

Underdevelopment in Nigerian and Other Developing Countries: Imperialism Versus Corruption

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ABSTRACT

The conception that Africa is underdeveloped because of the incursion of Europeans vis-à-vis slave trade, imperialism and colonialism is so overwhelming that it beclouds contemporary reality of the fundamental causes of underdevelopment in Nigeria and other developing countries. Very recently, precisely January 22, 2016, John Kerry (US Secretary of States) declared that corruption is killing Nigeria and 5 other states. Alhaji Lai Mohammed (Nigerian Minister of Information and Culture) had earlier stated that about 55 people stole a total of 1.34 trillion Naira between 2006 and 2013. This arouses consciousness on corruption and brings to question the Afrocentric theories of underdevelopment. The study appraises the basic assumptions of dependency / imperialism conceptions and juxtaposes it with cases of corruption in Nigeria. The study concludes that Nigeria and other developing countries should stop brooding over slavery, imperialism and colonialism that ended several decades ago and face present realities because almost all the countries of the world were at one time or the other brutalized, subjugated and exploited. The reality is that corruption is the root cause of contemporary underdevelopment in Nigeria and other developing countries. The study recommends among other things that anti-corruption agencies in Nigeria should be strengthened and granted more coercive and enforcement powers. There should be no sacred cows or caveats in the fight against corruption. Stiffer penalties and punishment should be meted out on corruption cases and immunities of politicians should be conditional waived in glaring cases of corruption.

INTRODUCTION

Very recently, precisely January 22, 2016, John Kerry (US Secretary of States) declared that corruption is killing Nigeria and 5 other states. Alhaji Lai Mohammed (Nigerian Minister of Information and Culture) had earlier stated that about 55 people stole a total of 1.34 trillion Naira between 2006 and 2013. Similarly, Mallam Nuhu Ribadu, the former EFCC chairman, stated that the over \$400 billion that had been looted from the Commonwealth by the leaders is six times the total value of resources committed to rebuilding Western Europe after the Second World War. A combination of these assertions brings to question the Afrocentric theories of underdevelopment that we are very conversant with. Contemporary underdevelopment in Nigeria and other developing countries – is it caused by imperialism or corruption? In this light, it is imperative to evaluate the real causes of underdevelopment and proffer recommendation which is the crux of this study. Preceding this section, are other four sections namely: Theories of Development and Underdevelopment, Imperialism and Underdevelopment, Corruption and Underdevelopment in Nigeria, Conclusion and Recommendations.

THEORIES OF UNDERDEVELOPMENT

There are a couple of theories on underdevelopment but for our purpose we would briefly highlight: Modernization Theory, Dependency Theory, World Systems Theory, Theory of Imperialism, and Resource Curse Thesis

Modernisation Theory is said to be the foundation stone of the evolutionary prescription for development. It assumes that, with assistance, underdeveloped or developing countries can attain development status in the same manner more developed countries have. More so, the path is now charted and for this reason underdeveloped countries can avoid the mistakes made by developed countries in their evolutionary process to development. The Modernization theory was propounded by Walt W. Rostow and Barbara Ward. The book *The Stages of Economic Growth: A Non-Communist Manifesto* by Walt W. Rostow was the great catalyst that generated the theory. Modernization theory streamlines the factors responsible for underdevelopment and the measures that can counter it. Factors responsible for underdevelopment from the perspective of the modernization theory are: (a) attitude of the population (b) illiteracy (c) traditional agrarian structure (d) lack of infrastructure (e) lack of technical know-how. Conversely Measures to counter underdevelopment and become developed are: (1) acquiring technical knowhow (2) modernization of the production apparatus (3) industrialization (4) increasing productivity and economic growth (5) foreign trade (6) encouraging capital inflow (7) knowledge (8) managerial skills (9) intensive entrepreneurship (10) stimulating competition (11) foreign investment and aid

Dependency Theory holds the view that underdevelopment is as a result of dependence on industrialized countries. Underdevelopment traits such as (a) illiteracy (b) traditional agrarian structure (c) attitude of the population (d) the low division of labour (e) the lack of infrastructure (f) lack of technical know-how etc are viewed as symptoms and consequences of dependence and not deficiencies. The development of industrialized countries and the underdevelopment of developing countries are parts of one historical process. What Andre Gunder Frank captioned the *Development of Underdevelopment*. Invariably vested interest of technological advanced countries determines development or underdevelopment as they determine terms of trade and other variables. Fundamentally the purchasing power of underdeveloped countries reduces by the day as they are able to purchase fewer processed commodities from developed countries in exchange for their exported raw materials. Over time there was obvious deterioration of the terms of trade between underdeveloped countries and developed countries. According to Ghosh (2009) "...the dependency situation of the developing countries is the direct result of the economic exploitation by advanced countries"

