www.iiste.org

# Corruption and Infrastructural Decay: Perceptible Evidence from Nigeria.

Uchechi Ogbuagu<sup>1</sup>, Peter Ubi<sup>1\*</sup> & Lionel Effiom<sup>1</sup> <sup>1</sup>Department of Economics, University of Calabar, Calabar, Nigeria. \* E-mail: ubipetersamuel@yahoo.com

#### Abstract

Globally, evidences abound in literature confirming a strong nexus between corruption and infrastructural decay. This paper attempts to articulate descriptively the link between corruption and infrastructural decay in Nigeria. Two selected infrastructural sub-sectors (electricity and governance) were briefly examined and used to demonstrate the correlation between corruption and the current state of infrastructural decay. It was very glaring from the simple correlation analysis that it is not absolute lack of funds that has caused infrastructural decay but outright mismanagement of funds (corruption) that is principally responsible for the level of infrastructural decay in Nigeria. On the basis of this analysis, some policy options were suggested. In essence, the promotion and institutionalization of good governance, long term infrastructural planning and public private partnership in the provision of infrastructures were among the policies recommended.

Key words: Corruption, infrastructure, decay, governance and Nigeria.

#### JEL Classification: D73, H54 and L97

#### 1. Introduction

Despite periodic fluctuations in Nigeria's major export (crude oil) prices, the country earns enough foreign exchange/revenue to "modernize" and provide infrastructural facilities to develop the economy. In the last decade, Nigeria has experienced remarkable growth in Gross Domestic product and perhaps its per capita component at an average of 6.5 percent and 2,600 US dollars respectively (African economic outlook, 2012). This growth is not completely unconnected with the revenue windfall from petroleum which normally should be used to provide and modernize existing soft-core and hard-core infrastructures in Nigeria. To the contrary, the oil earnings has led to the execution of ambitious and unviable projects which have served as a conduit pipe for the emerging business class and the bureaucratic/political bourgeoisie to siphon public funds into personal pockets at the expense of infrastructural development. Perhaps, this explains why Nigeria's assumed impressive economic growth has nothing to show in terms of concrete development as basic macroeconomic indices such as unemployment is high, 23.9%, inflation rate is double digit high, 12.1%, per capita income is low and below the African average of 3,000 US dollars, investment is barely 18.8% of GDP and above all, 70% of the population live below the poverty line (Atuanya, 2012).

Infrastructural decay around the country can to a greater extent be traced to corruption and lack of accountability and transparency by public/private office holders in Nigeria. Corruption as a phenomenon is a global problem and exists in varying degrees in different countries (Agbu, 2003). Irrespective of the type of government, be it democratic or dictatorial, capitalist or socialist, corruption exists. Corrupt practices are as old as the world (Lipset and Gabriel, 2000). In Nigeria, it is one of the many unresolved challenges that have made development not to be human centered. Corruption is a long-term major political and economic challenge to Nigeria in the provision of infrastructures (Ayobolu, 2006). World Bank studies put corruption at over \$1 trillion per accounting year for up to 12% of the Gross Domestic Product of nations like Nigeria, Kenya and Venezuela (Nwabuzor, 2005, Ubi *et al*, 2012). It has been the primary reason behind the country's difficulties in developing fast. This is evident in Transparency International's consistent rating of Nigeria as one of the top three most corrupt countries in the world (Ribadu, 2003, ICPC, 2006). Although, corruption is rife in public organizations than private, corruption and inefficiency are characteristics of service delivery in Nigeria (Amadi, 2004). Up till 2011, Nigeria has remained among the top ten leading countries on corruption according to transparency international.

Thus, the fact that the country has not achieved success in significantly reducing or wiping out official corruption from our polity cannot be denied. It is argued that this seeming failure has been due largely to the fact that the transmission mechanism by which official corruption is perpetrated (practiced and condoned) and by which the perpetration impairs infrastructural development and by extension "concrete" economic development has not been properly articulated and documented. In spite of the challenges that corruption has posed to Nigeria, it is only recently that a systematic research has been carried out into the dimensions of corruption and its effects on the Nigerian society at large. This study aims at contributing to the literature through investigating empirically, if there exist any correlation between corruption and infrastructural decay in Nigeria (with electricity and governance infrastructural subsectors being the key areas of interest). The uniqueness of the study which is largely descriptive in nature lies in the use of non parametric statistical analysis to show the relationship between corruption and infrastructural decay in a depressed economy like Nigeria. The rest of the paper is structured as follows: section 2 discusses conceptual and theoretical issues. Thereafter, some dimensions of

corruption and infrastructural decay in Nigeria are highlighted in section 3 and this is finally followed by concluding remarks in section 4.

