

Research Article

Squandamania and the Mesmerization of Nigerian Economy by the Elites: Issues and Implications from Economic Theories

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Abstract: Nigeria is a country richly endowed with abundant resources and high quality of human capital, but yet to find its rightful place among the comity of nations. A major reason that has been responsible for her economic development predicament is the phenomenon of Squandamania and undue Mesmirization of the nation's wealth. The kernel of the paper rest on the fact that elites, especially the political elites and corruption were interwoven and it is against this background that it explored the corruption tendencies of the political elites in Nigeria and various issues from economic theories. The paper adopts document analysis for its methodology and the findings justify that there is rationality in corruption in Nigeria. This amongst other reasons is why corrupt political elites continue to indulge in corrupt practices. The paper concludes that for Nigeria to experience sustainable economic development there must be a complete change of attitude on the part of the Nigerian political elites class, because no matter how perfect or excellent the constitution or other instruments for ensuring accountability and checking corruption in the country might be, all will come to naught unless the political elites class show the political will to abide by and enforce them. Consequently, until political and higher bureaucratic appointments ceases to be a means to easy accumulation of illicit wealth and a new political culture that abhors corruption in public life and humiliates corrupt public servant, emerge in Nigeria, the country cannot escape the inevitable disastrous consequences that comes with pervasive corruption. *The study therefore recommends that the freedom of Information Bill should further be explored and strengthened to the Extent that the secret deals of public officials and politicians, including their private businesses and accounts are made public for everyone to see. When this is done, caution in the affairs of Public business will be at the heart of every public official. And circumventing these rules will Spell stiff punishment for such a person as well as serve as deterring factor to potential partners in crime.*

Keywords: Sqandermania, Mesmerization, Elites, Economic Growth, Nigerian Economy.

INTRODUCTION

Nigeria is the largest economy and one of the richest countries in Africa with a population of about 180 million. The country is endowed with human and natural resources, 8th largest oil producer and 6th largest deposit of gas. Despite the rich resources and large internal market, the country is been regarded as a lower middle income country. All indicators of social and economic development pointed to a significant weakening in the country's performance. For instance, in 2013, the country had a real gross domestic product (GDP) growth rate of 5.39%, GDP (current us dollars) of \$ 521.8 billion, and as at 2012 the life expectancy is 52 years (World Bank, 2014). There is evidence that a small proportion of the population (estimated at 20%)

account for up to 80% of the nation's wealth (Nigerian Banking Report, 2008). Over half of the population lives in abject poverty. The argument is that Nigeria is not a poor country but a poorly managed country that is bedeviled with high rate of corruption and mesmerization of public funds. There is growing worldwide concern over corruption at the present time. Several factors are responsible for this. First, a consensus has now been reached that corruption is universal. It exists in all countries both developed and developing, in the public and private sectors as well as in nonprofit and charitable organizations. However, allegations and charges of corruption now play a more central role in politics than any other time. Government has fallen careers of world renowned public figures

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ruined, and reputations of well-respected organization and business firms badly tarnished on account of it (Okonkwo 2007). The international mass media feeds on it and scandals and improper conduct especially of those in high places are looked upon as extremely news worthy and to be investigated with zeal and vigor. The rising trend in the use of corruption as a tool to discredit political opponent, the media preoccupation with it as a highly marketable commodity and the general public fascination with seeing prominent personalities in embarrassing situation has brought scandalous and corrupt behaviors to a common human frailty in to the limelight of international attention. Thirdly and the main issue is that corruption can be a major obstacle in the process of economic development and in modernizing a country. Many feel that it should receive priority attention in a country's development agenda. This greater recognition that corruption can have serious adverse impact on development has been a course for concern among developing countries. In a recent survey of 150 high level officials from 60 third world countries, the respondents ranked public sector corruption as the most severe obstacles confronting their development process (Gray and Kanfman, 1998).

Developing countries including Nigeria are also very worried about this problem and they are in substantial agreement that corruption is a major constraint that is hindering economic, political and social development and hence view it as a problem requiring urgent attention at the highest level. For example, despite the crusade of anti-corruption in Nigeria, its magnitude appears to be on the high side. It has impaired hard work, diligent and efficiency. It has caused incalculable damages to the social and political development of Nigeria. It subverts honest selection processes and distorts prices. Furthermore, it weakens institutions hampers investment and retard economic development. More importantly, the resources that should be used for developmental processes are been diverted from the societies to private or personal use. This accumulation of the nation's economic resources for personal benefit had variously contributed to the leakage of capitals from Nigeria for illegal deposit abroad. In other words, it has crowding-out effect on the growth and development of the country. It contributing effect on poverty and poor infrastructural development is more worrying. It is against this background that this paper intends to examine the extent and the magnitude of the effect of squandering and stealing of public funds on the growth and development of Nigerian economy and draw-up some policy recommendations for possible reduction of the menace in Nigeria, in order to help improve the economy, so as to attain a meaningful inclusive growth as well as development. To this end, this paper analyses Squandermania and Mesmerization of Nigeria economy by political elites evident from economic theories, the major contribution of the paper is the economics of corruption by adopting various theories in

economics an area which has not be studied on the Nigerian economy. Following the introduction, the paper has the following configuration. In section 2, the extant conceptual literature is reviewed. The methodology is presented in section 3. The empirical results are presented and discussed in section 4. The paper is concluded in section 5.

