

# Corruption in Nigeria: conceptual & empirical notes

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## Abstract

Corruption has been widely defined as 'the misuse of public power for private gain' and symptomized a dysfunctional nature of political a system. This article identifies another ramification of the terms 'corruption' and/or 'prebendalism' within the prism of the Nigerian political culture. Whilst acknowledging the importance of the 'grand narrative' in the conceptual interpretation of the term, this article seeks to go beyond this state-centric analysis by invoking '*spoilization of the system*' approach to explain how informalized nature of corruption and other acts of societal impropriety not least, financial fraud tagged '419', 'oil bunkering' etc operating at the micro and indeed unofficial level of the state impact negatively on state-society relations. This article examines the manifestations of the 'spoilization of the system'. Hence, the aim of the article is not to underscore the superficiality of the prevalence of the state-centric discourse on spoil politics in Nigeria or to enunciate a global theorizing; rather it attempts to explore the neglected conceptual relevance and context peculiarities that fit into the dynamics of unofficial corruption of the state as an additional discourse to the on-going debate on corruption in the Nigerian state.

## Keywords

Corruption, prebendalism, spoils politics, Nigeria

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## Introduction: redefining corruption and prebendalism

This article sets out to argue that studies on Nigerian political economy of corruption (i.e. 'corruption' 'prebendalism') are seemingly narrow and analytically framed within the context of 'grand-narratives' interpretation of the term. However, this definitional inadequacy is not far-fetched from the rooted convoluted arguments on the ambiguity and complexities involved in offering a substantive empirical and scientific explanation of corruption more particularly in the context of Africa and Nigeria in particular. For Chabal and Daloz:

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The study of corruption is beset with analytical and practical difficulties. In the first instance, it is virtually impossible to agree on a workable definition of the phenomenon. Second, there is no convenient interpretative framework which helps explain the links between the various levels (micro and macro) of corruption. Finally, and most obviously, it is difficult, when not downright impossible, empirically to observe the phenomenon in a scientifically meaningful way (Chabal and Daloz, 1999, p96).

Valorizing Chabal and Daloz's analysis above this article argues that the normative precept (i.e. existing discourses) of explaining the nature of corruption in Nigeria is beset by analytical polarization that premised 'corruption' at the micro level. Conceptually, the existing literature focused much on explaining the dominant state-centric nature of 'grand corruption' with empirical neglect of the informalised 'spoilization of the system' approach, which equally affects state-society relations. This article attempts to bridge this gap by first invoking two lone voices in the 'corruption', and 'prebendalism' literature Rose-Ackerman (1999), and Richard Joseph (1991) as analytical precursors of understanding the underlying notions of the burgeoning discourse on corruption and prebendalism and the theoretical ramification of Nigeria's 'spoiled system' debate.

Corruption as defined by Rose-Ackerman 'is the misuse of public power for private gain' and basically epitomizes a symptom that something has gone wrong in the management of the state'. State institutions designed to govern the state are contrarily used and manipulated for personal enrichment and the provision of benefits to the corrupt; this nature of corruption is generally referred to as 'grand corruption' (Rose-Ackerman: 1999, p9). Where as, prebendalism denotes a political trait in which high premium is placed on the state as the avenue of personal accumulation and competition to gain access to the state is a 'zero-sum game'. Richard Joseph's pioneering work on Nigerian politics (Joseph: 1991), adopted the Weberian term '*the prebend or pretender*' to literally interpret the patterns of Nigerian politics. The term prebendal entails, 'the patterns of political behavior which reflects as their justifying principle that the offices of the existing state may be competed for and then utilized for the personal benefit of office-holders as well as that of their reference or support group' (Joseph:1991:63 &1998:54). In this context, the 'state' is regarded as a 'congeries of offices susceptible to individual *cum* communal appropriation'- the statutory purposes of such offices become a matter of secondary concern however, much that purposes might have been codified in law or other regulations or even periodically cited during competition to fill them (Joseph, *ibid*, p55). Furthermore, Szeftel has plausibly synthesized both definitions in this way:

Corruption and class formation rest on prebendalism, on the control and use of state position and state power and office, once acquired must be held, sometimes by whatever means necessary (Szeftel:2000a:302).

