Review

CORRUPTION IN DEVELOPING COUNTRIES: IMPLICATIONS ON SUSTAINABLE DEVELOPMENT IN NIGERIA

Ahmad Salisu Abdullahi, Ibrahim Idris, Zaitun Sunusi Bakabe and Jamilu Ibrahim Mukhtar

The objective of this article is to investigate the implications of corruption on sustainable development in developing countries, Nigeria as a reference State. The study adopted desk/literature review, using secondary data. Two theories have been adopted: functionalist approach and dysfunctionality of state theory. The proponents of the functionalist approach are modernisation scholars who made attempt, not to justify corruption, but to prove that corruption facilitates economic growth in some developing countries. In contrast, the dysfunctionality of state theory posits that subversive appropriation of the bureaucracy by ethnic and tribal networks in the developing countries stemmed from colonial experience. The finding of the study indicates that corruption and (sustainable) development are complex terms, but corruption is inimical to sustainable development, because the latter denotes multifaceted progress in many aspects of human societies over time, while the former involves a variety of deleterious effects on all aspects of human lives. The article concludes that the journey to sustainable development is difficult if corruption is regarded as a norm in developing countries. To overcome the menace of corruption, the article recommends the need for code of conduct, preventive measures, formalised policies and procedures, conducting awareness training, etc.

Keywords: Corruption in Nigeria, Implications of Corruption, Sustainable development.

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INTRODUCTION

Corruption as a subject of study and/or a topic of research interest has a long tradition within the wing of social science. Historically, Friedrich (2002) and Muno (2013) have both traced the origin of study on corruption to the ancient Greece, as evident in the works of Plato and Aristotle. In the contemporary world, corruption is still regarded as a social problem that cuts across both developed and developing countries. There are many studies that examined the extent, causes and implications of corruption in developed countries of Europe (Nelken, 2003; Jiménez & Cainzos, 2003; Andvig, 2014) and North America (Williams, 2003; Muno, 2013). The same with the developing countries (Mukhtar, 2015; Mukhtar & Dangiwa, 2017; Mukhtar, Dangiwa & Haruna, 2017). Thus, Loughman, Sibery, Ernst & Young (2012: 1) contend that:

From developing countries in Africa, Latin America, and Asia to the United States, Western Europe, and the United Kingdom, bribery and corruption continues to create an uneven playing field in international trade, commerce, and the process of government. Problems range from the small payment demanded by a customs official to inappropriately process an import package, to multimillion-dollar payments to secure a large government contract. These are just two examples of the myriad of scenarios that businesses face in the international market place.

It is however agreed that corruption is more prevalent in the developing countries (Elliott, 1997; Anders & Nuijiten, 2007; Mukhtar, Dangiwa & Haruna, 2017). In developing countries of Africa like Nigeria, corrupt practice among public office holders, companies and small business people is an old social vice, taking place the first half of the 20th century (Smith, 2007). Multiple factors account for the prevalence of corruption in the developing world. As observed by Loughman et al. (2012:1) some refrains are the reasons given to make corrupt payments, such as “A part of the culture.” “The cost of doing business.” “Our competitors are doing it.” “Not a big deal.”

Literature have indicated that corruption poses a serious challenge to sustainable development of the poor countries. The central themes in sustainable development are improved and sustained human wellbeing, social justice, sustainable economic growth, critical limits and improved environmental quality, for which a long term time horizon are laid out (Parrish, 2008). But with widespread corrupt practices, achieving justice, political stability and economic growth is very difficult. Corruption affects “weak” states of Africa, Asia, Latin America, and Eastern Europe because their democratic structures are rudimentary. This follows the notion that corruption is one of the major causes of poverty and underdevelopment (Anders & Nuijiten, 2007). Corruption breeds great economic losses for the developing world as it makes business contracts insecure, thereby leading to uncertainty and lack of trust among the citizenry, as well as unnecessary delays in the discharge of bureaucratic duties (Anders & Nuijiten, 2007). In countries like India and Indonesia, environmental degradations are perpetrated by public officials and private companies through corruption. For example, officials in Indonesia are reported to embezzle forest management funds (Human Rights Watch, 2009).