CONCEPTUAL ISSUES

Although, there is no widespread or comprehensive definition as to what constitutes corrupt behavior, the most prominent definitions share a common emphasis on the abuse of public power or position for personal advantage. A simple dictionary definition of the phenomenon refers to it as "an impairment of virtue and moral principles" (Lewis, 2006). According to the World Bank and Transparency International (TI), a leading global anti-corruption watchdog, corruption is the abuse of public office for private gains for the benefit of the holder of the office or some third party. (Todaro and Stephen 2009) define corruption as the abuse of public trust for private gain. The World Bank and IMF sees corruption as "the abuse of public office for private gains". (Osoba, 1996) sees "corruption as an anti-social behavior conferring improper benefits contrary to legal and normal norms and which undermines the authorities' capacity to secure the welfare of all citizens". Corruption in its many facets has been viewed in several ways. Just as there are multiple phases of corrupt practices in the society, the concept of corruption varies. (Otite, 1986) cited in (Preyet, 2011) viewed corruption as the pervasion of integrity of state affairs through bribery, favor or Moral depravity.

Political elite are a small group of powerful people who hold a disproportionate amount of wealth, privilege, political power, or skill in a society. Defined by the Cambridge Dictionary, the "elite" are "those people or organizations that are considered the best or most powerful compared to others of a similar type. Furthermore, Political Elites refers to the ruling class that bears the responsibility of managing the affairs and resources of a political entity by setting and influencing policy priorities affecting the territory through different decision-making structures and institutions created for the orderly development of the territory. It could also be described as the human element that operates the machineries of government on behalf of an organized territory. This includes people who hold decision making positions in government, and people who seek those positions, whether by means of election, coup d'état, appointment, electoral fraud, conquest, right of inheritance or other means (Wikipedia, 2009). Broadly defined, however, political leadership goes beyond the ruling elites that directly manage.

Squandermania can be seen as the waste of money, time or resources in an undue way or manner.(Wikipedia 2014). It is a deliberate attempt to

monumentally waste resources that are can be useful to salvage a worrisome situation in an economy. The Nigerian economy is expected to be on a steady growth plan. Wastage of the economic resources has drawn the nation's economy into a serious jeopardy (Asaju, T.2003).

Stealing of public fund is an act of taking government property without obtaining legal permission which is synonymous with corruption. Among the remote causes of corruption as well as stealing of public fund in developing countries and elsewhere include: (1) government beaurocracy- which create conducive atmosphere for corrupt practices. (ii) In some extreme cases the government itself practices corruption in order to have their way through the legislator's arms. (iii) Weak institution or weak enforcement mechanism and lack of judicial independence. Weak prosecutorial institution. (iv)Weak political competition among political elite. (V) Poor economic conditions, there is tendency for countries to experience high level of corrupt practices which further worsens the growth rate (vi) greed (vii) poor youth empowerment (viii) poor institutional frame work (ix) poverty (x) unemployment. etc.

The issue of corruption which became obvious since 1992 is arguably the bane of Nigeria economic progress and development. Since it has entered the system, Nigeria administrative and social lexicon regressed on to an era of ethical breakdown. Although corruption is a universal phenomenon, its magnitude and effect are more severe and deep- seated in Nigeria thus, international agencies such as the World Bank (1996) and international perception agencies have begun to show great concern over the level of corruption in Nigeria and its destabilizing effect.

THEORETICAL FRAME WORK

Elite theory According to (Mbah 2005) the elite theory was propounded as a counter to the revolutionary theories anchored on social class analysis. Vilfredo Pareto presented the theory systematically in his work, *The Mind and Society*. And Gaetano Mosca in his work, *The Ruling Class* also highlighted the concept of elite, which subsequently became a key concept of new social science (Mbah P.O, 2014). Robert Michels also is usually enlisted among the classical elite theorists. The term, elite in its most general sense however refers to those positions in society which are the summits of key social structures, i.e. the higher positions in government, economy, politics, religion, etc.(Mbah P.O, 2014),(Dasharara.H. and Chardry B.C,1997) The elite owe its peculiar position of privilege to the recognition and esteem accorded to it by the people in society . (Mbah P.O, 2014). Elite theory thus seeks to describe and explain the power relationships in modern societies. The theory posited that society is stratified into two, the masses at the bottom and ruling elite at the top. The elite are the

rich, well-educated and politically influential groups, who share common beliefs and use their influence to dictate public policies (Izueke, E.M.C. 2014) .In postcolonial states, the role of the elite is characteristically in the questionable regard.