These two approaches of defining corruption are considered in this article as meta-narratives and fall within the conundrum of the official state-centric approach or what Eghosa Osaghae referred to as the 'corruption-soaked elites and governments' (Osaghae:2008). The definitions when viewed in-depth within the context of the re-emerging dynamics of Nigerian domestic politics seems to be problematic, narrow and more importantly imprecise. Hence, current discourses on the nature of corruption in Nigeria needs further elucidation because of the benign complexities involved in the general pattern of its manifestations. This is because dominant research focused much on

explicating formal pattern of corruption/prebendalism that precludes the role of the informalised bloating of the state through nuances of corrupt related issues (see Forrest: 1986, Joseph: 1991, Lewis: 1996, Abubakar:2001). Thus, there is enduring implications of this binary distinction of the state-orchestrated corruption through the bureaucratic machinery and the one operating at the social fabric of the society.

To avoid such conceptual inadequacy, this article argues that analysis should transcend the 'grand corruption' paradigm by broadening the corruption/prebendalism literature through what I referred to as the '*spoilization of the system*' approach as a way of attempting to provide a more integrative way of explaining both the 'top-down' and 'down-top' patterns of corruption-prebendalism in Nigeria. The term 'spoilization of the system' is exactly used in this sense in which Morris Szeftel applied it to explain the spoil system in Zambia; but analytically widened to rightly fit into the current parameters in which Nigeria's-style of corruption operate. The 'spoilization of the system', occlude both the formal, (including bribery, looting of state coffers, over-invoicing of contracts, illicit sales of oil blocks and bureaucratic salary fraud etc) and the informal corruption such as (fraud through financial scam tagged as '419' in Nigeria, extortion, culture of impunity, oil theft and bunkering, marginalization, pay offs to political thugs, by political godfathers etc (HRW:October,2007,p31).The later, transpired at the unofficial levels but has far-reaching implications on the legitimacy of the state.This informalised culture of corruption/ prebend, has in recent years become endemic culture of societal impropriety the society. As the looting of state treasury through the complex structures of prebendalised bureaucracy continue apace, it consequently diverts state funds to private use. This pattern of spoil system rooted in the lack of state's capacity to bring succour to the populace and desperate to meet the necessities and day to day survival, the impoverished populace resort to this axiomatic logic and device of fast-tracking process of fraudulent accumulation. The 'preponderance of economic and financial crimes that manifest unofficially like the 'Advance Fee Fraud': 419, Money laundering, oil bunkering, etc equally have had negative impacts on the Nigerian state (see, EFCC, 2008). For instance, it de-attracts foreign direct investment and tainted the country's image globally.

### **'Spoils system' versus 'Grand corruption': A framework of analysis**

Since independence, corruption has become a salient feature of the Nigerian state and since became routine in the awarding of government contracts and in the regulation of the economy and official business in general (Whitaker: 1991:266).In fact, most government decisions including legislative bills and litigation came to involve financial considerations put plainly as bribes. In a government-managed economy observed Whitaker, the opportunities for bribery is endless, and in Nigeria, they proliferated (Ibid).This argument is captured by Garba that 'the fight for booty or 'national cake' is fierce and often vicious. It has at times led to a debilitating corruption in the arena of public policy making and implementation'. Who gains, who loses in these federal, state and local policy arenas is rarely an accident. More often than not, the distributional consequences of public policies are the intended result of the private interests which have been instrumental in their design, passage and implementation. For the entire country, the manipulation of public policy for private purposes comprises yet another disjunction in our fractured history. Not every public policy fails; and not every public programme or project is redundant. But, when once in a while a policy succeeds, it is often not because of government per se, but in spite of it' (Garba, 1995, p.237).

