

## **NIGERIA IN DIRE NEED OF DEVELOPMENT: ACCOUNTABILITY AND TRANSPARENCY TO THE RESCUE**

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### **ABSTRACT**

The aim of this paper is to identify the role accountability and transparency can play in engendering and sustaining development in Nigeria. To realize this objective, extensive survey of opinions in the literature was carried out. Findings showed that accountability and transparency are critical success factors in the pursuit of national development. We also found out that the major obstacle to development in Nigeria, namely corruption, can be successfully tackled in an atmosphere of accountability and transparency. In Nigeria, there are laws aimed at promoting accountability and transparency, however implementation of these laws is lacking due to self-interest of leaders. Based on our findings, we recommended among other things that governance structures should be strengthened to empower stakeholders to demand transparent and accountable leadership from leaders.

**Keywords:** Accountability, Transparency, Development, Corruption, Leadership, Nigeria

### **1.0 INTRODUCTION**

Nigeria is a country grappling with developmental problems. Studies have shown that corruption is mainly responsible for these problems. This study therefore sought to find out if accountability and transparency can be deployed as antidotes against corruption and thereby engender development in Nigeria. The value of accountability and transparency lies in their influence on government probity and effectiveness as well as on the functioning of markets. This is the idea of good governance which ties the issues of democracy and development together. It implies a normative understanding of the social contract between the government and the citizens which insists that any decision made on behalf of the people must be such that leads, in the final analysis, to the betterment and empowerment of the citizens.

Governance is good to the extent that the policy making processes and the institutions are transparent, accountable in a manner that promotes such democratic norms and values like pluralism, accountability, participation, rule of law, equality, among others. Nigeria is a country in dire need of good governance undergirded by pro-development practices such as accountability and transparency.

## 2.0 THE CONCEPT OF DEVELOPMENT

The concept of development is one that lends itself to many definitions. From a general perspective, development means a progression from a simpler or lower to a more advanced, mature or complex form or stage. Viewed from economic perspective, UNDP (2018) defines development as that which leads to long and healthy lives, to be knowledgeable, to have access to the resources needed for a decent standard of living and to be able to participate in the life of the community. In this view, development brings about improvement in human welfare, quality in life and social wellbeing.

Development is measured using a range of economic indicators such as Gross Domestic Product (GDP), Gross National Product (GNP) as well as Purchasing Power Parity (PPP). Social indicators which are linked to the economy that are used to measure development, inter alia, include literacy rate, technological advancement and rate of industrialization, life expectancy, energy consumption and politics. Todaro and Smith (2011) opine that as development proceeds it sets in motion a chain of cumulative expansion in the industrial sector, thereby leading to higher per capita income. This in turn increases the demand for farm products and other products of backward areas which raises the per capita income of these areas. In development economics literature, this is called “trickling down effects” or “spread effects” of development.

In development rating, Nigeria is classified as a developing nation. According to the World Economic Forum Global Competitive index for 2015-2016, South Africa ranked 49 with a 4.4 value while Nigeria ranked 124 out of 140 countries with a value of 3.5. The World Bank reports that Nigeria had a GDP per capita of 3202.82 dollars (2017 estimates), population below poverty line of 46% (2017 estimates). The latest value of human development index shows that Nigeria is ranked 156 among 187 countries across the globe. The economy is highly inefficient, with the service and agricultural sectors accounting for 32% and 30% of employment respectively while the manufacturing sector accounts for only 11% (Wikipedia, 2018). The identified dismal economic situation of Nigeria is very much connected with multifaceted corruption plaguing the country. Corruption in Nigeria is associated with lower investment, higher prices and barriers to entry for businesses, lower tax revenue and expenditure as a percentage of GDP and this could cost up to 37% of Nigeria’s GDP by 2030 if it’s not dealt with immediately (PricewaterhouseCoopers Limited, PWC 2016). PWC studies estimate Nigeria’s tax revenues at 8% of GDP, which is the lowest among several countries.

## 2.1 Issues of Corruption

Corruption is defined and perceived across a spectrum of illegal payment and transaction such as bribes, embezzlement and money laundering among others. The results of the analysis done by (pricewaterhouse cooper limited, 2016) shows that corruption could cost up to 37% of GDP by 2030 if it is not dealt with immediately. This cost is equated to around \$1,000 per person in 2014 and nearly \$2,000 per person by 2030. Transparency International’s corruption perception index (CPI) categories corruption into three parts:

- **Grand Corruption:** Acts committed at a high level of government that distort policies or the central functioning of the state, enabling leaders to benefit at the expense of the public good.

