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Corruption in Nigeria: A Syncretic Institutional Analysis

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Abstract: Olsonian institutional economics is essentially comprised of the logic of collective action, rent seeking and political banditry, manifest as 'individuals shaping institutions and markets' by way of the spontaneous maximisations of their preferences. There is a growing body of literature that provides strong critiques of Olsonian economics, mainly from methodological perspectives especially, the lack of realism in the assumptions of the concept. Olson's works are deeply concerned with corruption (and its mechanisms) rooted in the self-interest of agents / groups and its negative impact on economic growth. Hodgsonian institutional comprises of evolutionary economic theory, social reality and institutional realism, rooted in downward causation and downward reconstitution of institutions whereby institutions shape the preferences of agents and hence their participation in the economy. Hodgson's work is also strongly concerned corruption and adopts morality (or a lack of it) being the main cause of corruption and also examines the negative impacts of corruption on economic activity. The big question here is, do agents' actions shape institutions as a rule or do institutions shape agent preferences (with special reference to corruption)? The answer is situated in societal culture at the interface of formal and informal institutions. This paper attempts by way of the triangulation of Olsonian with Hodgsonian institutional economics to find a syncretic institutional diagnosis and explanation for the incidence and perpetuation of corruption in society from a cultural perspective.

INTRODUCTION:

Corruption is a major social, economic and political problem in Nigeria and especially so in the energy sector which is responsible for over 80% of its GDP (Awojobi 1982; Lewis 1994; Lewis & Stein 1997; Ribadu 2004; Akindele 2005; Nane 2007a). Transparency International perennially ranks Nigeria as one of the most corrupt countries in the world (Nwaobi 2004) and recent rankings of Nigeria being a much less corrupt nation from practical experience appears at best dubious. Successive Nigerian governments since independence in 1960 are reputed to have squandered well over $400 billion of public income earned mainly from the export of natural resources Ribadu (2004). This argument is supported by the information that a large number of Nigerian senior public servants (including heads of state, ministers, military generals, governors of central bank etc.) have personal overseas accounts and assets that amount to several billions of dollars in stolen public funds (Awojobi 1982; Ayittey 1993; Mbachu 1993; Nwankwo 1999). The hoarding of stolen funds is suggested due to the extensive period over which the accounts built and the non-use of the money in the accounts (Nwankwo 1999). Akande (2003) suspects that there is some obsession on the part of the public servants who bank money compulsively without ever withdrawing any of it. On the contrary, conspicuous consumption (perhaps rooted in narcissism) that is blamed for Nigeria's fiscal policy indiscipline woes (Ake 1990; Arrighi 2002). However, there is no literature that explains why public servants hoard monstrous amounts of money.

Bardhan (2006), states that corruption occurs when regulation is bypassed by public officials and / or their clients for the purpose of their self-interests. Thus corruption is the violation of rules and ultimately the law (Herzfeld & Weiss 2003). The motivation for engaging in corrupt practices tends to be mutual self-interest and a *quid pro quo* relationship develops or persists between public servants and clients (Roy 2005). These relationships can be termed as "patron-client relationships". In societies like Nigeria where patron-client relationship are strong there is a tendency for them to either (a) be strong enough to override the institutions of government or clients tend to eventually dominate the relationship causing the patrons to do the bidding the clients regardless of the perversion of government institutions involved (Lewis 1994; Rock & Bonnett 2004; Manzetti 2007).

It is purported that the most obvious causes of systemic corruption are numerous but the most significant ones which mainly suggest poor bureaucratic practices (Collier 1999; Rose-Ackerman 2004), poor / low salaries of civil servants (Besley & McLaren 1993; Van Rijckeghem & Weder 1997), weak institutions (Rowley 2000, Rose-Ackerman 2004, Johnston 2005), weak rule of law (Herzfeld & Weiss 2003), political instability (Mo 2000; Egwhaikhide & Isumonah 2001; Akande 2003), lack of transparency (Ellis & Fender 2003; Lambsdorff et al 2005), weak transitions governments / markets (Manzetti 2003, Hodgson 2006b), politics as economic enterprise (Manzetti 2003; Messner & Polborn 2004), foreign aid abuses (Svensson 2000; Tavares 2003) and perverse social capital (Hyden 2001; Kingston 2005; Lambsdorff 2007). Other authors argue that corruption is inherent in (weak) bureaucracies (Hyden et al 2003) particularly as the size of the bureaucracy increases (Shi & Temzelides 2003) and that as long as bureaucracies exist, corruption will coexist with it. Two less obvious causes of corruption are lowered moral costs that appear to be as a result of structural adjustment (He 2002; Akande 2003) and social pressure that involves the social structure of society playing roles such as third party enforcers of deals (Kingston 2005).