World System Theory sprouted from Dependency Theory. The World System Theory proclaims that the development of the capitalist world economy in the 16th century imposed a rigid division of labour and class forces in the international system that created great economic and social disparity which favoured the Core at the expense of the Periphery and to a lesser extent the Semi-Periphery. The Core historically constitutes the most advanced economic areas. The Periphery has been providing raw materials. The Semi-Periphery are involved in a mix of production activities, some associated with core areas and others with peripheral areas. It also serves as outlet for investment when wages in core economies become too high. Over the time, particular regions of the world may gravitate between core, peripheral and semi-peripheral status (Ghosh 2009). The major proponent of this theory is Immanuel Wallerstein. Invariably the World Systems theory views the global economy in long-term perspective and sees the world system in a constant state of flux. There are no fixed rankings and locations but cyclical rhythms of expansion and stagnation. Countries are

capable of upward and downward mobility over very long periods; there is no uni-directional development.

The **Theory of Imperialism** is predicated on the notion that dominant states acquire and expand their territorial domain to economically exploit and politically subjugate weaker states as part of the grand design of the capitalist world economy. According to Vladimir I. Lenin Imperialism is the highest stage of capitalism. The acquisition and exploitation generates tremendous gains and development for the dominant states and leaves the exploited in abject poverty and underdevelopment. Major proponents are: John Hobson, Vladimir Lenin, Rosa Luxemburg, Joseph Schumpeter, Walter Rodney, Claude Ake, Kwame Nkrumah. The stimulating factors of imperialism are myriad. Hobson considers psychological motives of the Europeans as an explanation of imperialism. These motives are found in their quest for glory, national pride, and bellicosity. Hobson, Marx, Lenin and Ake believe that economic interest is the foundations of imperialism. Accordingly, Ake(1981) noted that the “quest for markets as well as opportunities for higher returns on investments” were the reasons behind imperialism.

Resource Curse Thesis is another theory that tends to explain underdevelopment in Nigeria and other developing countries. Resource Curse Thesis is “a phenomenon where resource endowed countries experience worse economic and political outcomes than countries with no natural resource endowment” (Siegle 2008). It describes the phenomenon whereby countries with an abundance of natural resources, like minerals, oil and gas etc, tend to have less economic growth, and worse development outcomes than countries that lack natural resources (Ross 2015). Resource Curse Thesis is sometimes referred to as the Paradox of Plenty because of the paradox or irony of having abundant natural resources and being in want. Most countries with rich mineral resources are deficient in the capability of translating the resource wealth to sustainable development and economic growth. Invariably there is a strong correlation between natural resource rich countries and underdevelopment. It asserts that there is “a strong correlation between natural resource abundance and poor economic growth” Major proponents are Richard Auty, Jeffrey Sachs, Andrew Warner etc. The rationale is that natural resources of such countries tend to appreciate their currency and make imports cheaper, thereby affecting local skills, manufacturing capabilities and balance of diversified trade. Over dependence on revenues of natural resources “will often also result in higher government spending on health, welfare, military, and public infrastructure, and if this is done corruptly or inefficiently it can be a burden on the economy...” (O’neil 2004). The natural resources also make some states highly vulnerable to conflicts, laxity, mismanagement and corruption which impedes development.

IMPERIALISM AND UNDERDEVELOPMENT

Most Afrocentric scholars tend to blame underdevelopment in Africa on imperialism and colonialism. The works of Walter Rodney, Claude Ake, Kwame Nkrumah etc. elucidate the phenomenon of how imperialism perpetuated underdevelopment in Africa. To place the focal point of their ideas in perspective we would very briefly review the book *How Europe Underdeveloped Africa* by Walter Rodney which is one of the most classic elaborations of the fact that slavery, imperialism and colonialism underdeveloped Africa. We would accept the facts as they were and face present realities. Walter Rodney made a radical departure from the trendy perception that deficiencies in the application of modernization theory were the causal factor of persistent underdevelopment in Africa.