## 2. Conceptual and theoretical issues

An examination of the different threads of opinion in the literature on corruption and infrastructure as well theoretical explorations are necessary to enable us appreciate the issues within the context under study.

#### 2.1 Corruption

The level and types of corruption have changed between historical epochs and across countries. In recent times, its frequency, variance and sophistication have reached unprecedented levels, especially in less developed countries, hence, the attention it has attracted from scholars in different disciplines including economics, law, sociology, psychology and criminology. A clear cut definition of the word corruption is however difficult. This is because corruption covers a wide range of morally offensive or criminal acts; thus, its precise definition is not easy. Otite (1998) defined corruption as the perversion of integrity or state of affairs through bribery, favour or moral depravity. Corruption involves the injection of additional but improper transactions aimed at changing the normal course of events and altering judgments and positions of trust. Gray and Kaufmann (1998) defined corruption as the use of public office for private gains. To economists, corruption may be referred to as 'rent seeking' activity. This is an activity that illegitimately yields income over and above what a factor needs for retention in a particular employment. Rent seeking is mostly associated with unfair exploitation of loopholes in official policies. Thus, smuggling, bunkering and black marketing are parts of rent seeking. There are so many definitions of corruption but for lack of space, we will limit ourselves to these few. On a general note, corruption is simply the misuse of public resources for selfish gains.

Because of the ambivalence associated with corruption (i.e., the great deal of controversy concerning its desirability or otherwise) in many societies, a variety of terms are used in referring to corrupt acts in these societies. Thus frequently, one hears of such terms as 'kick back' and 'side deals'. In Nigeria, corruption has been referred to by expressions such as 'man know man', giving of 'kola', "runs", use of 'long legs' "language power" and "power point" etc. Based on the causes of corruption, it has been classified to include political corruption, economic corruption, bureaucratic corruption, judicial corruption and Moral corruption (Umo, 2003). But it is not the place of this study to dwell extensively on classification of corruption.

Looking at the theoretical perspectives, Social control theory of corruption posits that without effective control measures; deviance becomes the norm (Weidman, 2007). According to this theory, humans rationalize on what is more rewarding and proceed to take action on that basis. Thus, in the absence of restraining penalty or sanctions, there is nothing to deter people from fraudulently enriching themselves at the expense of others. As this phenomenon snowballs, it actually becomes accepted as a norm: as is currently the case with some forms of corruption in many African countries including Nigeria.

Also, the socio-cultural theory as stated by levy (1999) holds that corruption is as a result of imposition of western methods of governance and upholding that system as opposed to our traditional system. Corruption in developing countries is often associated with inharmonious relationship between traditional values and western norms, which are evidenced in modernistic unbridled acquisition tendencies. In the first place, the public service was structured to serve the interest of the colonial masters with the inherent contradictions between the colonial interest and current nationalistic goals. These contradictions have continued to impede the efficiency of public service as governmental machinery in the post colonial era. In its origin, the public service was based on colonial hostility to indigenous development interests. It can thus be concluded that corruption is an imported phenomena which came with colonization.

# 2.2 Infrastructure

While some economists associate infrastructure with economic and social overhead capital, which includes facilities such as power, transport and communications, others see it as embracing social overhead which includes facilities for water supplies, education, health, information, town and country planning and social welfare. According to Oshikoya *et al* (1999), Ubi *et al* (2011), the definition of infrastructure falls into two complementary categories, namely: social or soft-core infrastructure and physical or hard-core infrastructure. Soft-core infrastructure pertains to the provision of healthcare and education, type of governance, transparency/accountability and property right and is often viewed as the driving force for economic activity. On the other hand, hard-core infrastructure pertains to physical structures and comprises telecommunication, power, transportation, water supply and sewage. They are generally viewed as the wheels of economic activity. Infrastructure; be soft-core or otherwise, provides the basic foundation on which the take-off into self-sustaining growth is not only possible but is also assured and cumulative (Jhingan, 2003).

