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# CORRUPTION & POVERTY IN NIGERIA

Finding the Linkages

# NIGERIA



**\$509bn**

**Africa Largest Economics**

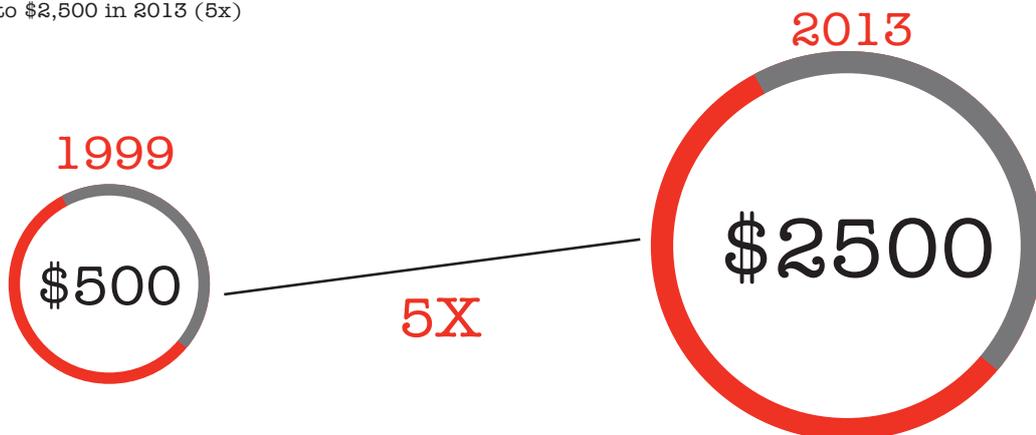
\$509bn - Nigeria is the largest economy in Africa with a revised GDP of \$509bn as at 2013. (Africa)



Nigeria is the 26th largest economy in the world.

## GDP PER CAPITA 2013

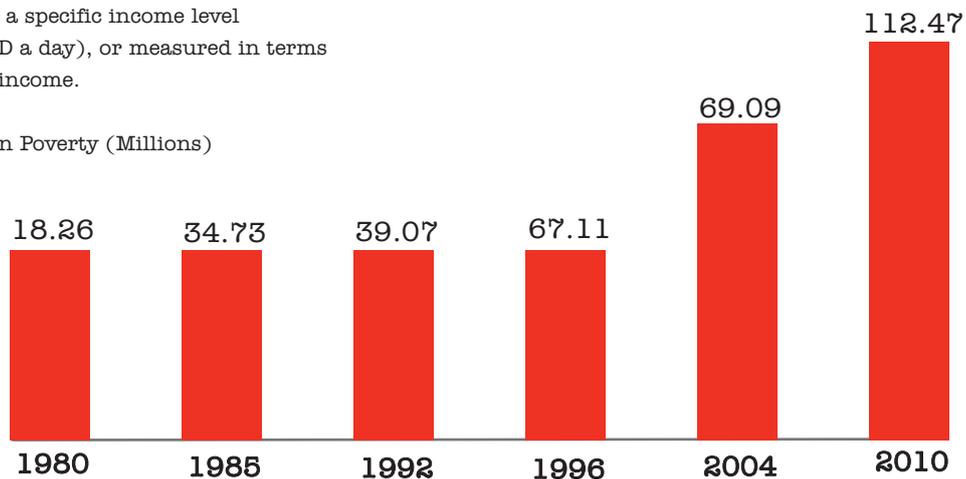
Nigeria's GDP per capita rose from \$500 in 1999 to \$2,500 in 2013 (5x)



## POVERTY STILL PERSISTS

Poverty is commonly defined by economists in relation to a specific income level (\$1 or \$2 USD a day), or measured in terms of per capita income.

