

Restructuring the world economy through the activities of anti-graft agencies in curbing corruption and financial crimes: A case study of the metropolitan city of Enugu in Nigeria

Ojiakor Ijeoma Peninnah

Anisiuba Chika Anatesia

Nnadi Nmere

University of Nigeria, Enugu Campus, Nigeria

Keywords

Anti-graft Agencies, Corruption and Financial Crimes, EFCC and ICPC, Metropolitan city of Enugu, Restructuring the Global Economy.

Abstract

The fact that the global economy needs serious restructuring is not an over statement. As a matter of fact, there is need for the leaders of the world at large to have a forum whereby they would all meet to have an important robbing of minds together to consider various ways whereby this can be achieved. Corruption and financial crimes have eaten deep into the fabrics of the global economy to the extent that something has to be done to curb their nefarious effects and harm which they have already done to the global economy. This paper targets at examining the extent of the effectiveness of the activities of the anti-graft agencies in curbing corruption and financial crimes using the Metropolitan city of Enugu, Nigeria as a case study. Even though the Nigerian Government through the administration of the Obassanjo regime tried to achieve this feat by establishing anti-graft agencies, something more than that has to be done. The survey design was used to carry out this research. Data was collected using questionnaire and personal interviews. Data were analyzed using percentage frequency, while Chi-square-test statistic was used to test the hypothesis. The result revealed that the activities of the anti-graft agencies (among which are EFCC and ICPC) are not sufficiently effective in curbing corruption and financial crimes in Nigeria.

The study recommended that commensurate remuneration and motivational measures should be applied at every level of the workforce. Additionally, the study recommended that the anti-corruption agencies themselves should be corrupt-free before they can be used effectively to check corruption. They should work with honesty, sincerity, uprightness, great sense of responsibility and total commitment, to be able to achieve their target.

1. The Introduction

In the Global Economy, corruption and financial crimes are key issues. The global economy has so much been badly disrupted that it needs to be restructured. Corruption and financial crimes have greatly eaten deep into the fabrics of the global economy that there is need to act hastily to curb their retrogressive and destructive effects before the situation gets out of hands. Many government authorities in different parts of the world have tried in various ways to fight this deadly cankerworm to little or no positive results. The Nigerian government through the regime of the Obassanjo administration tried to fight this deadly cankerworm through establishing the anti-graft agencies, namely: Economic and Financial Crimes Commission (EFCC) and Independent and Corrupt Practices Commission (ICPC). Umar, et. al. (2016) as in Ojiakor, et al. (2017), pointed out very clearly the disruptive effect of this deadly monster called corruption by saying that the world indices of corruption and fraudulent practices have brought about collapse of public/government institutions and multi businesses. They further alluded that fighting fraudulent practices requires a dedicated investigation, dedication and prevention of corruption. Ojiakor, et. al. (2017) in their work also confirmed the fact that Federal Government of Nigeria established various anti-graft agencies so as to nip corruption in the bud. Among these anti-corruption agencies established with specific aims and objectives, all targeting towards total eradication of this deadly cankerworm are EFCC, ICPC, Nigeria Extractive Industries Transparency Initiatives (NAITI), and National Drug Law Enforcement Agency (NDLEA). Nevertheless, this research has brought to light some hidden means by

which the government could comfortably achieve eradication of corruption in spite of the activities of the anti-graft agencies.

1.2 statement of the problem

It is like the activities of the anti-graft agencies have more or less aided the proliferation of corrupt practices in the nation instead of aiding in fighting corruption, for which reason they were established. It is like Nigeria is already badly deep-necked into the menace called corruption. (Ojewere, 2013). The negative impact of corruption seems to be more in the Nigerian Economy. This is mainly because it seems like those in authority who are expected to curb the abnormally are badly deep-necked in the menace. (Ojewere, 2013 as in Ojiakor, 2017).