At the theoretical level, Albert Hirschman's theory of unbalancing development can be used to justify the treatment of infrastructure as a 'lead' sector whose expansion promotes and supports the development of other sectors. In Hirschman's view, since no LDCs has sufficient resources for investing simultaneously in all sectors of the economy, "investments in strategically selected industries or sectors of the economy will lead to new investment opportunities and so pave the way to further economic development". Hirschman (1958) as cited by Jhingan (2003) identifies convergent and divergent series of investments; convergent investments appropriate more external economies than they create while divergent investments create more external economies than they appropriate. Accordingly, Hirschman recommends a deliberate strategy of unbalancing the economy by investing first in infrastructure like electricity and perhaps good governance (to mention but a few) which permits and invites direct productive activities (DPA).

# **3.** Methodology

Descriptive and Simple correlation analysis are employed in this study to evaluate the nature and degree of the relationship between electricity generation (represented as ELEGEN) and corruption (represented as CORR) on one hand, and between governance and corruption on the other hand. Budget deficit (represented as BDF) is used as a proxy for measuring governance. This is because it is believed that budget deficit is supposed to enhance governance infrastructure. The data for the study which covers a period of 1974-2010 were obtained from Central Bank of Nigeria statistical bulletin, 2011 except the data on corruption that was sourced from transparency international corruption index, 2011.

# 4. Results and Discussion

# 4.1 Some dimensions of corruption and infrastructural decay in Nigeria.

Given that infrastructural decay in Nigeria is legendary, it has been widely accepted by scholars that government contracts and distribution of government benefits are the foremost grounds for corruption which is responsible for the abandonments and decay of infrastructures littered all over Nigeria. However, we intend to use two selected infrastructural sub-sectors to demonstrate some dimensions of the research problem. The choice represents both the hard-core and soft-core infrastructures.

YEAR	AVERAGE ELECTRICITY GENERATION IN MW	AVERAGE ELECTRICITY SUPPLY IN MW	AVERAGE POWER LOSS IN TRANSMISSION IN MW	AVERAGE PERCENTAGE OF POWER LOSS
1970-1980	424.7	332.8	92.3	21.7
1981-1990	1,189.4	784.5	404.9	34.0
1991-2000	1,756.6	1,016.4	740.3	42.1
2001-2010	3,530.5	1,955.9	1,574.6	44.5

# TABLE 1: ELECTRICITY GENERATION AND SUPPLY BALANCE SHEET, 2010.

Source: CBN Statistical Bulletin, 2009. Columns 4 and 5 are computed by the Authors.

In the case of electricity, the Nigerian government claimed to have spent over  $\mathbb{N}1$  trillion between 1999 and 2007 on power, yet the quantity and quality of power supply is grossly inadequate (Obayelu, 2007). This is vividly captured in table 1 above as there seem to be no remarkable difference in electricity supply before 2007 and after 2007 when the money was assumed to have been invested in the power sector. An examination of the table indicates that there is no significant difference in the percentage of electricity lost in transmission before 2007 and after 2007. Although, there might be a nominal increase in electricity generation and supply between 2007 -2012, the trend in electricity lost in transmission remains the same.

	BDF	CORR	ELEGEN		
BDF	1.000000	0.686866	0.393923		
CORR	0.686866	1.000000	0.719667		
ELEGEN	0.393923	0.719667	1.000000		

TABLE 2: CORRELATION ANALYSIS/RESULTS

Source: Calculated by the authors using E-views 3.1.

Also, from the simple correlation analysis between electricity generation (ELEGEN) and corruption (CORR) in table 2, it is discovered that the two variables are highly positively correlated given the value of 0.72. That means they move in the same direction. The implication is that, though, huge sums of money have been invested in the electricity sub-sector over the years; this has only enhanced corruption which has led to a mere nominal increase in electricity generation/supply. Perhaps, the amount of money spent is actually in peoples "pockets" who refused to invest to improve electricity generation/supply in Nigeria. They preferred to satisfy their unquenchable desire for wealth acquisition.