THE ECONOMICS OF CORRUPTION

From an academic perspective, and by extension, viewing the phenomenon within the context of economics, corruption makes for an interesting reading. Prior to the 1970s, the issue of corruption was mainly regarded as sociological and political issue. In fact, in 1968, Nobel laureate economists Gunnar Myrdal found corruption 'almost a taboo (among economists) as research topic'. However, during the last thirty years or so, economists from different fields have made enormous contributions to the analysis of corruption.

CORRUPTION AS RENT-SEEKING

Corruption is in most cases, the consequence of rent appropriation. Rent is a factor's income that is above the competitive returns of the factor. Competitive returns are those achieved on the competitive market; hence in the world of perfectly competitive markets, there will be no rents. In Economics, rent seeking occurs when an individual, organization or firm seeks to earn income by capturing rent through manipulation or exploitation of the economic or political environment, rather than by earning profits through economic transactions and the production of added wealth. Corruption is just a form of rent appropriation and its dissipation, i.e. a situation in which economic agents are willing to pay a bribe to be included in the rent appropriation scheme – they are paying to earn some rent. This origin of corruption should always be taken into account when discussing the factors influencing corruption. The factors that create rent are the ones that create fertile ground for corruption.

ECONOMIC THEORIES OF CORRUPTION

Economists, in recent times, have taken a keen interest on the issue of corruption. They propounded theories to demystify corruption. Two of such theories are considered here.

THEORY OF PUBLIC CHOICE

Propounded by James Buchanan, the basic assumption behind the theory of public choice is that individuals always want to maximize utility. Those who reside in places of authority want to maximize their satisfaction and obtain maximum benefit of being in that position. This theory simply says that it is rational behavior for a politician or any official to 'loot the treasury 'as they are only trying to maximize the utility derived from that office. Put simply, public choice theory says that the activities of corrupt public officials are completely rational as they are just trying to maximize utility. It employs microeconomic tools to understand why these decisions are made

APPLICATION TO GAMES THEORY

Games theory can be used to explain the economic behavior of those in authority. Games theory is the ways in which strategic interactions among economic agents. Those who are in power possess some sort of monopoly rights. Generally, politicians, bureaucrats and lobbyists' are rent seekers with each group trying to maximize votes, the budget and wealth respectively. Here, we simply use a payoff matrix to analyze economic behavior. All situations in which at least one agent can only act to maximize his utility through anticipating the responses to his actions by one or more other agents is called a game. Agents involved in a game are referred to as players. Each player in a game faces a choice among two or more possible strategies. Game theory is simply the rational action of an economic agent given the strategically significant actions of others.

In the game, all players choose security whether to keep faith or betray each other, and then points are scored when the choices are revealed. If the two played keep faith with other, then moderate benefits earned by both. If both players betray each other, then there is minimal benefit. But if one player can trick the other into keeping faith while betraying him, he earns the maximum benefit while the victim gets nothing.

KLITGAARD'S THEORY OF CORRUPTION: THE CORRUPTION EQUATION

His equation of corruption can be set out as follows:

$$C = M + D - A$$

C = corruption,

M = monopoly power,

D = discretionary powers, and

A = accountability.

Mathematically speaking, we can say C varies directly with M and D, and inversely with A.

The equation states that the more opportunities for corruption (M) exist in a country, the larger will be the corruption. Similarly, the greater the discretionary powers (D) granted to administrators, the greater will be the corruption. However, the more administrators are held accountable (A) for their actions, the less will be the corruption, and hence a minus sign in A.

This theory tends to focus on concentrated, unaccountable power as the primary source of corruption. The more power and unbridled discretion officials have in their formal activities, the easier it is for them to extract bribes from people who need their approval, service, or assistance.

FISCAL PARADISES

We have to question ourselves about the existence of these so-called fiscal paradises. As long as fiscal paradises do exist, all the speeches about the

struggle against corruption will only be lip service. A recent report estimates at 5 trillions of dollars the amount of saving accounts in fiscal paradises (There are all over the world at least 55 fiscal paradises. The best known are the Cayman Islands, the Bahamas, the British Virgin Islands, the Bermuda, Saint Martin, Vanuatu, the Cook Islands, Luxembourg, Maurice Island, Switzerland, the Anglo-Normand Islands, Monaco, Gibraltar, Malta). The fiscal paradises are used by many wealthy people in order to avoid taxes. We may argue that this fiscal evasion is also a case of corruption. It means that some people make pressure on their own politicians in order to protect the existence of these fiscal paradises. Of course, one may argue that fiscal evasion is a legitimate reaction against massive fiscal pressure but I cannot agree with that. If you think that your fiscal pressure is too high, you have just to close your luggage's, to buy a one way flight ticket and to expatriate in another country. On the other hand, when you stay in the country, it means that you continue to enjoy high roads or free education without paying the correspondent taxes. It means that you are a free rider: The taxes you do not pay are supported by the other taxpayers! What is more, fiscal paradises are fueled by crime, narcotics, terrorism and mainly high-level corruption. Unfortunately, the Western governments do not want to dismantle these "hell spots" Consequently, we may claim that this refusal is due to a dilute form of corruption (Pressure of some very wealthy persons who contribute to finance the electoral campaigns).