It is therefore necessary for constructive measures to be developed to specifically combat corruption and its attendant consequences on consequences in the developing nations. Loughtman et al. (2012) observed that responses to corruption have not begun until in recent years and the development has attracted global changes. One would hardly identify a country that has not banned corruption within its own borders. Even the most remote, undeveloped, totalitarian regimes have enacted laws against bribery, they albeit selectively enforce these rules (Loughman et al. 2012). Consequently, corruption persists despite the efforts made by such organisations as United Nations Office on Drug and Crimes (UNODC), Organisation of Economic Co-operation and Development (OECD), Transparency International, and some states’ agencies, like Economic and Financial Crime Commission (EFCC), Independent Corrupt Practices and other related Crimes (ICPC), and Code of Conduct Bureaus (CCB) in Nigeria. This implies that achieving sustainable development will become a mirage in many developing countries, if corruption is allowed to flourish.

In view of this background, the Article is designed to investigate the implications of corruption on sustainable development in developing countries, Nigeria as a reference State. The Article is divided into seven sections, with this introductory section being the first. The second section conceptualises the key terms (corruption and sustainable development); section three provides a theoretical underpinning for corruption and its impact on sustainable development; section four discusses the implication of corruption on sustainable development; section five provides some policy implications and recommendations; and section six concludes the article.

CONCEPTUAL CLARIFICATIONS

Corruption: Corruption is defined and perceived across a spectrum of socially unacceptable, morally disapproved transactions and illegal payments such as bribes, embezzlement, and money laundering among others. Broadly, corruption is either conceived as a violation of moral or legal instructions. To define corruption primarily in moral rather than legal terms has a long tradition, but today's legal prohibitions of bribery,
theft, embezzlement, and the misuse of public property for private gains constitute the secular avatars of ethical principles once formulated by moral philosophers and theologians (Anders & Niujten, 2007).

“Since corruption is illegal, capturing the amount of corruption is not possible, by analysing the amounts of corruption payments that have proven to be so in court” (Price Waterhouse Cooper, 2016: 7). Yet, this is too narrow to depict corruption in the Nigerian context. Given that Nigerians see corruption as an act that can take place not only in public offices but also in a wide range of commercial exchanges and interpersonal relations, tying to define corruption as a strictly public officials’ affair or something occurring in the context of state administration is overly limiting (Smith, 2007). On this note, it could be said that there is more to corruption than the mere transgression of rules governing the conduct of public officials because the word may also refer to “the individual feeling of moral depravity and perversion or to the moral decay of whole societies” (Anders & Niujten, 2007: 1).

Consequently, this article defines corruption as “a legally and morally unacceptable act involving self-serving individual(s) or group(s), who either usurp or siphon the public treasury because their influence or mutually motivate themselves with exchange of favour between as agents of public or private organisations”. This working definition attempted to take into cognisance the legal and moral dimensions of corruption, some forms of corruptions are exclusively legal violations, others are typically moral violations; and there are those that combine the two.

**Sustainable Development:** The concept of sustainable development is contentious because its meaning is complex as it covers wide variety of ideas—from social, political, environmental to economic. That is why sustainable development has been defined in many ways. However, the most frequently used definition is from *Our Common Future*, also known as the Brundtland Report. Brundtland Report defined sustainable development as development that meets the needs of the present without compromising the ability of future generations to meet their own needs (International Institute for Sustainable Development, 2015). As captured by Ibrahim (2017: 175), sustainable development is a paradigm “shift from concern over immediate progress for the benefit of present generation to a more encompassing and everlasting social, educational, economic, political, and environmental transformation for the benefit of future generation”.

In other words, it is outstretching focusing on wellbeing of the present generation to combine emphasis on both the wellbeing of the present and future generations by maintaining a balanced ecosystem, social justice and optimum economic growth. This is because, to achieve meaningful development, there should be effort at modifying the biosphere and applies human, financial, living and non-living resources so as to satisfy human needs and improve quality of human life (Parrish, 2010). For development to be sustainable it must take account of social and ecological factors, as well as economic ones; of the living and non-living resource base (Parrish, 2008).