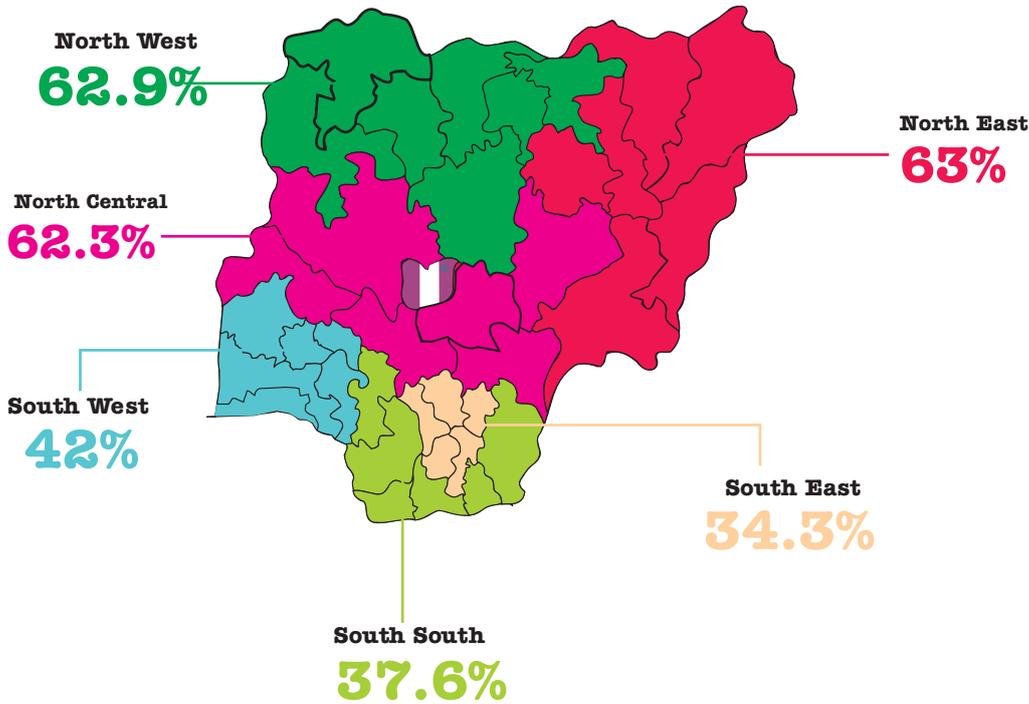
Populations in Poverty (Millions)



In the 1980s and 1990s the number of people living below the poverty line steadily increased. There was a slight decrease in 2004, but the numbers have continued to increase since then.

