NIGERIA'S INDUSTRIAL DEVELOPMENT, CORPORATE GOVERNANCE AND PUBLIC POLICY

Editors
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Wakeel A. Isola
NIGERIA'S INDUSTRIAL DEVELOPMENT, CORPORATE GOVERNANCE AND PUBLIC POLICY
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Essays in Honour of Michael O. Adejugbe
Professor of Industrial Economics

Edited by

Ndubisi I. Nwokoma
Wakeel A. Isola
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Introduction

The fight against corruption is a very crucial effort aimed at removing the impediments that affects the entrenchment of good governance and overall development in Africa. Corruption can be petty, systemic or endemic. It creates gross inefficiency in state administration and diverts public funds to uneconomic high profile projects at the expense of more necessary basic infrastructural projects such as hospital, electricity, schools, roads and many more. More devastating is its effect in fuelling political instability and violence in Africa. Therefore, any attempt at fighting corruption must be a continuous process especially with the systemic corruption which if unchecked may become the norm and acceptable standard of conduct. The fight should be at both the micro and macro levels.

At the micro level, there is the need for a re-orientation of the value systems of our societies which emphasise wealth at the expense of integrity, diligence, fair competition, and perseverance. Social institutions must take up the responsibility of socialising the growing generations to imbibe the core values of hard work, a sense of commitment to public property, self-discipline and good citizenship. At the corporate level, efforts must be made by business establishments, both private and public to create an environment that encourages free economic exchange and creation of wealth, proper and equitable allocation of public resources, and alleviation of mass poverty and deprivation. It is very important to ensure that corporate social responsibility is strictly adhered to in a most efficient and uncorrupt manner.

At the national and regional levels, national governments have to support and promote reforms that are geared towards eliminating corruption such as public service reforms, civil service reforms and public financial management reforms. At the African regional level, regional bodies like the African Union (AU) and the New Partnership for Africa’s Development (NEPAD) must promote zero-tolerance for
corruption as one of its core mandates and provide mechanisms for compliance by member states.

**What do we really mean by Corruption?**

It is difficult to get a single and encompassing definition of corruption because of its multi-faceted nature. However, there is some consensus in the literature that we have a case of corruption when: a public official (A), acting for personal gain, violates the norms of public office and harms the interests of the public (B) to benefit a third party (C) who rewards A for access to goods or services which C would not otherwise obtain. One of the key components of this definition is the conception of public office as having sets of rules and norms for the conduct of that office which implies that the office is defined in terms of the public interest it serves, and that this may run against the personal interests of the office-holder. The above definition also views corruption as abuse of public office such that it meets private rather than public interests resulting in a situation where some people gain who should not and some lose who should not.

**Corruption as ‘Leakage’ of Resources**

Corruption represents a ‘leakage’ of resources from institutions that are supposed to be using them for social objectives. It is not only the large-scale larceny of contract rigging, kickbacks and misuse or simply misappropriation of public funds that represent leakage. Leakage can be in the form of unofficial user fees, grease payments or even free time from services not performed. Under-the-table user charge, absenteeism, the sale of drugs or fertilizers that should be dispensed free of charge, or the sale of examination papers all represent the misuse of public funds for private profit.

In sum corruption is not only economic and financial (like bribery/kickbacks, embezzlement), but can also be social or political for example trading in influence or peddling rumour, nepotism and cronyism, electoral fraud, unholy alliance, involvement in organised crime among others.

**Why bother with Corruption?**

- Corruption undermines the fairness, stability and efficiency of a society and its ability to deliver sustainable development to its members.
- Levels of individual bribes and the incidence of corruption are symptoms of the deeper distortions in the system.
- Corruption distorts the procurement process and has resulted in the selection of uneconomic ‘white elephant’ projects which put many African countries into the category of Highly Indebted Poor Countries (HIPC).
- Corruption, if not controlled, undermines the credibility and viability of democratic institutions.
• Corruption can breed a vicious circle in which its incidence increases relentlessly. The unscrupulous are rewarded and the honest become demoralised. This leads to loss of hope in the governance of the state thereby compromising patriotism and the harmony that should exist between leaders and followers.