1.3 objectives of the study

The main objective of the study is to investigate the impact of the activities of the Nigerian anti-graft agencies in aiding the reconstruction of the global economy through curbing corruption and financial crimes in the Nigerian economy.

The specific objective of the Study is to examine the effectiveness of the activities of the anti-graft agencies in aiding the curbing of corruption and financial crimes in Nigeria, using the Metropolitan city of Enugu as a case study.

1.4 research question

To what is the effectiveness of the activities of the anti-graft-agencies in curbing corruption and financial crimes in Nigeria, using the Metropolitan city of Enugu as a case study?

1.5 research hypothesis

The activities of the anti-graft agencies are not effective in curbing corruption and financial crimes in Nigeria, using the Metropolitan city of Enugu, as a case study.

1.6 the scope of study

The area of coverage of this study has to do with the effectiveness of the activities of anti-graft agencies in curbing corruption and financial crimes in Nigeria, using the Metropolitan city of Enugu as a case study. The study also looks at corruption as having disrupted the structure of the global economy, to the extent that checking this nefarious cankerworm in the Nigerian economy will definitely amount to restructuring of the global economy. The geographical coverage is the Metropolitan city of Enugu in Nigeria. Most importantly, the study covers mostly the academia, making use of the perception of the accountants, lawyers, teachers and students through mostly oral interviews.

2) Literature review

2.1 conceptual review

2.1.1 the global economy

The global economy, according to the business dictionary is the world-wide economic activities between various countries that are considered intertwined and therefore can affect other countries positively or negatively. (<http://businessdictionary.com/definition.globaleconomy.com/html/>) The Cambridge dictionary defined the global economy as the system of trade and industry around the world that has developed as the result of globalization. Globalization can be defined as the ways in which economies have been developing together to operate as one system. Wikipedia, the free encyclopedia also defined Global Economy or World Economy as the economy of the world, which is regarded as the international exchange of goods and services that is expressed in monetary units. According to Wikipedia, beyond the minimum standard concerning value in production, use and exchange the definitions, representations, models and valuations of the world economy vary widely. It is inseparable from the geography and ecology of the Earth. (en.wikipedia.org/wiki/world/).

2.1.2 restructuring of the global economy

Global Economic Restructuring according to the "Women's Education in the Global Economy", by the Women of Color Resource Center in California, USA is a specific set of policies promoted by governments, corporations, financial institutions, and the economic elite to promote a particular model of economic development – that of global capitalism. They also said that this model promotes free trade,

production for the global market, cuts in social services, deregulation, privatization, etc. restructuring is more less a kind of structural adjustment and labor reallocation in the economy. Some studies revealed that recession is a major reason for restructuring. Corruption in different aspects of the economy cannot be excluded from contributing to economic recession. Restructuring of the economy gives rise to underperforming industries. (Figura and Wascher, 2008). It is pertinent to recognize that a lot of employees displaced in restructuring industries relocate to other sectors. Relocation of displaced workers has double effects. While this process of reallocation led to large increases in productivity (and a reduction in labor's share) in industries shedding workers, it also resulted in prolonged periods of unemployment for displaced workers. Moreover, relocating workers suffered sizable reductions in earnings, consistent with substantial losses in their specific human capital.

2.1.3 fraud, corruption and financial crimes

Ojiakor, et al (2017), in their work titled *Appraisal of the Activities of Anti-graft Agencies towards Curbing Corruption and Financial Crimes in Nigeria*, defined Fraud as the deliberate, wrongful or criminal deception which is intended towards securing unfair or unlawful financial or personal gain, in order to deprive a victim of a legal right. Furthermore, they said that fraud can be defined as any intentional or purposeful act or omission which is intended to deceive some innocent people, which will eventually result in the victim suffering an unexpected loss, thereby resulting to the perpetrator achieving an unfair or unlawful gain, which is most often in monetary terms. Generally, fraud is a compound word which can be classified into three, namely: corruption, asset misappropriation and financial statement fraud. (Ojiakor, et al as in <http://www.dictionary.com> <http://www.yourdictionary.com/fraud>).

