

## The Challenge of Development in Nigeria: Beyond the Corruption

Journal of Management and  
Social Sciences  
© The Author 2024  
Reprints and permission  
jmseditorial@gmail.com

**Olutayo, Akinpelu Olanrewaju**

University of Ibadan, Ibadan, Nigeria

### Abstract

This paper explores the challenges and dynamics of development in Nigeria, particularly through the lens of capitalism and its accompanying socio-economic structures. By examining the historical and contemporary influences of capitalist values, the paper delves into how these forces shape educational institutions, labor markets, and national economic policies. It highlights the pervasive role of corruption within the capitalist framework and its implications for Nigeria's development trajectory. Furthermore, the paper critiques the external impositions of development models by global institutions and advocates for a bottom-up approach to defining and addressing the country's developmental needs. Through this analysis, the paper aims to provide a nuanced understanding of the complexities surrounding Nigeria's quest for development and the need for a more indigenous and self-sustained approach to progress.

### Keywords

Nigeria, development, capitalism, corruption, socio-economic structures

### Introduction

Perhaps the most popular word in literature, generally, is development. It permeates all areas of knowledge and society. It is most desirable and most nations, and people, would like to do anything and everything to develop. This is more so that the meaning of development and how to develop, since the demise of 'Socialist' Russia and the increasing capitulation of 'Communist' China, with the era of globalization, has narrowed the conceptualization of development to capitalism (Olutayo, 2002a). Capitalism is not a catch-phrase. It is a process deliberately set in motion through certain institutions. Such institutions are the 'basics' of society which the social sciences tend to study but, sorry to say, underestimate. They are the family, education, economic, political, religious, the mass media which are now, under the new regime of the *real* World Capitalist System, being midwived by the International Monetary Fund/World Bank. It is what now characterizes Nigeria with its attendant prospects and challenges.

Our concern in this paper is 'the challenge of development in Nigeria'. Following from above, therefore, the challenge Nigeria has is the challenge of

### Corresponding author:

Akinpelu Olanrewaju Olutayo, Department of Sociology, University of Ibadan, Nigeria  
Email: lantopamtu@yahoo.com

how to engender capitalism! And, as the title shows, it is far more than corruption which, though permeates every fabric of the Nigerian social structure, it is within the universal set for corruption. In other words, capitalism encompasses corruption especially because corruption thrives better at the marketplace without which the capitalist system cannot survive. And, as some people argue, corruption ‘greases’ capitalism (Leff, 1963; Huntington, 1968; De Soto, 1990; Egger and Winner, 2005; Levy, 2007)<sup>1</sup>! Except corruption is perceived as disorder of the indigenous social structure, it is wrongly, in my view, defined/conceived. Thus, the challenge is how to, in today’s development trajectory, make the nation of Nigeria become capitalist in its corruptive process of the indigenous social structure. As such, what are the fundamentals of capitalism Nigeria needs to satisfy in order to ‘develop’? How can the nation attain these? Or, given the existing situation, is it even feasible? These shall be the major concern of this paper. Before delving deeply into them however, the next section, to which we now turn, attempts to examine how corruption crept in to become the buzz word for explaining development or the lack of it.

### *Corruption and Development*

To be sure, it is not a new thing that a detour would be made from the real issue of the challenge of development, especially for the Third World countries. The idea has been to either ‘blame’ the lack of development in these nations on the countries themselves or the ‘accusing fingers’ laid on external factors (Olutayo, 2002b). For corruption, in its neoliberal garb, the whole argument is that the Third World Nations are corrupt, and cannot fight corruption, because they lack the requisite institutions<sup>2</sup> to fight the ‘ills’ it constitutes (World Bank, 2002; Olutayo, 2009a). So, the argument seems to imply, remove corruption, and all its tendencies, through the creation of necessary institutions then, development would result. This is in spite of the realization that corruption is not unique to these so-called developing nations (Tanzi, 1998). The recommendation for the developing nations, I believe, came, mainly, as a result of the World Bank, leading other ‘development agencies’, on which these nations are increasingly dependent for their ‘development’ needs, conferred on itself, the status of the

---

<sup>1</sup> There is no conclusion about the negative or positive roles of corruption on development. It has been realized that there is bias in almost every position taken see Nauro F. Campos, Dimova, R., Saleh, A. (2010) Whither Corruption? A Quantitative Survey of the Literature on Corruption and Growth Discussion Paper No. 5334, November.