Bribery and corruption are often used as twin concepts. Although implicitly mentioned earlier, it is important to articulate specifically types of bribery. They include;

• Influence-peddling: Influence-peddling is distinct from legitimate political advocacy or lobbying.

• Offering or receiving improper gifts, gratuities, favours or commissions: (tips or gratuities vs bribery or extortion.

• Bribery to avoid liability for taxes or other costs: officials of revenue collecting agencies, such as tax authorities or customs, are susceptible to bribery.

• Bribery in support of fraud: payroll officials may be bribed to participate in abuses such as listing and paying non-existent employees ('ghost workers')

• Bribery to avoid criminal liability: law enforcement officers, prosecutors, judges.

• Bribery in support of unfair competition for benefits or resources: public or private sector employees responsible for making contracts for goods or services may be bribed to ensure that contracts are made with the party that is paying the bribe and on favourable terms. In some cases, where the bribe is paid out of the contract proceeds themselves, this may also be described as a 'kickback' or secret commission.

• Private sector bribery: corrupt banking and finance officials are bribed to approve loans that do not meet basic security criteria and cannot later be collected, causing widespread economic damage to individuals, institutions and economies.

• Bribery to obtain confidential or 'inside' information: employees in the public and private sectors are often bribed to disclose valuable confidential information. This can disclose industrial secrets and undermine national security. Also, inside information is used to trade unfairly in stocks or securities and other commercially viable ventures.

**Measurement Issues and Literature Review**

Corruption has become an important issue among many writers including social scientists, development institutions, politicians, public administrators and even the general public. They all recognised that the credibility of a country’s institutions is crucial to its development. But, the fight against corruption has not been successful
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partly due to definitional and measurement issues. Corruption is inherently difficult to measure and this is because it is illegal. In virtually all cases, direct observation of corrupt practice is impossible. As a result, the dominant approach to examining corruption according to (Olken, 2005) is to measure not corruption per se, but rather people’s perceptions of corruption.

There are numerous definitions of corruption in the academic literature and among donor agencies (Knack, 2006). Most of these definitions are quite broad, and often somewhat vague. In broad term, Transparency International (TI) defines corruption as “the misuse of entrusted power for private gain”. Often, the term “misuse” or “abuse” is further defined to apply only to illegal actions. This can be disaggregated along many dimensions: by level of political system (central government, provincial, municipal, roughly corresponding to the terms “petty” and “grand” corruption; by purpose of the improper actions to influence the content of laws and rules (“state capture”) or to influence their implementation (“administrative corruption”); among others.

Regardless of one’s preferred conceptual definition, the choice of measurement techniques from a limited set of feasible alternatives inevitably produces an implicit definition that may differ substantially from one’s ideal. Expert assessments of corruption have been most widely used for comparisons across countries and over time. A large and growing number of organisations provide such assessments. Their methods differ in several potentially important ways (Knack 2006).

First, they differ in the degree to which assessments are “centralised.” The centralised type is exemplified by Nations in Transit (NIT) and by the International Country Risk Guide (ICRG). Corruption ratings from these sources are informed by a network of correspondents with country-specific expertise, but the final ratings are determined centrally by a very small number of people (Hyden, Court & Mease, 2004). In the decentralised type, views are solicited from experts only for countries in which they have direct experience. Two examples are the UNECA’s Africa Governance Indicators (Economic Commission for Africa, 2005) and the World Governance Assessments (Hyden, Court & Mease, 2004). The World Bank’s Country Policy and Institutional Assessment (CPIA) is a hybrid of centralised and decentralised expert-based ratings. The ratings originate with the country teams and regional offices, but then are reviewed for cross-regional comparability by central units (World Bank, 2000).

