

Understanding Corruption in Nigeria: The Social Exchange Perspective

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Abstract

There are several challenges that confront one who wants to interrogate corruption in Nigeria. One of such challenges is to ascertain the theoretical perspective that is suitable to explain the ubiquitous nature of the phenomenon and hence proffer a remedy. The paper argues that corruption should also be interrogated through the prism of Richard Emerson's Power-dependence genre of Social Exchange Theoretical Approach. This theory has the capacity to account for the pervasiveness of the phenomenon by locating it within the context of relationships that are determined and underguarded by dependence and the proximity of actors to power in everyday life. The paper further posits en passant that corruption cannot be understood outside these variables in any geo-political clime. The paper concludes that this theoretical approach is relevant and should be adopted to rethink and restructure the strategies to deal with the problem of corruption in Nigeria.

Keywords: corruption, social exchange, formal and informal sectors, power-dependence

Introduction

One fundamental malaise which various governmental regimes in Nigeria have grappled with is corruption. In fact, the ubiquity of the phenomenon in the country is not in doubt, neither are its attendant negative consequences. Corruption has become the bane of good governance and democratic principles and practice, the propagation and perpetuation of sound ethical values and the observance of due process both in formal and informal organizations, official and unofficial quarters, in business ventures and in everyday life. Current ratings of Nations on the corruption table shows that Nigeria is among the most corrupt nations in the world (Transparency International Corruption Perception Index Ratings, 2012). The continued failure of successive regimes to reduce the phenomenon to its barest minimum despite various efforts depicts that there is a fundamental lacuna that exist (both in theoretical approach and in practice) in the understanding of the mechanics and the social dynamics of the phenomenon, hence the solutions proffered and actions embarked upon to solve the problem so far are either feeble or have out rightly failed. Thus, the main objective of this paper is to seek for and adopt a theoretical model that can actually explain the mechanics and dynamics and the ubiquitous nature of corruption in Nigeria in everyday life. Put differently, why is corruption

rampant everywhere and what are the forces that drive its existence in the country.

This paper is divided into six sections. The first section discusses the nuance involved in conceptualizing and defining corruption. The second section attempts to sketch the typology of corruption in Nigeria. The third highlights the causes and consequences of the phenomenon on the Nigerian polity. In the fourth section, the paper notes in brief the failure of anti-corruption efforts in Nigeria, while the fifth section dwells on a consideration of the Richard Emerson's power-dependence genre of social exchange theoretical approach as a possible framework to uncover the mechanics and social dynamics that are responsible for the ubiquitous nature of the phenomenon. The sixth section concludes among others, with the assertion that social exchange approach should be adopted to rethink and restructure the strategies to deal with corruption in Nigeria.

Conceptual and Definitional Issues

Though several attempts have been made by scholars to define corruption, there seems to be an agreement that it is difficult to conceptualize with precision. According to Johnston (1991), studying corruption is a tricky business because definitions of the concept are controversial and are sometimes befuddled by self-serving equivocation. Furthermore, there also exists a chasm between citizens' perception of corruption and government perception of the same phenomenon. As a result of this challenge, there seems to be a confusion as to what acts, behavior and attitude should be considered, designated and spotlighted as corrupt. Hence Bowles (1999) argued that corruption is distinct and distinguishable from *fraud, embezzlement and extortion*. Along the same vein other scholars such as Rogow and Lasswell (1963), Brownsbeger (1983), Gillespie and Okruhlik (1991) and Warren (2004) view it as an act which is only found within the formal sector of the polity. In fact, Rogow and Lasswell (1963) see corruption as a violation of the public interest; the abuse of public roles or resources.

Shehu (2006: 24) adumbrated this kind of contemplation and conceptualization by referring to corruption as the "abuse or misuse of public office for private gain." This paper contends that such definitional conceptualization of corruption that scheme out all other forms of corrupt tendencies at the private and informal sector from intellectual and government scrutiny could be responsible for why governments everywhere in the world, and especially in Nigeria, seem not to be 'winning the war' against corruption. It is also the contention of this paper that there is a symbiotic relationship that exists between the formal and informal sector of any polity and both influences each other simultaneously. Erinosho (2008) affirms the above position when he commented on the factors that account for the collapse of traditional social values in Nigeria. According to Erinosho (2008: 7-9)

The collapse of our social values could be examined in the context of the historical and socio-political development of