The absence of (strong) institutions is claimed to responsible for the high incidence of corruption in society (Olson 1982; Rowley 2001; Thomas & Meagher 2004; Dixit 2004; Hodgson 2007; Lambsdorff 2007). Hodgson (2006) defines “institutions as systems of established and prevalent social rules that structure social interactions”. Alternatively, institutions are rules or constraints that limit excesses in the economy and shape interactions in society (North 1990). Hodgson (2005) argues that nominal institutions (i.e. institutions that are neither adequately adopted nor uniformly enforceable) are not institutions at all implying that the substance of institutions is enforcement.

Two significant strands of institutional economics are very significant in the robust explanation of corruption. Firstly, there is the literature of the logic of collective action by Mancur Olson (Olson 1965; 1982; 1999) which explains corruption in terms of the collective actions of individuals who team up to form special interest groups in order to seek or gain favours from government at the expense of the rest of society. Special interest groups include lobbyists, trade unions, cartels etc. This strand of literature is particularly useful in explaining the initial development of political corruption in a society.

It is however not very strong for explaining the persistence of corruption which is a problem that plagues most societies that experience widespread corruption. The second strand of literature is the social institutions theory of Geoffrey Hodgson (Hodgson 2003; 2004; 2006, Hodgson & Jiang 2007) which explains the interaction of individuals and institutions in the sustenance ("reproduction") of institutions and the persistence of the individual's behaviour. According to Hodgson (2006) habit, conventions, social structure, rules simultaneously sustains the stuff of institutions and the stuff of human behaviour. This strand of literature is particularly useful in explaining why corruption persists in society and sheds significant insights into how the persistence of corruption can be broken.

The social aspects institutions or culture in economic literature is often either assumed away (Olson 1999) or systematically ignored (Lawson 2003) or taken as given (Licht et al 2007). There tends to be an overwhelmingly absolutist approach in literature to defining and explaining corruption in a manner that ignores social and cultural realities (Pardo 2004). This is mainly because the social aspects of economic activity cannot be reduced to the actions of the singular individual and flies in the face of mainstream economics which is dominated by rational choice and methodological individualism (atomism) (Lawson 1997; 2003; Hodgson 2006). All economic activity has social components that affect society and produces irreducible collective actions (Searle 1995; Lawson 2003; Hodgson 2006; Hodgson & Jiang 2007; Maki 2007). Guerrero & Rodríguez-Oreggia (2006) present the argument that corruption is not only about self-interest but takes into consideration the issues of social pressures that can induce public servants to be corrupt. It is indisputable that social influences (pressures), particularly from an individual's immediate social circle, do significantly shape the beliefs, habits and preferences every individual in society, the question is how and to what extent (Asch 1955). The extent to which social pressures affect the preferences of an individual may be difficult to determine due to the complexity of causes that underlie an ostensible action (Lawson 2003; Foster 2004). Social pressures may include the expectation of society placed on officials to achieve financial success by way of corruption (Andvig & Moene 1996). Social pressures are effective in determining an individual's preferences because of the threat of informal sanctions (Wydick 1999; Kingston 2005; Miller 2007b). It has been suggested that if the social conditions and influences of African society are not fully understood and taken into consideration with regards to governance, corruption will never be effectively managed (Bathily 1994; Ake 1990; 2007).

John Commons in his approach to institutional economics presents the argument that essential factors like the value of trust, loyalty, love, shame, and the desire for justice are necessary in economic organisation (Kaufman 2003). Elster (1989) argues that agent action is not driven by the maximisation of individual outcomes (as is propounded in neoclassical economics) but by emotions such as shame and guilt as dictated by shared social norms in society. In corruption studies the 'economies of affection' (i.e. economic exchange determined by affection) are deemed to play a significant role in corruption related to patronage and prebendalism (Hyden 2001; Kingston 2005). In fact from a social capital perspective, very overt displays of love and loyalty as well as conformity and sycophancy are crucial to being included in and remaining in patronage networks or partake even minor opportunities for corruption (Warren 2004). The two pillars of Confucian ideology is loyalty to the family and obedience to the state (Sen 1997). It is plausible to suppose that in a nation like Nigeria that is politically unstable persistently, that family loyalties will be stronger than obedience to the state.