A second way in which expert assessments differ from each other is in the extent of documentation they provide regarding definitions and methods. For example, NIT
Combating Corruption and Ensuring...

provides more details than ICRG on its assessment criteria and its methodology and provides extensive country narratives containing qualitative assessments of corruption problems to accompany the quantitative ratings. The CPIA is transparent in some respects but opaque in others. Its detailed assessment criteria are posted on a public website, and there are reasonably detailed narratives justifying the ratings. Neither the ratings nor the justifications are publicly released however (Knack 2006). Sources that are more transparent and accountable, as reflected by the availability of detailed assessment criteria and justifications for ratings of each country, arguably will tend to be more accurate in their assessments. At a minimum, one can debate meaningfully the appropriateness of the rating and the validity of the methods and information underlying them. Where definitions are brief, vague, and broad, and ratings are not accompanied by justifications for each country, such debate is impossible (Knack 2006).

Corruption indicators also differ in attempting to assess either:

a) the relative incidence of corrupt transactions, or
b) the impact of corruption on business, or
c) the existence of government and other mechanisms believed to affect the prevalence of those transactions.

Composite Corruption Indexes

There are at least three possible justifications for constructing a single corruption index from multiple, distinct sources of corruption indicators (Knack 2006). The first motive emphasizes substantive content: individual indicators or even several indicators from one source may be defined too narrowly for certain purposes. For example, no matter how many corruption indicators one aggregates from the Business Environment and Enterprise Performance Survey (BEEPS) as implemented by European Bank for Reconstruction and Development (EBRD) in partnership with the World Bank, the resulting index still reflects only corrupt interactions between firms and public officials (Knack, 2006). The second motive is to reduce measurement error. Given the obvious difficulties in measuring corruption, any one source may be highly inaccurate. However, if errors in measurement are largely independent across sources, the errors will tend to cancel out when data are aggregated from multiple sources. The third motive is to cover a larger number of countries. No one source covers all countries. Some sources do not overlap at all in country coverage, for example the UNECA’s African Governance Indicators and Nations in Transit.

The latter two motives were responsible for the creation of Transparency International’s widely-cited “Corruption Perceptions Index,” and subsequently
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Worldwide Governance Indicators (WGI)'s "Control of Corruption" index (Kaufmann, Kraay and Mastruzzi, 2005). Although the statistical methods vary somewhat, both of these indexes standardise corruption indicators from numerous sources to place them on a comparable scale, and compute an average of them to obtain one value for each country. Missing values on any indicator for a given country are ignored, so are in effect imputed as the average of all indicator values for which data are available for the country. By this procedure, an index value can be computed for any country with data available from even one of the many sources used (Kaufmann, Kraay and Mastruzzi, 2005).

The original purpose for the TI index was to raise awareness of corruption, and to provide researchers with better data for analysing the causes and consequences of corruption. The WBI index, appearing several years after the TI index, was intended by its authors to improve and expand on TI in several ways. First, the WGI index provides a value for any country with data available from even one source, while the official TI index requires three sources. Second, the WGI index incorporates data from more sources, including ICRG and others which TI rejects on various grounds (Lambsdorff, 2005a). Third, using many of the same data sources, WGI constructs five other broad "governance" indexes. Fourth, WGI weights available sources differently, in contrast to the equal weighting in TI of available sources for each country. Finally, WGI attempts to improve on the treatment of statistical uncertainty in TI. According to The World Bank (2000), while TI lists number of sources, and the range and standard deviation among sources, WGI computes a "standard error" as an indicator of uncertainty accompanying each point estimate. These standard errors are lower for countries (1) covered by more data sources, and (2) for countries covered by data sources which are more highly correlated with other sources in the index.

Problems Associated with Corruption Measures
There are four commonly recognised methodological problems posed by existing corruption measures:
1. There is a problem of scaling. The Corruption Perception Index (CPI) employs a ten-point scale to one decimal place, across a range of different indicators. The scale seems spuriously precise, given that it depends on the largely ordinal and relatively imprecise judgments of its respondents. One way forward might be to look at techniques associated with other multiple component perception surveys used in political and commercial research.