*Nigeria since 1960. The combined effect of the civil war and prolonged military rule impacted on Nigeria's core values, changing the trajectory of the country. The Nigerian civil war created a new wealthy class that was largely drawn from the rank of assorted contractors who supplied arms, ammunitions... to the Armed Forces during the war. These war time emergency contractors ...amassed considerable wealth within the shortest period of time and ... emerged as a force to be reckoned with in the society by virtue of their wealth... They began not only to flaunt their wealth but to transmit the message that money is more important than education or other non-monetized but highly cherished social values. In no time... the new class set into motion the total transformation of Nigeria's traditional core values. Intellect, candour and honesty which were part of the core values of Nigerians were gradually relegated to the background while money began to **speak** in communities. Every sector of the society began to imbibe the new value-system that was engendered by this 'class' of nouveau richés whose source of wealth was doubtful... The new social class that was created by the civil war and prolonged military rule literally bought its way to fame, power and honour... By and large... Wealth assumed the basis for social esteem and social mobility in Nigeria. It is through this means that the socio-political and economic structures of the state were hijacked. Thus... the new values contributed to the breakdown of Nigeria's institution. The various institutions crumbled within a period of five decades of political independence despite periodic purges in the public service. Nigeria's Railways, Airways, Shipping line and various institutions were bankrupted within a short period. Corruption and dishonesty waxed strong in all sectors of the society. The leadership of the various institutions was now being drawn from a class of incompetent, unimaginative, mischievous, unpatriotic, corrupt and dishonest individuals.*

Erinosho's (2008) contemplation as cited above is in tandem with Ekeh's (1975) thesis on colonialism and the two publics in Africa. It is equally noteworthy to recall the view of a butcher (meat seller) who was asked to comment on indiscipline and corruption in 1983 during the National Seminar on Indiscipline and Corruption and their Adverse Effects on the Nigerian Society and Economy. The butcher regards corruption as rampant because of the dominant acquisitive drive in the Nigerian society. According to the butcher, corruption is common in government institutions and organizations such as the police, customs, judiciary and among public office holders but he also went further to say that corruption is also found among the poor, like himself as a survival strategy (see Report and Recommendation Vol. I,

National Seminar on Indiscipline and Corruption, 1993). From the foregoing, it will be correct to assert that corruption is pervasive, ubiquitous and exists in every area of human endeavour especially in Africa where the two publics of Ekeh (1975) influence each other. Thus, any attempt to ignore the kind of corruption that thrives in the informal or unofficial sector of the polity will not allow for a better and proper understanding of the phenomenon and a search for a virile panacea to the situation. It is on the strength of the above reasoning that attempt is made to define corruption. According to Gillespie and Okruhlik (1991) conceptual definitions require two qualities: they must be general enough to allow cross-cultural comparison yet precise enough to be empirically useful.

Corruption is the use/abuse/non-use of power for profit, personal aggrandizement, preferment, prestige for the benefit of an individual or a group in a way that constitutes a breach of the law - written or unwritten, traditional or modern – or a breach of standards of high moral conduct. It is also an inducement of any sort from an individual to another to commit a violation of duty, trust, and/or expectation. The above definition is partly in consonance with Transparency International's (T.I., 2008) conceptualization of corruption as the misuse of entrusted power for private gain. One major justification of this definition is that it is adequately pragmatic enough to cover all forms of corruption at every epoch of human history and endeavour. This notion will be concretized and fore-grounded within the prism of Richard Emerson's power-dependence genre of the social exchange theoretical approach latter in this work. At this juncture it is in order to say that corruption connotes the following:

Asking, giving or taking a fee, gift, or favour in exchange for the performance of a legitimate task; the perversion or obstruction of the performance of such task or the performance of an illegitimate task;- hoarding, collusive price-fixing, smuggling, transfer-pricing, inflation of prices of goods and services, election rigging, illegal arrests for harassment or intimidation purposes, abuse/misuse/non-use of office, position or power to engage in illegal exchange, transactions, unjust acquisition of wealth, certificate forgery, false accounting and claims, diversion of private, public, corporate or other persons money, property or opportunities to direct or indirect personal use, the showing of favour and unfair preferment to individuals such as relatives, friends and acquaintances or a group of people such as those of the same ethnic group, business/professional association or of the socio-economic class (Odekunle, 1983: 31-48; Mohammed, 1983: 69-81).

Types of Corruption

Deriving from the above connotations and even though the discourse on corruption is often placed within socio-political and even economic context by

scholars such as Smith (1964), Wraith and Simpkins (1963), Nye (1967), Maus (1973), Brownsberger (1983), Osoba (1996) and Jain (2001), this paper is in total agreement with the typologization of corruption as identified by Otite (1983) and Odekunle (1983a) rather than that of Jain (2001) and Shehu (2006) who categorized corruption into two types, i.e. *grand corruption* which is high level corruption often involving state officials and the political elite, sometimes in collusion with multinational corporations and *petty corruption* in which all other forms of small scale aberrations are subsumed. In fact, having stated that *grand corruption* is the subject of his paper, Shehu (2006: 25) contradicted himself when he argued in the same paper that "... the classification of corruption into what is commonly referred to as *grand* and *petty* corruption is at best irrelevant and at worst misleading because both types of corruption have significant consequences."