<sup>2</sup> Of course, the direction of development in almost all recommendations is for the ‘developing’ nations, reflected in the various versions of modernization theory, to become like the developed, through the creation of various institutions mimicking the latter the as if the latter are no longer developing.

'Knowledge Bank' of the world in 1996<sup>3</sup>. Within this ambit, research and policy formulations for the whole world, but, more especially for the developing nations, became the major interest of the World Bank as it yearly presents its World (and Human) Development Reports making recommendations for the direction and future of development. As such, the World Bank is not a mere economic enabling institution but a policy and political institution. That is, it does not only give policy recommendations but also insist that the policy must, as a matter of necessity, be abided by (The Conversation, 2023)

For the World Bank, corruption is a 'cankerworm' that must be totally eliminated if development is to be engendered. It is the abuse of office for private gains and covers a wide range of behavior from bribery to thefts of public funds (World Bank, 2020). Of course, the institution is fully aware of corruption in the private spheres especially in the awards of contracts between local, international companies and governments. The ways by which rival foreign governments initiate and process corruption for the benefits of their companies and the methods by which some developing nations are arm-twisted (bribed?) to accept certain projects in favour of some others or how development forecasts, which are more of '*mirages*', are presented (Olutayo, 2018; Olutayo and Liadi, 2019). Yet, still, the issue is more confusing when the international institution that is supposed to prevent corruption and corruptive tendencies is, itself, fully enmeshed in corruption (CFR, 2009; Edwards, 2009; Forbes, 2012; Soustras et al. 2021; France24, 2019)!

The most recent case of P&ID in Nigeria clearly illustrates the deep-seated nature of corruption in the capitalist system, the loss of which court case would have caused a loss of a third of the foreign reserve of Nigeria, just as has been the case in most developing nations. Contracts would have to be awarded, in the 'rush' to modernize and be seen to be doing something for development. This is because development as seen as 'projects' rather than a fundamental restructuring of the social structure as defined by the people, with the people and for the people (Omiunu and Akanmidu, 2021; Jusmundi, 2019; Aljazeera, 2022; IISD, 2023; Naira Metrics, 2023).

It is instructive to accept the conclusion of the Chairman of Nigeria's Independent Corrupt Practices Commission (ICPC), Professor Owasanoye (2023): 'we have to understand as developing countries that the political economy of the international ecosystem is not designed for us to progress no matter how hard we try'. So, why do we have to go the rout of fighting corruption in order to explain development, or the lack of it? The issue is too fundamental than this. It is about how the Nigerian nation can survive in the free market economy of capitalism, to which we now turn.

---

<sup>3</sup> Tanzi, V. (1998) identified seven reasons why concerns for corruption came to the fore since the 1990s

### *The Capitalist System*

It is very easy to forget that the world was never this way some few hundred years ago. Indeed, less than thirty years ago, the world was contending with two major ideologies by which development should be defined: socialism and capitalism. With Gorbachev's *perestroika* and glasnost, the former seems to have been wiped off the face of the earth (CVCE, 2016). Thus, capitalism seems to constitute the hegemonic ideology and, through its domineering effects, power defining world development. This is not done through a natural process but by the imposition of capitalist values in all the regions of the world either by subtle means through marketing ideologies, by force, by the threat of the use of force or a combination of any of these. Today, in most parts of the world, therefore, capitalism and capitalist behavioral patterns are being instituted through the 'agents' of development termed 'development agencies'. These agencies present rosy pictures of what capitalist values hold and governments are 'convinced' of the needs to buy-in. Educational institutions are also very potent means by which capitalist values are marketed because it is, ideally, through these institutions, that the economic (work) institution, the 'survival' hub for the 'products' of educational institutions, derives its labor (Olutayo, 1995; Olutayo, 2002c). Interestingly, it is the economic institution that defines, in a broad outline, what should be taught in the educational institutions. So, what is the economic institution in the capitalist system?

Most times we confuse the capitalist system with the 'appearances' or the 'superstructure' rather the 'realities' ('substructure') of the capitalist economic system. We perceive (or are made to accept) the levels of literacy, education, happiness, life expectancy (termed non-economic factors used to measure the Human Development Index HDI) or even the economic factors of Gross Domestic Product (GDP) or Gross National Income (GNI), levels of industrialization, general standard of living and the amount of technological infrastructure as 'ingredients' of developed capitalist economies. The ideas of free-market economy as means of allocating resources and prices set according to the laws of demand and supply, private ownership, profit motive, minimal government intervention and competition are considered as the main characteristics of capitalist economies (Dolan, 2022; Faith, 2022). What is not often mentioned, however, is what capitalist production entails.