2. There is an issue of the appropriateness of the choice of respondents: whose perceptions matter? There is serious concern about the tendency of the CPI
survey to capture the views of Western businessmen involved in business with firms overseas. Given that bias, comparison with the sampling procedures used in other multiple-component perception surveys could make an important contribution to a more reliable index. Existing corruption indices almost wholly avoid the challenge of integrating ‘harder’ sources of data into the ‘softer’, perception-driven sources. Such data includes, for example, figures for prosecutions for corrupt activity.

3. There are problems of comparability, because of differences in legal instruments – and difficulties in knowing whether high levels of prosecutions should be weighed as evidence of high corruption, or as evidence of low tolerance for corruption. Nevertheless, such data provide more subtle and complex accounts of the problem of corruption within individual states.

4. There is a problem concerning the reliability of the CPI. There are concerns that it may show too much reliability over time and that its reliability might be a function of the dominance in the Index of a small number of surveys (nine components of the 1999 index were essentially the results of three years worth of each of three surveys).

In sum, it can be argued that the most fundamental difficulty for corruption measurement arises from the problems indicated concerning the definition of corruption and the variability of governmental and business practices in different parts of the world. Conclusively, composite indexes of corruption should be used with more caution by development agencies and by researchers, recognising that their conceptual breadth makes them appropriate for some purposes but not for others. There should be more examination of the criteria and methods of their underlying sources, to better understand what they are measuring, and to determine (roughly) their degree of interdependence. Depending on one’s purposes, customised indexes based on a subset of the TI or WBI components might be more appropriate.

**Empirical Literature**

Many writers have written on the effect of corruption on economic growth and development particularly in countries where it is systemic and institutions inefficient. They include Kaufmann and Wei (1999), Mauro (1995), Shleifer and Vishny (1993). Some however argue that corruption enhances efficiency by speeding up decisions. According to Braguinsky (1996) bribes serve to “grease” the system and contribute to efficiency. Kaufmann and Wei (1999) on the other hand argue that companies waste more time negotiating with bureaucrats when paying bribes. According to Lien (1986) the most efficient firms pay the most bribes in bidding
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competitions. Empirical evidence is however not consistent on effect of corruption on Foreign Direct Investment (FDI). But by and large there appear to be a consensus in recent time that corruption will affect FDI negatively. See for instance, Wei (2000).

It should however be noted that different nations and cultures have differing conceptions of corruption in terms of public interest and in public opinion. For example, certain exchanges such as clientelism and gift giving may be engrained within the culture of the society and so will not be considered as corrupt acts by those involved (Gardiner, 2002).

Corruption negatively affects good governance which is a component of sustainable development. It leads to loss of confidence in the government and a general non compliance of laws. Politically, corruption constitutes a handicap to democratic processes and institutions. According to Ikejiani-Clark (2001) corruption weakens governance by making policy makers timid in taking bold steps to reduce unrestrained behaviour of citizens or introduce reforms. Being unable to make bold decision can lead to the award of contracts to persons who do not deserve it. Similarly, Mauro (2002), opines that the allocation of public procurement contracts through a corrupt system may lead to a lower quality of public infrastructure and services. For example an official who have taken bribe or kickback for contract awarded by government, would not be in the position to question the contractor if he has the needed expertise and skills to execute such contracts or when he performs below standard, and this leads to most projects not being satisfactorily completed or abandoned.

Effects of Corruption on Sustainable Development

In recent times there has been significant increase in the attention paid to corruption, probably because of the increasing awareness of the costs of corruption throughout the world and also the political and economic changes which many countries are undergoing (Lawal, 2007).

