book [corruption inclusive]. Recently, the Supreme Court affirmed the prosecutorial powers of the police at superior court of records. The consequences of this are that the police are lawfully authorized to arrest, investigate and prosecute anybody on charges of corruption.

The code of conduct bureau tribunal: the code of conduct is another anti-corruption agency. It derives its powers from the constitution. The enabling provisions are contained in the 5th schedule to the 1999 constitution of the

federal republic of Nigeria CFRN. The code of conduct is circumscribed under sections 1-4 of part 1 of the 5th schedule to the 1999 constitution, while sections 15-18 of part 1 of the same schedule provides for the establishment of the code of conduct tribunals and its powers by virtue of section 12, part 1 of the said schedule-Any allegation that a public officer has committed a breach of or has not complied with the provisions of this code shall be made to the code of conduct bureau. In practice, the bureau then transmits such allegation or position to the conduct of conduct tribunals for trials or prosecutions. Section 18, part 1 of the fifth schedule provided that Where the code of conduct tribunal finds a public officer guilty of contravention of any of the provision of this code, it shall impose upon that officer any of the punishment specified under sub –paragraph [2] of this paragraph and such other punishment as may be prescribed by the national assembly.

The punishment prescribed under sub-paragraph [2]include taxation of seat, disqualifications from holding public office for a period of 10 years and seizure of

property acquired by way of abuse of public office or corruption. In view of the above, it is crystal clear that the code of conduct tribunals too has the power to prosecute public officers on charges of corruption.

Curiously, sub-paragraph [3] of section 18 of the said schedule provides that the sanctions mentioned above shall be without prejudice to the penalties that may be imposed by any law where the law of conduct is also a criminal offense. Similarly, sub-paragraph [6] of section 18 of the said schedule also provides that.

Nothing in this paragraph shall prejudice the prosecution of a public officer punished under this paragraph or preclude such officers from being prosecuted or punished for an offense from being prosecuted or punished for an offense in a court of law.

The combined effect of these provisions is that, the police, attorney general of the federation or state customs, EFCC and ICPC could prosecute a public officer in respect of conduct for which he may have been sanctioned by the code of

conduct tribunal. This is a stark contradiction to the provision of section 36[9] of the same CFRN which says:

No person who shows that he has been tried by any court of competent jurisdiction or tribunal for a criminal offense and either convicted or acquitted shall again be tried for that offense or for a criminal offense having the same ingredient as that offense save upon the order of a superior court.

These inherent contradictions must be reviewed.

C. The law court: Section 6 of the CFRN confers judicial powers on various courts established and enumerated under subsection [5] of the said section. Subsection [6][1] extended the judicial powers of the court to-

All matters between persons or between government or authority and to any person in Nigeria, and to all actions and proceedings relating thereto, for the determination of a question as to the civil rights and obligations of that person.

In addition, section [36][5] of the CFRN provides that-

Every person who is charged with a criminal offense shall be presumed to be innocent until he is proved guilty.

The combined effect of these provisions is that the appropriate courts have the power to try persons of allegation or charges of corruption and until such is done, no person should be made to suffer any detriment in respect of such allegation.

This is a sharp contradiction from the role played by EFCC in the past, especially at the heels of the last April 2007 election where some persons were recommended by the body for disqualification on the basis of EFCC "indictment" .

D. The independent corrupt practices commission [ICPC]: this commission was established by the independent corrupt practices and other related offences act 2000. section 6 of the act confer on it the general duties of receiving, investigation and prosecuting persons who violates its provisions. The act is however nor without some contradictory provision. Section 26[2] of the act provides that --

Prosecution for an offense under this act shall be initiated by the attorney general of the federation, or any person or authority to whom he shall delegate his

authority in any superior court of records so designed by the chief judge of the state or the chief judge of the FCT Abuja under section 61[3] of this act. Every prosecution for an offense under this act or any other law prohibiting bribery, corruption, fraud or any other related offense shall be deemed to be initiated by then Attorney General.

This implies that any prosecution arising from the investigation of a person for corruption must be initiated by the attorney general or any of his delegates if the ICPC must initiate such prosecution must be with the express consent of the attorney general. Another area of overlap is inherent in section 69 of the act which provides that Nothing contained under this act shall derogate from the power of a police officer to investigate any offense under this act or to prosecute any person in respect of any such office provides that the police shall bring to the attention of the commission of every case of bribery, corruption or fraud being investigated or prosecuted by them after coming into force of this act.

This section confirms the investigative and prosecutorial powers of the police save that they must bring such cases to the notice of the ICPC.