Capitalist production is dependent on the ownership and non-ownership of the means of production. Those who own the means of production determine, in the final instance, how and the extent to which the non-owners of the means of production would survive. The means of production are the objects of labor, means of labor and labor itself all of which change, over time. Crucial to the means of production is the means of labor which determine the status of the

object of labor and labour (Olutayo, 2002a). In the capitalist system, the means of labor are the machines which have changed in various industrial revolutionary processes. These processes are very subtle, not often very quick, they are not intended to hurt and, as such do not involve bloodshed (Olutayo, 2021). Fundamental to the processes of industrial revolution are 'science' and 'technology'. 'Science' involved questioning the status quo and doing things differently while 'technology' is the application of the knowledge science produces. The processes of questioning and development of scientific applications never takes a straight course, growing from obscurity to prominence. They were/are not often quickly accepted. Yet, they have, for sure, defined human history. From the 'shift', or is it development, from reliance of brute human efforts to reliance on the mechanical power of the steam engine, powered by fossil fuels in the first industrial revolution, revolutions continue to be midwived by new technologies in the invention of combustion engine and the discovery of electricity in the second industrial revolution, nuclear power and electronics formed the third industrial revolution and the present cyber-physical systems in the present fourth revolution (Web Forum, 2023). In what stage is Nigeria in all of these?

### *Nigeria in the Capitalist System*

Like its mother, Africa, Nigeria is (still) an 'idea' and, later, (still) an 'invention' of the capitalist nations<sup>4</sup>. Unlike the mother-child relationship in which the child would, later, become independent of her/his mother, however, Nigeria (and its mother, Africa) is not expected to become independent. It has to continue to be dependent for the survival of its inventors, the capitalists. As the invention is, in the hands of its inventor, Nigeria (Africa) is to be molded, and remolded, according to the wills and caprices of its inventor. Without the inventor, who knows how to manipulate it, the invention ceases to exist. This is the logic of capitalism whose DNA is ingrained with unquenchable appetite for continuous accumulation without which it would lose its relevance and, in the end, not survive (Wallerstein, 2004).

Nigeria was incorporated into the World Capitalist System in the periphery of the periphery. In this status, all its, hitherto, existing institutions became subordinated to the 'conquering' capitalist machinery. In capitalism, the 'engine' has to be continuously oiled in order to survive. It was, first, being oiled by slaves, then, by 'legitimate', though, unequal, trade<sup>5</sup>, leading to formal colonialism and, now, neo-colonialism. It is an irony! The people who used to define their own existence through self-identification of their needs, created institutions for the satisfaction of those needs, and developed mechanisms for

---

<sup>4</sup> The Scramble for Africa is an important epoch to be remembered at this juncture. At the same time, the popular 'Mama Africa' needs to be brought to the fore. But, of importance, who fathered Africa? (Mudimbe, 1988;1994).

<sup>5</sup> See the works of dependency theorists like A.G. Frank, Samir Amin, Ricci, among others.

sustaining change are now have their whole existence subordinated to the World Capitalist System, which is being controlled by nations outside their own. This is what has been described as the development of underdevelopment (Rodney, 1972; Frank, 1984; Olutayo, 1991)<sup>6</sup>.

## Conclusion

For a fact, many attempts have been made, and are still being made, to enhance development. Mostly, all of these are within the periphery of the capitalist system. They are mere responses to what others tell the leadership, including the academic elites whose research agenda is more foreign than indigenous. As such, they merely ‘scratch the surface’. Consequently, the ‘load of the wo(man) with crooked legs would never be straight’ (*amukun, eru wo, o ni, oke lenwo, ee wo isale*). Until we return to being in control of defining our own needs, whatever ‘palliative’ that is recommended would remain a sham.

Interestingly, this process new process of self-definition of needs must begin with me. What are my needs? Do/can I satisfy them without being totally dependent on others? What mechanisms do/can put in place to ensure sustained satisfaction of these needs? Am I in control of possible changes to these needs and how do I restructure to meet these needs? When we can, positively, answer these questions, we are creating a bottom-up approach to development. This is of utmost importance because those at the ‘top’ have been, effectively, incorporated into the capitalist ways of life without which their existence would cease to exist. They are the *lumpenbourgeoisie* deliberately created to facilitate capitalist accumulation. Yet, the ‘top’ continues to subsist because the people at the ‘bottom’ allow their needs to be determined for them by those at the ‘top’. Our cravings and craze for what we do not produce must be defined as ‘wants’. This is fundamental to the question of development.