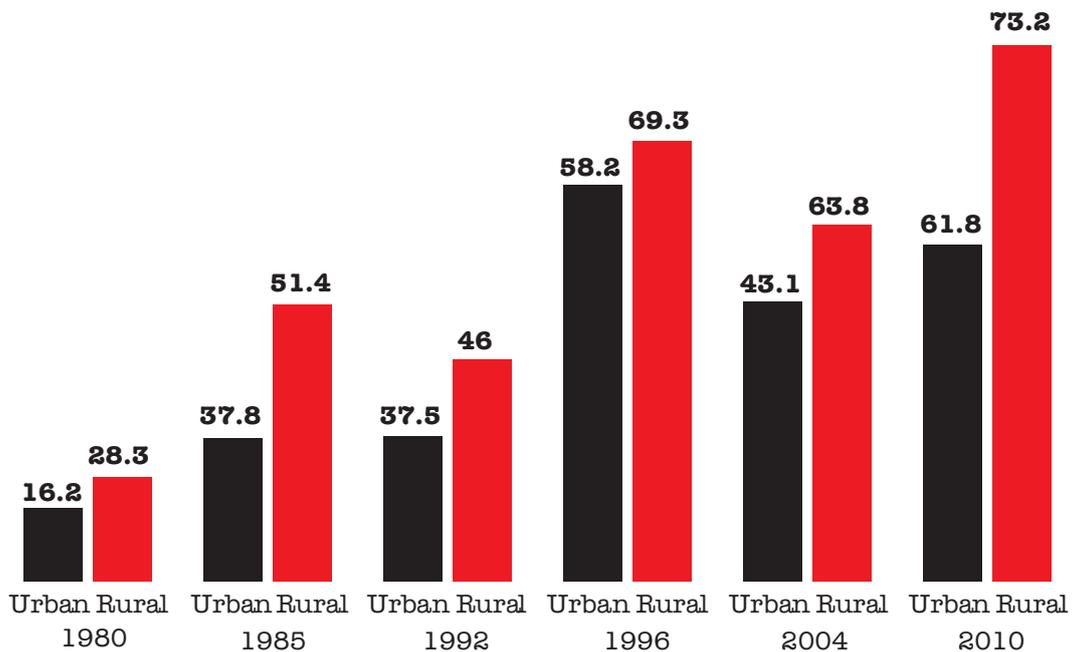
# POVERTY SPREAD ACROSS THE COUNTRY

Geo-Political Trends of Poverty as at 2010



Statistics show that people living in the northern part of the country are more likely to live in poverty than those living in the rest of the country. NBS reports that the eleven states with the highest incidences of poverty are in the northern part of Nigeria, with Jigawa topping the list with a poverty incidence of 90.9 per cent while Oyo State has the lowest poverty incidence (20.9 per cent).

## RATES OF POVERTY ARE MORE HIGH IN RURAL AREAS THAN URBAN AREAS



The National Bureau of Statistics attributed the high incidence of poverty in the rural areas to their dependence on low-productivity agriculture, lack of access to opportunities and poor social and economic infrastructure.

# HOW HAS NIGERIA RESPONDED TO POVERTY?



These interventions were intended to reduce poverty in the country, but their designs and implementations were faulty. For instance, while some lacked targets, others had extremely ambitious targets which failed to consider technical capacities and budgetary limitations. In addition, the targeted beneficiaries had either very limited or no participation in the planning and implementation of these interventions. Because some of these intervention programmes lacked focus, they ventured into too many activities and became unsustainable.

## MDGs

### Is Nigeria winning the war on poverty?

60%

As of 2000, when the MDGs were declared, 60% of Nigerians were officially recognised as living in relative poverty.

21.35%

Based on MDGs projection, poverty rates was expected to drop to 21.35% by 2015.

28.78%

Based on MDGs projection, it was expected that by 2007, the midpoint of the MDG's lifespan, the number would have dropped to 28.78%.

54.40%

The actual percentage of poor people in 2007 was 54.40% - about 25.62% below the expected figure.