Corruption is one of the biggest barriers to prosperity in Africa because it is believed that it distorts allocation and redistribution of resources, prevents businesses from being effective, deepens the plight of the vulnerable as well as the non-vulnerable as such and acts as an obstacle to economic development the world over. In other words, corruption takes away resources from where they are intended to where they are not supposed to be spent (Rudolph & Moeti-Lysson, 2011). In the words of Wolfensohn (1998), no matter how much investment and trade flows into a country, and no matter how fast the economy is growing, economic stability cannot take root in the environment subverted by corruption. Hence, it becomes imperative the effort
towards combating the scourge of corruption for sustainable socio-economic development in Nigeria.

There is enormous evidence in developing countries indicating that corruption negatively affects growth and development. This made the former United Nations Secretary General Kofi Annan to lament that corruption undermines economic performance, weakens democratic institutions and the rule of law, disrupts social order and destroys public trust, thus allowing organised crime, terrorism and other threats to human security to flourish, including sustainable development, and it is always the public good that suffers.

According to Rudolph et al. (2011) corruption is rampant in the political, economic and administrative areas and becomes worst in countries where institutions, such as the legislature and the judiciary are weak, where rule of law and compliance to regulations are not strictly adhered to, where the independence and professionalism of the public sector have been eroded, where ethics are undermined and also where civil societies do not hold people accountable.

**What is Governance?**

Governance consists of the traditions and institutions by which authority in a country is exercised. This includes the process by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them.

**Good Governance vis-a-vis Bad governance**

The concept of governance is not new at all. It can be used in several contexts, for example corporate governance, international governance, national governance and local governance. It involves mainly decision making and implementation. How well this is done will determine whether the governance can be termed good or bad. Bad governance is being increasingly regarded as one of the root causes of all evil within our societies. Major donors and international financial institutions are increasingly basing their aid and loans on the condition that reforms that ensure "good governance" are undertaken. The term good governance is becoming so popular in development discourse that it is important to understand the basic characteristics of good governance.

Good governance has eight major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, equitable and inclusive, effective and efficient, and follows the rule of law. Good governance assures that corruption is
minimised, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

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**Figure 1: Characteristics of Good Governance**
Adopted from [http://www.unescap.org/huset/gg/governance.htm](http://www.unescap.org/huset/gg/governance.htm)

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Participation is by both men and women and it could be either direct or through legitimate intermediate institutions or representatives. Participation needs to be informed and organised. This means freedom of association and expression on one hand and an organised civil society on the other hand. For the rule of law, good governance requires fair legal frameworks that are enforced impartially. Impartial enforcement of laws require an independent judiciary and an impartial and incorruptible police force. Transparency would imply that decisions are taken and their enforcement are done in a manner that follows rules and regulations. It also means that information is freely available and directly accessible to those who will be affected by such decisions and their enforcement. To be responsive, good governance requires that institutions and processes should serve all stakeholders within a reasonable timeframe. Also good governance requires mediation of the different interests in society to achieve wider consensus in society on what is in the best interest of the whole community and how this can be achieved. To achieve equity and inclusiveness, it is important to ensure that every member or group feel involved and not excluded from the mainstream of society. Good governance also means that processes and institutions produce results that meet the needs of society while making the best use of resources at their disposal. The concept of effectiveness and efficiency in the context of good governance also covers the sustainable use of natural resources and the protection of the environment. Accountability is a key
requirement of good governance. Not only governmental institutions but also the private sector and civil society organisations must be accountable to the public and to their institutional stakeholders. Accountability cannot be enforced without transparency and the rule of law.

From the above discussion it should be clear that good governance is an ideal which is difficult to achieve in its totality. Very few countries and societies have come close to achieving good governance in its totality. However, to ensure sustainable human development, actions must be taken to work towards this ideal with the aim of making it a reality.