## References

- Aljazeera (2022). Corruption and confidentiality in contract based ISDS: the case of PID versus Nigeria. Online: <https://www.iisd.org/itn/en/2021/03/23/corruption-and-confidentiality-in-contract-based-isds-the-case-of-pid-v-nigeria-jonathan-bonnitcha/> accessed 081123.
- Amin, S. (1976). Unequal development. New York: Monthly Review Press.

---

<sup>6</sup> What is most disturbing is the fact that those who are supposed to be knowledgeable have also been compromised (Olutayo, 2009b).

- CVCE (2016). Gorbachev's 'perestroika' and 'glasnost'. [http://www.cvce.eu/obj/gorbachev\\_s\\_perestroika\\_and\\_glasnost-en-35d26745-a099-4af3-8226-a190ea1a3cf6.html](http://www.cvce.eu/obj/gorbachev_s_perestroika_and_glasnost-en-35d26745-a099-4af3-8226-a190ea1a3cf6.html) Accessed 091123.
- The Conversation (2023). World bank suspension of Uganda funds over anti-homosexuality. Available online: <https://theconversation.com/world-bank-suspension-of-uganda-funds-over-anti-homosexuality-law-what-this-says-about-the-struggle-over-funds-and-sovereignty-211635> accessed 081123).
- CFR (2009). World bank and corruption. Online: <https://www.cfr.org/background/world-bank-and-corruption> accessed 061123.
- De Soto, H. (1990). *The other path: The invincible Revolution in the Third World*. New York: Harper.
- France 24 (2019). World bank corruption and development. Online: <https://webdoc.france24.com/world-bank-corruption-development-armenia-kenya-somalia-transparency/> accessed 061123.
- Edwards, B. (2009). 'Corruption and Fraud at the IMF, the World Bank', <https://www.poconorecord.com/story/opinion/columns/2009/06/08/bea-edwards-corruption-fraud-at/51969694> accessed 071123.
- Forbes (2012). World bank. Online: <https://www.forbes.com/forbes/2012/0716/feature-world-bank-robert-zoellick-too-big-to-fail.html?sh=318f3940219d> accessed 061123.
- Dolan, B. (2022). 'Main characteristics of capitalist economies', <https://www.investopedia.com/articles/investing/102914/main-characteristics-capitalist-economis.asp> accessed 091123.
- Egger, P. and Winner, H. (2005). 'Evidence on corruption as an incentive for Foreign Direct Investment'. *European Journal of Political Economy*, 21(4), 932-952.
- Faith, K. (2022). 'The Developed Society', in *Multi-Resilience-Development-Sustainability*. Springer, Weisbaden. [https://doi.org/10.1007/978-3658-37892-9\\_5](https://doi.org/10.1007/978-3658-37892-9_5) accessed 091123.
- Frank, A. G. (1981). *Crisis: in the Third World*. New York: Homes and Meier.
- Frank, A. G. (1984). 'The development of underdevelopment', in Wilber, C. K. (ed.). *The Political Economy of Underdevelopment* (Random House).
- Huntington, S. (1968). *Political Order in Changing Societies*. New Haven: Yale University.
- Jusmundid (2019). Process and industrial development. Online: <https://jusmundi.com/fr/document/decision/en-process-and-industrial-developments-ltd-v-the-ministry-of-petroleum-resources-of-the-federal-republic-of-nigeria-judgment-of-the-high-court-of-justice-of-england-and-wales-friday-16th-august-2019> accessed 081123.
- Leff, N. (1964). 'Economic development through Bureaucratic corruption'. *American Behavioural Scientist*, 8(3), 8-14.
- Levy, D. (2007). 'Price Adjustment under the table: Evidence on efficiency-enhancing corruption'. *European Journal of Political Economy*, 23(2), 423-447.