Corruption, according to Ojiakor, et al (2017) as in www.accountingtools.com/pay, is referred to as such schemes in which a fraudster intentionally uses his influence in some business transaction in such a way that he violates his duty to his employer so as to gain for himself or some other person, some unlawful benefit. Furthermore, they cited an example of a situation where an employee or some other employees collude with third parties to receive or even offer bribes, extort funds or even get involved in conflicts of interest of payroll fraud.

The International Compliance Association (ICA) pointed out that financial crime has increasingly become of concern to governments throughout the world over the last 30 years. This concern arises from a variety of issues because the impact of financial crime varies in different contexts said ICA. It is today widely recognized that the prevalence of economically motivated crime in many societies is a substantial threat to the development of economies and their stability.

ICA identified the groups of people who commit the various types of financial crimes as follows:

Organised criminals, including terrorist groups, are increasingly perpetrating large-scale frauds to fund their operations.

Corrupt heads of state may use their position and powers to loot the coffers of their (often impoverished) countries.

Business leaders or senior executives manipulate or misreport financial data in order to misrepresent a company's true financial position.

Employees from the most senior to the most junior steal company funds and other assets.

From outside the company, fraud can be perpetrated by a customer, supplier, contractor or by a person with no connection to the organization.

Increasingly, the external fraudster is colluding with an employee to achieve bigger and better results more easily.

Finally, the successful individual criminal, serial or opportunist fraudsters in possession of their proceeds are a further group of people who have committed financial crime.

2.2 theoretical review

2.2.1 criminal opportunity theory

Hannon, (2002) and published online (2011) in his work titled *Criminal Opportunity Theory and the Relationship between Poverty and Property Crime*, explained that Criminal Opportunity Theory suggests that community economic deprivation has two countervailing effects on property crime. Firstly, that it causes strain and disorganization which may encourage some individuals to offend. Secondly, that

it simultaneously lessens opportunities to engage in property crime by reducing the supply of worthwhile targets in an area.

Wikipedia, the free encyclopedia defined the Crime Opportunity Theory as a theory that suggests that offenders make rational choices and therefore, choose targets that offer a high reward with little effort and risk. It further revealed that the occurrence of a crime depends on two things. Firstly, the presence of at least one motivated offender who is ready or willing to engage in a crime. Secondly, the conditions of the environment in which that offender is situated which creates opportunities for crime. All crimes require opportunities but not every opportunity is followed by crime. It was also pointed out that a motivated offender is necessary for the commission of a crime but is definitely not enough.

2.2.2 routine activity theory

This is a theory which suggests that crime can occur when a motivated offender, a suitable target and the lack of capable guardian converge in the same place at the same time. This theory further explains that criminals choose or find their targets within context of their routine activities, such as travelling to and from work, or other activities such as shopping, and tend not to go too far out of their way to commit crimes. (Cohen and Felson (1979) as in National Institute of Justice (NIJ) (2009) Publication).

2.2.3 Reasons for lack of success in fighting corruption in Nigeria

1. Insincerity of government
2. Pre-bargaining and negotiation, highly placed officials caught of corrupt practices are made are made to part with some of their looted funds and are thereafter set free.
3. Low deterrent punitive measures for corrupt practices need to be strengthened.
4. Lack of virile political and social movements to tackle corruption. The mass of the people are to yet to be mobilized in the fight against corruption.
5. Lack of success to public information. A lot of secrecy still pervades government documents, and this underlines the need for the passage of the freedom of information bill presently before Nigeria's national Assembly.
6. Insecurity of informants. There is a need to enact laws to protect informant. There is as well as reward them.
7. Low public participation in governance.
8. Corrupt electoral system.
9. Nepotism.
10. Systemic disorder [www.bribenigeria.com].

3. Research methodology

3.1 research design and suppliers of relevant data.