Again, he contradicted himself when he posited that "such classification may be justified if it is intended to guide the necessary policies and measures to be taken to curb it" (Shehu, 2006: 25). Having also agreed that the harm caused by corruption to both the individual and society as a whole needs to be considered, his argument and justification for this type of classification are at best seen as flimsy, and fails to achieve any policy measures. By contrast, the categorization of Otite (1983) and Odekunle (1983a) are quite more specific, insightful and revealing; the two scholars have each categorized corruption into five different types. They both converged in the first three, but uniquely diverged in the last two of their categorization. These have been summarized as follows:

Political Corruption is that kind of corruption largely perpetuated by the political elite, political officeholders and their henchmen. *Political Corruption* is primarily instigated by the desire to acquire or retain political power and office via electoral malpractices of different sorts such as vote-buying, illegal acts directed towards the election or defeat of a particular candidate or the illegitimate patronage of civil service appointments. *Economic Corruption* is an act largely perpetuated by businessmen and contractors directly motivated by financial gain not only for the businessmen but also for those in administration through kickbacks or commissions to decision-makers in government. *Bureaucratic Corruption* includes buying favours from bureaucrats who formulate and administer government economic and political policies; it also includes deliberate and largely criminal acts by administrative and professional personnel who abuse their positions and professional status for private material and socio-political gains especially when dealing with either the political elite or with the public.

It also involves the subversion and/or hijacking of government's political and economic policies to serve certain primordial interest. *Judicial Corruption* (*uniquely Otite*) is the act of using one's resources such as money, power or influence to pervert the administration of justice and judicial decisions. According to Otite (1983: 15) the anonymity in contemporary societies ... has worsened or in some cases only created conditions which favour moral

depravity. This type of *Moral Corruption* encompasses the desire for employment, the wish to show wealth through the acquisition of women, the flamboyant demonstration of individual materialistic possessions in the midst of social poverty, the exploitation of man by man, etc. *Organized Corruption* (*uniquely Odekunle*) is the relatively large scale and complex criminal activity carried on by groups of elites and control agents loosely or tightly organized, for the enrichment of those participating and at the expense of the community and its members through hoarding, price-fixing, racketeering, smuggling, burglary and armed-robbery rings. *Working Class Corruption* (*uniquely Odekunle*) is the kind of corruption perpetuated by artisans, tailors, market-women, messengers etc against consumers of assorted goods and services.

As revealing as Otite (1983) and Odekunle's (1983a) classifications are, it is significant to note that their classification did not cover other forms of corruptions such as *Legislative Corruption* (which refers to the manner and the extent to which the voting behavior of legislators can be influenced by interest groups or the executive arm of government to enact legislations that favour their interests, policies or have certain individuals occupy particular position such as ministerial, ambassadorial, etc. in government). This type of corruption also includes vote-buying by legislators in their attempt to be re-elected as officials in the National Assembly or the State House of Assembly as the case may be. Also not covered is *Academic Corruption* which arises from deliberate cheating in examination through *exam expo* and *miracle/magical centres*; the falsification of results by staff of national or regional examination bodies; ditto examination for tertiary institutions; the lowering and blurring of standards of intellectual discipline and standards especially in the tertiary institutions.

They also fail to show that the types of corruption identified by them have their semblance in the informal sector of the nation and even in pre-colonial Nigeria. For instance, Smith (1964), Wraith and Simpkin (1963), Maus (1973) and Klaveren (1964) have all shown that the kind of corruption that existed and persisted in indigenous societies even before colonialism can be recognized as political, economic and social. Furthermore, micro groups such as students' union, labour/workers' unions, market women/men associations, cooperative unions have severally exhibited some tendencies that are similar to what happens in the formal structures of the society.

Causes and Consequences of Corruption

According to Otite (1983: 15) "if corruption is such a part of our society and development process, we must identify its cause." Onimode (2001: 34-36) itemized and discussed what he referred to as the main causes of corruption. These include: the opportunity to engage in corruption with impunity – the opportunity to steal and utilized stolen wealth; the existence of dictatorship and lack of democracy in a country which leads to the entire state being converted into the fiefdom of the dictator and his fraudulent cronies which results to lack of transparency or un-audited and non-accountability of government spending; the weakness of the post-colonial state to pay liveable salaries which results

into government officials looting state treasuries and its inability to meet other obligations such as the provision of quality education, housing, healthcare, etc. which makes people to resort to nepotism and ethnicism to fill the gap; poor law enforcement, which makes it difficult to impose sanctions against corrupt practices; insecurity and high risk that stem from political instability, conflicts, hostile natural environment, high level of criminality which leads to capital flight due to lack of investment; the misappropriation of public funds and receiving of gratification to make ends meet because of poverty; and the morbid greed for wealth and materialism and cultural lag and moral decay.