Morality is a subject often not discussed in literature on corruption. However morality is a significant factor in the capacity and willingness of agents to partake in corruption by way of perverting or subverting the very institutions their conduct is governed by (Miller 2005; 2006, Hodgson & Jiang 2007). Morality is a crucial but often an unacknowledged component in the formulation of ethical theories because its applications in society are typically implicit and uncodified (Gert 2007). However, Bureaucratic morality can be ostensibly evaluated using four levels of expectations namely, discipline, trust, fairness and professional honour, each managed with appropriate controls (Dunshire 1988). Morality like other aspects of social interaction is a social construct that is dependent of the cultural legitimacy tied to its existence. He (2002) discusses the relationship between corruption and moral cost as an inverse one i.e. the lower the moral cost, the higher the willingness of the individual to engage in corruption. However, there is a component of human action that exceeds balancing of costs and benefits, and rather than embrace the principles of individual utilities, should be rooted in tenets of collective social outcomes underpinned by morality immanent in society in order for a society to flourish (Etzioni 1988). Societies burdened by high levels of corruption (such as Nigeria) tend to have a learned helpless attitude towards perverse economic (and social) activities that they encounter everyday. Helplessness and control apparent become significant factors in the customised standards of morality in the society.

The big question; is it possible to fight and reduce corruption in an immoral or amoral society?

A METHODOLOGY

A methodology was developed by the author to properly understand the phenomena of corruption in Nigeria beyond neo-classical strictures by taking socio-cultural factors into consideration. Furthermore, the methodology was intended to facilitate the development of new approaches to anti-corruption policies. The choice of institutional economics is based on the requirement of social approaches to the economic problems (e.g. corruption) rather the formal economic policy (Ake 2000; Bathily 2004; Akindele 2005).

The methodology of the research is based on aspects of the institutional economics of Geoffrey Hodgson and Mancur Olson by way of the syncretism of both economists' approach, which may appear unlikely on first thoughts. While the economics of Olson and Hodgson are significantly different there are significant agreements between them. Between Olson and Hodgson, the first point of agreement is that effective (i.e. enforceable) institutions are essential to the effective governance of the economy or market or eliminate corruption from them (Olson 1982; 1999, Hodgson 2006, Hodgson & Jiang 2007). The second point of agreement is that democracy is the best form of government to manage economies and polities (Olson 1982; 1999, Hodgson 2005; 2006a, Hodgson & Jiang 2007). The third point of agreement is that strong government (i.e. strong apparatus of the state) is necessary to shape relations in an economy or market (Olson 1965; 1982; 1999, Hodgson 2003; 2006 Hodgson & Jiang 2007). The fourth point of agreement (which is an extension of the third) is that the neoliberal economic policies derived from spontaneous maximisation of the individual agents are largely inadequate for the effective managing and sustaining real growth in economies or markets (Olson 1996; 1999, Hodgson 2003; 2007). The fifth point of agreement is that the reduction of the design of economic institutions to the logic of transaction costs is a largely inadequate and misleading (Olson 1999, Hodgson & Knudsen 2007). The seventh point of agreement is that history is important in the development of economic theory (Olson 1982, Hodgson 2001). Both Olson and Hodgson can be considered proponents of historical institutionalism. The eighth point of agreement is that mainstream economic concepts are inadequate in their applications because they ignore the socio-cultural values and norms dominant in a given society (Olson 1988, 1989, Hodgson 2004; 2005; 2006).

The points of divergence and differences between Olson and Hodgson are very significant. The first point of divergence is the methodologies. Olson's approach to the explanations of economic activity and institutions are strongly positivist (i.e. he focuses essentially on the observations and claims about facts rather than to the facts themselves). Hodgson's approaches to the explanations of economic activity are strongly realist (i.e. he focuses on facts observed as having and independent reality). While Olson has a simplified logic of economic activity (i.e. the logic of collective action) which runs throughout his works, Hodgson adopts critical explanations of the foundations and structures of economic activity.

