

**OFFICIAL CORRUPTION AND SHARP PRACTICES AS IMPEDIMENTS TO TRANSFORMING  
SMALLHOLDERS TO AGRIBUSINESS: LESSONS FROM AGRICULTURAL DEVELOPMENT  
INTERVENTIONS IN NIGERIA**

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**ABSTRACT**

*More than ever before, better recognition is now being accorded the contribution of the quality of governance and leadership in appropriating resources and services that engender sustainable development. The level of official corruption tolerated by the government of a nation is a reflection of the above. However, corruption is a subject commonly avoided in social research and agricultural development discuss, despite its subterranean but serious damaging effect on development, if left unchecked. Despite the woeful performance of many African nations on the Corruption Perception Index monitored by Transparency International annually, and frequent reportage of corruption cases in the media, principal stakeholders including the research sector shy away from addressing it as a major impediment to effectiveness of development interventions.*

*This paper juxtaposes socio-cultural perspective of corruption with the modern. It posits that unless rural sociologists and other development experts begin to pursue evidence-based social research that will properly isolate corruption as a menace; possibly worse than the over-researched factors such as poverty, food security and youth unemployment; returns to development efforts will continue to be dismal. This need may not be obvious unless research efforts on nature, magnitude of effect and safety nets are empirically reported. It also highlights recent empirical studies on perceptions on corruption in agriculture sector and need to develop reliable and valid tools to monitor occurrence and consequences with the aim of minimizing the effect of corruption and sharp practices on the effectiveness of agricultural transformation interventions.*

**Keywords:** Sharp practices, agricultural transformation, official corruption

**INTRODUCTION**

Olusaga (1981) conceived corruption in its broad sense as the giving of something of value e.g. money, sex, gifts etc, whether demanded or not, to influence the receiver's action favourably toward the giver. He therefore defines corruption as the gain of money, materials/financial resources, contract, employment, fame, power or physiological satisfaction through illegal and or immoral practices such as bribery, fraud, abuse of office or robbery. Official corruption is simply defined as 'the abuse of public power for private benefit.' The Hungarian Gallup Institute (1999) posits that corruption holds twofold common sense

meaning – 'on the one hand, it stands for illegal practices in which citizens or organisations bribe officials-in-charge for awarding permissions, contract, or to escape punishment or fines for offences they committed.' On the other hand, is the broader definition of corruption as a phenomenon, including achieving several advances through personal networking; paying gratitude money or giving gifts for usual services, what are already reimbursed from customers or state resources.'

According to Transparency International (2013), 'every day, all over the world, ordinary people bear the cost of corruption.' It goes on to assert that 'not only do people pay the cost of

corruption directly, but their quality of life is also affected by less visible forms of corruption; corruption can, and often does, infringe on fundamental rights.' Whether majority of these people reside in the rural areas or are being forced to migrate to urban location to scavenge for non-existing livelihoods, it is the professional obligation to tackle the challenge of corruption by the application of scientific method.

However, corruption is regarded as constituting bottleneck to development effort from the official platform, not much attention has been giving to sharp practices. Though, an age long phenomenon, it is now advancing so much as to constitute a serious challenge to development interventions in many developing countries of the world. Business Dictionary (2013) describes sharp practice as 'cunningness, deceit, misinterpretation, trickery and other unscrupulous behaviour just short of the legal definition of fraud.' Outside public office, many individuals and organisations have perfected several ways of cutting corners; including forgery of documents and by-passing legal modes of conduct, for several reasons. Instead of fighting official corruption, it appears that many have perfected their means of perverting official services they provide to make undue gains.

On the flip side of corruption are several emergent development concepts such as good governance, leadership quality, transparency, rule of law and accountability which theoretically are inversely related. The International Monetary Fund (IMF) [1996], declares that, 'promoting good governance in all its aspects, including ensuring the rule of law, improving the efficiency and accountability of public sector, and tackling corruption are essential elements of a framework within which economies can prosper.' Hwang (2011) interpreted this to imply that corruption within economies is caused by the ineffective

governance of the, either too much regulation or too little regulation.

Against this background, this paper examines the place of corruption from traditional perspective and the role in sustainable agricultural/rural development. It goes on to analyse African countries performance on Transparency International CPI and selected development indicators. A section was devoted to review the recent empirical studies on corruption indicating its deleterious effect on smallholders' transformation. Before the concluding remark, direction for empirical research on corruption and sharp practices will be charted.

### **Traditional Perspectives on Corruption and Sharp Practices**

Examining corruption from historical perspective, it could be considered as old as mankind. The classical concept of corruption as a general disease of the body was first propounded by ancient philosophers like Plato and Aristotle. Plato's theory of 'perverted' constitutions, democracy and tyranny postulated that such regimes instead of being guided by law, served the interest of rulers (retrieved from <http://books.google.com.ng/books?id>). According to Friedrich (1989), 'corruption is a kind of behaviour which deviates from the norm actually prevalent or believed to prevail in a given context, such as the political. It is deviant behaviour associates with a particular motivation, namely that of private gain at public expense.'

The Oxford English dictionary also gives a broad definition of corruption as 'pervasion of favour, the use or existence of corrupt practices especially in a state, public corruption, etc.'