Similarly, Otite (1983) mentioned great inequality in the distribution of wealth; seeing political office as the primary means of gaining access to wealth; conflict between changing moral codes; the weakness of social and governmental enforcement mechanisms and the absence of a strong sense of national community. Aboyade (1970) cited in Otite (1983) also pinpointed such factors like the great difficulty in financing political parties; the time lag between new regulations and their enforcement; the loopholes discovered in laws and rules; the ability of some people to 'buy' political power in order to occupy positions of influence which often leads to a desire to corruptly replenish spent wealth and to reconvert such a political position to economic resources. The consequences of corruption are quite far-reaching. According to Shehu (2005: 25)

Corruption is subversive of stable economic structures, good governance, just and predictable legal systems and other critical social structures because it replaces the normal rules which determine the outcomes of dealing between individuals, between individuals and the state and various commercial entities with less formal, less predictable ad hoc rules which may well change from case to case. With corruption, legal disputes are longer resolved in accordance with pre-established laws and open proceedings, but by bribes paid – or threats made – to judge or other officials. The allocation of state resources or service is determined not in accordance with the needs of applicants, but by their ability and willingness to bribe the officials involved, and the employment of the officials who render the services may be contingent on factors other than their competence to do so. Commercial dealings are no longer conducted in the best interests of the companies involve and their employees and shareholders, but in the individual interests of key decision-makers.

Otite (1983) and Gillespie and Okruhlik (1991) in their own case considered corruption as a janus-faced monster that has both the good side and the bad side. (Of course, this has been part of the debate on corruption as to whether its effects on the welfare of society are positive or negative). They all noted that the positive side of corruption is that it makes investment possible

and strengthens the private sector vis-à-vis the public sector by reducing unwarranted interventions and regulations of government; it encourages the willingness of businessmen and developers to take risks in investing in politico-economic milieu where opportunities for corrupt practices are higher; it encourages social integration by allowing otherwise excluded individuals access to public officials and administrative bureaucracies; it also serves to lubricate the rigid wheels of bureaucracy.

Furthermore, the embezzlement of public funds by top civil servants and politician is seen as an advantage when looters reinvest same into the economy as it is likely to create more jobs for the unemployed. Corrupt practices are also seen as an avenue to get monies that are redundant to replenish the economy. On the other hand, they noted that the negative consequences of corruption includes the waste of revenue and resources which could have been utilized elsewhere; it leads to erosion of trust and loyalty that the public have for their political leaders; it solidifies the inequalities that exist in the apportionments and allocation of resources and appointments in favour of certain segments of society; it increases operational costs and reduces profit and benefits; it weakens the ability of policy executors to curb excesses of citizens or to reform the system and so on.

Whatever the case may be, data from World Bank and Transparency International (World Bank, 1992, 2010; T.I, 2012) has shown that the negative consequences of corruption are much more vociferous and militating that it overshadow whatever positive effects it has, (if any) on the system especially in Third World Countries such as Nigeria. Indeed it has left in its trail poverty, underdevelopment, leadership failure, unemployment, decay of infrastructures and institutions, display of unpatriotic tendencies, moral decadence and vices such as armed robbery and cybercrime.

Failure of Anti-Corruption Efforts in Nigeria: A Brief Note

While this paper notes the crippling effects of corruption on the economy, attention must be focused on why anti-corruption attempts and policies in Nigeria since the colonial period have failed. It is in order to note that since the colonial period to the current democratic dispensation of President Goodluck Ebele Jonathan, there have been series of reports, measures and approaches made or being made to eradicate corruption. These include: Storey Report Commission of Inquiry into the Administration of Lagos Town Council in 1953 but published in 1954; Report of the Foster-Sutton Inquiry into Allegations Reflecting on the Official Conduct of the Premier of, and Certain Persons including Ministerial and Other Public Officers in the Eastern Region of Nigeria (1957); Coker's Commission of Inquiry into the Operation of the Statutory Corporations of the Western Region in the early sixties; Report of the Federal Assets Investigation Panel (1975); Report of the Commission of Enquiry into the Kano State Tenders Board and the Ministries of Agriculture and National Resources, Finance, Health and Social Welfare, and Education for the Period of 1st January 1970-29th July 1975; (Odekunle, 1983a).