The second point of divergence between Olson and Hodgson is that they have different uses for the word social in their explanations of economic activity. Olson uses the word "social" or "social outcomes" to mean the welfare of agents, consumers, citizens in a nation. When Olson states social outcomes are superior purely economic outcomes (Olson 1996), he means the equitable distribution of wealth is superior to the outcomes of spontaneous maximisation of agents in the markets (Olson 1999). In Hodgson's use of the word he consistently means social reality. Social reality is the accepted and embedded sircoh bundles operational in a community which transcends pure economic formulations of economies or markets (Hodgson 2004; 2006).

The third point of divergence between Olson and Hodgson is their views of property rights and contracts. For Olson property rights are a formal relationship between the individual and his property enforced and protected by the state with by way of coercive formal rules and laws (Olson 1982; 1999). Contracts are similar but the relationships are between parties to the contract, individuals or organisations. Hodgson deems property rights as a function of social reality since such rights are only possible if the institutions governing them are recognised, accepted and enforced by the consensus of society (Hodgson 2003b).

The fourth point of divergence is that Olson sees corruption (particularly rent seeking) caused by small special interests groups capturing and perverting institutions of governance for their self-interests by way of lobbying public servants and policy makers (Olson 1969; 1982). The agents control the institutions. Hodgson sees incidences of acts of corruption which occur in states or organisations as the result of the corrosion, compromise or deterioration of institutions i.e. a lowering of the moral integrity of institutions by robbing them of their powers of downward causation (Hodgson & Jiang 2007). This proposition purports that agents react to institutions and their provisions rather act independently to manipulate them. For Olson a captured corrupt institution can be made good by way of proper formal instruments reforms. Hodgson would not subscribe to reforms by way of formal instruments alone. Hodgson provides studies of the strong influences of social components of institutions which are responsible for the replication of corruption and cannot be contained by formal instruments alone (Hodgson 2005). It is on this fourth point of divergence where the syncretism of Olsonia and Hodgsonia is derived.

HODGSONIA

Geoffrey Hodgson is best known for definitive critical developments in the area of institutional economics with strong emphasis on (a) the importance of history to economic theory, (b) the nature and evolution of institutions, (c) economic realism (social reality) and (d) critiques of mainstream economics. Many aspects of Hodgsonian institutional economics are essential to understanding the phenomena of corruption. Firstly, it takes on the oft-overlooked role of morality in corruption, which is perhaps the most significant aspect of agent participation in corruption and institutional corrosion. Secondly, it is concerned with the mechanisms (routines and habits) and nature (beginnings and replication) of institutional and organisational corruption. Thirdly, it examines the criteria enforcement of institutions. Hodgson purports that institutions are not one-dimensional entities but a complex co-existence of structures, institutions, rules, conventions, organisations and habits (from here on called sircoh bundles). Both structures (supplemented by institutions, organisations, conventions and rules) and agents (subject to habit) play a role in the formation and continuity of institutions. Institutions are neither reduced to structures nor agents but complement and reinforce each other (Hodgson 2005; 2006). Sircoh bundles are defined (Hodgson 2006; 2003) as follows,

> "**Social structures** include all sets of social relations, including the episodic and those without rules, as well as social institutions.
>
> **Institutions** are systems of established and embedded social rules that structure social interactions.
>
> **Rules** in this context are understood as socially transmitted and customary normative injunctions or immanently normative dispositions that in circumstances X do Y.
>
> **Conventions** are particular instances of institutional rules.
>
> **Organisations** are special institutions that involve (a) criteria to establish their boundaries and to distinguish their members from non-members, (b) principles of sovereignty concerning who is in charge, and (c) chains of command delineating responsibilities within the organization.
>
> **Habituation** is the psychological mechanism by which individuals acquire dispositions to engage in previously adopted or acquired (rule-like) behaviour."

Sircoh bundles are essential to understanding the definition of institutions that Hodgson proffers. Hodgson defines institutions as "durable systems of established and embedded social rules that structure social interactions, rather than rules as such. In short, institutions are *social rule-systems,* not simply rules" (Hodgson 2006, p13).