As pointed out by Barlund (2005), sustainable development entails two key concepts: 1) the concept of needs; that is the essential needs of the world’s poor, to which overriding priority should be given; and 2) the idea of limitations imposed by the state of technology and social organisation on the environment’s ability to meet present and future needs. The concept supports strong economic and social development, in particular for people with a low standard of living. At the same time, it underlines the importance of protecting the natural resource base and the environment. Economic and social well-being cannot be improved with social issues that destroy the environment. Corruption is one of them. Also, intergenerational solidarity is crucial given that all developments have to take into account its impact on the opportunities for future generations, which can also be destroyed by the present generation if it has corrupt tendency.

**THEORETICAL FRAMEWORK**

As discussed in the introductory section, both corruption and (sustainable)development are multifaceted terms, covering social, economic, political, educational, technological, and environmental aspects of a society or country. However, corruption is a negation of development. Whereas the latter denotes multifaceted progress in many aspects of human societies over time, the former involves a variety of deleterious effects on all aspects of human lives. The new academic scholarship on corruption draws on neo-liberal thinking and identifies bloated and inefficient state bureaucracy riddled by widespread corruption as the main cause for underdevelopment since it impedes the expansion of the private sector, which is rooted in society (Anders & Niujten (2007).

Croall (2010) mentioned that corruption involves undue gratification in all facets of people lives and at all levels. Corruption takes place in local authorities, public sector, political spheres, and in commercial organisations. It further leads to infringement of occupational health safety; car safety; pricing offences, proliferation of counterfeit goods, bastardises marketing practice, food frauds or food safety, and environmental crime, among others (Mukhtar, 2015). In line with the above, two theories emerge: functionalist approach (Leyes, 1965; Huntington, 1968) and dysfunctionality of state theory
The proponents of the functionalist approach are modernisation scholars who made attempt not to justify corruption, but to prove that corruption facilitates economic growth in some developing countries. Huntington (1968) advanced a logical argument which states that, corruption serves as an efficiency-enhancing mechanism because it removes rigidities imposed by the government which constitute impediments to investments and interfere with economic decisions favorable to national development, with examples by Huntington on some Asian developing countries, like Thailand and Indonesia. Leys (1965) argued that the fallacy about corruption is that it is natural to assume that the results of corruption are always both bad or always important. In a pragmatic tone, Leys argued that where bureaucracy is both elaborate and inefficient, the provision of strong personal incentives to bureaucrats to cut red tape may be the only way of speeding the establishment of a new firm”.

Huntington (1968: 60) made a similar point when he argued that “modernisation breeds[5] corruption” in an early stage of a country’s development. To clarify this, Huntington compares corruption to violence since during a period of rapid modernisation they are the two means by which individuals and groups relate themselves to the political system in ways which violate the regulations of the socio-political system. Huntington explanation can be used to understand the rationale for corruption among some Nigerian Government officials and owners of private companies, who willingly exchange favours, such as offering bribe to an agent is presumed to hasten business process.

As noted by Anders & Nuijten (2007), the modernisation paradigm, the functionalist approach appears to be anachronistically naïve and optimistic, but the idea of the dysfunctionality of state institutions remains at the core of policymaking as well as part of the academic debate on development. The dysfunctionality of state view harks back to a debate of the 1960s and 1970s when some studies on the influence of corruption on the development of newly independent states in Africa and Asia challenged the moralistic view that corruption was evil and harmful to development. The dysfunctionality of state theory draws to some extent its argument from Weberian legal-rational analysis of the modern society.