There have also been several other inquiries and investigations both at the federal, state and local government levels to date that space will not permit one to name them all, cum legal/constitutional and institutional approaches which includes Corrupt Practices Decree of 1975, the Public Officer Investigation of Assets Decree No 5 of 1976, Forfeiture of Assets, etc., Certain Persons Decree No 53 of 1999, Failed Bank Tribunal set up by Abacha Military Regime and a host of others. Constitutional measures include the Code of Conduct Bureau and the Code of Conduct Tribunal provided for in the 1979 and 1999 Constitutions (see Fifth Schedule Part I of 1999 Nigerian Constitution). Other measures to eradicate corruption include the Ethical Revolution of the Shehu Shagari's NPN-led government between 1979-1983, the War Against Indiscipline (W.A.I.) introduced by Generals Muhammad Buhari and Tunde Idiagbon between 1983-1985, the War Against Indiscipline and Corruption (W.A.I.C.) of General Sani Abacha 1993-1998, the establishment of Independent Corrupt Practices Commission (ICPC) and Economic and Financial Crime Commission (EFCC) of Obasanjo democratic administration as well as the introduction of Due Process and Rule of Law and Transformation Agenda, etc (Ogundiya, 2009).

Despite these measures, the country has consistently occupied a top position among the most corrupt nations in the world. According to Ogundiya (2009: 290) "the persistence of the problem is an indication that constitutional engineering, institutional approach and socio-economic reforms have proved to be inadequate panacea to the problem." This is so in spite of the fact that every regime – both military and civilian – that 'came on board' in post-colonial Nigeria have always made the 'war' against corruption a major *raison d'être* of their administration. In fact, the fight against corruption and indiscipline became and it is still a 'catch phrase' and a cliché which recurrent administrations have used to legitimize their existence. This has been the claim in all the military coups right from the January 15, 1966 coup led by Kaduna Nzeogwu to that of Sani Abacha in 1993. Likewise, the post-colonial democratic regimes of Alhaji Tafawa Balewa/Dr. Nnamdi Azikiwe right to that of the current democratic dispensation of Goodluck Jonathan have all justified their *coming* into the political/administrative arena of the country with programmes to deal with corruption.

After fifty-two years of spirited efforts to deal with the problem of corruption, data from several quarters such as the World Bank, MO Ibrahim Organization and Transparency International show that Nigeria remains one of the most corrupt nations in the world. And reading through the national dailies, one gets the impression that instead of declining, corruption is rather skyrocketing in Nigeria, both in the formal and the informal sectors. While it is true that poverty, coupled with personal greed and avarice, may be responsible for corrupt tendencies in Nigeria, the explanations for why it has not only persisted but also grows at a geometric rate need to be sought from somewhere else. Also, while this paper is in agreement with various theoretical frameworks in their analysis and interpretation of corruption and its consequences on

the polity, the radical point of departure is the fact that some of these theoretical ground works are limited in assessing in detail the ubiquitous nature of the phenomenon in various geo-political and ideological climes and in various sectors of the polity – formal and informal.

Furthermore, some others lack the capacity to uncover the social mechanics and dynamics that are responsible for its continuity, growth and proliferation in all sectors. For example, the Marxist approach has the capacity to explain corruption in a capitalist setting such as the USA, Western Europe, colonial and post-colonial Africa, because it contextualizes corruption on the economic substructure (capitalism) that gives rise to class differentiation and, therefore class hegemony of the bourgeoisie over the proletariat and the masses, leading to class perpetuation.

However, it lacks the aptness in explaining corruption in indigenous pre-colonial African societies especially those that are often referred to as stateless societies, such as Tiv and part of Igbo societies, and also in very radically revolutionary and strong Marxist ideologically based countries like China, North Korea and the then Soviet Union. In fact, it was said that why the duo of Mikhail Gorbachev and Boris Yeltsin changed the economic order of Soviet Union through the *Glasnost-perestroika* politico-economic agenda was as a result of the deceptive and inconsistencies that they both found among large number of personalities that made up the *politburo* (Cummings, 2012; Rosenberg, 2012). While these members portrayed themselves as socialist in the public, they were ‘capitalist’ in their attitude, taste and privacy as they were said to have used their status to secretly acquire more than necessary for the comfort of their family members.

Also the Marxist approach is very feeble in explaining the kind of corrupt activities that exist among the proletariat and the masses. In other words, while it is easy to explain the bribery of top politicians, bureaucrats and the ones perpetuated by international corporate organizations, the same theory lacks the ability to explain the corrupt tendencies of a tailor against his client or the corrupt attitude of a tout who wishes to be bribed in order for a passenger to seat at a vantage position in a bus. The clamour for a change in the politico-economic order each time solution is sought to the problem of corruption by Marxist has fallen flat on its face, especially since the collapse of Soviet Russia.