The survey design was used in carrying out this research. The practicing teachers, students, professional accountants and practicing lawyers helped in no small measure in supplying the relevant data for this study. Face to face interviews were carried out with the respondents. Enough data were sourced which contributed immensely to aid analysis, hypothesis testing and discussion of findings.

3. 2 test of hypothesis and analysis of data using chi-squared test

	Values	Assym.Sig. (2-sided)	a-level
Pearson's Chi-square	6.464	0.167	0.05
Likelihood ratio	7.340	0.115	
Linear-by-Linear association	5.530	0.019	
	Symmetric	measures	
Phi	0.254		
Cramer's V	0.254		
Pearson's R	0.236		
Spearman correlation	0.247		

Interpretation of Result

Decision Rule: If Asym.Sig < a-level (0.05), reject H_0 otherwise, accept H_0

With that data under study,

Asymp.Sig = 0.167

a-level = 0.05

In the analysis, Asym.Sig(0.012) < a (0.05)

Reject Ho, and conclude that the activities of the anti-graft agencies are not effective in curbing corruption and financial crimes in Nigeria.

4. Findings/ results

The result of the Pearson's Chi-square Test carried out on the hypothesis shows that the activities of the anti-graft agencies are not effective in curbing corruption and financial crimes in Nigeria. Using the Metropolitan city of Enugu as a case study in this research, the result of the activities of the anti-graft agencies has not contributed significantly to curbing of corruption and financial crimes in the nation. The restructuring of the economy of the nation and the world at large has not been achieved. There is the need to find out other more effective ways by which the national economy and the global economy can be restructured.

5. Discussions and conclusions

The findings of this study are in line with the findings of Bayo Oluphonda Report of September 4th, 2012. From the studies it was found out that the establishment of anti-graft agencies in Nigeria has not yielded significant contributions to curbing corruption and financial crimes in the nation called Nigeria. Consequently, the contribution of the activities of the anti-graft agencies has not yielded much in the economic growth and development of Nigeria. This case study of the Metropolitan city of Enugu in the nation Nigeria of the effectiveness of the activities of anti-graft agencies in Nigeria has gone a long way to show us that in actual fact that not much has been achieved towards the economic growth and development of the nation. This being the case, not much has been achieved towards restructuring the economy of Nigeria as a nation, as well as restructuring the economy of world at large. The restructuring of the world economy can be achieved by some other means as recommended by the study, since the economy of the world has been badly damaged by fraud, corruption and financial crimes resulting from poor governance, inadequate remuneration, poor employee incentives, and a host of other fraudulent practices, not only in Nigeria, but in the world at large.

6. Limitations and direction for future research

The major constraint in carrying out this research was the time frame allotted to its implementation. The call for this study was not brought to the knowledge of the concerned researchers on time. The researchers were therefore greatly constrained by this impediment.

The directions for future research are as follows:

To find out ways by which National training programmes can be used to eradicate poverty from among the people, to enable them get rid of poverty before poverty gets rid of them. This will go a long way in curbing corruption and financial crimes, and consequently aid in positively restructuring of the world economy.

To find out means by which payment of adequate remuneration and as at when due, should be made a mandate and not an option by those in authority. This will help in no small measure in curbing corruption and financial crimes. Consequently, the restructuring of the world economy will be a target nearly almost achieved by the global authorities.

The third suggestion for future research is should be what should be done to achieve zero tolerance for corrupt practices at all levels of governance. How the government, the anti-graft officials, and the citizens as a whole should be corrupt free is a food for thought. How do we go about achieving this? Bribery, corruption, fraud, financial crimes, nepotism, favouritism, marginalization, tribalism, examination malpractices and all such vices should be completely done away with in the global economy as much as possible. How do we go about achieving this?

How do we go about establishing a forum whereby great minds should gather globally to rob minds as to how to achieve a global environment that will be corrupt-free and consequently achieve significant restructuring of the global economy?

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