E. The economic and financial crimes commission [EFCC]:The EFCC was established by the EFCC establishment act 2002 and amended in 2004 .its functions are circumscribe under part II of the Act, while section 19 of the Act confer on the federal high court, states high court and the high court of FCT charged for any offense under the Act, section 43 confers on the Attorney General of the federation power to make rules and regulation with respect to the exercise any of the duties, functions or powers of the commission under the Act .section 13 [2]of the Act however ,empowers the legal and prosecution unit created under section 12[1][b] to prosecute offenders under the EFCC Act. a careful study of the act reveals that the commission is empowered to investigate ,prevent, and detect ,arrest and prosecute persons alleged to have indulged in corrupt practices and most importantly coordinates the activities of other agencies charged with the responsibility of fighting corruption and economic

crime. While this papers argues that coordination is the best strategy for overcoming the obvious bottlenecks and conflict inherent in the multiple anti graft agencies, it is intriguing to note that the EFCC act has conferred the responsibility of coordination on the commission created under it. this situation surely creates a constitutional conflict since it is argued that the AGF rather than the EFCC has the constitutional right of co-ordination all prosecution consequently unlike the ICPC Act, ,the EFCC Act does not concede to the AGF the power to prosecute or grant consent to prosecute offenders under the Act. it has also not left anybody in doubt about its drivers role in coordinating the fight against corruption. This evident in the following provisions:

Section 6 [c] provides for-----the coordination and enforcement of all economic function conferred on any other person or authority.

[m] Taking charge of, supervising, controlling, and coordinating all the responsibility function and activities relating to the current investigation and

prosecution of all offenses connected with or relating to economics and financial crimes.

[n] The coordination of all existing, economic and financial crimes investigation units in Nigeria.

Section 7 [2] provides that in addition to the power conferred on the commission by this act, the commission shall be coordinating agency for the enforcement of the provision of =====

A. the money laundering Act, the failed banks Act, the advance fee fraud and other related offences act 1995 e.t.c by virtue of the definition by "economic and financial crimes" under section 46 of the fact, corruption is evidently subsumed in it. Accordingly, these activities.

f.] The attorney general of the federation [A G F]: sections 174 of the CFRN 1999 empower the attorney general of the federation to [a.] Institute and undertake criminal proceedings against any person before any court of law in Nigeria in any respect of any offense created by or under any Act of the national assembly;

b.] To take over and continue any such criminal proceedings that may have been instituted by any other authority or person; and

c.] To discontinue at any stage before judgment is delivered any such criminal proceedings instituted or undertaken by him or by any other authority or person

.in view of the supremacy of the constitution over any written law, the attorney general has the exclusive right to initiate, continue or discontinue any criminal proceedings. Any exercise of this constitutional power in respect of proceeding initiated by the EFCC may create public outcry, yet that will be valid and constitutional. The public outcry against the request of the AGF was simply a demonstration of the loss of public confidence in the ability of that office to honestly prosecute corruption related cases.

4.3. Policy of Deregulation

The deregulation policy came as a result of the inefficiency of the public sector to provide the services to which they were created. Since the inception of the administration Olusegun Obasanjo in 1999, deregulation among other policies is

targeted towards liberalizing some sectors in economy such as oil sector and privatization the non-oil sector.

Deregulation in the downstream sub-sector of the oil sector began as a result of the incessant crises in the oil sector which manifest in shortages of petroleum products. It was deregulated to remove the Nigerian National Petroleum Corporation (NNPC) monopoly in sector and for actors to come into play that giving other private individuals and foreign investors to compete, to ensure that petroleum products are consistently made available to the consumers in uninterrupted manner and at affordable prices.

All these reasons given above are government's aim of the deregulation of oil sector. It has social impact on the people at large and also the country. So the social impact of deregulation could be positive or negative on the people.

For clarity, the positive impact deregulation has on the people is that, it leads to creation of more employment opportunities. Due to the fact that the door is open for both domestic and foreign investor to come in and invest, that the same is

also open for employment generation because more people will be employed for these investors need more hands in other to generate revenues.

It improves the wage level and working conditions of workers or employees. Private is profit oriented in nature when revenue are generated through the efforts of the workers, their wage level and working condition will likely change because they work round the clock for efficiency in production.

It provides better services as result of competition. Where there is competition, it create room for workers effectiveness and efficiency because good product sells itself and everybody works hard to meet the standard

Deregulation leads to expansion in the privatized sectors. When these sectors are privatized, it gives room for expansion of more industries with new technologies hereby leading to job creation.

On the negative part of deregulation, it brings unemployment increase. When public sector workers are retrenched due to fact that private individuals are in charges, these causes in the countries because those who are working are now

doing nothing. These also leads to other social vices like Armed Robbery, Advanced Free fraud also known as 419, Prostitution e.t.c, because these set of people are idle as an adage says that “an idle mind is a devils workshop”. There go with all these vices to eke out living and also look after their families who depend on them for livelihood.

There is also concentration on productive, lucrative, profit making activities to the detriment of the basic social services. Private sector is profit maximization when all what the individuals and foreign investors and know it profit, they go extra miles in achieving their aim abandoning the social services, like Roads, Portable water, Health-care services, Electricity supply etc. that are most needed by the people.

It cause poverty in the country because when there is increase in the pump price of petroleum, the labour union or organized labour instigate strike or stoppage of work for days or weeks depending on when the negotiation lasted.