Likewise, the analysis of corruption by modernization theorists as one of the attendant consequences of an economic system that is undergoing rapid social and economic change that is characterized by urbanization, industrialization and modernization is not only otiose, but equally lacks the ability to account for corruption in pre-colonial political and economic systems that are agrarian and rural in nature in which relationship is based on *Durkheimian mechanical solidarity*. Even the ‘theory of gift-giving’ in traditional society (see Maus in Wilmot, 1973) is mostly unilineal in nature. In other words, the ‘gift’ is given by a subject to those superior to him/her such as a kings, queens and nobles, etc. or between son-in-law and his wife’s people,

etc. Even though there is some form of social exchange in existence, it is mostly uni-directional.

The nebulous and opaque nature of corruption as it appears has made the like of Ogundiya (2009) to come up with a conjecture of six incompatible theories of clientelism, prebendalism, patrimonialism, neopatrimonialism, soft state theory and the theory of two publics to explain and proffer solutions to the problem of endemic corruption in Nigeria. While the above signals the need to frontally research corruption with the intention of coming up with a virile theoretical position to explain the phenomenon, it is the contention of this paper to consider very critically the Richard Emerson power-dependence genre of social exchange theoretical approach as a theoretical framework that has the capacity to discuss the issue of corruption be it in capitalist and non-capitalist societies or within the formal or informal sectors of the economy.

In fact, except for Odekunle (1983) who mentioned *en passant*, but never really dwelt in detail on what he referred to as working-class corruption, other scholars such as Rogow and Lasswell (1963), Otite (1983), Osoba (1996) among others never gave corruption in the informal sector a serious intellectual consideration. This could be as a result of the fact that the theoretical positions adopted by these scholars lack the ability to discuss corruption in the informal sector, or the thinking is that the informal sector is not too important for consideration.

The position of this paper is, first, if corruption must be stamped out of the Nigerian polity then there is the need to adopt a theoretical approach that will be able to discuss the nuances of the dynamics and mechanics of corruption in both the formal and informal sectors because of the fact that the formal and informal sectors have become inseparable in practice *a la* Peter Ekeh's *Two Publics* (Ekeh, 1975). Secondly, the so-called informal sector in Nigeria has somewhat become an engine of economic growth in Nigeria contributing as much as 75 percent of labour to the non-agricultural sector, while the employment growth rate is about 11 percent (Hobson, 2011). Thus any attempt to ignore the informal sector in the discourse of corruption in Nigeria is unrealistic.

It is noteworthy that certain strategic areas of governance cannot adequately function well without the support and backing of the informal sector especially when we are dealing with such matters like party-politics, security, successful electoral process and project execution. For example, no political party in Nigeria can formidably win an election without recourse to certain structures that are considered informal such as market women/men association, youth clubs, and even the Nigerian Union of Road Transport Workers (NURTW), etc. The talk about community policing and police-community relation in stemming the tide of insecurity in the country is not only gaining momentum, but it is also quite clear that police work today is only successful to the extent that they cooperate with certain informal organizations such as community based organizations (CBOs) or local vigilante groups which by the Nigerian constitution and even the Police Acts have no place in

police work. Thus, corruption in the formal and the informal sectors should be perceived and considered as 'two sides of the same coin.'

Corruption is not only ubiquitous and pervasive in Nigeria, but also very fluid and permeates every facets and sector of the economy. The fluidity and omnipresence of the phenomenon have significantly impacted and has continued to affect the functionality of the state and the quality of everyday life of its citizens both in the formal or informal sectors of the economy and in the rural and urban areas. Adnazela (2012) notes that corruption does not only take place in the formal sector of the nation but it also takes place in everyday interactions between and among citizens and between citizens and the public service sector and/or the private service sector, and no one seems to be spared from its grip. In other words, both the rich and the poor on the one hand, and the state and its citizens on the other, are almost on a daily basis affected and afflicted by corruption and its negative impact on the polity is quite colossal.

For example while official corruption impacts a country by taking large sums of money away from the public coffer, working class corruption *a la* Odekunle (1983) or what Shehu (2006) referred to as *petty* or *routine* corruption which thrive informally and mostly found in the informal sector directly impacts the individual citizen. While official corruption such as money laundering, inflation of contracts, or the election of an inept, dishonest and morally bankrupt individual to sensitive position in government would affect the nation negatively in the long run, it is the corrupt practices that take place in everyday transactions that has immediate, direct and tangible impact on the individual than the official corruption cases which make breaking news headlines and public scandals.

A critical assessment of Odekunle's (1983b: 92-98) presentation of forty-five scenario of corrupt practices that exist in Nigeria shows that the phenomenon exists both in the formal and informal sector even though much scholarly efforts have not been exerted to research the phenomenon especially in the informal sector. A sample is presented below:

A political party partisan who is academically inadequate and unrecognized is appointed director of a foremost government research centre; contestants to traditional rulership 'contact' kingmakers with material gift (e.g. car) and 'sympathise' with the political party controlling the state government; the market woman who adulterates her yam flour with cassava flour and pushes the bottom of the measuring tin inside to give the customer less than paid for; a printer gets an extremely over-inflated contract to supply stationery to a hotel's management board with the 'understanding' that everyone, from manager to the account clerk will get his share of the extra; an automobile mechanic who replaces new part with an old non-functioning one in order to sell it later; employers of labour and admission officers routinely favour females in return for sexual favours; policemen pilfer money and other items at scenes of accidents as

well as substantial parts of monetary exhibits recovered from thieves, burglars and armed robbers.