This result also strengthens Obayelu's (2007) position, who asserted that a nationwide corruption survey in 2007 had indicted the Power Holding Company of Nigeria (PHCN) as being one of the most corrupt infrastructural institutions in Nigeria. In Nigeria, (Power Holding of Nigeria (PHCN) formerly NEPA), the organization that is solely responsible for the supply of electricity infrastructure to the public has failed woefully to deliver on its statutory responsibility. This, perhaps, is due to "weak and corrupt capacity" to dutifully carry on its assignment. Power outages in Nigeria result in losses equivalent to 10 per cent of total sales. Ninety seven (97) percent of Nigerian firms experience power outages. On the average, such outages last for 196 hours per month, approximately, 8 days. Large firms in the manufacturing sector are adversely affected by such outages.

Faced with this situation, 86 per cent of firms have their own generators, which produce 61 per cent of their electricity needs (ICA, 2009).

Indicator	Nigeria	Kenya	Venezuela	Brazil	Indonesia	S/Africa	India	China
	2006	2007	2006	2003	2003	2003	2005	2003
% of firms experienced power								
outages	97	85	21	64	48	N/A	77	N/A
% firms with own generator								
	86	70	N/A	17	39	10	59	19

TABLE 3: COUNTRY COMPARISON OF ELECTRICITY INFRASTRUCTURE CONSTRAINTS

Source: ICA surveys, 2009.

In comparison with other countries, table 3 reveals that the percentage of firms experiencing power outages is highest in Nigeria. The implication of this undesirable development is the creation of a limited capacity in the economy to raise productivity. The manufacturing sector which is usually considered as the engine of growth has continued to be characterized by low production as a result of inefficiencies associated with corruption in infrastructural supply in which inadequate/irregular electricity supply by PHCN is paramount. There are over 800 collapsed industries in Nigeria and over 37 factories folded up in 2009. Besides, high and multiple levies and taxations being paid by these companies, energy crises have combined to make the cost of doing business in Nigeria to be very exorbitant (Adeloye, 2010; Onifade, 2011). Ekpo (2008), as cited by Atser (2008), observed that the most critical effect of infrastructure on investment is power (electricity) supply which unfortunately had been on the low side in Nigeria. According to Ekpo (2008), statistics from state owned electricity utility firm (PHCN) showed that electricity supply is about 3,400 megawatts in a country of 150 million people whose national consumption is in excess of 10,000 megawatts. Against this backdrop, the failure of PHCN to regularly supply electricity is attributed but not limited to lack of transparency in management and corruption.

In terms of governance infrastructure which drives economic activity and paves the way for accelerated socio-economic growth, ECA (2002), stated that good economic outcomes are derived from good governance. Good governance is a broad concept encompassing a wide range of issues. Good governance exists in those economies where the institutions of government have the capacity to formulate, implement and manage resources efficiently. Also, these institutions have the capacity to enforce sound policies/regulations and can as well be monitored and be held accountable. Above all, good governance exists where there is respect for the rules and norms of economic interaction and in which economic activity is unimpeded by corruption and other activities inconsistent with public trust. The key elements contributing to an environment of good governance are transparency, accountability, an enabling environment for private sector development and growth. Good governance is necessary in order to enhance the capacity of the state to deliver on its economic mandate. That mandate includes eradicating poverty through the provision of a sustainable means of livelihood (gainful employment) and improving economic growth. However, the majority of African countries (including Nigeria) now lack the capacity to meet that mandate due to deficiencies in their governance structures. Those deficiencies include the lack of an appropriate institutional framework to guide economic policy-making and execution; a weak civil society unable to hold government accountable for its actions; a similarly weak or uninterested parliament; and the lack of consultative mechanisms for engaging the private commercial interests for inputs into sectoral planning or other national economic decision-making processes.

The existence of these deficiencies therefore creates and leads to an environment of bad governance. That is to say, they contribute to an unstable macroeconomic framework; lack of transparency and lack of efficiency in fiscal, monetary, and regulatory policy; frequently unsustainable budget deficits; wasteful expenditure and imbalances in sectoral allocations; and unpredictable decision-making processes that affect national economic activities and relationships with other economics and international bodies. Clearly, there is no unique institutional structure guaranteed to lead to economic growth and poverty reduction. However, as noted in the World Development Report (2002), there must be a balance between state powers that allow public officials to deliver public goods within the framework of good economic governance, and ensure that public officials are constrained from using that power in an arbitrary fashion to serve only the interests of the privileged few.