The rent-seeking mentality, driven to a pathological extremity in many developing countries like Nigeria in the words of Omeje, causes the state to largely sacrifice the well-being of the populace in policy-making and governance in preference for the self seeking interests of state officials and the hegemonic elites (Omeje:2008:2). Indeed, the adverse effect of chronic corruption and lack of transparency in the acts of governance has structurally crippled the post-colonial Nigerian economy, shattered institutional capacity and totally compounded legitimacy deficit problem of the state. The Transparency International's 2006 Corruption Perception Index ranked Nigeria more corrupt than 37 out of the 45 African countries. This may hinder the country's prospect to meet the MDG's targets and being one of the top 20 global economies by 2020 (Transparency International,2006). According to Forrest, bureaucratic corruption and the large scale privatization of public funds intensified under civil rule subalternly elevated corruption to an important aspect of political life and came to dominate discussion of public affairs. It was also a central mechanism in terms of resource allocation. Generically, corruption in the political economy framework of Nigeria was not a new phenomenon and was widely held that the military taught the politicians how to do it (Forrest: 1986:20). The final phase of state patronage and grand corruption in Nigeria became more apparent in the economic expansion of the 1970s under civil rule between 1979-1984. Corruption became more systematic in imports licensing, inflated public contracts, over invoicing of imports, illegal foreign exchange deals, smuggling and fictitious pay rolls were rampant (Forrest:ibid,p21). This pattern and trend of corruption was to be cynically perfected decades later into the struggle for spoils with the state and the mass of the Nigerian people positioned as victims with the few beneficiaries who control state apparatus continue to pull down the legitimacy of the state.

According to *Human Rights Watch Report* (2008), Nigeria has earned well over US\$ 223 billion in oil revenues since the exit of the military rule in 1999 (HRW: 2008, p137). Subsequently, by March 2008, the country's anti-graft watchdog EFFC conducted what is considered a high profile corruption probe into the conduit of Nigeria's 'spoil politics' in the past 50 years. The report indicates that Nigeria in the last five decades has earned nearly half a trillion dollars in oil revenue; an amount pundits argues dwarfed the total international aid to the whole of sub-Saharan Africa. Despite this huge oil revenue, an investigation by (*Africa Confidential, 1999*) also revealed that almost 70 percent of the population wallows in the vortex of abject poverty and despair. Ironically, the blossoming oil wealth has not reflected in the standard of living of the great majority of the population. Today 'across Nigeria, public services have deteriorated and poverty is growing, sharpening ethnic divisions and fostering an ever shriller parochial politics in which ethnic group's clans and sub clans battle for the shrinking national cake' (*Africa Confidential:1999*). Thus, corruption argues Lamorde 'had taken an unprecedented stature, assuming an alarming cultural dimension and frustrating all attempts at effective economic growth and a descent expression of development'.

The logic and pervasiveness of patron-client networks, as well as the deeply entrenched culture of domestic capitalist accumulation and resource distribution portrays the very nature of struggle for the spoils in Nigerian politics (Omeje: 2004, 2006:478). Therefore, the 'rentier' state status of the Nigerian state as well as its post-colonial politics of prebendalism has in fact become the dominant and defining characteristics of the state. In that, successive governments have mismanaged the oil wealth, 'salting it away in foreign bank accounts rather than investing in education, health and other social investment and mismanaging the national economy to the point of collapse'. This phenomenon, however, has rendered the state as an institution unpopular, lacking

legitimacy and domestically threatened because of the parochial interests it represents vis-à-vis its failure to deliver national development. The absolutist, predatory and personalist monopolization of state power has deepened the crisis of the post-colonial Nigerian state (Lewis: 1996, Joseph: 1998, Obi: 2006).