A system of social rules is necessarily constituted of sircoh bundles. The diagnostic and explanatory significance of sircoh bundles is fourfold. The first significance is that formal and informal institutions are not readily separable but depend on each other for their mutual effectiveness. Formal institutions by their attempted definitions are mere legal declarations (Hodgson 2006). For formal institutions to be effective they require customary legitimacy and must be embodied in the dispositions of individuals to rules (Hodgson 2006). Socio-cultural heritages of society do play a significant role in the existence of institutions. Furthermore, the incompleteness of legal rules (Hodgson 2006) gives scope to the culture and traditions of society making so-called formal rules more legitimate. Therefore, analyses of institutions based on the demarcation between formal and informal institutions can be futile one.

The second significance of sircoh bundles is that they provide the foundations of potentially robust diagnostic framework useful for a identifying and understanding the dynamics and complexity concerning the institutions that govern given (sets of) activities. Sircoh bundles take can be used to explore several dimensions incident on a given (sets of) rules. The coexistence of bundles of rules often generates complexities in which one may enhance or undermine each other in their outcomes (Hodgson 2006). Sircoh bundles can be used to study of a range of different interacting rules acting simultaneously in a given event and the extent to which they reinforce, complement or supplement as well as counteract, diffuse or subvert respective effects of each other, especially formal rules.

Thirdly, sircoh bundles can be used to determine the instance and direction of compliance to rules. In Hodgsonia, one may infer that compliance of members of (or groups in) society to the provisions of institutions is inevitable depending on their enforceability. Compliance with rules is inevitable, some more so than others. Hodgson (2006; p6), states,

> "For laws to become rules ... they have to become customary. …laws that are widely ignored and have not acquired the customary or dispositional status of a rule. Ignored laws are not rules. For new laws to become rules, they have to be enforced to the point that the avoidance or performance of the behaviour in question becomes customary and acquires a normative status."

However, routines and habit are necessary for the compliance individuals with rules to become customary (Hodgson 2005). For any more or less established social activity to place in society it is inevitable that the activity is governed by rules. The question is what rules are dominant in a given established activity and how do they dominate? Domination can be determined by what component of the sircoh bundle consistently has the strongest pull on the individual the choice of compliance of the individual.

Fourthly, using sircoh bundles a comparative analysis of the aversion to formal and informal sanctions can be made to determine which institutions are more effective in constraining the behaviour of agents in question.

North (1990) complains “why do informal constraints undermine formal institutions?” Sircoh bundle diagnostics and analysis has significant potential in answering this question.

OLSONIA

Mancur Olson is best known for his contribution of the radical concepts of the problems of “collective action”, “banditry” and (less directly) “rent seeking” to political economic thought and also the formulation of the central pillar of the currently dominant rational choice component of mainstream economics. Olson is exceedingly concerned with the universal aspects of economic growth and prosperity as it affects people and nations alike. Olsonia is centred on the applications of institutional economic theory to rational management of public goods and markets.

Olson provides a framework for the analyses of the political interests of those in power using the metaphor of banditry (i.e. the theft of state resource for personal interests) (Olson 1999) The stationary bandit, often a benevolent dictator, is one who has a long term horizon of governance and encompassing interest (i.e. the interest to increase the welfare of the entire citizenry) thus minimises banditry within the state. The stationary bandit has no competitors and is all alone in the actions of his theft. On the other hand, there is the roving bandit who is one with narrow interests and short term horizons for theft. His short or uncertain duration in office becomes an incentive to plunder the state for what it is worth; roving bandits compete against each other for the resources of the sate. Olson argues that the stationary bandit, as a singular autocrat, is preferable to roving bandits, since they have an encompassing interest in continuing the prosperity of his subjects rather than the roving bandit who has a distributive interest. However, a stable stationary bandit will have a more encompassing interest in the state than an unstable one. This can be seen in the fact that long-term autocratic regimes have better economic performance than short-term regimes.

Banditry i.e. corruption has to be effectively identified for the actual nature of corruption in area. Nigeria has administrative jurisdictions at federal, geo-zonal, state and local government levels all with varying and differing patterns of banditry which need to be identified to in order to further identify the obvious and obscure institutions that support the banditry and undermine governance institutions.