- **Petty Corruption:** Everyday abuse of entrusted power by low and mid-level public officials in their interactions with ordinary citizens often trying to access public goods and services.
- **Political Corruption:** Manipulation of policies, institutions and rules of procedure in the allocation of resources and financing by political decision makers, who abuse their position to sustain their power, status and wealth.

An example of the third category is what (Awojobi, 2014) calls “stealing in Nigeria through self-increment of salaries by the members of the National Assembly without recourse to the constitutional body that is responsible for fixing the salaries of elected public officers”.

Corruption perceptions are usually measured for accountability of the government to the public; success of the judicial system to prosecute; ease of access of information to the public; transparency of government actions particularly spending; the extent to which bribes are paid for favours; the independence of government units and the strength of the country’s institutional framework in managing corruption. People’s corruption perception on Nigeria vary by institutions such as businesses, judiciary, military, political parties, police, parliament, the executive arm of government, taxation, customs, licensing and inspection bodies.

The damning verdict on corruption as it relates to Nigeria is that in various tiers of governance, personal gains have taken precedence over the public interest. In the light of this Soetan (2016) posits “It is unimaginable that the huge funds of \$2.1 billion meant to fight insurgents and terrorists could be shared by political stalwarts”. He also decried the fact that funds in the sum of over N23 billion meant to pay pension claims of retirees was embezzled by a few persons assigned to superintend and manage such funds. It is a common knowledge that Nigerian graduates are made to pay fees to sit for phony pre-employment tests by government agencies in Nigeria. This is just to mention a few of the many instances of corruption in the country. To overcome corruption and associated underdevelopment as a nation, certain mechanisms aimed at ensuring integrity, probity and accountability must be put in place. Such mechanisms could be in form of laws, codes or guidelines for best practices which are in the interest of the nation as a whole.

## 2.2 The Role of Accountability and Transparency

Governments around the world are entrusted by their populations to manage their financial resources in a sensible and cost-effective way. They collect revenues, largely through taxation, and in return are expected to deliver a wide range of public services such as education, health, infrastructure and social transfers for the benefit of current and future generations. The link between good governance, development and poverty reduction is now widely recognized. A capable, accountable and transparent administration creates opportunities for its people, provides better services and improves development outcomes.

Johnston (2010) sees accountability as procedures requiring officials and those who seek to follow established rules defining acceptable processes and outcomes to demonstrate that they have followed those procedures. While transparency according to him is a situation where official business is conducted in such a way that substantive and procedural information is available to, and broadly understandable by, people and groups in society, subject to reasonable limits protecting security and privacy. Accountability requires transparency, both function best

where laws are sound and widely supported, and the equitable enforcement of those laws raises major questions of accountability and transparency. In Nigeria, the Public Procurement Act, 2007 (as amended) is a major legislation aimed at fostering transparency and accountability. Upholding these values requires a delicate but durable balance between self-interest and cooperation; citizens and officials must see good governance not only as an ideal, but also as improving their own lives. Where rule of law is strong, people uphold the law not out of fear but because they have a stake in its effectiveness. An approach that relies solely upon detection and punishment may work for a time, but will do little to integrate laws and policies with social values, or to create broader and deeper support for the system.

Transparency too rests on a partnership: officials must make information available, and there must be people and groups with reasons and opportunities to put information to use. Chief among these are an independent judiciary and a free, competitive, responsible press as well as an active civil society. A transparent government makes it clear what is being done, how and why actions take place, who is involved, and by what standards decisions are made.

Accountability is partly a matter of institutional design: formal checks and balances can and should be built into any constitutional architecture. Accountability requires political energy too: people, interest groups, civil society, the courts, the press, and opposition parties must insist that those who govern follow legitimate mandates and explain their actions (Schedler, Diamond & Plattner, 1999). Accountability, according to Bauhr and Grimes (2017), implies a number of components: (1) that an agent provides-routinely or upon demand-an account to principals regarding activities related to a specific domain, (2) that the agent justify/explain decisions and (3) that the principal has the authority and the means to sanction the agent effectively. Transparency thus only refers to the first of these components. When transparency measures incorporate additional components of accountability, empirical investigations may suggest that transparency is strongly associated with less corruption. Yet in the policy world, transparency measures refer only to access to information, and do not require answerability or sanctioning. Developing measures that better correspond to transparency as defined in policy circles is therefore necessary to understand whether, and under what conditions, government transparency leads to lower levels of corruption.