And, although both theoretical approaches seem to be fundamentally opposed to each other, they share one basic premise on the division between state and society. Views advanced by Huntington and Leys also assume the absolute division of state and society but they argue that the dysfunctionality of the state, due to the gap with society, is a mere problem of adaptation, according to them, will eventually disappear as modernisation progresses. Mbembé (2001), and many other scholars who share the same view, conceptualise the subversive appropriation of the bureaucracy by ethnic and tribal networks as a distinctly developing countries’ creation stemming from the colonial experience. For example, studies on Africa, Asia and Latin America have largely highlighted the importance of patron-client relationships and usually point to their influence on the working of the state bureaucracy as the main cause of corruption (Mbembe, 2001; Anders & Nuijten, 2007). These researchers do not differentiate the so-called clientelistic relations that usurp the state institutions. They therefore unwittingly reproduce the dualism between the legal-rational order and developing societies, especially Africa by lumping all types of social relationships, ranging from kinship to various voluntary forms of association.

It is instrumental to note that both theories can help in understanding corruption in developing countries and the effect it has on sustainable development. Thus, both theories are adopted in this study. Huntington’s argument is manifest in many developing societies. Many smugglers around Nigerian border and neighboring countries of Benin Republic, Niger, Chad and Cameroon are benefiting from this ‘short cut’ procedure to import or export goods in connivance with “bad eggs” among law enforcement agents working on the border. Transnational companies are also benefiting from corruption by giving bribe or ‘commission’, in Smith’s (2007) sense of the word to some Nigerian law enforcement agents and get contract from State’s executives in exchange for an agreed upon kickback. It is therefore obvious that corruption is benefitted by some few people in Nigeria, but it has been established that corruption majority of the Nigerian citizens are victimised.

Yet, Mukhtar & Dangiwa (2017) concluded that the immediate and long term implication of corruption on the sustainability of any society is negative.

IMPLICATIONS OF CORRUPTION ON SUSTAINABLE DEVELOPMENT

Corruption is a cankerworm and it is agreed to constitute one of the greatest threats to social, economic and political developments of any nation that condones it (Mohammed, 2013; Mukhtar, 2015). It is obvious therefore that corruption is a threat to sustainable development, because the United Nations’ Sustainable Development Goals (SDGs) which was ratified in 2015 identified “Industry, Innovation and Infrastructure” as its Goal 9 (UN-DESA, 2015), knowing fully well that corruption inhibits industriousness and channels the public budget meant for infrastructural development to the personal accounts of sleaze officials. According to International Institute for Sustainable Development (2015), the idea of SDGs has started since the second half of the 20th Century. It should be recalled that World
Commission on Environment and Development (Brundtland Commission) published its report in 1987 and it presented the new concept of sustainable development. The concept has become one of the most successful approaches to be introduced in many years and it helped to shape the international agenda and the international community’s attitude towards economic, social and environmental development.

UNODC (2018) reported that the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs) are attempt to build a better future for humanity. Among other goals, SDGs aim to end poverty, hunger, ensure well-being of all people, promote quality education and health care, protect the global earth planet and advancing prosperity for the global community in general. Clearly, the 2030 Agenda recognises that the rule of law and development are interrelated are mutually reinforcing. Promoting peaceful, inclusive societies for sustainable development, access to justice for all as well as effective, accountable and inclusive institutions is necessary for the achievement of each of the 17 SDGs. Thus, if countries around the world invest increasing efforts as expected till the 2030, the crucial importance of anti-corruption on sustainable development will be appreciated.

Before the launching of Sustainable Development Goals (SDGs) in 2015, corruption has hindered the global efforts to achieve the internationally agreed upon Millennium Development Goals (MDGs). The 2005 World Summit emphasised the need for solid democratic institutions responsive to the needs of people and the need to improve the efficiency, transparency, and accountability of domestic administration and public spending and the rule of law, to ensure full respect for human rights, including the right to development, and to eradicating corruption and build sound economic and social institutions (UNODC, 2012).

The MDGs further recognised that fighting corruption at all levels is a priority and that corruption is a serious barrier to effective resource mobilisation and allocation, while diverting resources away from activities that are vital for poverty eradication, and economic and sustainable development (UNODC, 2012). Yet, corruption has continued to undermine the democratisation process and the rule of law of the developing countries. In Nigeria in particular, corruption led to human rights violations, distorted markets, eroded quality of life and allowed organised crime, terrorism and other threats to human security to thrive in especially the developing world. This is not a coincidence because if corruption permeates the political, economic and social spheres of a country, the stability and security of the country and of the international community are threatened and the prospects for development and prosperity of that particular country other neighbouring states is at stake. Evidence also shows that corruption hurts poor people disproportionately and is a dominant factor driving developing countries towards state failure.

