

**Challenging Corruption in Africa:
Beyond the Bleak Projections**

By Nuhu Ribadu

August 2010

www.cgdev.org/content/publications/detail/1424376



Nuhu Ribadu is a prosecutor and police officer by training. Until 2007, he served as Chairman of the Economic and Financial Crimes Commission in Nigeria, which he helped establish in 2003. He is a visiting fellow at the Center for Global Development and a senior fellow at St. Anthony's College, University of Oxford.

ABSTRACT

Corruption is one of many serious challenges which undermine the effectiveness of institutions and entire governments in many African countries. It seems to be appropriate to hold it responsible for impeding investor confidence and depriving citizens of true governance, democracy, and development. The former Secretary-General of the United Nations, Kofi Annan, described it perfectly when he said, "Corruption hurts the poor disproportionately by diverting funds intended for development, undermining a government's ability to provide basic services, feeding inequality and injustice, and discouraging foreign investment and aid."

Despite the immense size of the problem, corruption can be defeated. My own experience at the EFCC in Nigeria taught me that change is possible, yet difficult. With the right political atmosphere, we secured an unprecedented number of convictions of those previously regarded as untouchable. Unfortunately, we proved that while it was possible to punish some of the guilty, it was a much larger task to tackle a culture so rich with corruption. Anticorruption offices need help and support from agencies from around the world, particularly the United States. With a strong internal and external base, anticorruption movements have the potential to conquer this cancer on society.

The Center for Global Development is an independent, nonprofit policy research organization that is dedicated to reducing global poverty and inequality and to making globalization work for the poor. CGD is grateful for contributions from the World Bank and the Norwegian Ministry of Foreign Affairs in support of this work.

Use and dissemination of this essay is encouraged; however, reproduced copies may not be used for commercial purposes. Further usage is permitted under the terms of the Creative Commons License. The views expressed in this paper are those of the author and should not be attributed to the board of directors or funders of the Center for Global Development.

Challenging Corruption

I am a prosecutor and police officer by training; until 2007, I served as chairman of the Economic and Financial Crimes Commission in Nigeria, which I helped establish in 2003. The EFCC was initially one of a number of measures recommended by the international community to resolve a stand-off over the country's \$30 billion foreign debt. It quickly became the most successful anticorruption agency in Nigeria's history, forging new and effective relationships with law enforcement bodies in the United States, Europe, and other jurisdictions.

Corruption is one of many serious challenges which undermine the effectiveness of institutions and entire governments in many African countries. It seems to be appropriate to hold it responsible for impeding investor confidence and depriving citizens of true governance, democracy, and development. The former Secretary-General of the United Nations, Kofi Annan, described it perfectly when he said, "Corruption hurts the poor disproportionately by diverting funds intended for development, undermining a government's ability to provide basic services, feeding inequality and injustice, and discouraging foreign investment and aid."

Despite the immense size of the problem, corruption can be defeated. My own experience at the EFCC in Nigeria taught me that change is possible, yet difficult. With the right political atmosphere, we secured an unprecedented number of convictions of those previously regarded as untouchable. Unfortunately, we proved that while it was possible to punish some of the guilty, it was a much larger task to tackle a culture so rich with corruption. Anticorruption offices need help and support from agencies from around the world, particularly the United States. With a strong internal and external base, anticorruption movements have the potential to conquer this cancer on society.

Defining Corruption in Africa

To discuss corruption we must first define it. In the United States and Nigeria, we may use the same word but we mean different things. In the States, and many other parts of the world, corruption approximates to the deviation from an agreed-upon set of values and behavior. It

exists and challenges those values social norms, but ultimately it is checked by a combination of the threat of punishment and a more general abhorrence for corruption in society. We have come to visualize the corrosive power of corruption through the activities of the mafia and organized crime world. You might find the occasional example of a civil servant with large sums of cash inexplicably stored in a freezer, but you know that such behavior remains on the margins of society. It is unacceptable, and the perpetrators will be forced to answer to the government.