As an alternative, we could propose to set up a world agency in order to monitor all the flow and outflow of money in connection with the worst fiscal paradises. Of course, it could be a difficult task but we may assert that the technology which facilitates the circulation of money may also facilitate its monitoring. Of course we know that people use phony names and numerated accounts but the technology is able to decrypt that. It is just a question of willingness. Hence the paper adopted the public choice theory.

CORRUPTION AND STEALING OF PUBLIC FUNDS IN NIGERIA

The genesis of corruption in Nigeria might not really be associated with a particular period none the less, (Benjamin, 2007) asserted that corruption in Nigeria can be traced back to the colonial era when Nigerians were bribed with different foreign goods in exchange for local product in exchange for slaves. Aside this, various regimes have also been associated with certain corrupt practices. The system has been such that corruption is use to check corruption by corrupting the system all the more. Some studies have taken a historic look into the discussion of corruption by diving it into various forms such as beaurecratic corruption, electoral corruption educational corruption, and political corruption while stealing at different level of government.

Corruption in Nigeria is as old as the country itself, though its nature, scope and consequences have varied considerably over the years. Indeed, from the late colonial period to date, researchers have expressed concern about the level of venality in the country. A considerable level of bribery, nepotism, and the use of political office for personal enrichment existed in the late colonial Nigeria. (Moore, 1997). Although, the level of political corruption in the country during this period is difficult to determine, its actual presence cannot be contested. In fact, there was a report that almost all the regional government plundered financial surpluses obtained through statutory control of export crop marketing. The corrupt behaviors of most Nigerian political elites during this period clearly set the stage for a more resilient generation of corrupt public officials that have since independence mesmerized Nigeria's wealth and resources with almost absolute impunity.

Furthermore, the Obasanjo's government recovered more funds and had some of Abacha's private accounts frozen. It should be noted that Abacha's family also agreed in principle to surrender about \$1.2 billion of the wealth under a new compromise with the government. This was considered a full and final settlement of what the government believes the late general Abacha looted from the treasury although the government reported in Nov 2003 that it had reached an agreement with the Swiss authorities for the return of close to \$ 660 million traceable to Abacha, of recent, other evidences of corruption as well as stealing public funds in Nigeria are the NNPC scam and 20 billion missing money. (Weekly Trust. 2010, September 16). Stella Odu's aviation scam about the purchase of its BMW car, police pension fund scam, Recovery of huge funds from served politicians, fuel subsidy scam of Otedola and a house of representative members among others. Transparency ranking of the country on corruption and host of others are all clear evidences. Nigeria remains mired in corruption, crime, poverty, and violence despite the promulgation of several laws like in other countries as the principal mechanism for curbing corruption. The legal instruments used to fight corruption in Nigeria include the Criminal Code, Code of Conduct Bureau, the Recovery of Public Property Act of 1984, the Economic Financial Crime Commissions (EFCC) and the Independent Corrupt Practices and other related Crime Commission (ICPC). Two major events that have led to a litany of corrupt practices in Nigeria are the rise to public administration and discovery of oil and natural gas. It is interesting to note that pervasive corruption has been blamed on colonialism. During the first and second republics, government officials were in the habit of collecting 10 per cent from contract funds. The era witnessed unprecedented level of venality by high-ranking politicians. Corrupt practices were also manifested in the manipulation of the electoral process, politicization of the judiciary and resort to false accusation charges to intimidate political opponents of the government. Thus,

pervading culture of corruption was one of the reasons given by the armed forces when they sacked elected governments in January 1966 and December 1983. (Tignor, 1993)

However, apart from General Murtala Mohammed and Mohammedu Buhari, other military rulers engaged in large scale corruption with freedom from punishment. Successive military regimes mismanaged the opportunities created by the relatively enormous increases in huge revenue from oil, obtained through compulsory public acquisition of majority shares in the oil-producing companies, as well as through taxation. Corruption in Nigeria became legitimized especially during Babaginda and Abacha regimes (1985-1998). During these regimes, there were high but wasteful spending and nothing to show in terms of physical developments. During this period, the culture of corruption through which Nigerians have come to know as a settlement syndrome became part of the country's political culture. Abacha's regime witnessed the height of all corruption. UNIDC (United Nations Industrial Development) maintained that about \$107 billion were kept in private accounts in Europe and the United States. He completely emptied the national treasury, about ₦400 million was purported to have been looted by him and his military goons. The civilian administration of former president Olusegun Obasanjo was received with much expectation following the bitter experience of the previous administration before it. The administration on its inception promised to fight corruption to a significant extent, to this end even though the move against corruption started late in the life of the administration; it however yielded results that superseded those of previous administrations before it ("Standing Up Against Corruption," 2006). In the years that followed among others, was the recovery and repatriation of \$240 million and \$500 million from the Abacha's loot in foreign bank accounts, ₦500 billion was recovered by the EFCC from corrupt government officials, the removal of two senate presidents, dismissal and prosecution of four cabinet ministers, prosecution and imprisonment of a former inspector-general of police and impeachment and prosecution of two state governors.