For instance, after eight years of what was perceived as Nigeria's longest and most uninterrupted democratic transition; former president Olusegun Obasanjo earned himself the tinted image from the Nigerian press as the most bizarrely corrupt leader in Nigeria's history. This is largely not far-fetched from the startling revelations from the senate probe of the country's power sector in February 2008 that starkly discovered that the ex-president 'aided and abetted' the misappropriations of about \$16 billion spent by his administration on the sector. Yet, Nigerians barely live with steady electricity supply for eight hours in a day (see Vanguard Newspaper, March, 2008). The Senate Committee on Power's probation of the Obasanjo's regime was to open the door for stunning ramifications of his eight years of chronic politics of looting. Besides, corruption pervades all levels of government during the past eight years of the Obasanjo's administration. Meanwhile, Nigeria's government earned an estimated \$223 billion during his eight years due to rising oil revenue in the international market but evidently, the country lost a minimum average of \$4 billion to \$8 billion annually to corruption; a figure that equate between 4.25 percent and 9.5 percent of Nigeria's total GDP in 2006 (HRW:2007). However, while the power sector probe availed Nigerians with the privilege of hearing of state fraud in billions of dollars but the NNPC probe by the Nigerian lawmakers later proved to be the 'grand theatre' of rot and fraud in billions of dollars between 1999-2007. These were the years when Chief Olusegun Obasanjo straddled the 'theatre' as both president and petroleum minister. Reports, and petitions from both within and outside the corporation including an audit report conducted by the corporation itself have all come up with one verdict; NNPC is a running story of fraud and is undeniably, the country's melting pot of corruption and a monument to graft (The Sun Magazine, April, 2008).

At the preliminary stage of the parliamentary probe of the country's oil sector, the Speaker of the parliament Dimije Bankole alleged that the NNPC does not have the exact record of what the country earned from crude oil sales since 1968. For example, there is no record anywhere in Nigeria of how much a barrel of oil has been sold. There is no clear record of the prices of oil in the last 40 years. The Department for Petroleum Resources DPR has failed to account for the exact figure realised in the last 40 years. Similarly, in June, 2008 the Special Adviser to the Nigerian President on the New Partnership for Africa's Development (NEPAD), Tunji Olagunju remarked in a conference on Nigeria's Country Review Report (CRT), on the African Peer Review Mechanism (APRM); that Nigeria lost about 3.5 trillion naira (\$29.7 billion) to corruption in the last four decades. He noted, 'corruption is responsible in large measure for broken promises, the dashed hopes and shallow dreams that characterized the lives of most Nigerians in the past four decades' (Leadership Newspaper, June, 2008).

The horrendous scale of institutionalised official corruption has had cataclysmic effect on the crippling economy and reinforced the ugly face of poverty and underdevelopment in the country. The Human Development Report 2007/2008 has ranked Nigeria the 80th poorest country among 108 developing countries in the world and 158th with low human development index. Nigeria's HDI score is 0.470, lower than South Africa, Algeria and Egypt with 0.674, 0.733, and 0.708 respectively while it also ranks behind smaller countries such as Equatorial Guinea, Djibouti and Eritrea at 127th, 149th and 155th respectively. Even on Human Poverty Index (HPI) Nigeria, ranked 80th among

108 developing countries with a value of 37.3 per cent (Human Development Report, 2008). The poverty index, according to ADB, measures severe deprivation in health by the proportion of people who are not expected to survive age 40 while HDI measures standard of living, human capital development and life expectancy. The contradiction inherent in the Nigerian political economy is that as an OPEC member and among the top 10 highest producers of petroleum in the world, the country as at April 22, 2008 had a proven 'Excess Crude Account' reserve at the Central Bank of Nigeria (CBN) of \$ 15.76 billion. It is revenue earned due to skyrocketing of price of oil in the world market to record high of \$ 134 per barrel in March 2008 (See Guardian & Daily Trust Newspapers April, 2008). According to Miss Arunma Oteh, the Vice President of African Development Bank (ADB):

Nigerians need not suffer. Nigeria is unique in Africa, with the country accounting for half of the population and more than two thirds of the output within the sub-region of West Africa. Nigeria contributes 11.0 and 16.0 per cent of total output and foreign reserves respectively in Africa while also accounting for 15.0 per cent of its population.