In diametric opposition Walter Rodney, like other Afrocentric scholars argue that modernization is actually the problem of Africa’s underdevelopment. The capitalist world system was a zero-sum game in which dominant states enriched themselves at the expense of

Africa and other developing nations. It also highlighted the debilitating effects of the slave trade and other depredations (Gail 1997). The time scope of his underdevelopment thesis encompasses 1500AD through the 1960's when a lot of African countries were liberated from the shackles of colonialism and its focal point was the subjugation and exploitation of Africa by European imperialist overlords. Walter Rodney argues that underdevelopment in underdeveloped countries is "a product of capitalist, imperialist and colonialist, exploitation. African and Asian societies were developing independently until they were taken over directly or indirectly by the capitalist powers."

Concerning the question of what is responsible for the underdevelopment of Africa; Rodney said it is at two levels. "Firstly, the answer is that the operation of the imperialist system bears major responsibility for African economic retardation by draining African wealth..." The second reason is that "one has to deal with those who manipulate the system and those who are either agents or unwitting accomplices of the said system" (Rodney 1972:27).

The bases of African underdevelopment by European was slave trade and colonialism. Walter Rodney said that "the underdevelopment with which the world is now pre-occupied is a product of capitalist, imperialist and colonialist exploitation." The wanton destruction of the development prospects of Africa by European slave trade was vividly captured in Chapter Four of *How Europe Underdeveloped Africa*, with the title *Europe and the Roots of African Underdevelopment to 1885*. It establishes the correlation between slave trade, capitalism and underdevelopment in Africa for the development of Western Europe. Rodney rightly observed that trade imbalance, unequal exchange and the exploitation associated with it are major causal factors of underdevelopment in Africa. The argument is to the terms of trade are set by one country in a form completely advantageous to itself, then the trade is usually damaging to the trading partner. It is for this reason that during the colonial period the dominant nations determine the price of the agricultural commodities and subject these prices to constant reductions. Conversely the price of manufactured products were determined by them (Rodney 1972).

Rodney advocates that African countries should radically breakaway from the international capitalist system because it is the instrument of oppression, subjugation and exploitation of African countries and is consequently causing underdevelopment. In line with the advocacy Tanzania under Julius Nyerere adopted the break-off principles and practiced a type of Marxist political ideology. Much of the assertions of Afrocentric scholars are incontrovertible and stood the test of time when they were propounded. However contemporary Nigeria and other developing countries are having a higher challenge in their quest to dismantle the shackles of underdevelopment and that monster is corruption. To this we turn.

CORRUPTION AND UNDERDEVELOPMENT IN NIGERIA

Corruption is clearly defined by Transparency International as the abuse of entrusted power for private gain. It can also be defined as a pervasion or change from the general accepted rules or laws for selfish gain (Farida, 2010). Corruption involves a deviation from the laws and regulations with intent to abuse ones' public office and obtain private benefits (Shuaib 2015). Corruption is the greatest challenge to the development of Nigeria and other developing countries and has overwhelming plunged Nigerian economy into an orgy of misery and stupor. It is perpetrated with impunity and plummets the country into the abyss of underdevelopment.

Very recently, precisely January 22, 2016, John Kerry (US Secretary of States) declared that corruption is killing Nigeria and 5 other states. In his speech at the World

Economic Forum in Davos Switzerland, John Kerry said that corruption “is stealing the future of their own people” and that the “US would redouble its commitment to fighting corruption as a national security priority that costs the global economy some \$2.6 trillion a year” (Kerry 2016). Alhaji Lai Mohammed (Nigerian Minister of Information and Culture) had earlier stated that about 55 people stole a total of 1.34 trillion Naira between 2006 and 2013. The looted “funds include US\$2.1 billion meant to buy weapons to fight Boko Haram’s 6-year-old Islamic uprising that has killed some 20,000 people but instead was diverted to the election campaign of former President Goodluck Jonathan and his party, Mohammed said.” (Michelle 2016) On this account President Muhammadu Buhari ordered the arrest of Sambo Dasuki (former National Security Advisor), for allegedly stealing more than \$2 billion designated for the purchase of the weapons (Siobhan 2015). Alhaji Lai Mohammed said that the consequences of corruption manifest in, poor social service delivery, deficiencies in infrastructure growth, as well as inequality and poverty, which permeated the various strata of society (Hembe 2016).