(Storey 1953).

Though Obasanjo promised that his administration would not be business (corruption) as usual but the attempts by Obasanjo himself to get an unconstitutional third term in office had eroded the anti-corruption gains of his government and the country returned to business as usual. (Late) President Yar'adua intended to make transparency and accountability the cornerstone of his administration with a view to discouraging corruption. He showed this in a singular act, by being the first Nigerian Leader in the country to publicly declare his assets, by so doing; he equally raised the stakes for all occupants in the public office.

Unfortunately, in 2008 during Yar'adua's tenure, Mallam Nuhu Ribadu the Economic and Financial Crimes Commission (EFCC) chairman was demoted from the rank of Assistant Inspector General (AIG) to Assistant Commissioner of Police. It was observed that Ribadu was being punished for his honest character and unprecedented arrest, arraignment and trial of some powerful big men for corruption. President Goodluck Jonathan, who succeeded that late president in a special interview with Jonathan Power, a Swedish journalist in February 2012, viewed Nigerians as among the highly religious-minded human beings on earth, and stated that it remained a marked contradiction to see the pervasive level of corruption that exists in the country. He also believes that corrupt human 'greed' is the devil preventing Nigeria's development instead of the widely believed 'corruption' horror. When he was the governor of his native Bayelsa State, he once argued that corruption committed by lower people in Nigeria is deadlier to the health of the Nigerian state than the sleaze done by higher-ups. (Daily Trust, 2014, September 23).

Several corruption cases has erupted recently, It is believed that Alhaji Maina misappropriated billions of naira worth of pension funds, which he claimed to have recovered from pension thieves. The senate committee probing pension funds management accused him of mopping up pension funds from banks and depositing the money in his private accounts. According to the committee, this mopping of such funds had made it impossible to pay thousands of pensioners across the country for months. When he was summoned to appear and clear the air on the committee's findings, Alhaji Maina instituted a N1.5bn case against the senate and the inspector general of police. Things came to a head when the senate passed a resolution asking the presidency to sack Alhaji Maina within two days or face its wrath. Although the presidency had initially insisted that only the head of service could sack Maina, it subsequently changed its tone and ordered that disciplinary action should be taken against him for absconding from his duty post without permission. Another worrisome situation is the kerosene subsidy scam The Former Governor of the Central bank and Now Emir of Kano Mr. Sanusi had shown that the kerosene subsidy was eliminated in 2009 by a directive of the late president Yar'Adua. (Shettima, 2009)

Further evidence, in the form of official data from across Nigeria, shows that nowhere in the country is kerosene sold at a subsidized rate. It is bought by the NNPC at N150, sold to marketers at N40-N50, but retails at N170-N250. Mr. Sanusi estimates that \$100m goes astray this way each month. "The margin of 300-500 per cent over purchase price is economic rent, which never got to the man on the street. In dollar terms every vessel of kerosene imported by NNPC with federation money cost about \$30m and it was sold at \$10 or \$11m generating rent of \$20m per vessel to the

syndicate," (International Centre for Asset Recovery, 2009, September). It was learnt that since the national assembly members concluded their investigations, no officials of the NNPC or the marketers have been sanctioned, thus emboldening them to continue to import kerosene and allocate to themselves and their cronies. Apparently due to alleged pecuniary benefits, the NNPC has continued to import kerosene and allocate in questionable circumstances to individuals and groups at the ex-depot price of N40.90. But rather than selling the product at the subsidized price of N50 per liter at filling stations, the beneficiaries of these allocations sell the product to middlemen at N95 or N100 per liter at the gates of the depots. These middlemen truck the product to the filling stations and sell between N130 and N150 per liter. It was alleged that marketers give some of their allocations to some top PPMC officials to ensure that they turn blind eye to the scam. The failure of the NNPC to implement a presidential directive removing subsidy from kerosene has fuelled suspicion among the stakeholders. Further to this, another damning report by the Office of the Auditor-General of the Federation has indicted a former Head of the Civil Service of the Federation, Mr. Stephen Oronsaye, over an alleged N123billion fraud perpetrated during his tenure, between 2009 and 2010. The 169-page report, entitled "Special Audit of the Accounts of the Civil Pensions," report revealed that Oronsaye is guilty of allegedly presiding over the looting of the nation's resources during his tenure. The audit by the auditor-general arose from the work of a Special Audit Team constituted by the federal government in May 2011 to conduct a comprehensive examination of the accounts of the Civilian Pension Department domiciled in the Office of the Head of the Civil Service of the Federation. The audit, which covered the period 2005 to 2010, uncovered monumental financial irregularities, opaque transactions, irregular and abnormal running costs, and outright stealing and kickbacks said to have reached its zenith during the 18 months that Oronsaye served as Head of Service. But no action has been taken to bring all those indicted to book. (Central Bank of Nigeria, 2011). The Police Pension Fund Fraud, The Economic and Financial Crimes Commission (EFCC) arraigned the ex-permanent secretary in the Ministry of Niger Delta Affairs, now a director in the Police Pension Office, Atiku Abubakar Kigo; the chief accountant, Mrs. Uzoma Cyril Attang, and four others before an Abuja high court on an 18-count charge of conspiracy, breach of trust and embezzlement of N32.8 billion police pension funds. The six accused persons were docked before Justice Hussain Baba to whom the case was reassigned following a controversial judgment of the first trial judge, Justice Abubakar Talba: gave a light sentence to one of the accused, John Yusuf, who pleaded guilty to a three-count charge. But Attang, who was arraigned by the EFCC for the first time in connection with the alleged fraud, was granted N10million bail and two sureties. Those who were re-