Yet, in another mind baffling, investigation by the Human Rights Watch in January 2007, (see *Chop Fine: 2007*), into the Rivers State's high level of official corruption, had classically exemplified how oil windfall in Nigeria has been lost to extravagance, waste and flagrant corruption that characterized the nature of spoil politics throughout the country. Politicians often, siphon oil revenues allocated to their states and local governments. They tend to award contracts for gigantic projects, budgeting of large sums of money as security votes, making returns to Godfathers, employment of ghost workers, sponsorship of foreign trips, diversion of workers' salaries and budgeting funds for projects financed by other tiers of government, oil companies or multi-lateral agencies (Ukiwo: 2008:85). Indeed, Rivers state is one among the 36 states of Nigeria with a population estimated between 4 to 5 million people. In 2006, the state government budgeted the whopping sum of \$ 1.33 billion for the fiscal year; an amount that comparatively out-figured the whole of Mali's same year budget of \$ 1.29 billion, Guinea's \$642 million and Niger's meager \$ 320 million. Moreover, the findings of this study shows that enormous sums of state's government's funds have been channeled into the office of the state Governor more often on vague grounds which perhaps include: expenditure on unspecified and unjustified donations; personal contributions to radical youth groups and organizations for patronage, or spending on unspecified so-called 'Special Projects' which have no direct bearing on improving the life of the citizenry of the state (HRW,2007). Corruption is therefore, fuelled and facilitated throughout the Nigerian state by government's lack of accountability in the conduct of official acts of governance.

### **The informal 'spoilization of the state'**

However, as argued elsewhere in this article, the term 'informal spoilization of the state' is applied for typological clarity to conceptually distinguish the state-centric corruption that involves the bureaucratic machinery of the state and the culture of corruption; that focuses on more pervasive forms of societal impropriety. In a thought provoking expository study on the content of corruption in Nigeria, Daniel Smith's (see '*Culture of Corruption: Everyday Deception and Popular Discontent in Nigeria*', 2007), focuses on the pervasive culture of corruption that manifests in forms of deception and malpractice that comes to tragically symbolize the nature of the Nigerian state. The colossal level of

'*extocization*' typified as the 419 fraud and fraudulent fraud is emphatically central to the understanding of everyday culture of deception and discontent in Nigeria (Smith, 2007, p.608).

The unofficial 'spoilization of the system' is largely associated with the audacious segment of the alienated social category, comprising mostly of the young unemployed graduates who exploit the advantages of globalization through what Kenneth Omeje describes as 'non-rentier high stake device'(Omeje: 2006:6). Non-rentier high stake device operates through wide range of methods from the use of the internet technology and transnational banking to internationalize high stake accumulation via 'advanced fraud scam'- 419 and other extraverted means of fraud. This pattern and ramifications of spoil system is rooted in the lack of state's capacity to bring succour to the populace and desperate to meet the necessities and day to day survival, the impoverished populace resort to this axiomatic logic and device of fast-tracking process of fraudulent accumulation. This fast-tracking unofficial spoilization of the Nigerian state manifest in three fundamental ways: the 491 financial fraud, the issue of illegal oil theft or what is popularly termed as 'oil-bunkering' in Nigeria and the politics of 'godfatherism' that operates through the rooted culture of impunity.