37.5%

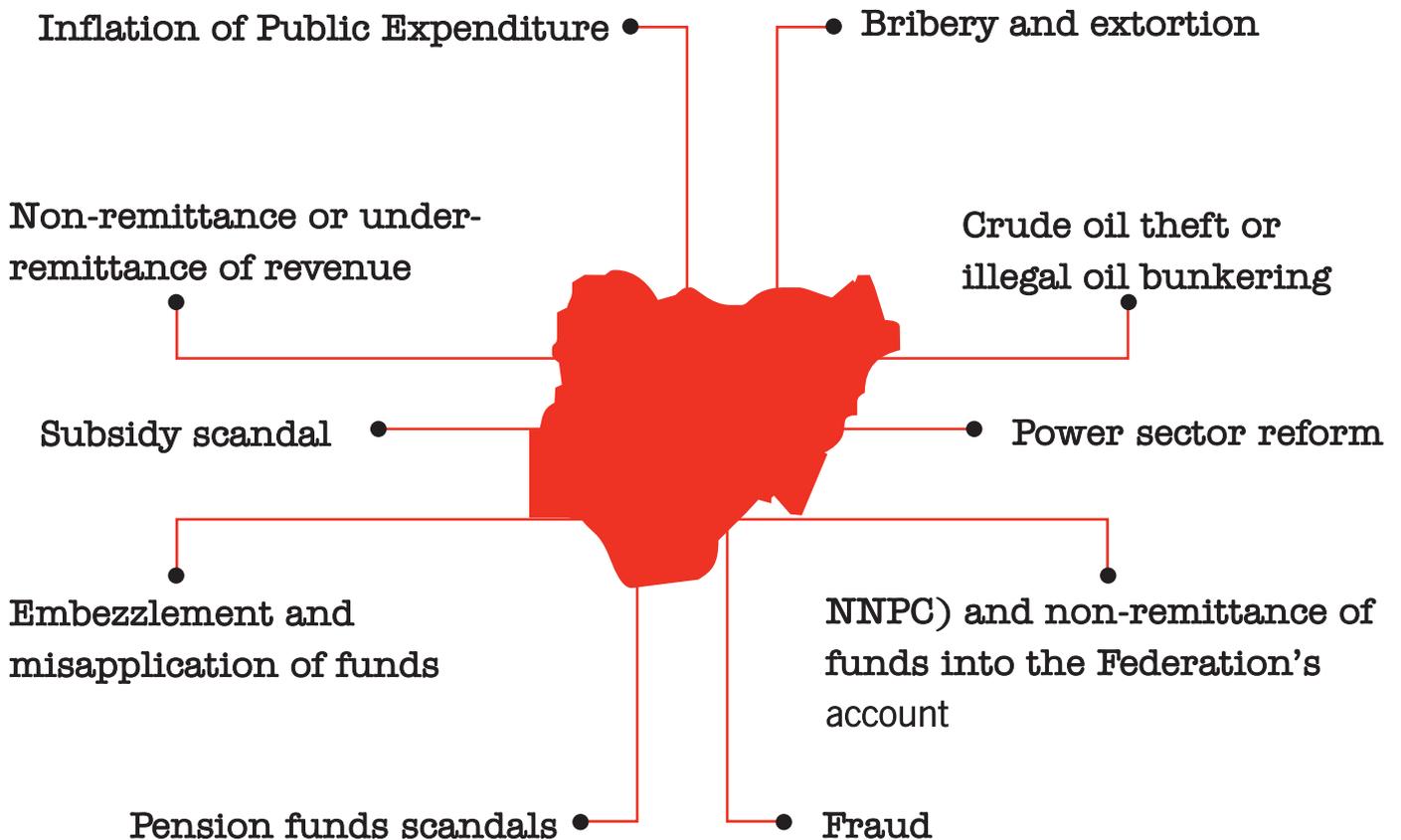
By 2015 the incidence of poverty was expected to fall to 37.5%, as against the Federal Government target of 21.35%. With the poverty level at 62.8% in 2010, it is clearly going to be impossible to achieve even the revised target of 37.5% in 2015.

# DEFINING CORRUPTION



Corruption is defined as a behaviour, which deviates from the normal duties of a public role because of private relationships (family, close private clique), pecuniary or status gain: or violates rules against the exercise of certain types of private relationship. This includes such behaviour as bribery (use of reward to pervert the judgment of a person in a position of trust); nepotism (bestowal of patronage by reason of a restrictive relationship rather than merit); and misappropriation (illegal appropriation of public resources for private-regarding uses)