arraigned include Esai Dangabar, Atiku Abubakar Kigo, Ahmed Inuwa Wada, Mrs. Veronica Ulonma Onyegbula, Sani Habila Zira, Christian Madubuike, and John Yusuf who had been convicted. In addition, Ekiti gate recordings depict the meeting as being attended by Ayo Fayose of Ekiti; Senator Iyiola Omisore; a man identified as Honorable Abdulkareem; the Minister for Police Affairs Caleb Olubolade; and Senator Musiliu Obanikoro who was at the time the Minister of State for Defence. Mr. Chris Uba came to Ekiti with huge stash of cash to the tune of N4.7 billion and soldiers from the East to carry out the assignment. The 37-minute recording details the conversation between these men as they bribed Brigadier General Momoh with a promotion for his assistance in carrying out election fraud in Ekiti. Further information received from credible intelligence that President Goodluck Jonathan had instructed the Chief of Defense Staff, Alex Badeh, to use the army in arresting and intimidating opposition politicians before and during the election. The audio recording provides exact details of the plot, with the collaborators almost degenerating into physical combat. The former National Security Adviser (NSA) was said to have diverted and supervised the disbursement of over \$2.1b to various individuals and also sponsor GEJ's second term bid. **Olisa Metuh**, The former Peoples Democratic Party (PDP) spokesman could not find his voice anymore, after it was revealed that he allegedly got N400m from the Dasuki loot, according to reports said the money was given to him by ex-President Goodluck Jonathan as payment for a job he did. **Alhaji Abdullahi Dikko** this civil servant reportedly 'dikkoed' N40b from the coffers of the Nigeria Customs Service (NCS). News of his arrest by the Economic and Financial Crimes Commission (EFCC) was another shocker. The former NCS boss however returned N1b to the Federal Government and is on bail. **Alex Badeh**, The former Chief of Defence Staff (CDS) bought a N320m house for his 28 year-old son and another N260m for his first son in the highbrow area of Wuse in Abuja. The houses are just part of the many properties Badeh used the over N800m which he siphoned from the military coffers, to purchase. The former CDS also used his church mind to 'forfeit' \$1m to the Federal Government so it doesn't look like he is too greedy. The former minister of aviation Femi Fani Kayode was arraigned in court by the Economic and Financial Crimes Commission (EFCC) alongside a former minister of state for finance, Senator Nenadi Usman over an alleged N1.5b fraud. The anti-graft agency later filed a fresh charge against Femi Fani Kayode bordering on another fraud amounting to N4.7b. The former minister, who was the spokesman of the Goodluck Jonathan campaign organization, allegedly collected money from Dasuki for GEJ's re-election bid. **Patience Jonathan** Nigerians really agreed that 'there is God oh' when news emerged that the former first lady claimed ownership of five Skye Bank accounts with billions of Naira in them. She even went to court to order the EFCC to un-freeze the bank accounts, adding that it was a violation of her

fundamental human rights. On further investigation, it was also discovered that Mrs. Jonathan had several properties worth billions of Naira in choice locations across Nigeria. **Raymond Dokpesi** the Economic and Financial Crimes Commission (EFCC) also picked up the Chairman of Africa Independent Television (AIT) for partaking in Dasuki's juicy loot. According to reports, N2.1b was paid to Dokpesi by the Central Bank of Nigeria (CBN) on the orders of the former National Security Adviser (NSA). (Daily Trust, 2015 February 13).