## The '419' fraud scam

The '419' as a financial fraud-scam operate at the informal level but has notoriously become synonymous with the Nigerian state. This so-called 'Advanced Fee Fraud' or '419 scam-bating' has in the last decade become a booming industry in Nigeria and spilled-over sporadically to its neighboring countries and even beyond. Indeed, '419' literally, is a codified 'section 419' of the Nigerian penal code; the section that specifically prohibits any financial related scam and fraud. Today, however, it has become a global syndicate operating based on the network of fraudsters who falsely used fake financial related references and correspondences of financial institutions such as: fake bank accounts and websites, falsified company names, registration of incorporations of corporate institutions. It also involves sending people emails requesting their help in exporting a lump sum from Nigeria; falsify Nigerian government documents for luring fraud contractual formations with victims and numerous instances of bizarre informalised illegalities. Indications are colossal on how the advanced fee fraud grosses hundreds of millions of dollars annually and the losses to victims are continuing to escalate. Recently, the scam generally targeted at small and medium sized businesses, as well as charities. It globally operates increasingly in countries like Russia, Southeast Asia, Australia, and New Zealand, as well as the US. It manifests, through the receipt of an unsolicited letter purporting to come from someone who claims to work for the Nigerian Central Bank or from the Nigerian government. The Central Bank of Nigeria denies all connection to those who promote this scheme. The syndicates flourish by reeling in their victims who have been suckered by the promise and desire of riches beyond the wildest dreams of avarice. For instance, in September 2007, a multi-million dollar ring has been cracked in Nigeria's biggest city of Lagos. The crackdown on the fraudsters who were using postal services saw 15, 000 counterfeit cheques written to the value of more than \$4 million intercepted in just a month. Furthermore, tones of mail were sifted to look for documents sent by 'Advanced Fee' conmen; the discovery paved the way for a major international criminal investigation. The anti-fraud police also found fraudulent identification papers and forged financial documents concealed in such a way as to prevent them from being picked up by security scanners (BBC, April, 2008). This incident

is one among the proliferating cases of international financial fraud dominating global media that become anointed with the Nigerian state.

## Oil theft: 'Bunkering'

Furthermore, militia and local community groups assisted oil theft and 'bunkering' has become a thriving business and has remarkably risen in the Niger-Delta region in the last few years. From 2003, militia groups in the region targets the country's mainstream crude oil production as a grand strategy of pressurizing the central government to reach their demands. The principal militia group was the Niger-Delta People's Volunteer Force NDPVF (see LegalOil.com). The group headed by Alhaji Asari Dakibo and later joined by MEND and (NDV) led by both Henry Okah and Tom Ateke who resorted to oil theft i.e. oil bunkering as a means of financing their operations. Meanwhile, oil theft 'bunkering' is predominantly controlled by the militia groups as a way of financing their insurrections in the Niger-Delta region. It is also argued that it is organized through vast state-centred syndicate implicating high ranking military officers, politicians, the security apparatuses, and even the Niger Delta special military task forces and the navy coast guards (Watts:2008:59), deployed by the state to pacify the region of high scale involvement. Substantial evidences, indicates that the militia engaged only in little theft and bunkering but provide a cover and security to the various local and international oil theft cartel. At the local level, the security forces including the Nigerian Navy deployed to maintain peace were also 'settled' with cash payments to ensure military operations and patrol did not interfere with illegal bunkering as indicated by a report on illegal sale of crude oil, which was considered by President Olusegun Obasanjo (LegalOil.com.np.).

In 2003, the Federal Government estimates as much as 300,000 barrels per day of Nigerian crude illegally freighted out of the country (Legal Oil; Opcit). Government and oil company sources indicate that between 100 million to \$250 million barrels of crude oil are stolen each year, representing an income to the thieves of approximately \$1.5b to \$4b annually. This figure represents a loss to the Nigerian government of between \$1.48b to 3.72b. However, in the last few years; there is seemingly a shifting trend in oil theft in the Niger-Delta region from the earlier militia oil bunkering/theft to a more discernible 'official theft' or 'official oil racketeering' prevalent. Since 2003, 'official oil theft' has substantially increased. Oil industry experts estimate that about 50,000 to 100,000 barrels per day of oil is smuggled out of the country through an alleged help from senior state officials in the oil industry, the government and indeed the military. In the same vein, an estimate from legaloil.com indicates that the 'official oil theft' from 2003 to 2004 to about the same or equal figure to that stolen through militia assisted ways. This, therefore, put altogether, the total amount stolen through cargo theft to around 120,000 barrel per day in 2003-2004. The International Maritime Organization (IMO) estimates that at one point, Nigerian cargo theft ran into a staggering 200,000 to 300,000 barrels per day. Apparently, IMO estimates the cargo theft at about 80,000 barrels per day with a value of US\$ 1.6 billion annually (Legal Oil: Opcit). In April 2008, Legal Oil report (2005) indicates that the theft of oil cost companies, government and the communities they serve hundreds of million of dollars each year in Nigeria alone. In addition to loss of revenue, oil theft fuels violence and insecurity, feeds corruption, finances the purchase of weapons, corrupt youth, escalates youth unemployment, causes environmental pollution and destabilizes communal life.