**POLICY IMPLICATIONS AND RECOMMENDATIONS**

As both a morally and legally condemnable act, corruption is treated in many jurisdictions and within many crime control agendas as a unique problem demanding unique solutions. Only through this approach can the challenges it poses to good governance or public probity be addressed. In view of this, a multi-agency effort is needed to tackle corruption. Indeed, international and local agencies like the United Nations Office on Drug and Crimes (UNODC), Organisation of Economic Co-operation and Development (OECD), Transparency International, Economic and Financial Crime Commission (EFCC), Independent Corrupt Practices and other related Crimes (ICPC), and Code of Conduct Bureaus (CCB) are recording significant success, but some policy recommendations can enhance a better anti-corruption crusade among developing countries and around the world at large.

Firstly, multi-agency approach should be adopted to engineer the collaboration of the public, the local and international authorities as well as private and public sectors. Findlay (2014: 185) suggested that the key factors on which control should include the recognition of a cultural representation of corruption, community-centred corruption and regulation, politics of development which foster corruption, post-colonial political processes (because they foster dependency and influences promoting corruption). Findlay (2014) recommends the checkmating of commercial exploitation as a by-product of development; environmental degradation characteristic of development and colonial imposition of economic modelling in which universalised corruption definitions victimise developing economies, such as Nigeria.

At organisational level, Loughman et al. (2012) recommended proactive measures, anti-corruption policy, communication and training, anti-corruption financial controls. They added that companies should focus on high-corruption-risk areas such as: bank accounts; petty cash; procurement and contracting; consultants, agents, and other high-risk intermediaries; customs and cross-border shipping; gifts, meals, and entertainment of customers and government officials; charitable giving and offset commitments.

In public agencies, Findlay (2014) recognised that policies and procedures should establish an overall tone for an organisation and impact the day-to-day operations of staffs and clients. Adopting a code of conduct, formalising policies and procedures, widely disseminating these policies, conducting awareness training, and establishing the overall internal control systems and the controls focused on bribery and corruption are key...
elements to successful tone setting. A company sets the overall tone through broad policies such as a code of conduct, which should set forth the business rules of the organisation, and it can provide a framework to guide the response of the organisation in the challenging and sometimes difficult choices that are presented to members of the organisation. While the code of conduct is a broad policy that helps focus an organisation’s behavior, to address bribery and corruption it is necessary to have more detailed policies and procedures such as the anti-corruption policy that address the specific risks and are widely disseminated to the employees who also receive training on the key policies. Finally, Loughman et al. (2012) intimated us that heightened controls should be put in place in high-risk locations to mitigate the risk of an improper payment, corruption risk assessment, monitoring, and due diligence have to be inculcated by the authority.

CONCLUSION

The article investigated the implications of corruption on sustainable development in developing countries, with particular emphasis on Nigeria. In conclusion, corruption is a global problem and permeates the political, economic and social spheres of developing countries more. The paper also argued that the journey to sustainable development is difficult if corruption is condoned in developing countries of Africa, Asia and Latin America. This is because corruption will continue to sabotage any effort at ending poverty and hunger, promoting people’s well-being, provision of quality education and health care, as well protection of the global earth for the prosperity of global community. As evident in Nigeria, corruption undermines the democratisation process and the rule of law, human rights violations, distortion of markets, perverts the quality of life as organised crimes, terrorism and other security challenges continue to thrive.

The article acknowledges the effort of both international and local agencies meant for fighting corruption, such as the United Nations Office on Drug and Crimes (UNODC), Organisation of Economic Co-operation and Development (OECD), Transparency International, Economic and Financial Crime Commission (EFCC), and Independent Corrupt Practices and other related Crimes (ICPC), and Code of Conduct Bureaus (CCB) in Nigeria for instance. But more multi-agency measures should be put in place to incorporate the public, the local and international authorities as well as private and public sectors.

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