While this is going, the works are forced to stay at home and when critically view could translate to huge human and material loss to nation.

The issue of transportation is affected here, both land and air. The high price of fuel causes transport workers and owners to increase their fares thereby making passengers to pay much on trips that suppose not cause them much. A trip that would cause one ~~₦20~~ before deregulation now cost ~~₦50~~. The air is not left out, before now, a trip from Lagos to Abuja cost between ~~₦8,000-₦9,000~~, now cause between ~~₦12,000- ₦15,000~~ making people to go by road instead of air.

Incessant scarcity of oil product caused by deregulation has made thousands of Nigerians to go into hoarding of fuel which has caused more harm than good, that is to say that thousands of people have died because fuel/kerosene explosion and selling of black market exorbitant rates. Some go to the length of breaking oil pipe-line causing environmental pollution and dealt all in the name making money to keep and soul together

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Chapter Five: Summary, Conclusion and Recommendations

5.1. Summary

Corruption is the most threatening problem that can postpone indefinitely the attainment of development in Nigeria. It has eaten deep into this core of the Nigeria state and has regrettably become a tragic, but regular part of the national sensibility and consciousness.

This has been largely as a result of most individuals placing their personal interest first before the national interest and negative values and enthusiasm which wealth and power attracts among the Nigeria people especially the elites.

Hence, the eradication of corruption demands a very radical and decisive step and generally, it has to be re-oriented because of this legacy of corruption is handed over to the next generation of Nigeria then the future is absolutely bleak and the nation's existence as a co-operative entity is moribund.

The work recommends among other things: reformation of our valuing system; socially transformation; leadership training for proper orientation of the ruling

class; free and compulsory education for improvement of awareness and enlighten for political development in a manner that will address the problem of corruption.

5.2. Conclusion

On the bases of the findings of this study, the researcher is then, concluding that this by drawing attention to the grievous harm that corruption has done to Nigeria and indeed, Africa. Over the year, corruption is responsible for perpetual collapse of infrastructures and institutions, it is the cause the endemic poverty in Nigeria and Africa, it is behind the underdevelopment and cyclical failure of democracy to take root in Nigeria. Corruption is worst than terrorism. It is high time we refocus and issue of corruption the attention they rightly deserve.

In conclusion, it could be observed that the several policies made by the government to curb corruption in Nigeria society has not been effective. This is because those who are empowered to implement these policies see it as an opportunity to make wealth. Projects like the universal basic education (UBE),

Poverty alleviation programs, were implemented, executed and immensely exploited by these individuals.

More so, the issue of underdevelopment, according to Rodney(1972) is as result from an equal interaction between two societies. The more these unequal relationships last, the more the backwardness of the less privileged ones. Therefore, European activities undermined the development of Africa both mental and physically through the imposition of western culture. Because of Fanon (1961), Advice the underdeveloped countries not to imitate the European ways of life and not to expect anything from them but to try and fashion out new life for the entire people of the underdeveloped society and recommended socialism, if possible by violence because in his exact words: Every generation must out of relative obscurity discover its mission, fulfill it or betray it.

Making corruption and underdevelopment history is the surest way of making all the problems of Nigeria a history.

5.3 Recommendation

Corruption is one the dare devils that stares humanity in the face. It is also a global problem with certain destructive tendencies in third world countries like Nigeria.

Therefore, the following recommendations will help to eradicate corruption in our nation.

1. To curb corruption in Nigeria, the government should provide independent judiciary which will be responsible for penalizing the offenders. Even those who thought themselves “Above the law” having realized that they will be penalized by the system, they will not misbehave.
2. The mass media should not left out of the campaign. Ordinarily, the mass media are regarded as the watchdog of the government. The co-operation of the journalist, the press, radio and television operators, should be enlisted and particular roles be design foe them especially in propagating the content of the law and the ideas of the campaign

3. The political zeal to fight corruption has to be practically demonstrated beyond mere lip service. First, political leaders have to make themselves models of transparency, honest and accountability in government. It is when political elites screw political corruption that they can have the audacity to check bureaucratic (public service), as the two go to hand. The second leg is the genuine determination to implement the provision of the law.

4. Sycophants and praise singers in the Nigeria should be made to face the anti-corruption laws.

5. All allegations of corruption practices of the past should be duly investigated and affected public officers must be made to face the warrant of the law, else the average Nigerian will just think the ongoing crusade against corruption is a continuation of the rhetoric and sloganeering of the past.

6. In Nigeria, we rarely follow scandals to the end. People that perpetuate corruption always go free due to their position in the sorely as we witnessed in

cases involving key officials of the national assembly. Appropriate punitive measures should be meted to corrupt officials.

7. The system that allows money to be siphoned out of the country at will, and for withdrawals to be made from the nations external reserves at caprices of an individual should be properly looked into in order to prevent further occurrence of such ills.

8. Religious leaders should Endeavour to lead exemplary life and speak out the truth at all time without fear or favour.

However, the researcher believes that the above recommendations if followed, will eradicate hydra-headed corruption monster in Nigeria.

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