## The politics of 'godfatherism'

Nigeria's politics of 'godfatherism' falls with the analytical link between political violence and corruption that manifested throughout Nigeria during the eight years of the previous government and beyond. Political 'godfatherism' is both a symptom and a cause of the violence and corruption that together permeate the political process in Nigeria. Ordinarily, not all candidates vying for political office in Nigeria can single-handedly mobilize sufficient funds to compete in the country's corrupt and violent political system. Consequently, in many parts of the country successful candidates are more often those 'sponsored' by wealthy and powerful individuals known in Nigerian parlance as political godfathers (HRW:Opcit,p33). Therefore, those elected under the mighty support of their so-called 'godfathers' owe unflinching loyalty to their godfathers whose support helped in occupying their exalted positions; thus, incur debt that they are expected to re-pay endlessly throughout their tenure in office (Ibid,p34). This phenomenon has become an instrument of mobilizing political violence that characterizes the present Nigerian democratic space since May 1999, continues to flourish, and fed on corruption supported by the seemingly deeply entrenched culture of impunity.

## Conclusive remarks

This study sketches out the nature and dynamics of corruption and/or prebendalism at both the macro and micro level of the Nigerian political economy of decline. This article argues that the manifestations and trend of spoil system and other societal acts of malfeasance calls for a more nuance prognosis in scholarship for the understanding of the term 'corruption'. The argument is that there is an intrinsic link between mis-use of official resources for personal aggrandizement with the current pervasive nature of spoil system. Failure of governance and the 'cunning to milk' the state approach by the few have deepened the phenomenon of poverty. Compelled by the negative impact of 'graft politics' that excluded the majority of the populace, most Nigerians resorted into series of societal illegalities that becomes the norms of the society. The lingering wave of financial fraud code named as '419', 'oil bunkering' 'kidnappings' has strains the ethical disposition of the state and come to tenaciously spoiled the entire socio-political and economic fabric of the state. Thus, the colossal rate of grand corruption as well as the political economy of criminality at the informal level paved the way for the term 'spoilization of the system' used in this article. This argument is now presented in order to spark a debate between the universal enunciations of 'grand corruption' operating at the official state versus 'spoilization of the system' triggered by the former by taking into account the distinctive characteristics of the political economy of states.

## Notes

1. I borrowed Morris Szeftel's uses of the terms like fraud, extortion, nepotism, payoffs etc in Zambia's case of graft, spoil system analysis, and broadly applied it into the Nigerian case where corruption is endemic and exhibits more complex pattern (see ROAPE: Vol.9 no.24 pp4-21).
2. The term 'spoilization of the system' is used in this article to explain the ramifications of corruption in Nigeria that operate at the informal sector while having inherent implications to state-society relations in the same way the official state orchestrated nature of corruption does to the state.

3. 'Godfatherism' in Nigerian local politics connotes, someone by virtue of political influence or/and immense wealth sponsors a political candidate vying for any electoral position in Nigeria. When duly elected, the political 'godfather' in return anticipates unconditional loyalty from his 'political-son'.
4. Miss Arunma Oteh was the Vice President of African Development Bank (ADB). Oteh made this remark on the 2<sup>nd</sup> Vanguard Newspaper Nigeria Bankers Award lecture held on the 17 of April 2008 in Lagos: see Daily Trust Newspaper 22 April, 2008 Lagos.

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