From the above, it is pertinent to ask the following questions:

- a. Why are corrupt practices found everywhere, both in formal and informal sectors; rural and urban areas; secular and religious sectors; among the literate and illiterates, etc?
- b. How come those who belong to the higher social echelon of the society (the *bourgeoisie* in Marxist parlance) such as Directors, Bank Executives, top military brass etc have to give bribe/tips to those who are at the lower rung of the social ladder (proletariat and the masses) in order to get certain things done for them, such as getting an accommodation reservation in a hotel or having their clothes laundered without unnecessary delay? Worse still, why is it that corruption is perpetuated within and among the same class? In other words, why is it that there is the existence of *inter* and *intra*-class corruption?
- c. Why is it that societal core values such as due process, transparency, honesty and candour can easily be set aside by nurses, doctors, messengers, police, committee members in the performance of their duties without much ado?

The answer to these can be found in Richard Emerson's power-dependence genre of social exchange theory.

Social Exchange: A Model for Understanding Corruption in Nigeria

Social exchange theory grew out of the intersection of economics, psychology and social anthropology, viz. the intellectual efforts of George Homans – the initiator; John Thibaut, Harold Kelley and Peter Blau. However, it is the contribution of Richard Emerson that is the central focus of this paper. According to Ritzer (2008), it was Emerson's contribution that marked the beginning of a new stage in the development of social exchange theory. On a general note, the theory is rooted in behaviorism. In other words, the theory was fundamentally developed to understand and comprehend the social behavior of human beings, often referred to as actors, as they engage in relationships that are contingent on costs and benefits, and rewards and punishment.

Although social exchange theory is characterized by divergent contemplation from one scholar to another (this is equally true of other theoretical ground works), the basic assumptions on which the theory is foregrounded is the same. From the works of George Homans (1961), John Thibaut and Harold Kelley (1959) and Peter Blau (1967), the following are the basic assumptions: Human behavior or social interaction is an exchange of activity, tangible and intangible, ranging from goods and services to symbols of approval or prestige which are hinged on rewards, benefits and costs, the exchange of benefits is the underlying basis or open secret of human behavior,

hence, social relations are characterized by self-interest and cost-benefit calculation, therefore, social interaction and the exchanges that occur are composed of action of purposive actors that are governed by reciprocal relations and stimuli. Consequently, social interactions will not continue in the long run if reciprocal relations are violated. From the foregoing, individuals establish and continue social relation on the basis of their expectation that such relations will be advantageous to them. The impetus for social interaction is provided by the exchange of benefits, which could be intrinsic or extrinsic and independent of normative obligations.

From the above, certain salient issues can be pinpointed. These are: social exchange is characterized by inter-dependence – that is, the ability to obtain profit in a relationship is contingent on the ability to provide others with rewards - although the rewards provided to others may not be commensurate to the profit that accrue from the relationship since individuals ultimately seek to maximize profits for themselves, while minimizing costs. Social exchanges are regulated by norms like reciprocity, trust, commitment, and fairness. Subsequently these norms help to stabilize relationships; the dynamics of interaction with relationships and stability of relationship over time results from the contrasting levels of alteration and dependence experienced by the participants in relationships.

Social exchange theory was initially used to explain human behavior in small group and organizations but Richard Emerson catapulted it from a dyadic model to a model that can be used to explain intricate and complex network of relationship. Ritzer (2008: 427) noted that:

...Emerson was interested in exchange theory as a broader framework... capable of explaining macro-level phenomena- social structure and social change-by using social relations and social networks as building blocks that spawned different levels of analysis... The actors in Emerson's system could be either individuals or larger corporate structures.

Thus, he was not only interested in social exchange at micro level but he was also interested in social exchanges that occur at macro level. According to Ritzer (2008), Emerson developed a theoretical genre that can explain micro and macro scenario. According to Emerson (cited in Ritzer, 2008: 428) “I am attempting to extend exchange theory and research from micro to more macro levels of analysis through the study of exchange network structures”. Central to his contribution is his persuasion that significant to all forms of social exchange, either at a micro or a macro level, is the notion of **power** and **dependence**.