Banditry includes the following acts of corruption,

1. Bribery for access to state resources
2. Extortion for access to state resources
3. Theft of state resources
4. Embezzlement of state resources
5. Fiscal policy indiscipline by public servants
6. Contract inflation

The perpetrators of banditry in Nigeria are identified as ranking public servants (civil servants and politicians) and their supporters by way of relationships, information exchanges and transactions. It must be noted that roving bandits operate as groups which can be deemed to be "hidden populations", thus difficult to study directly. Drawing of the work of Woll (Woll 2007) it is difficult to study interest groups and their influence because it is hard to establish their preferences with bandits often using haphazard approach to pursue their preferences and the apparent lack of conflict between roving bandits makes their existence and influence obscure to observers. For the purpose of this research the roving bandits in Nigeria were identified using the following criteria the ostensibly distinguishes them stationary bandits,

1. Network Setup – group singularity (stationary banditry) versus group plurality (roving banditry)
2. Formula for Allocation Of Resources – unified allocations (stationary banditry) versus fragmented quotas of allocations (roving banditry)
3. Competition For Resources – zero or low competition for resources (stationary banditry)versus moderate to high competition for resources (roving banditry)
4. Mode Of Theft - singular or few channels of theft (stationary banditry) versus diffuse channels of theft (roving banditry)

LOGIC OF RELEVANCE

A dictator or leader at local, state or federal levels in Nigeria tends to be a ward of kingmakers. The leader has his interests which if are congruent to the interests of the kingmakers results in relative stability. It is not uncommon for the interests of the leader to run contrary to the interests of the kingmakers. In such a case it can be assumed that a leadership turnover by any means will occur; this was as a rule of thumb, the case in the early postcolonial era. In more recent times, the savvy of the leaders in office have become sharper resulting in the leader wanting to supersede his kingmakers in power and become either joint leader and dominant kingmaker or dominant kingmaker after he leaves office.

The currency for dominance in the polity by way of king making is exclusively money. The politician with the most money becomes the most dominant kingmaker. Therefore, it is often the case that kingmakers will not allow a very rich political candidate to succeed through selection processes such as party election primaries since such a candidate will have too much clout for the kingmakers to be comfortable with after all rich politicians aspiring to public office are less likely to pledge fealty to kingmakers. Consequently, it is common for a politician of modest income to become a constitutionally elected leader i.e. president (of the nation), governor (of a state) or chairman (of a local government). Such a politician would have to rely heavily on the financial backing and social capital of powerful kingmakers who do so in exchange for binding demands once election victory has been achieved. Before the politician receives the backing and support of kingmakers he has to pledge extraordinary fealty to them. It follows that the elected leader is heavily controlled by the kingmakers. In fact, some leaders have virtually no say in the running of their constituencies.

In local political parlance of Nigeria, the “relevance” of politicians in society depends on his political clout in both the polity and society which in turn depends on the amount of wealth they posses. It is the case that since politicians of modest income are more likely to be elected into political office, they will have less relevance in the eyes of their people and running the affairs of their constituencies than the kingmakers. While some leaders are content in being the wards of kingmakers like in the early post-colonial era, increasingly more elected leaders seek greater relevance in their positions which invariably means acquiring more and more personal wealth at the expense of the welfare of their constituency.

An extrinsic turnover occurs when kingmakers have succeeded in ousting a particularly leader; when such an event occurs the relevance of the kingmakers remain dominant or at least intact. An intrinsic turnover occurs when a the leader has amassed enough wealth from his constituency to temporarily or permanently undermine and strongly dominate the power and influence of the kingmakers; in such a case the kingmakers lose some or all of their relevance in the polity and society. Relevance has an information efficiency which is considerably high. The rise and fall of the relevance of a particular politician or kingmaker is tends to be rapidly disseminated in to the public sphere since relevance is not necessarily dependent on self-interest but the tacit consensus of society.

Institutions are supposed to shape the behaviour of agents in a market or society by was of downward causation since institutions provide the rules of the game for activities in society (North 1990). "An agent is characterized by the limitations on his choice, and by his choice criterion" (Debreu 1959; p37). This argument is further by Hodgson (2006) "in a world of incomplete and imperfect information, high transaction costs, asymmetrically powerful relations, and agents with limited insight, powerful institutions are necessary to enforce rights" (p.16). In a nutshell the relevance of institutions is supposed to take ascendancy of the relevance of individuals. However, were institutions are not adequately enforced the relevance of agents take ascendancy over institutions. A necessary condition for this to occur is moral decadence.

RESEARCH PROJECT

A recent PhD research project was conducted by the author to assess the influence and dynamics of social pressures on the incidence of corruption amongst public servants in energy sector of Nigeria. Mixed methods as prescribed by Mearman & Downward (see Mearman & Downward 2007) were used a to survey and interview a sample of serving, former and retired public servants who have or had held middle and senior ranking jobs in government. The data was collected mainly from members and emeritus members of energy sector trade unions. The central target of the research was to indentify and explain the role sircoh bundles, banditry and relevance in the incidence of corruption in Nigeria.