Nigeria like most developing countries are bountifully endowed with naturally resources and yet highly underdeveloped and poor. The fundamental reason for this trend is corruption. This is buttressed by Ali (2008) who noted that “the incidence of extreme paradoxes of widespread and endemic poverty and hunger in the midst of plenty is a manifestation of corruption enmeshed in deteriorating condition of living”. The hydra headed monster called corruption have been chocking and eating up resources and funds that should have transformed and developed Nigeria to a desirable level. Corruption started manifesting tremendously in Nigeria from independence and was the remarkable reason for the overthrow of the government of the First Republic. The civilian government that came on board as Nigerian gained independence in 1960 were said to be very corrupt and this was the *casus belli* for the 1966 coup d’état. Ironically “military regimes tended to be more corrupt than the regimes they seemed to have come to correct” (Shuaib 2015). Military regimes evidently entrenched corruption into the socio-political fabrics of Nigerian which diametrically generated underdevelopment. In fact, every regime in Nigeria had major corruption issues to content with but we would selectively concentrate on the recent past for want of space.

Nigeria is rated by Transparency International Corruption Perception Index as one of the most corrupt countries in the world. Also the Global Financial Integrity estimates more than US\$157 billion in the past decade has left the country illicitly. According to Nwaobi (2009) between “1979 and 1983, Nigeria earned about N40.5 billion and squandered it. The external reserve of N2.3 billion, she inherited in 1979 was wiped out and replaced with a staggering external debt of N10.21 billion as the curtain fell on this criminally corrupt government”. The panel headed by Dr. Pius Okigbo revealed that \$12.4 billion income which was part of the revenues that accrued to Nigeria during the period of the Gulf War was misappropriated in the Babangida’s regime. There was also the case of IIB \$6 billion debt buy-back scam as publicised by John Fashanu.

The regime of Abacha was worst hit as trillions of Naira were looted in what Nwaobi (2009) describes as “one of the most comprehensive plunder and looting of the resources of the state in contemporary history through intimidation, brigand, and a plethora of conduits.” The audit report conducted under the auspices of Vincent Azie (Acting Auditor-General of the Federation) revealed that about N23 billion was embezzled by different Federal Ministries in the year 2001. There was also the allegation by Engineer Tukur - the Revenue Mobilization, Allocation and Fiscal Commission (RMAFC) Chairman, in 2002 that “N350 billion oil revenue was missing...” The report by Salawu (2007) as contained in This Day Newspaper is to the effect that “the level of leakages in Nigeria has attracted an annual rate of

\$25.76 billion loss to fraud related crimes in the last five years and that on a daily basis too; the country is losing about \$70,575,342 to corruption and other related crimes”

In the last four years there have been alarming cases of corruption some of which includes Pension Scam involving misappropriation of more than N195 Billion, the Kerosene Subsidy Scam involving fraudulent drainage of Nigerian funds to the tune of \$100m every month; the Fuel Subsidy Scam alleging that \$6bn has been defrauded from the fuel subsidy fund in the past two years. There is also the case of N123 billion fraud allegedly perpetrated between 2009 – 2010 by the former Head of the Civil Service of the Federation – Mr. Stephen Oronsaye. The Police Pension Fund Fraud involving N32.8 billion precipitated the arraigning of Mrs. Uzoma Cyril Attangand others in an Abuja High Court. Also very recently Lamido Sanusi (former CBN Governor) raised alarm over NNPC \$20 billion “from oil sales that, mysteriously, was not making its way to the treasury” Mention must be made of the Mohammed Abacha loot who was accused of “unlawfully receiving about N446.3bn allegedly stolen from Nigerian coffers between 1995 and 1998.”

One of the very most recent cases of corruption, is the uncovered N3.145 billion purported shared by six PDP chieftains. “The EFCC said it uncovered how N3.145b was paid into the accounts of six PDP chieftains and the Goodluck Support Group (GSG) by the Central Bank of Nigeria (CBN) in the build-up to the last presidential elections.” (Abimboye 2016). Slavery, imperialism and colonialism evidently affected the development of Nigeria at a stage in her history just like at a stage in the history of many countries they were war-torn and their economy in ruins. As succinctly portrayed by Mallam Nuhu Ribadu, the former EFCC chairman, the over \$400 billion that had been looted from the Commonwealth by the leaders is “six times the total value of resources committed to rebuilding Western Europe after the Second World War (Ademola, 2011). Six times the amount of money used to rebuild all the countries in Western Europe devoured by corruption has perpetuated underdevelopment in Nigeria and other developing countries.