Methodology
The data for this write-up was obtained mainly from The Worldwide Governance Indicators (WGI) project. The report consists of both aggregate and individual governance indicators for 213 economies over the period 1996–2010, for six dimensions of governance namely: voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law, control of corruption. The aggregate indicators combine the views of a large number of enterprise, citizen and expert survey respondents in industrial and developing countries.
In this paper, 20 most populous countries in Africa are compared for control of corruption, government effectiveness and political stability and violence.

Discussions
Out of the 20 most populous countries in Africa that are compared, it could be seen from table 1 that South Africa, Ghana and Madagascar have relatively high percentile ranks. The percentile ranks have been adjusted to account for changes over time in the set of countries covered by governance indicators. Higher values of percentile ranks indicate better governance ratings. The worst performers are Congo Democratic Republic, Zimbabwe, Angola and Sudan. It can be inferred from this that governance is closely linked with corruption.
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### Table 1: Control of Corruption, Comparison across Selected Countries

<table>
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<tr>
<th>Country</th>
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<th>Governance Score (-2.5 to +2.5)</th>
<th>Standard Error</th>
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<tr>
<td>ANGOLA</td>
<td>3.8</td>
<td>-1.33</td>
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<td>BURKINA FASO</td>
<td>44.0</td>
<td>-0.37</td>
<td>0.16</td>
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<td>CAMEROON</td>
<td>16.7</td>
<td>-0.98</td>
<td>0.17</td>
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<td>CONGO, DEM. REP.</td>
<td>2.9</td>
<td>-1.38</td>
<td>0.18</td>
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<td>0.17</td>
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<td>60.3</td>
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<td>SUDAN</td>
<td>4.3</td>
<td>-1.33</td>
<td>0.18</td>
</tr>
<tr>
<td>TANZANIA</td>
<td>37.3</td>
<td>-0.49</td>
<td>0.16</td>
</tr>
<tr>
<td>UGANDA</td>
<td>20.6</td>
<td>-0.88</td>
<td>0.16</td>
</tr>
<tr>
<td>ZAMBIA</td>
<td>33.5</td>
<td>-0.57</td>
<td>0.16</td>
</tr>
<tr>
<td>ZIMBABWE</td>
<td>2.4</td>
<td>-1.39</td>
<td>0.17</td>
</tr>
</tbody>
</table>

Source: Kaufmann, D. et al. (2010)

### Table 2: Government Effectiveness, Comparison across Selected Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentile Rank (0-100)</th>
<th>Income Average, Percentile</th>
<th>Governance Score (-2.5 to +2.5)</th>
<th>Standard Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANGOLA</td>
<td>12.4</td>
<td>31.6</td>
<td>-1.12</td>
<td>0.18</td>
</tr>
<tr>
<td>BURKINA FASO</td>
<td>33.0</td>
<td>19.0</td>
<td>-0.58</td>
<td>0.17</td>
</tr>
<tr>
<td>CAMEROON</td>
<td>18.7</td>
<td>31.6</td>
<td>-0.89</td>
<td>0.18</td>
</tr>
<tr>
<td>CONGO, DEM. REP.</td>
<td>1.4</td>
<td>19.0</td>
<td>-1.72</td>
<td>0.19</td>
</tr>
</tbody>
</table>
### Table 3: Political Stability/Absence of Violence, Comparison across Selected Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentile Rank (0-100)</th>
<th>Income Average, Percentile</th>
<th>Governance Score (-2.5 to +2.5)</th>
<th>Standard Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANGOLA</td>
<td>36.8</td>
<td>38.9</td>
<td>-0.22</td>
<td>0.23</td>
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<tr>
<td>BURKINA FASO</td>
<td>40.6</td>
<td>22.6</td>
<td>-0.11</td>
<td>0.23</td>
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<tr>
<td>CAMEROON</td>
<td>26.9</td>
<td>38.9</td>
<td>-0.58</td>
<td>0.23</td>
</tr>
<tr>
<td>CONGO, DEM. REP.</td>
<td>2.8</td>
<td>22.6</td>
<td>-2.20</td>
<td>0.24</td>
</tr>
<tr>
<td>COTE D’IVOIRE</td>
<td>7.1</td>
<td>38.9</td>
<td>-1.55</td>
<td>0.23</td>
</tr>
<tr>
<td>ETHIOPIA</td>
<td>5.2</td>
<td>22.6</td>
<td>-1.71</td>
<td>0.23</td>
</tr>
<tr>
<td>GHANA</td>
<td>47.6</td>
<td>38.9</td>
<td>+0.04</td>
<td>0.23</td>
</tr>
<tr>
<td>KENYA</td>
<td>13.7</td>
<td>22.6</td>
<td>-1.20</td>
<td>0.23</td>
</tr>
<tr>
<td>MADAGASCAR</td>
<td>15.1</td>
<td>22.6</td>
<td>-1.13</td>
<td>0.23</td>
</tr>
<tr>
<td>MALAWI</td>
<td>49.5</td>
<td>22.6</td>
<td>+0.08</td>
<td>0.26</td>
</tr>
</tbody>
</table>