RESULTS OF RESEARCH

A

Using a sircoh bundles methodology the author was able to identify powerful well-entrenched institutions in Nigeria that were deeply embedded in the local culture by way of informal institutions given as follows,

1. Tribalism as a structure,
2. Fealty as an institution,
3. Corruption speak as an institution
4. Ex ante gifting for favours as convention
5. kingmaker networks as organisation (coalitions)
6. Organic favour seeking collectives as organisations (coalitions).
7. Habit identification proved to be beyond scope of the research methods adopted.

These institutions named above are “contrary institutions” in that they pervert the morality and hence the enabling beneficial workings and outcomes expected of the institutions of governance, assuming the institutions are designs for good purposes. Erroneous, detrimental or obsolete institutions are subject to reform or amendment in a democracy. However, contrary institutions by the nature avoid scrutiny and corrective interference. Contrary institutions are bloodline of impunity, complicity and non-transparency in arena of corruption in Nigeria and are responsible for the undermining of institutions necessary for the proper governance of the country.

B

Using the banditry methodology the author found strong evidence of banditry occurring at federal zonal and state levels and are given as follows,

1. Few stable patron-client relationships
2. Numerous unstable patron-client relationships
3. Governance by way unsolicited proposals
4. High competition amongst bandits
5. Absence of monolithic control of resources

It was evident that roving banditry prevailed in level of government. The explanation for this is that when ever a monolithic personality or group gains monopoly control over the resources of a given jurisdiction all other competing roving bandits will tenaciously often gang up together to “bring down” the monolith even if it means the use of violence or other nefarious means. There becomes a fear to become a monolith but bandits often work by the logic of relevance i.e. more money more power but not enough to provoke being brought down. The balance of relevance can be hard to determine and a few bandits have found themselves with more power than there necessitation them to share the power before they become vulnerable. Cooperation, power sharing, resource sharing and log-rolling amongst otherwise competing bandits is common. Thus the state of roving banditry is self-replicating.

C

‘Economies of affection’ as explained by Goran Hyden is highly an exaggerated condition of economic exchange. The author found that favours were almost exclusively given to the man with the “most relevance”, usually, power elites before people of lesser relevance (superiors, colleagues, subordinates, tribesmen, clansmen, family and friends) would be considered. Power elites especially kingmakers have the greater power of sanctions and threat of violence than any other persons of lesser relevance. Thus kingmakers and their wards are the masters of corruption in Nigeria responsible for the perpetration of both grand and petty corruption.

D

With roving banditry and contrary institutions identified by the author the possibility of tackling corruption are suggested. Firstly, a vigorous but legal decimation of contrary institutions is required. General Murtala in 1975 was highly successful in decimating the menacing subversive powers of the clandestine cult, “The Ogboni”. But what is needed is not just the decimation of subversive groups but their institutions. This approach of contrary institution decimation will achieve Olson’s condition of readiness for economic prosperity without Nigeria facing defeat in war at the hands of an enemy or a violent revolution. Decimate their institutions sustenance and special interest groups will be powerless and have difficulty regrouping.

E

The level of expectations of bureaucratic morality amongst public servants for each was particularly low. Expectations of trust, professional conduct, discipline, and fairness (in that order) were so low that standard acts of morality were seen and treated with contempt in most cases. There was also significant resistance to by public servants to reforms that required elevation of moral standards. However, there was little resistance to increasing work loads, changing work practices etc. even when there were no pay increases or other incentives of encouragement. Low morality of public servants was evaluated to be as important if not more important a factor in the state of high level corruption in Nigeria.

CONCLUSION

A syncretic diagnostic and explanatory methodology was developed out of the triangulation of aspects of Olsonia and Hodgsonia which prove robust in its identification of corruption in Nigeria. When applied to a research project on corruption in Nigeria, not only banditry was identified but also the sircoh bundles that initiate and perpetuates corruption, and also provides explanations of why formal rules fail in the fight against corruption. The methodology used in the research has robust theoretical potential to effective manage corruption in Nigeria unattainable by way of mere formal institution design rooted in the neoclassical.

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