CONCLUSION AND RECOMMENDATIONS

The proclamations of Walter Rodney and other Afrocentric scholars are very laudable and commendable but Nigeria and other African countries should stop brooding over slavery and colonialism that ended several decades ago and face present realities. Almost all the countries of the world were at one time or the other brutalized, subjugated and exploited. America was at a time in history colonized and war torn. Germany was mauled in ruins by the end of the Second World War. More than six million Jews were slaughtered by the Nazis under Adolf Hitler. Japan has long forgotten its losses in the atomic bomb devastations of the World War II. Singapore, India, United Arab Emirates, Brazil, China and other emerging economies faced similar colonial subjugation experiences but are now looking inwards and prudently using available human and material resources to develop and eliminate the underdevelopment stigma.

Slavery and Slave Trade affected every part of the world. In fact, there was a period in the developmental stages of humanity that was called Slavery. Karl Marx distinguished developmental stages in European history. The first was Communalism, the second Slavery, the third Feudalism and the fourth Capitalism. Slaves and Serfs were used during the period of Slavery and Feudalism respectively. They have gone past that stage and are making tremendous progress. Eliminating capitalism or cutting away from capitalist economies would not solve the underdevelopment problems of Nigeria and other developing countries it would rather exacerbate the condition as was the case in Tanzania. Today Nigeria is literally begging the United States of America and other top capitalist economies to patronize her oil and other natural resources to gain foreign reserves.

At the individual levels the likes of AlikoDangote, Mike Adenuga, Femi Otedola are competing very favourably with their colleagues in the international capitalist economy, because of prudent management of resources, acquiring technical knowhow, modernization of the production apparatus, industrialization, increasing productivity and economic growth, foreign trade, encouraging capital inflow, knowledge, managerial skills, intensive entrepreneurship, stimulating competition, foreign investment and other traits which the modernization theory advocates as bases for development but which the theory of dependency and imperialism condemns.

Colonialism was exploitative but we are no longer in the colonial era. People that advocate for neo-imperialism and neo-colonialism and have the propensity of still blaming our underdevelopment on the intrusion of Europeans should remember that most of the highly underdeveloped countries of the Third World were never colonized. This was true of Ethiopia, Liberia, Afghanistan, Nepal, Tibet etc. The attempt of Tanzania to break-off from the capitalist world economy has made it one of the poorest countries in Africa. At the local level the Koma people of Nigeria illustrates the fact that contacts with higher civilizations and imbibing the traits therefrom as advocated by the modernization theory can enhance development and vice versa. The Koma people were discovered in 1986 in the Atlantika Mountains of northern Adamawa, Nigeria. They had no contacts with the outside world and remained completely primitive. The same is applicable to some very remote communities that have little contact with higher civilizations or modernization. Evidently contemporary underdevelopment in Nigeria and other developing countries was not a product of imperialism but corruption. The mind bulging sum of more than 400 Billion US Dollars have been fraudulently drained from the coffers of Nigeria by leaders in different administrations. Six time the value of this amount was what was used to rebuild all of Western Europe after the Second World War.

The study appreciates the ongoing war against corruption by the President Mohammed Buhari administration and **recommends** prudent usage of recovered looted funds. The study also recommends that properties of convicted people on corruption charges should be confiscated if they cannot refund all the money. Asset declaration should be made compulsory for all elective portfolios, political appointments and civil servant. It should also be annual or bi-annual for easy auditing and assessment of corrupt enrichment. Anti-corruption agencies like ICPC and EFCC should be strengthened and granted more coercive and enforcement powers. There should be no sacred cows or caveats in the fight against corruption. Stiffer penalties and punishment should be meted out on corruption cases. Immunities of politicians should be conditional waived in glaring cases of corruption. Perpetual injunctions from Judges restraining investigation of corruption charges or allegations should be abrogated. Procedures for transparency and accountability should be well developed and applied. Finally, anti-corruption laws and charges should be more comprehensive and fierce enough to deter potential culprits.

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