METHODOLOGY

Document analysis was the approach explored in this paper to understand the extent of Mesmerization of the Nigerian economy by elite's issues from economic theories. The choice of document analysis was pertinent because the paper was primarily concerned with identifying and selecting relevant literature and evaluating evidence in academic research. Duffy (2005) stated that the document analysis approach is dynamic in nature because it can be used as the central or exclusive method of research. Johnson (1984) further explained that document analysis is useful in research that focuses on organization policy or evaluating government reports. Hakim (2000) and Elton (2002) viewed document analysis as examining information that came into existence during a particular period of study. This study was undertaken in a spirit of critical enquiry, with the goal of discussing issues of Squandarmania and Mesmerization of the Nigerian economy by political elites in Nigeria.

DATA ANALYSIS, FINDINGS AND DISCUSSION

The findings are discussed against the backdrop of the key information from the review of literature on corruption and Mesmerization of the Nigerian economy by political elites in Nigeria, the theoretical framework, the findings from the recent research investigation on corrupt political elites in Nigeria. The issues as reflected in the findings are captured in the subsections:

POLITICAL ELITES, CORRUPTION AND SOCIO-ECONOMIC DEVELOPMENT IN NIGERIA

That corruption is the bane of Nigeria's socio-economic development is to state the obvious. Today, in Nigeria, there is a consensus among well-meaning individuals and foreign nations that corruption has inevitably become a major clog in the quest for sustainable growth and development. (Afolabi, 1993). It is further agreed that it must be halted before it shut down the country. It is the single most critical impediment to achieving the Millennium Development Goals (MDGs), and like a deadly virus, it attacks the vital structures and systems that engender progressive functioning of the society. Like most developing countries, Nigeria is still grappling with the dilemma of corruption that has largely retarded social development,

undermined economic growth, discouraged foreign investments and reduced the resources available for infrastructural development, public service, and poverty reduction programs. Much more disturbing, the scourge of corruption leaves the poor perpetually disproportionately under-privileged, even as it renders the development of democracy and the building of a society of opportunity more problematic (Ribadu, 2007). Thus, by diverting assets away from their intended use, corruption can be said to be the single most important factor responsible for the failure of governance and lack of sustainable socio-economic development in Nigeria.

Without doubt, the unpardonable failure of the political elite class in managing the affairs and wealth of the country had inevitably brought severe misery to many voiceless and helpless Nigerians. It must also be mentioned here that Nigeria's post-independence political bureaucratic and military elites had terribly pillaged the nation's common wealth and national patrimony with impunity, thereby denying Nigerians access to economic prosperity and quality living condition. Also disheartening, is the fact that the volume of development assistance totaling about \$400 billion that flowed into the country for socio-economic development between independence and the collapse of military dictatorship in 1999 was atrociously squandered by the political elites of the period. The mismanagement of resources of such quantum which was worth six times the resources committed to the rebuilding of Western Europe after a devastating Second World War simply defines the callousness of the political elites class towards the socio-economic wellbeing of the country (Ribadu, 2007). A noticeable consequence of corruption on the political and economic wellbeing of Nigerians has been the distortion of governmental expenditure. This often results in diversion of public investment on large-scale projects, or infrastructure projects, rather than on the provision of necessary public services such as health, roads, housing, and education. Mostly, the Nigerian government at all levels spent relatively more on large and hard-to-manage projects, such as airports or national stadiums, to make room for fraud because execution of such project makes fraud easy. Consequently, development projects are made unnecessarily complex so as to justify the corrupt huge expenses on them (Dike 2005). This situation makes it inevitable for the limited but valuable fund earmarked for development to disappear into private pockets.

Indeed, it is difficult to think of any social ill in the country that is not traceable to the Squandamanian and Mesmerization of public funds, particularly as a direct or indirect consequence of the squandamnain and wastage of resources perpetrated by the callous political elite's class since independence. The cycle of poverty keeps growing with all its attendant consequences even as the rate of

unemployment remains perpetually high. By giving mediocrity advantage over intelligence through nepotism and cronyism, intellectual capital, which is the bulwark of development and advancement, has continued to drift abroad in search of greener pasture. Paradoxically, the scourge of corruption has left the country straddling two economic worlds at the same time. To state the obvious, the country has found itself in the quagmire of a country too rich to be poor and at the same time too poor to be rich. Thus, this has made it inevitable for Every Nigerian to be a victim of corruption. The evident is very clear that there is rationality in corruption as political elites has decided to continue to mesmerize the nation's hard gotten wealth and none is been prosecuted, as the Corruption Perception Index (CPI) released annually by Transparency International has consistently listed Nigeria among the most corrupt nations of the world. The 1996 study of corruption by Transparency International and Goettingen University ranked Nigeria as the most corrupt nation, among 54 nations listed in the study (Moore, 1997).