In contrast, imagine a system where corruption has all but taken over the whole of government. The example of Nigeria illustrates my point. The political culture of Nigeria masquerades as a democracy, but in reality is no more than an exclusive club for a tiny elite accountable not to the millions of citizens they, in theory, represent but to an even smaller clique of power brokers, barons, and what we now inelegantly call godfathers.

In most African states, power flows almost entirely upwards towards politicians, military officers, the police, the judiciary, the media, industry and banking and away from the general population. Imagine a system where everything that is supposed to help to strengthen the state and uphold the rule of law is instead compromised and undermines it. This is true in Nigeria, but also in Cameroon, Sudan, the Democratic Republic of the Congo (DRC), and most African nations.

The score sheet of this very tenacious system is that it delivers for those it serves but leaves the overwhelming majority with next to nothing and strips countries of their ability to offer basic services. The former Nigerian president, as many know, spent three months in Saudi Arabia receiving medical treatment. He was forced to leave his country because there is not sufficient medical care at home. Most African countries today can barely offer the pretence of a modern health care system, and this is not the fault of our doctors and nurses. Overwhelmed by a system that has been bled of its meager resources, many of those with medical training are forced to go overseas not just for better pay and compensation but also for a system that gives them the tools and support to do the job they were trained for. This is the same for most of Africa's educated workforce.

Corruption is the violence and systematic thieving that creates militant groups, conflicts, and the alliance between government and military officers against the very people they are charged to represent. The truth is that corruption has many faces and manifests itself in a variety of forms that include bribery, abuse of discretion, extortion, embezzlement, money laundering, tax evasion and electoral fraud. Whichever way we look at it, the state of corruption our continent, from the Cape to Cairo, from Dakar to the Horn of Africa, is nothing but depressing, demoralizing and, frankly, disappointing. Think back over the history of Africa and compare it to what we have on the ground today. However optimistic we chose to be, the reality that stares us starkly in the face is that our situation has undoubtedly grown worse in the past decade.

Yet, there is a window of opportunity open to us now, opportunity to effect real change for the better: for Nigeria, for Africa, and also for the United States. In the time of globalization and a “flat” world, the current African situation is as much about America’s interests as Africa’s—and how best to protect them both. Nigeria could prove to be an effective and important partner for America. Nigeria is a regional leader, the most populous country in Africa, one with a large Muslim population. Twenty percent of America’s oil comes from Nigeria, despite the fact that it is only producing one-third of its potential. If Nigeria is stabilized, it could potentially produce 60 percent of America’s oil, lessening its dependence on nations with which it has more strained diplomatic relations. And with stronger counterparts in Nigeria, America could work more effectively. From 2003 to 2007, America had a strong partner in the EFCC. We were able to bring a number of corrupt entities to justice. Now all of those efforts are on hold since there is no one in Nigeria to be working with. This is true not only with the Department of Justice, but with a number of other American departments. If America acts diplomatically now, it will not be forced to engage militarily later. Nigeria is not an Iraq, Afghanistan, or Somalia, but we need to work hard to keep it from becoming so. The challenge is to avoid complacency and look hard at what can make a difference. My view is that corruption is the place to start.

Although many African governments have attempted to tackle the scourge of corruption through comprehensive reform packages, the sad fact remains that the war on corruption is retreating. The initial step to tackling this cancer in most countries has come through the ratification of international and regional anticorruption conventions such as the United Nations Convention

against Corruption, the African Union Convention on Preventing and Combating Corruption, as well as the Southern African Development Coordination Conference and Economic Community of West African States protocols. Many have also followed up with the establishment of either one or, as in Nigeria and South Africa, multiple anticorruption agencies. Current assessment, however, is that although modest successes were reported in some countries, such measures and policies have hardly put a dent in corruption.

Creating a Successful Anticorruption Campaign

The challenges facing a sustainable anticorruption strategy lie in a mix of factors including the independence of the agency; the existence of laws necessary for its success; mechanisms for enforcement; a clear reporting mechanism and hierarchy; financial autonomy; support from the government; and the strong support from the United States. For the EFCC, the Financial Action Task Force (FATF) pushed the Nigerian government to create it, the FBI trained us, and the Department of Justice worked with us to prosecute those harming both our nations.