According to Adsera, Boix and Payne (2003), accountability exercised to ensure probity and honest stewardship of public resources requires information regarding in particular, government finances that is revenues, transfers and expenditures. Some of the more common and deleterious forms of corruption involve diverting or embezzling funds as well as requiring irregular payments for contracts or licenses, and the ability to track fiscal flows both into and out of public coffers is therefore a necessary precondition to detect such activity. In addition, mechanisms such as whistleblower protections further strengthen transparency with the purpose of exposing malfeasance and corruption in its various forms. Transparency and accountability problems are particularly likely to persist because of vested interest in government and society, and reformers must be aware that at times those resisting enhanced transparency and accountability will go through the motions-filing reports, producing data, carrying out reviews and assessment in ways that actually conceal rather than revealing and attacking governance problems. Here, outsider monitors- auditors, legislative oversight bodies, investigating judges-are essential.

## 2.3 The Public Procurement Act, 2007

Procurement is a function with the responsibility of obtaining resources (equipment, logistics, materials, supplies and services) required by an organization to fulfill its core business and development programme. Kari, Mona and Jan (2010) states that public procurement is the acquisition of goods and services by public institutions, and concerns contracts between the government and the private sector in many different areas such as health services, the military and construction.

The Public Procurement Act, 2007 was enacted to strengthen weakened institutions in Nigeria in order to achieve good governance in public procurement as it has been recognized that the weak institutions breed corruption and this in turn impairs sustainable growth and development (Adewole, 2014). The Public Procurement Act, 2007 was enacted to foster value for money, fairness, transparency, accountability, efficiency and effectiveness in government procurement. The Act established the National Council on Public Procurement (NCPP) and the Bureau of Public Procurement (BPP) as regulatory authorities responsible for oversight, management and monitoring of Public Procurement.

According to Ocheni and Nwankwo (2012), the organization of procurement consists of approving authority, planning, accounting officer, implementation, tender's board, planning committee, pre-qualification of bidders and open competitive bidding. All of these are aimed at achieving accountability, transparency, efficiency and value for money and competition in the procurement process. Accordingly, S.25 of the Act states that invitations to bid shall be by way of open competitive bidding and the BPP shall from time to time set the monetary thresholds for procurements. In this vein, invitation for bids shall be advertised on the notice board of the procuring entity, at least two national newspapers, and in the procurement journal not less than six weeks before the deadline for submission of the bids for the goods and works.

Enofe, Okuonghae and Sunday (2015) posits that transparency encourages and promotes fair and equal treatment of bidders, which can lead to the best possible cost for procurement. The concept of accountability involves the proper documentation of all the activities that take place in the procurement process and the responsibility to demonstrate that acquisition of works and services has been executed in accordance with the articulated rules and standards and the officer reports fairly and accurately on performance results vis-à-vis mandated roles and or/plans (Adegite, 2010). It means doing things transparently in line with due process and the provision of feedback. It shows the extent to which a person can be answerable to whoever has invested some amount of trust, faith and resources on them (Onuorah & Appah, 2007).

Public Accountability is an essential component for the functioning of our political system, as accountability means that those who are charged with drafting and/or carrying out policy should be obliged to give an explanation of their actions to their electorate (Johnson, 2004). This mechanism allows the openness of the process and brings defaulters to book (Enofe, Okuonghae, & Sunday, 2015). They are of the view that accountability is important in determining the rationale behind all procurement decisions. Accountability guarantees accurate records which are essential in demonstrating that proper ethical standards have been observed. Findings by Nadi (2009) revealed that there is a procurement law in Nigeria but the implementation remains a problem in the public sector. It was noted that impairment of judicial

systems, police and investigative institutions is particularly destructive in this respect bringing about frequent failures to sanction and arrest offenders.

### 3.0 CONCLUSION

It has been established that accountability and transparency are important tools for achieving and sustaining development. Nigeria is a developing country struggling with development issues that are linked essentially with corruption.

Mainly, the antidotes needed to fight corruption and bring about progress are accountability and transparency. This requires good governance structure that make for institutions that are transparent and accountable in a manner that promote such democratic norms and values like pluralism, participation, rule of law, equality among others.

Sadly, this objective has not been achieved due mainly to the self-interest of those superintending the Nigeria state. Evidences of the identified governance failure abound in the form of compromised and impaired judicial system, police and other investigative institutions as well as anti-corruption agencies.

### 4.0 RECOMMENDATIONS

Based on our findings, the following recommendations are put forward:

Fairness and impartiality should be enshrined in public procurement in Nigeria; there should be proper re-orientation of public procurement officers in Nigeria on the need for consistency and transparency in procurement procedures.

We should entrench good, ethical leadership underpinned by a national culture of promoting ethics from the family to the society at large.

For the citizenry to sustain their trust in government and leaders, the public good must take precedence over the personal interest of leaders.

Government should be sincere in its fight against corruption by strengthening governance structures that truly empower all stakeholders to demand transparent and accountable leadership from leaders in all spheres of our national life.

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