HOW GOVERNMENT IS FIGHTING THE WAR AGAINST CORRUPTION IN NIGERIA

The government is waging the war against stealing through the EFCC, ICPC and the code of conduct bureau, the judiciary, police and other paramilitary organization e.g. custom and excise. Externally, there is a cooperation with some foreign countries that signed extradition treaties with Nigeria and agreed to help in the trial of corrupt public officers and return of stolen money to the country, no doubt this have started yielding positive result. The successes if these anti-graft agencies cannot be overemphasis (i) politically exposed person 36 convicted 75 under trail and 105 under investigation. (ii) High profile cases and advance fee fraud 428 convictions, 789 under trial and 445 under investigation (iii) fraud and money laundry 15 convicted, 163 under trail and 26 under investigation (iv) cybercrime and internet fraud 137 under trail and 186 under investigation. (Victor Osifor,2017).The agencies are faced with some bedeviling challenges which include (i) lack of asset forfeiture law (ii) inadequate financial support (iii) training employees of the commission (iv) lack of a special court etc. Finally, our expectation from the war is that corruption stops in Nigeria, with the help of an unbiased judiciary and well-motivated law enforcement agencies. Victory for the government will not be farfetched.

SUMMARY AND CONCLUSION

There is a clear cut between corruption, stealing and economic growth and if stringent measures is not taken about it, the development of the Nigeria would be impaired. Corrupt practices always yield disastrous results. Corruption which is equal to monopoly plus discretion, minus accountability has serious impediment to sustainable development especially in developing countries like Nigeria. No

doubt, corrupt practices among the political elites class have also resulted in undermining the growth and stability of the nation's trading and financial system. As Nigeria seeks for more Foreign Direct Investments (FDIs), corruption tends to thrive more and impede the country's ability to attract overseas capital. Corruption has also damaged economic development and reforms and if adequate care is not taken, it can hinder the growth of democratic institutions. The more corrupt a country is the slower is its economic growth rate. Corruption is a stigma that destroys the reputation of affected country. It lowers investment thereby lowering economic growth of the country. Despite existing challenges facing Nigeria after establishment of the two major anti-graft institutions (ICPC and EFCC) by the government in 2000 and 2003 respectively, The reforms have yielded little result with a reduction of the corruption levels when compared with the pre-reform periods when criminal code of conduct bureau were used to check corruption practices on public office holders only. It is in the rules and practice of governance that the foundations of sustainable development are shaped or undermined. The very basis of the development becomes compromised when these rules and practices are not effectively monitored and applied. Development suffers where the rules of governance allow arbitrary resources allocations and the diversion of public resources in defiance of the public goods and to the exclusive benefit of corrupt officials, politicians and their collaborators. Although the situation looked very bad, it is not beyond remedy. To achieve this, there must be a complete change of attitude on the part of the Nigerian political elites class, because no matter how perfect or excellent the constitution or other instruments for ensuring accountability and checking corruption in the country might be, all will come to naught unless the political elites class show the political will to abide by and enforce them. Consequently, until political and higher bureaucratic appointments ceases to be a means to easy accumulation of illicit wealth and a new political culture that abhors corruption in public life and humiliates corrupt public servant, emerge in Nigeria, the country cannot escape the inevitable disastrous consequences that comes with pervasive corruption (Maduagwu quoted in Gboyega, 1996).

POLICY RECOMMEDATION

In an attempt to proffer some solutions to this endemic challenges, this paper will address the following vital resolutions as panacea for the country.

- The freedom of Information Bill should further be explored and strengthened to the Extent that the secret deals of public officials and politicians, including their private businesses and accounts are made public for everyone to see. When this is done, caution in the affairs of Public business will be at the heart of every public official. And circumventing these rules will Spell stiff

punishment for such a person as well as serve as deterring factor to potential partners in crime.

- Most recently, Nigeria has focused on tackling its corruption problem through a new whistleblower policy and it seems to be paying off. The policy, approved by president Buhari, encourages Nigerians to report corruption-related offenses. As an incentive, if ill-gotten funds are successfully recovered, whistleblowers stand to receive 2.5% to 5% of the total amount recovered. Just recently the EFCC raid on an empty apartment in Ikoyi, a highbrow Lagos neighborhood, turned up bundles of cash in dollar, pound sterling and naira currencies totaling \$43.4 million, at current Central Bank of Nigeria rates. While the agency is yet to identify the owner of the apartment, a Federal High Court in Lagos has ordered a temporary forfeiture of the money. However, this newly introduced policy should be further strengthened and consolidated.
- In the final analysis, Nigeria simply has been lacking in one thing that every nation, big or small, needs to achieve greatness, credible, responsible and people-oriented leadership. After decades of failed attempts to produce credible leaders, kudos to the current president Muhammad Buhari who has displayed a high level of integrity in so many areas. It is imperative now for the political elite class to turn a new leave by emulating our current president by rejecting old habits of corruption which has hitherto hindered Nigeria from becoming a modern, great, and developed nation. This is not in any way to undermine the need for strong institutions. Nevertheless, no country can develop strong institutions without the benefits of good leadership, leaders who will create the conditions necessary for building and sustaining strong institutions. A positive change in the attitudes of the Nigerian leadership class is all that is needed to end unnecessary squandering of the resources in Nigeria and for the nation and its people to experience sustainable socio-economic development.

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