And from 2003 to 2007, we accomplished so much. These were the years when, ahead of Indonesia, Philippines, DRC, Haiti, Ukraine, and Nicaragua, Nigeria made history as the first country in the world to get its stolen money returned to its jurisdiction. Nigeria was removed from the FATF list of noncooperating countries and was accepted into membership of the Egmont group of Financial Intelligence Units. Through these moves, we started enjoying global cooperation on a broad number of issues that impacted our economic development. Our capital market, which was modestly capitalized as N2.9 billion in 1999, grew an admirable resource base to 67 billion. Nigeria then achieved a Fitch Sovereign Rating of BB, similar to that of emerging markets, which helped attract foreign investors.

Anticorruption practices in Africa have been executed through three broad strategies: those led by the executive, law enforcement, and the judicial. I am of the opinion that only a law enforcement–led strategy can truly succeed in a professional and timely manner. I see this throughout the region and across the globe. Only where the process is led by a law enforcement

mechanism are there tangible results. In institutions where the enabling legislation provides for an overlap of functions between the investigative body and the prosecutorial, the challenges usually center around mediating between their different mechanisms for transparency and accountability. This does not lead to law enforcement abuses. Fighting corruption without full and independent investigative and prosecutorial powers vested in the same body usually ends in disaster.

It is also essential to guarantee the independence of tenure for the leadership of anticorruption agencies. While it is proper to allow the executive branch to appoint the head of such an organization, it seems appropriate to give the power of removal to the agency's internal legislature.

Funding is another critical factor which impinges on independence. A mechanism that allows for direct parliamentary appropriation without executive approval can protect such bodies from executive interference. The Nigerian Independent Corrupt Practices Commission had often complained of inadequate funding to do its work, which is why when creating the EFCC we made sure most of our funding came from external donors. With any anticorruption struggle, there is an urgent need for community ownership through organic participation of the civil society, media, and society at large.

That being said, I would like to point out that international collaborative efforts are crucial to any fight against corruption. Since a significant amount of corruption in Africa in the past decade had to do with transnational bribery, it is important to have support abroad. Several multinational companies that were prosecuted under the Foreign Corrupt Practices Act (FCPA) in the United States were involved in transnational bribery. It was proven that Halliburton Ltd., Siemens, Panalpina, Shell and others made illegal payments to Nigerian public officials. Besides the role of the FCPA and its instruments, the individual role of institutions like the FBI and the London Metropolitan police, among others, cannot be ignored. These institutions promoted the issue of good government in Nigeria by helping the investigation and ultimate prosecution of thieves in our midst.

Looking Ahead

Despite our success, the jackals have crawled back into the Nigerian system through one unfortunate, fraudulent election.¹ Nigerians are decent people, long suffering with enormous reserves of patience. We have been let down by generations of leaders and find no voice in politics. But our failing state no longer affects only us, but rather spills far beyond our borders. Let me be clear: the alleged action of a troubled young man does not mean that Nigeria is on the cusp of an Islamist revolution. I am so delighted that Secretary of State Clinton alluded to this point at her town hall meeting when she said, "I do think that Nigeria faces a threat from increasing radicalization that needs to be addressed, and not just by military means. There has to be recognition that in the last 10 years, a lot of the indicators about quality of life in Nigeria have gone the wrong direction."² This goes beyond just poverty to the very heart of the cancer that corruption spreads: the erosion of any sense of justice or identity. This is what we must recover. The consequences of failure could prove to be devastating.

Despite a rise in tolerance between different communities, we cannot ignore the dangers associated with the increasingly obvious failures of our state. Indeed, in some cases, there are politicians who deliberately stir up tensions between different communities to fuel crises that strengthen their hold on power, no matter how much violence they bring.