Government’s Efforts at Fighting Corruption: Case Studies

In the past ten years, African governments have made some efforts to fight corruption. In many cases, they have been spurred by international donors pushing for transparency and good governance as well as domestic pressure to fulfil promises of reform made on the campaign trail. Some countries (example, Ghana, Nigeria, Kenya and South Africa) have established anti-corruption agencies to prevent and control corruption. But, most of the agencies have been largely inefficient and ineffective often due to government interference. The agencies are often funded and overseen by the government and as the saying goes, he who plays the piper dictates the tune.

Kenya

On paper, Kenya has a range of legislation to prevent corruption. A Prevention of Corruption Act existed in Kenya since 1956 and the procurement laws have been revised severally to improve transparency. Since 2002, an anti-corruption commission has been charged with the prevention and investigation (though not the prosecution) of corruption cases. Most of these efforts, however, have fallen prey to the overwhelming power of the executive government. Since independence in 1963, Kenya has made constitutional amendments which are aimed at strengthening the power of the executive government. This makes the judiciary to be controlled by the presidency.

Ghana

Prior to 1979, corruption was endemic in Ghana and this affected negatively her socio-economic progress resulting in ‘huge’ out-migration of the working population. The populace was dissatisfied with the situation hence the demand for change. On the
4th of June 1979, there was a violent coup led by Jerry Rawlings which resulted in the execution of eight Senior Military Officers, including Former Chiefs of State Acheampong and Akuffo. However due to the endemic nature of corruption, the military intervention did not achieve much. The efforts at combating corruption continued with the return of democratic governance in 1993. In support of government efforts, public and civil society organisations have taken various initiatives including creating an enabling environment for investment. Some of the initiatives include the “zero tolerance for corruption” campaign which prosecuted public and civil servants for alleged malfeasance charges, the official launching of the Ghana Anti-Corruption Coalition (GACC) in January 2001 and its Action Plan. With the Ghana Integrity Initiative (GII) and the efforts at building a better Ghana, remarkable progress were made such that the World Bank control of corruption indicator shows a 60.3 percentile rank for the period 1996 to 2010. It is noteworthy that Ghana’s economy is not yet corrupt-free. Agbele (2011) in his study confirms the assertion of the Bertelsmann Transformation Index on the resource efficiency and the Afro barometer surveys that the recorded changes (from 50th percentile in 1996 to 75th percentile in 2010) do not indicate substantive progress. This is evident with the popular Ghana’s Judgment Debt Crisis, its attendant financial governance problems and implications on national development as reported by the Economic and Organised Crime Office.

Nigeria
In Nigeria, the situation is no different. The country’s political history shows that corruption got rooted since the early days of independence or even before independence. Since then, it has become systemically entrenched. Due to the prevalence of corruption there was a bloody coup in 1966 which ousted her first post-independence government. Several checks for accountability had been carried out by subsequent governments which include military interventions. The last was the unbloody coup that brought General Sanni Abacha into power.