In Nigeria, there are obvious symptoms or characteristics of bad governance. Governance institutions/infrastructure, such as the executive, legislature and the judiciary are weak because of corruption. The rule of law and adherence to formal rules are not rigorously observed. Political/public office holders are not constrained from using their power to embezzle public funds meant for the provision of public utilities. An instance could be found in the judicial process where over twenty corruption cases handled by Economic and Financial Crimes Commission (EFCC) (involving political office holders) since 1999 have suffered series of setbacks without a single conviction against any of the political office holders or a recovery of any kind.

States/Public office	Offence
Abia State	Criminal diversion of public funds in excess of 5billion Naira by public officers between 1999-2007
Taraba state	Corrupt enrichment to the tune of 1.3 billion naira by public officers between 1999-2007.
Jigawa State	36billion Naira carted away from treasury by senior public officers between 1999-2007
Enugu State	5.3 billion Naira public funds diverted for personal use by public officers of the state between 1999-2007
House of	10billion Naira contract over-invoicing 2003-2007.
representatives	Corrupt enrichment of some members to the tune of 5.2billion Naira meant to fix power
Nasarawa State	15billion Naira public funds carted away by public political office holders between 1999-2007
Senate	10million Naira unspent budget of Ministry of health carted away by house committee on health in 2010.

#### TABLE 4: EFCC CASES AGAINST CORRUPT PUBLIC OFFICE HOLDERS

Source: Ayorinde, www.villagesquare.com, 2013.

Ayorinde (2013) chronicled over ten cases involving EFCC and public office holders in Nigeria. Table 4 above highlights a few of these cases. Interestingly, the list is endless and most of these public officers/offenders are currently holding political offices and enjoying political patronage as if it is a standard practice in Nigeria. Obviously, there is a clear lack of capacity by Federal and state governments and its agencies to give the country a good sense of direction in the management of public funds as public funds are corruptly diverted for selfish reasons and public infrastructure left in a complete state of disuse and decay.

The independence and professionalism of the public sector is eroded and the civil society lacks the means to bring public pressure to bear on the institutions of governance. There have been a consistent lack of transparency and lack of efficiency in fiscal, monetary and regulatory policy; frequently unsustainable budget deficits for over 33 years as shown in Table 5 with the attendant wasteful expenditure and imbalances in sectoral allocations; and unpredictable decision-making processes. The institutions of government do not have the capacity to manage resources efficiently; this situation has been made worse by corruption in governance in all its ramifications thereby impeding long-term foreign and domestic investment. In fact, frequently unsustainable budget deficits in Nigeria have been proxied for corruption in high places of government. This is further buttressed by the result of the simple correlation analysis between budget deficit (BDF) and corruption (CORR) as shown in table 2 above. The result indicates that there exists a moderately positive correlation between budget deficit and corruption given the value 0.68. That means the two variables move in the same direction. This implies that as budget deficit increases, corruption also increases.