- Mudimbe, V. Y. (1988). *The invention of Africa: Gnosis. Philosophy and the Order of Knowledge*. Bloomington and Indianapolis: Indiana university Press.
- Mudimbe, V. Y. (1994). *The idea of Africa*. Bloomington and Indianapolis: Indiana University Press.
- Naira Metrics (2023). PID case: Nigeria would have lost 1.3 of its foreign reserves. Online: <https://nairametrics.com/2023/10/29/pid-case-nigeria-would-have-lost-1-3-of-its-foreign-reserves-buhari-reacts/accessed081123>).
- Nauro, F. Campos, Dimova, R. & Saleh, A. (2010). *Whither Corruption? A Quantitative Survey of the Literature on Corruption and Growth Discussion*. Paper No. 5334, November.
- Olutayo, A. O. (1991). *The development of underdevelopment: rural economy of colonial southwestern Nigeria*. A Doctoral thesis in the Department of Sociology, Faculty of the Social Sciences, university of Ibadan.
- Olutayo, A. O. (1995). 'Education: Structure and Society: A Consideration of the Implications of State take-over of existing Federal Tertiary Institutions in Nigeria'. *Proceedings of the Conference on the 1995 Nigerian Draft Constitution*, pp. 100-105.
- Olutayo, A. O. (2002a). "The Concept of Mode of Production in the Analysis of Development". in Isiugo-Abanihe, U. C. et al. *Currents and Perspectives in Sociology*, Lagos: Malthouse Press Limited.
- Olutayo, A. O. & Bankole, A. O. (2002b). 'The Concept of Development in Historical Perspective'. in Isiugo-Abanihe, U. C. et al. *Currents and Perspective in Sociology*. Lagos: Malthouse Press Limited.
- Olutayo, A. O. (2002c). 'Educational Institutions'. in Shoremi, M. O. and Oyekunle, A. A. (eds.). *The Social Structure of Contemporary African Societies*. Ibadan: Kraft Books Limited, pp. 81-91.
- Olutayo, A. O. (2009a). 'Infrastructure and Development: Catalysis or Cataclysms in Africa? The Case of Fadama Farming in Nigeria'. *Ibadan Journal of the Social Sciences* (Nigeria), 7(1), 69-83.
- Olutayo, A. O. (2009). *The Irony of knowledge in Africa's development*. *Ibadan Sociology Series*, no. 5.
- Olutayo, A. O. (2018). *Sabiticcate is equal to what? Inaugural lecture delivered at the University of Ibadan, May 31st*. Ibadan: Ibadan University Press.
- Olutayo, A. O. (2021). 'Social change, sociological theory and the African context'. in Akanle, O. and Olutayo, A. O. *Sociological theory and practice, Nigeria*: Ibadan University Press, pp. 11-24.
- Olutayo, A. O. and Liadi, O. F. (2019). 'Infrastructure and Leadership: Corporatocracy, Indigenous Elites and Nigeria's Underdevelopment'. *Ilorin Journal of Business and Social Sciences*, September, 21(1), 81-102.



- Omiunu, O. and Akanmidu, O. (2021). 'Reflections on the Nigeria v Process & Industrial Developments Limited'. *New York University Journal of International Law and Politics*, May, Vol. 53, pp. 110-124.
- Owasanoye, B. (2023). 'Many World Bank Grants are Marred in Corruption. ICPC' Daily Trust, 27th June.
- Ricci, A. (2018). 'Unequal exchange in the Age of Globalization'. *Review of radical Political Economics*, Vol. 21, pp. 1-21.
- Rodney, W. (1972). *How Europe underdeveloped Africa*. Dar es Salam: Bogle-L'overture.
- Soustras, L., Khachikyan, C., Karinki, E. & Elmendoorp, R. (2021). 'The battle against corruption at the World Bank', (<https://www.independent.co.uk/corruption-at-the-world-bank/> accessed 061123).
- Tanzi, V. (1998). *Corruption around the world: causes, consequences, scope and cures*, IMF Working Paper WP/98/63.
- Wallerstein, I. (2004). 'The modern World-Systems as a Capitalist World Economy', in *World Systems Analysis: An introduction*. Durham, NC: Duke University Press, pp. 23-30.
- Web Forum (2023). What is the fourth industrial revolution. Online: <https://www.weforum.org/agenda/2016/01/what-is-the-fourth-industrial-revolution/> accessed 091123.
- World Bank (2002). *World Development Report 2002: Building institutions for markets*. Washington DC: IBRD/World Bank.
- World Bank (2020). Factsheets. Online: <https://www.worldbank.org/en/news/factsheets/2020/02/19/anticorruption-fact-sheet> accessed 061123.