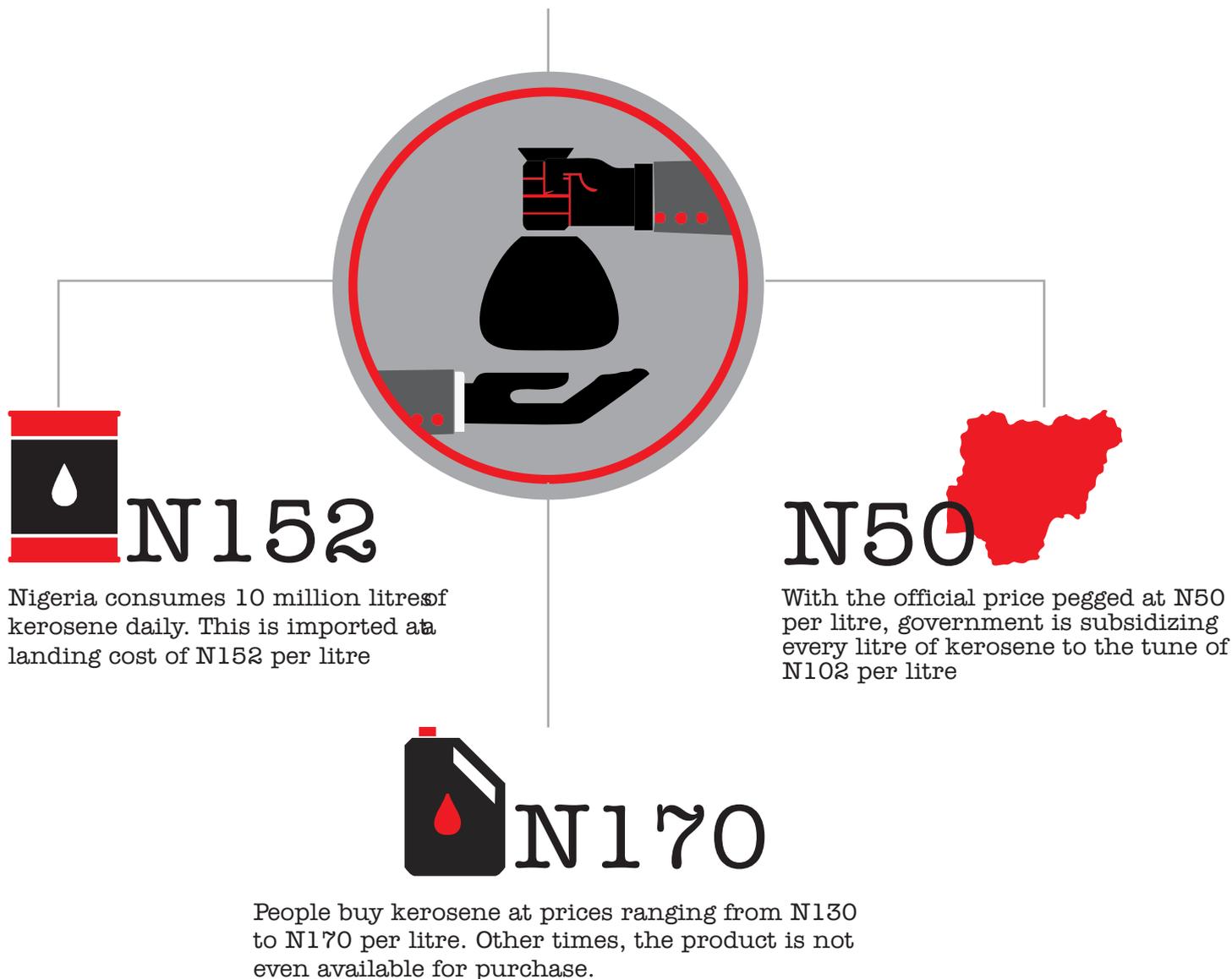
## Manifestations of Corruption



# CORRUPTION: THE KEROSENE SUBSIDY FRAUD

## n322BN

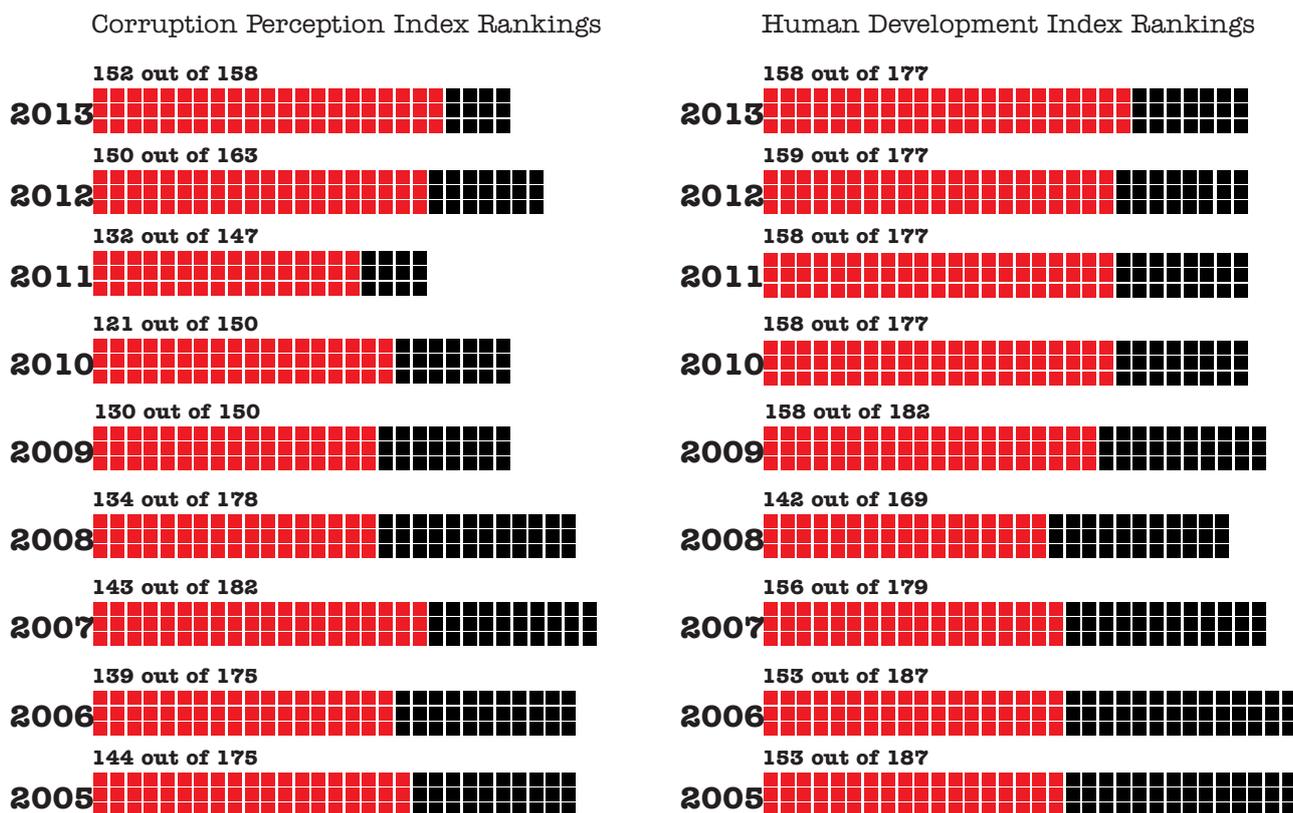
Specifically, the government report stated that in 2011 alone, approximately N332 billion (US \$ 1.8 billion) was spent on an **illegal kerosene subsidy** that did not reach the intended beneficiaries. President Yaradua sent a circular to NNPC to ending of fuel subsidy but this was not respected.



“ ... the country has spent at least N1 trillion over the past four years to subsidise kerosene, yet the product is neither available nor is it sold at the official NNPC pump price whenever it is found and wherever.” The Deputy Speaker of the House of Representatives, Emeka Ihedioha,

# Despite being poor, Nigeria IS also corrupt

Comparing Nigeria's Corruption Perception Index and Human Development Index rankings: 2005-2013.



## The Correlation Between Corruption and Poverty in Nigeria

1 Nigeria scores high in the Corruption Perception Index and scores low in the Human Development Index implying that because the incidence of corruption is high, investment in citizens' welfare is low.

2 The poverty level in some states where State Governors were found to be guilty of misusing and converting public funds into private use is higher than states where governors were judicious in the use of public funds.

3 Corrupt behaviours eroded the institutional capacity of government in states and ministries to deliver quality public services such as education, health, infrastructure etc.

4 Poverty is reflected in situations where the poorest Nigerians have the worst education and health indicators - both on service uptake and outcomes - across the country.

# HOW CORRUPTION IMPACTS ON SERVICE DELIVERY



Lack of access due to limited resources left-over after looting,



Diversion and embezzlement of resources earmarked for services, including vital services such as education and health clinics,



Lack of oversight and accountability engendering extortion for services by public officials which then leaves the poor with even smaller disposable incomes

Similarly, the poor are sometimes excluded from some vital social services because they do not have money to bribe officials. When these services are denied the poor, this further worsens their poverty situation.