# TABLE 5: BUDGET DEFICITS GROWTH RATE FROM 1974-2010

Year	Real GDP In Millions	GDP Growth rate	Deficits	Deficits Growth rate	Deficit as a percentage of GDP
1974	15,919.70	199.8	1,796.4	-	9.8
1975	27,172.02	70.7	-427.9	-76.2	-2.0
1976	29,146.51	7.3	-1,090.8	-154.9	-4.0
1977	31,520.34	8.1	-781.4	-28.4	-2.4
1978	29,212.35	-7.3	-2.821.9	-261.4	-7.8
1979	29,947.99	2.5	1,461.7	48.2	3.4
1980	31,546.76	5.3	-1,975.2	-35.1	-3.9
1981	205,222.06	550.5	-3,902.1	-97.6	-3.8
1982	199,685.25	-2.7	-6,104.1	51.89	-5.5
1983	185,598.14	-7.1	-3,364.5	-49.04	-2.8
1984	183,526.95	-1.1	-2,660.4	-20.92	-2.1
1985	201,036.27	9.5	-3,039.7	-14.25	-2.1
1986	205,971.44	2.5	-8,254.3	-171.5	-5.7
1987	204,806.54	-0.6	-5,889.7	-28.6	-2.9
1988	219,875.63	7.4	-12,160.9	-106.6	-4.4
1889	236,729.58	7.7	-15, 134.7	-24.5	-3.7
1990	267,549.99	13.0	-22,116.1	-46.1	-4.4
1991	265,379.14	-0.8	-35,755.2	-61.7	-6.2
1992	271,365.52	2.3	-39,532.5	-10.6	-4.3
1993	274,833.29	1.3	-107,735.3	-172.5	-9.5
1994	275,450.56	0.2	-70,270.6	-34.7	-4.8
1995	281,407.40	2.2	1,000.0	98.5	0.0
1996	293,745.83	4.4	32,049.4	3104.0	0.8
1997	302,022.48	2.8	-5,000.0	-84.4	-0.1
1998	310,890.05	2.9	-133,389.3	-2567.7	-3.3
1999	312,183.48	0.4	-285,104.7	-113.7	-5.9
2000	329,178.74	5.4	-103,777.3	-26.4	-1.5
2001	356,994.26	8.4	-221,048.9	-113.0	-3.1
2002	433,203.51	21.3	-301,401.6	-36.4	-3.8
2003	477,532.98	10.2	-202,724.7	-32.7	-2.0
2004	527,576.04	10.5	-172.601.3	-14.9	-1.5
2005	561,931.39	6.5	-161,406.3	-6.6	-1.1
2006	595,821.61	6.0	-101,397.5	-37.2	-0.6
2007	634,251.10	6.4	-117,237.10	3.64	-0.57
2008	674,889.00	6.4	-47,378.50	-64.9	-0.20
2009	718,202.55	6.4	-810,008.46	-1609.96	-3.27
2010	775,525.70	7.9	-1,105,439.78	-36.5	-3.80

Source: CBN Statistical Bulletin, 2010. Columns 3 & 5 are calculated by the Authors.

A scrutiny of table 5 shows that there had been a deliberate budget deficits right from 1974 to 2007 and the deficit growth rate is higher than real GDP growth rate. Deficits as a percentage of GDP, except for some years, had consistently been on an average of 3.7 per cent high. It is equally worthy to note that an average of 60 per cent of the huge government deficit public expenditure has been on recurrent expenditure and leaving a balance of only 40 per cent for capital expenditure. This may partly be responsible for government's inability to fix infrastructures (including governance infrastructure) in Nigeria. There had also been a deliberate failure to institutionalize the basic norms of good governance (which in itself is due to corrupt practices) by government institutions. Ultimately, bad governance in Nigeria has generated some negative multiplier effects, thereby decreasing the capacity of the economy to provide public utilities, create jobs and by so doing improve the standard of living.

# 5. Conclusion

According to Ribadu (2006), Nigeria's previous leaders stole about 64 trillion naira (about US \$507 billion) from public coffers. When benchmarked against the 2008 budget of N2.456 trillion and 2011 budget of N4.972 trillion, this translates into 26 years and 12 years budgets respectively. The embezzlement of these public funds is made possible by corruptly over invoicing of public contracts on infrastructural provision. These "acts" lead to increased government expenditure on infrastructure as the government strives to build reliable infrastructure(s) in Nigeria. Edame *et al* (2011) discovered in their study that in spite of the increasing trend in public expenditure on infrastructure in Nigeria, the reality on ground appears dismal and that expenditure on infrastructure is higher in democratic regime than in the military. Interestingly, over the years, most governments, at state and federal levels in Nigeria have adopted due process (in principle) in projects execution as a way of checking excessive corrupt projects over-invoicing. This is supposed to allow for transparency and

accountability in governance. It is obvious that enhanced accountability in governance which in itself is an infrastructure promotes a prudent and efficient allocation and use of national resources. The major bottleneck in the adoption of due process in infrastructural supply in Nigeria is lack of adequate and proper monitoring mechanism to ensure the realization of the ultimate objectives. Most often, where a monitoring framework exists, it is not usually executed by persons who demonstrate the highest standards of personal integrity, honesty and justice. Therefore, apart from having a proper monitoring mechanism in place, it is necessary to have people with integrity and commitment to serve to be engaged in the monitoring process to ensure that quality infrastructures are supplied as and when due.