Emerson (1976) defined **power** as “the level of potential cost which one actor can induce another to accept” while **dependence** involves “the level of potential cost an actor will accept within a relation”. In other words, the power of one actor over another in an exchange relation is an inverse function of his or her dependence on the other party. Put differently, the actors dependencies

on each other are the major structural determinants of their interaction and of their power over each other. The power of actor 'A' over actor 'B' is equal to, and based upon, the dependence of actor 'B' upon actor 'A'. There is balance in the relationship between actor 'A' and actor 'B' when the dependence of actor 'A' on actor 'B' equals the dependence of actor 'B' on actor 'A'. Where there is an imbalance in the dependencies, the actor with less dependence has an advantage in terms of power. This power can therefore be used to acquire (sometimes undue) rewards from the relationship (Ritzer, 2008: 430-431).

Cook (1977) notes that power results from resource dependence such as cash or professional skill in a dyadic relation but in a network (macro level) it is derived from what he referred to as structural power. From the foregoing, certain deductions and inferences can be made, these are: power is the 'vantage' position that actor 'A' possesses at a given point in time over actor 'B'; the power of actor 'A' over 'B' derives from his/her proximity to certain 'scarce resources' which are not available to actor 'B'. These 'scarce resources' include economic/financial power, professional skills, political/administrative positions, individual connections, etc. as it relates to services being rendered or to be rendered, the dependency factor is determined by actor 'B's' desire to have certain services, favours, help and assistance rendered to him/her.

Deriving from the above, the power-dependence status of actors – individuals, corporate bodies, and even the nation – is dynamic and unstable. For instance, actor 'A' may be a top politician who may use his/her position in government to achieve certain personal aggrandizement. But at the same time, he/she may need the professional services of an automobile mechanic to fix his/her car. The mechanic could use his professional advantage to corruptly enrich him/her self by exploiting the top politician. It is also often said that a nation gets the kind of leaders it deserves.

Thus, because of the symbiotic relationship and interface that exists between the formal and informal sectors in Nigeria, the need to seek for a broader theoretical framework to deal with the problem of corruption has become pertinent. When in 1991 military President Ibrahim Babangida lamented that the sordid situation of the Nigerian economy had defied all economic theories and formulae, and therefore wondered why it has not collapsed, he later on discovered that it was the informal sector that became the backbone and stay of the economy (Dada, 1994). It is also a truism that cyber financial crime is a phenomenon which is largely found in the informal sector. However, its negative impact on the economy of nations is devastating and as a result, the Nigeria government through the Economic and Financial Crime Commission (EFCC), in collaboration with several other security bodies such as the International Police Organization (INTERPOL), has to take steps to stem the tide.

Conclusion

The paper has consistently argued and demonstrated that adopting the Richard Emerson power-dependence genre of social exchange theory has the capacity to, first, account for the ubiquitous nature of corruption in Nigeria, second, to unveil and comprehend its internal dynamics, and third, explain why it is a phenomenon that is inherently unstable and cannot be confined to a particular class or section of the polity.

Having discussed corruption from the prism of social exchange, the paper contends that this approach provides us with the necessary scientific answer as to why corruption is persisting and growing in Nigeria despite governmental efforts since the colonial period. This is not to say that other theories lack utility in explanations but their potencies are limited in the understanding of the mechanics and the social dynamics that have been the driving force that has enhanced the continuity of the phenomena. Thus, this approach should be adopted to rethink and restructure the strategies to deal with the problem. For instance, since the purpose of every social exchange is meant to maximize benefits and minimize costs, the punishment for corruption should outweigh the benefits derived from it.

The approach has demonstrated that such variables like the proximity of actors to power, dependence and relationship and trust are germane to corruption either at the formal or informal sectors; therefore, the Federal, State and Local governments should collaborate with such bodies like the National Orientation Agency (NOA), and other similar organizations such as Human Rights Groups, to conscientize the citizenry on their rights to quality service and how to enforce those rights. In the same vein, goods and service providers should also be enlightened on proper business ethics that should guide their practice. This can be achieved through radio/television programmes aired in at least the three Nigerian major languages – *Hausa, Igbo and Yoruba*, in addition to Pidgin English; the publication and use of pamphlets, billboards, stickers and even road shows.

It is pertinent to mention the fact that the Federal Government of Nigeria has indeed put in place some enabling laws and bodies such as Service Compact (SERVICOM) and the Consumer Protection Council (CPC) Act 2004 to protect the rights of the consumer; however, these bodies are not living up to expectation. They are very weak in implementing their oversight functions either because they are poorly funded or do not have the requisite technical/human capacity to perform such functions. Thus, government need to provide a strong political will backed up with funds to enable the bodies perform their statutory functions in addition to recruiting those with the require expertise devoid of prebendal politics. Also, consumer protection courts should equally be established to enable them seek for justice whenever they are not satisfied with goods and services rendered.

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