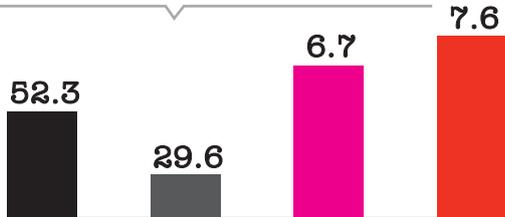


## 2105

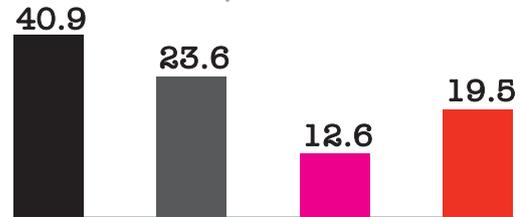
Respondents were asked how often do they pay bribe, here are the results:

■ Never ■ Sometimes ■ Often ■ Always

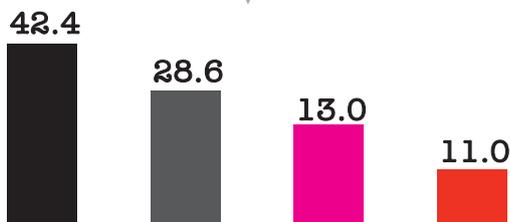
Did you pay bribe to secure admission to school for a child



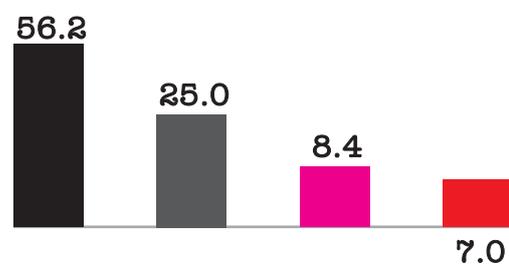
Did you pay bribe to Secure employment



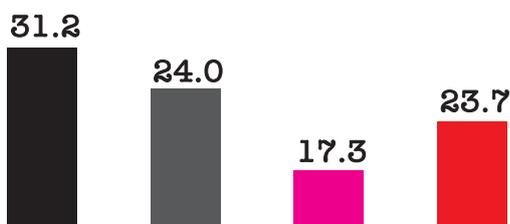
Did you pay bribe to obtain household services (electricity, water, etc.)?



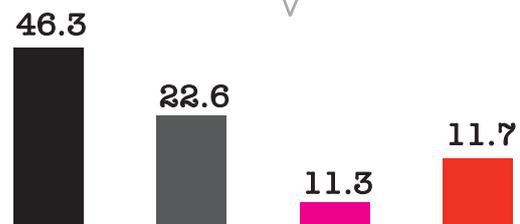
Did you pay bribe to secure medical attention?



Did you pay bribe to avoid problem with the police?



Did you pay bribe to obtain document (passport, driving license, etc.)?





# INSTITUTION FIGHTING CORRUPTION

## CRIMINAL CODE AND PENAL CODE

Chapter 12 of the Criminal Code Act deals with official corruption, with sections 98-105 being particularly pertinent. These provisions under the Criminal Code are prohibitive, but essentially reactive in that they punish corrupt acts after they have been proven

## CODE OF CONDUCT BUREAU

It is under the Code of Conduct that public officers are required to make a declaration of assets upon assumption of office and every four years thereafter. A false declaration of such assets is an offence.

## INDEPENDENT CORRUPT PRACTICES & OTHER RELATED OFFENCES COMMISSION (ICPC)

With the coming into force of the 1999 Constitution, the incoming civilian administration headed by General Olusegun Obasanjo announced an intention to tackle corruption, and his first step in this direction was the establishment of the Independent Corrupt Practices Commission (ICPC).

## ECONOMIC AND FINANCIAL CRIMES COMMISSION

The EFCC is charged with investigation of all financial crimes including advance fee fraud, money laundering, counterfeiting, illegal charge transfers, futures market fraud, fraudulent encashment of negotiable instruments, computer credit card fraud, contract scam, etc.

## TRANSPARENCY INITIATIVES

Apart from the limited moves towards transparency in the Code of Conduct provisions, the above legislation and institutions are mostly reactive tools in the hands of the Nigerian government. Civil society has long championed the idea of transparency as a weapon to prevent and respond to corruption.

# WHY CORRUPTION IN NIGERIA ?