Also, the deepening of democratic structures and values wherein citizens become aware of their rights would help in this monitoring process. Ultimately, government and institutional players would know that they stand the risk of incurring the public's wrath should they not live up to expectations. Drawing from the experience of Egypt, the civil society groups and the intellectuals have a role in this.

The current institutional reform in the electricity sector where the activities of the electric power industry are unbundled such that generation, transmission and distribution/supply are managed by separate enterprises is a welcome development. Government should vigorously pursue the option of public-private partnership (both local and foreign) in this sub-sector in order to mobilize resources in this sector and create a more competitive environment thereby injecting economic and technical efficiency into the industry. This would reduce the level of decay currently experienced in this sub-sector.

Other options include; the adoption of adequate and long term planning for infrastructural supply. This requires nation-wide surveys of demand for infrastructure (in order to obtain accurate statistical records) necessary for ascertaining/estimating the infrastructural needs of the country. Once this is resolved, infrastructural planning (demand forecasting and supply) will be more meaningful. Also, the education of the people on infrastructure maintenance and sustainability is very important. By and large, no one single policy option is viable enough to attain sustainable infrastructural supply in Nigeria; rather a combination of options will achieve this. In concluding, let us relate the issue of corruption to infrastructural decay in a depressed Nigerian economy. It is clearly established that a relationship exists between corruption and infrastructural decay in Nigeria. The correlation result shows some positive relationship between corruption and infrastructural decay. It is obvious that corruption weakens the governance infrastructure (and also accountability/transparency) and encourages disregard for the rule of law. When this happens, it becomes difficult for the government to provide and maintain other physical infrastructure that would have served as the wheels of economic activity. Therefore, promoting and institutionalizing the culture of good governance, transparency/ accountability and the culture of consistency in policy design and implementation is a desirable goal. Although, a number of obstacles may be encountered at least in the short run, a strong political will backed with action (strong social control measures) on the part of government will definitely lead to the achievement of the predetermined goals.

#### References

- Adeloye, L. (2010). Harsh Operating Environment Claims 834 Nigerian Manufacturing Companies Investigation. *Sunday Punch*, Sunday, 31 October.
- Agbu. O. (2003). Corruption and Human Trafficking: the Nigerian case. West Africa Review.
- Amadi S. (2004). Privatizing without Reforming: the case of Nigeria. Report of Civil Society Policy Dialogue on the National Economic Empowerment and Development Strategy (NEEDS) Edited by Sam Amadi Frances Ogwo. A Publication of the Human Rights Law Services (HURILAWS) and Centre for Public Policy & Research (CPPR).
- Atuanya, Patrick (2012). Insecurity, infrastructure deficit mask Nigeria's Progress. <u>www.businessdayonline.com</u>. Retrieved on the 8<sup>th</sup> of July, 2013.
- Atser, G. (2008). World Bank's report on investors infrastructure decay. Sunday Punch, May 10, 8.
- Ayobolu Jide (2006). EFCC, Corruption and the Due Process. Segun Toyin Dawodu, USA.
- Ayorinde, Oluokun (2013). EFCC, Courts and Prosecution of Corrupt Politicians. <u>www.Nigeriavillagesquure.com</u>. Retrieved on the 8<sup>th</sup> of July, 2013.. Central Bank Of Nigeria Statistical Bulletin 2009 and 2010.
- Economic Commission for Africa (2002). Guidelines for enhancing good economic and corporate governance in Africa.
- Edame, G.E., Fonta, W.M., Edet, E.O. and Ushie, E.M. (2011). Public expenditure, Infrastructure and Industrial Growth Drivers in Nigeria: In Industrial Development: A catalyst for rapid economic growth edited by Udoh, Elijah, Ogbuagu, U. R and Essia, Uwem; 151-170. P.N.Davidson Publications, Owerri, Imo State, Nigeria.
- EFCC reports (2005). Effect of Corruption on Nigeria's Economy. Nigeria EFFC Information Communication Technology Department. Abuja
- Ekpo, A. (2008). World Bank's report on investors infrastructure decay in Nigeria. Sunday Punch, May 10, 8.

