Reinventing State Institutions Toward Combatting Political Finance-Related Corruption in Nigeria

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Political finance-related corruption is increasingly becoming a major threat to peacebuilding and the institutionalization of democratic governance in Nigeria as resources meant for the nation's developmental and security needs are routinely diverted to finance party and election campaigns. The nation's fight against the Boko Haram insurgency was greatly undermined by widespread corruption and redirection of government funds toward political campaigns during the Goodluck Jonathan presidency. If political finance corruption is left unchecked, the consolidation of democratic rule and durable peace in the country will be unattainable.

Corruption tied to the financing of political parties and campaigns has become widespread in Nigeria. "Fifty-five people stole 1.3 trillion Naira [about $4.2 billion U.S. dollars] from the national treasury in seven years under President Goodluck Jonathan's watch," said a stunning report from Nigeria's Presidential Advisory Committee against Corruption (PACAC)—a committee set up by Nigerian President Muhammed Buhari to strengthen his administration's fight against corruption—on October 21, 2016.[1] Though PACAC has not given a detailed account of those involved in the massive looting and what was employed to siphon this staggering amount of money from state resources, an analysis of the activities of the Economic and Financial Crimes Commission (EFCC) since the commencement of the Buhari administration's war against corruption has clearly revealed that a substantial amount of the stolen money has a direct link with the financing of political activities. For example, at least $2.1 billion U.S. dollars (and likely closer to $15 billion dollars) in funds meant to buy arms for the fight against Boko Haram and 23 billion Naira (about $115 million U.S. dollars) in oil funds were diverted. A portion of the funds have been traced to financing of the People's Democratic Party (PDP) 2014 and 2015 election campaigns, for which some of the chieftains of President Jonathan's administration are currently being investigated and prosecuted.

This is shocking in light of the fact that significant political finance regulations do exist. Nigeria is a signatory of the African Union Convention on Preventing and Combating Corruption, of which Article 10 obliges State Parties to the Convention to adopt legislative and other measures to "proscribe the use of funds acquired through illegal and corrupt practices to finance political parties."[2] In addition, various sections in Nigeria's 1999 Constitution and the Electoral Acts of 2002, 2006, and 2010 restrict the funding of political activities through illegal and corrupt sources. Moreover, institutional frameworks are in place to enforce compliance with the extant regulations. Unfortunately, the state institutions intended to enforce compliance with the laws and regulations are weak. To tackle political finance corruption in Nigeria, the institutions of the state that ensure transparency in the financing of political activities must be reinvented. This requires the commitment of the Nigerian government, private sector, civil society, and the international community.

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Policy Options and Recommendations

The following measures are urgently needed to make Nigeria's state institutions—especially those responsible for the promotion of democratic governance—vehicles for the promotion of transparency and accountability in the financing of political activities.

1. For the Nigerian Government

a. Enthrone a culture of transparency and accountability: The Nigerian government should consider efforts to encourage greater transparency and accountability. It can vigorously pursue "change begins with me," an initiative of Buhari's government to reorient the Nigerian people toward positive civic values, and a culture of public sector integrity. Well-articulated and intensive media programs can help all citizens, and especially political elites, appreciate the debilitating effects of corruption on the collective interest. The leadership needs to be seen to walk the walk on transparency and accountability.

b. Establish an Asset Documentation Office for public servants: Extant laws only require political officeholders to declare their assets, but these could be amended to include public servants occupying top positions in critical state institutions. This can include all public servants in management positions in state institutions that exercise direct and oversight responsibilities over electoral, security, and judicial processes. It is important that the law establishing the asset office make provision for access by an independent body like the Nigerian Bar Association to verify documentation by public servants.

c. Enhance remuneration for public servants: There is an urgent need for the government to overhaul the reward system for serving and retired public servants. The salaries and wages the government pays its workforce are too small, which drives the propensity to undermine state institutions to earn more income. Moreover, the government should do more to guarantee the payment of retirement benefits and entitlements of public servants. Retired staff are seldom paid their gratuity and pensions, which does not encourage workers to be transparent and committed in the course of service to the nation. Ultimately, the low remuneration and unreliable pension payments negatively impact the performance of state institutions by encouraging corruption and inefficiency.

d. Strengthen the SERVICOM Initiative: This package, developed in March 2004 by President Olusegun Obasanjo's administration, creates positions tasked with tackling internal corruption and inefficiency within government ministries, departments, and agencies. It should be continued and enhanced. The acts establishing state institutions could also be reinvented to ensure that the leadership of these institutions are sanctioned when the institutions fail to carry out their statutory responsibilities, after receiving necessary incentives from the state.

2. For Civil Society Organizations

a. Increase capacity-building for INEC: International organizations such as the International Foundation for Electoral System (IFES) and the International Institute for Democracy and Electoral Assistance (International IDEA) should increase their efforts at building the capacity of the staff of the Independent National Electoral Commission (INEC), Nigeria's election management body, and local civil society organizations. This could include training on the monitoring of political financing, with a view to enhancing their capacity to promote electoral integrity and enforce electoral rules and regulations.

b. Act as watchdogs: Local civil society organizations should interface on a regular basis with all political stakeholders in order to act as watchdogs. They can try to expose misdemeanors in the system to force the state agencies responsible for regulating the sources of political funding to act. They can also demand that the relevant state agencies impose appropriate sanctions on erring institutions or persons.

3. For the United States

a. Increase financial support: The United States can increase its financial support to IFES, the National Democratic Institute, the International Republican Institute, the National Endowment for Democracy, and other organizations that currently work with INEC and political parties to deepen the democratic process. Nigeria's political parties and democratic institutions are still in their infancy and need support.

b. Provide logistical support: The United States could provide logistical support to both local and international civil society organizations that are committed to promoting transparency and accountability in the financing of political activities in Nigeria, with a view to enhancing their objectivity and expertise. With logistical support, these local organizations can act as watchdogs to force the state agencies responsible for regulating the sources of political funding to act, as described above.

For an in-depth analysis of political finance-related corruption in Nigeria, see the accompanying Southern Voices Network for Peacebuilding Research Paper No. 16 by Benjamin Adeniran Aluko.

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1 ABU, "55 Nigerians Stole N1.3 Trillion Under Jonathan - PACAC," *The Daily Times* (Nigeria), October 20, 2016. http://dailytimes.ng/55-nigerians-stole-n1-3-trillion-jonathan-pacac/

2 *African Union Convention on Preventing and Combating Corruption,* Date of Adoption: July 01, 2003. https://www.au.int/en/treaties/african-union-convention-preventing-and-combating-corruption

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