Notably in 1999, the Obasanjo led government presented a bill to the national assembly on “the prohibition and punishment of bribery, corruption, and other related offences” as one of the efforts to combat corruption. Also, the continuation of democratic governance by same ruling party gave rise to a sustained approach in the fight against corruption. This led to public declaration of personal assets by her president, Umaru Musa Yar’Adua in 2007. The need to ensure integrity in political spheres had necessitated the establishment of anti-graft agencies notably ICPC and EFCC in 2000 and 2003 respectively. Despite these efforts, cases of financial misappropriation remain in the milieu. In fact, corruption can be seen as a tricky problem because those who fight corruption are often not corrupt-free. There are
situations where recovered stolen funds or items are fraudulently utilised or stolen. The public cry or call for probes on the debt relief fund, the Abacha “loot”, petroleum subsidy among others may lend support to this statement. It is important to recall that corruption is not limited to the executive government. According to Oyinola (2011), the growing corruption in Nigeria can be traced to people holding power at the federal, state, and local government levels, and corruption does not involve just people in government, but also people in both private and public positions and even traditional rulers.

South Africa
The great watershed in South Africa’s fight against corruption came after the end of national apartheid rule in 1994. The transformation agenda of Nelson Mandela-Led Administration introduced the Reconstruction and Development White Paper to deal with corruption and maladministration. Also in 1999, Thabo Mbeki introduced the anti-corruption strategy which culminated in the launching of the National Anti-Corruption Forum in 2001.


Relatively in fighting corruption, South Africa has a unique approach in terms of international practice because both the government, businesses and civil society are collectively involved in the fight against corruption. One of the unique strategies is that it encourages whistle-blowing in all sectors. However, there is the fear of victimisation, and this affects the reporting behaviour of whistle-blowers.

Options for African Governments
Scholars have suggested a variety of methods for African governments to battle corruption, with a special emphasis on transparency and accountability. The anti-corruption reforms can be divided into three categories namely; by creating anti-corruption agencies, strengthening existing institutions and reducing dependency on foreign aid. Institutional weakness facilitates corruption, particularly
Combating Corruption and Ensuring...

imbalance between a strong executive branch and weak legislature and judiciary’. It is important to recognise the importance of press freedom and the role of non-governmental agencies. On global partnership, there are mixed views on how much influence outside actors can exert over African governments. Some western donors (example, the USA) try to discourage corruption via aid tied to performance on selected governance indicators. They are apprehensive of the recent rise in Chinese investment in Africa by suggesting that China's no-strings-attached approach to aid is undermining anti-corruption efforts.

Concluding Remarks
The purpose of this chapter is to re-examine the various strategies for fighting corruption in Africa as well as the issue of governance. Like in many developing countries, several efforts have been made by various African governments to fight corruption but unfortunately the efforts are yet to yield desirable result. Corruption in Africa ranges from high-level political graft on the scale of millions of dollars to low-level bribes by police officers or customs officials. While political graft imposes the largest direct financial cost on a country, petty bribes have a corrosive effect on basic institutions and undermine public trust in the government. This is partly because prosecution is difficult to achieve. On governance, the popular view is that many public officials in Africa wish to remain in office (seek re-election) because holding office gives them access to the state's coffers, as well as immunity from prosecution.

The anti-corruption strategies used to minimise the levels of corruption in Africa include economic and financial, legal and political strategies. Regrettably, most anti-corruption programmes in Africa have been unsuccessful. This is partly due to the fact that the judicial systems and police forces in most African countries are ineffective and most civil servants including the law enforcement agents (like judges and police officers) are themselves corrupt.

Of the 20 most populous countries in Africa compared for control of corruption, government effectiveness and political stability and violence, worst performers Congo Democratic Republic, Angola and Sudan have leadership crisis. This implies that to effectively fight corruption in Africa, good governance should be encouraged.

References


Nigeria's Industrial Development...