Gray, C. W. and Kaufmann D. (1998). Corruption and Development. *Finance and Development Journal*. Pp23-48.

ICA (2009). An assessment of the investment climate in Nigeria. The World Bank report, Washington, DC.

I.C.P.C (2006). Nigeria and Corruption. Independent Corrupt Practices and Other Related Offences Commission Jhingan, M. L. (2003). The economics of development and planning (36<sup>th</sup> ed.). New Delhi: Vrinda Publication.

Levy, Neil. (1999). Stepping into the present: Macintyre's modernity. Social Theory and Practice, 25(3), 471-490

- Lipset, S. M., and Gabriel S. L. (2000). Corruption, Culture, and Markets, in Culture Matters, Lawrence E. Harrison, and Samuel P. Huntington, eds., (New York: Basic Books, 2000), p.112.
- Nwabuzor, A. (2005). Corruption and Development: New Initiatives in Economic Openness and Strengthened Rule of Law. Ethics, a publication of Springer Volume 59, Number 1, June , pp. 121-138(18)
- Obayelu, E. A. (2008). Effects of Corruption and Economic Reforms on Economic Growth and Development: Lessons from Nigeria. Paper submitted to African Economic Conference.

Onifade, D. (2011). Power Supply: We need the facts. The Guardian, Wednesday, 23 February.

- Oshikoya, T. W., Jerom, A., Hussein M. N., Mambo, K., (1999). "Closing the Infrastructure Deficit": In proceedings: African Development Bank Conference on can African claim the 21<sup>st</sup> century? Abidjan.
- Otite, O. (1998). Presidential Address on the Sociological Study of Corruption. Conference Proceedings, Ibadan.
- Ribadu, M. N (2003). Economic Crime and Corruption in Nigeria: the Causes, Effects, and efforts aimed at combating these vices in Nigeria. Paper presented at the Monaco World Summit 5<sup>th</sup> International Summit on Transnational Crime Monte Carlo 23<sup>rd</sup> and 24<sup>th</sup> October 2003.
- Ribadu, Nuhu (2006). Nigeria's struggle with corruption: A presentation to United states Congressional House Committee on international development, Washington DC
- The Transparency International Corruption Index (CPI), (2010). pp.234-236.
- Ubi, P.S., Eke F. A. and Oduneka, Anagha E.(2011). The role of infrastructure in industrialization in a developing economy: The case of electricity supply and education in Nigeria: In Industrial Development: A catalyst for rapid economic growth edited by Udoh, Elijah, Ogbuagu, U. R and Essia, Uwem, 224-255. P.N.Davidson Publications, Owerri, Imo State, Nigeria.
- Ubi, P.S., Eko, S. A. and Ndem, B.E. (2012). Corruption and its implications for Actualizing Nigeria Vision 20 2020. Global Journal of Social Sciences, , a publication of D. O. Hanson Print Investment, 11(1), 41-52
- Umo, J. U. (2003). Practical Microeconomic Analysis in African Context (2<sup>nd</sup> edition). Lagos: Netlink Research Consult Ltd., p. 229.
- Weidman, J. C. (2007). Quantifying the relationship between corruption and educationand economic development in
- Eastern Europe and Euroasia region: A feasibility study. Institute for international studies in education, University of Pittsburg.
- World Bank (2002).World development Report, Washington D.C. <u>Www.africaneconomicoutlook.org</u>: Nigeria. (2012). Retrieved on the 8<sup>th</sup> of July, 2013.

The IISTE is a pioneer in the Open-Access hosting service and academic event management. The aim of the firm is Accelerating Global Knowledge Sharing.

More information about the firm can be found on the homepage: <u>http://www.iiste.org</u>

# CALL FOR JOURNAL PAPERS

There are more than 30 peer-reviewed academic journals hosted under the hosting platform.

**Prospective authors of journals can find the submission instruction on the following page:** <u>http://www.iiste.org/journals/</u> All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Paper version of the journals is also available upon request of readers and authors.

# MORE RESOURCES

Book publication information: <u>http://www.iiste.org/book/</u>

Recent conferences: http://www.iiste.org/conference/

# **IISTE Knowledge Sharing Partners**

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digtial Library, NewJour, Google Scholar