But in Nigeria there is still hope. Since I left Nigeria, there is a new governor of the Central Bank. He has taken on some of the biggest names in the banking sector, and some of its richest barons; people who sold themselves as architects of a new economic miracle but were in practice stealing and laundering money in the hundreds of millions. Lamido Sanusi is doing a tremendous job, under huge pressure and against tremendous odds. But our challenge in Nigeria is to move beyond the search for individuals. The silent majority must be allowed a voice, a political system that enfranchises rather than marginalizes the majority, where there is genuine legitimacy rather than simply pretence.

¹ This is in reference to the flawed elections of 2007. Many believe this election to be rigged to instill Umaru Yar'Adua as president.

² "Hillary Clinton Blames Nigeria Leaders for Extremism," BBC News, January 27, 2010, <http://news.bbc.co.uk/2/hi/africa/8482420.stm>

I want to recognize all America has already done for anticorruption efforts worldwide. In addition to prosecuting through the FCPA, the United States has also caused a rare sense of panic among Nigeria's elite by bringing accountability, which had been missing for so long. There is a former state governor who used to jet to the four corners of the globe in the \$30 million private jet he bought with his people's money. He is now mostly barricaded in his palace home and can only venture forth to Dubai or China.

President Obama, in what many saw as an act of needful disdain, chose not to visit Nigeria during his last trip to Africa. When Secretary Clinton subsequently went to Abuja, she was very candid, saying Nigeria is a country that could achieve more, but whose leaders choose not to. It was uncomfortable for Nigeria, but it sent a clear signal.

Once again, Nigeria finds itself at a crossroads. The question of leadership is back on the platform. Reforms in the banking sector are fragile. A peace process in the Niger Delta is fraying at the edges. There are proposals to change our electoral system and to reform the way that we have mismanaged our resources over the last 30 years. We need an outcome that benefits the majority, not the few.

We have shown positive change when state resources are deployed. That can be more easily sustained with the support of the international community to take robust action against the stolen money that finds its way into foreign jurisdictions and against the companies that believe there is only one way to do business in Africa; and to support training for the best in security forces, civil service, judiciary and media. And when it comes to something like elections, we must act now, well ahead of time, on the issues. If we wait for polling day, it will be too late.

And for those who fear that Nigerian leaders will turn to China or India if relations with established partners become sour, I will insist that the United States not underestimate the leverage it has. Corrupt Nigerians desperately want the credibility and legitimacy from America that they have failed to earn at home. America must use its political might to help push our nation to true democracy.

I have always maintained that corruption is perhaps the greatest cause of the failure of development and democracy in Africa. For this reason, I ask today that the West and the United States in particular, redouble its commitment to the democratic future of Nigeria. Our nation may suffer the frustrating challenges of a prolonged childhood but the nobility of our people's dreams outpace the putrid vision of their leaders. The anticorruption program needs to be put back on track. Such a program will assume a one-stop agency that comes complete with a financial intelligence unit, a zero-tolerance attitude for corruption within agencies, a clean attorney general, and a judiciary that has defined itself in terms of expeditious resolution of cases and incorruptibility.

There are urgent goals and priorities that can help push our nation forward. One is an urgent electoral reform which must be a condition for the 2011 elections. This is a new Nigeria. Our destiny is no longer determined by one person or a group of people in a back room. Democracy has started to take hold. We see the governors rising up, new power centers being created, and the people demanding more from their leaders. Religious politics are less important and the military is less interested in engaging. These are new phenomena in Nigeria and they must be respected and nurtured. America can no longer take the attitude of keeping the lid on this boiling pot; we must work to turn down the flame.

If we choose this vision for an improved Nigeria, political will at the highest level of authority from both our nations will be key to success, while an idealistic core of young people exposed to the best training in the art of law enforcement must define its operational spirit.

Many young Nigerians dreamt of a true prospect of a national renaissance, when the anticorruption agency actively collaborated to realize the outlines of an extractive industries transparency act, a public procurement act, and a vigorous privatization and public accountability program. This is not necessarily what all the nations of our region will need but they can at least help signal the push that if it could happen in a most challenging environment like Nigeria, it can surely happen in many other places too.

Thank you once more for the audience and thank you for being friends of Africa.