Attempt to consider corruption from the generic perspective is made bring official corruption and sharp practices under the same umbrella and consider both as equally damaging

and having reductive consequence on agricultural development intervention.

In traditional culture, rulers and nobles tended to pervert acceptable standards and social norms through exertion of absolute power, but such perversion was not widespread. It is equally known that royal officials such as tax collectors and custom officers used their official capacity to appropriate public resources for personal benefits (Oyejide, 2008). Yet, the sanctity of high moral values made it possible for agricultural products such as banana, plantain, oranges and yam tubers to be displayed at strategic location unmanned; with the placement of the equivalent cowries representing the worth by the farmer and passers-by come and pick their choice and pay. This is a reflection of transparency and integrity per excellence in the traditional setting. It should be of interest to us as rural sociologist to investigate what has changed in our society and why the high tendency of corruption. Several of the expected explanation found expression in literature.

The changing social value systems of a society partly explain its changing culture. Peil (1977) stated that there are a number of cultures as sub-cultures in Nigeria from which a national culture is only gradually developing. It is logical to expect that the pluralistic culture diversely contribute to the progress or otherwise in the emerging society (Ladele, 1997). Other reasons held accountable for the breakdown of moral standards and upsurge of corruption include colonialism, modern civilization (Western civilization, education and the coming of foreign religions such as Christianity and Islam), liberating people from observance of culture values or social norms. Other have explained the scenario from political-economics' viewpoint thus holding population upsurge, resource allocation and lopsided wealth creation and distribution as contributory to increasing corruption in the land.

### **The place of corruption in sustainable agricultural/rural development**

Most of Nigeria's poor live in the rural areas and depend primarily on agriculture for their livelihoods. According to Mogues *et al* (2008), 'before effective investment programs can be designed and implemented, it is important to have a clear understanding of the pattern of public spending on agriculture.' It implies that if capital resources allocated to agricultural sector would suffer poor management, its effective and profitable investment might be unrealistic. To buttress this point, many people believed that, though the budgetary allocation to the sector has been inadequate (averaging about 3% of the total at the national level), compared to the minimum of 10% by Maputo Standard; much could still have been achieved if the 3% were truly committed.

Aside of issue of financial mismanagement in the sector, corruption affects virtually all aspects of farm and rural development.

### **African countries' performance on Transparency International CPI and evidence of corrupt practices in development**

Transparency International (TI) is the global civil society organisation leading the fight against corruption. Though more than 90 chapters worldwide and an international secretariat in Berlin, the organisation raise awareness of the damaging effects of corruption and work with partners in government, business and civil society to develop and implement effective measures to tackle it. An important contribution to the global fight against corruption by the Transparency International is the annual production of Corruption Perception Index (since 1995) in several countries across the world.

The Corruption Perceptions Index measures the perceived levels of public sector corruption in countries worldwide. Based on expert opinion,

countries are scored from 0 (highly corrupt) to 100 (very clean) (TI, 2012). Although no country scores a perfect 100 on the TI scale, some countries score well and are adjudged as more clean. On the other hand, many countries have consistently performed dimly on the scale over the past few years justifying the increasing number of international conventions and domestic laws against corruption. For instance, two-thirds of the 176 countries ranked in the 2012 index score below 50, showing that public institutions need to be more transparent, and powerful officials more accountable. While countries within European Union, Western Europe and Asia Pacific regions have consistently top the list, the vast majority of countries from Asia and Africa territories have consistently scored below 50 on the scale of 0 (highly corrupt) to 10 (very clean). For example, the 2011 Corruption Perceptions Index (CPI) shows that the vast majority of the 48

African countries and territories assessed scored below five on the scale of 0 (highly corrupt) to 10 (very clean). While New Zealand (Asia Pacific), Denmark (EU & Western Europe) and Finland (EU & Western Europe) top the list, Somalia (Africa) occupied the lowest rung of the ladder. Table 1 also shows that only Botswana, Rwanda, Zambia and Sao Tome made consistent progress on their TI rating scale between 2007 and 2011. On the other hand, the CPI of South Africa, Senegal and Uganda dropped consistently between this period. The table further shows that the performances of other countries tossed back and forth on the CPI ratings between this period. For instance, while Nigeria made appreciable progress on her CPI ratings between 2007 and 2008 from 2.2 to 2.7, her performance dropped consistently from 2009 till 2011; an indication of increased rate of corruption in the country in the last three years (Figure 1)

**Table 1: TI ratings of selected African countries (2007-2011)**

<b>Countries</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Botswana	5.4	5.8	5.6	5.8	6.1
Cape Verde	4.9	5.1	5.1	5.1	5.5
Mauritius	4.7	5.5	5.4	5.4	5.1
Rwanda	2.8	3.0	3.3	4.0	5.0
Namibia	4.5	4.5	4.5	4.4	4.4
South Africa	5.1	4.9	4.7	4.5	4.1
Ghana	3.7	3.9	3.9	4.1	3.9
Gambia	2.3	1.9	2.9	3.2	3.5
Liberia	2.1	2.4	3.1	3.3	3.2
Zambia	2.6	2.8	3.0	3.0	3.2
Swaziland	3.3	3.6	3.6	3.2	3.1
Burkina Faso	2.9	3.5	3.6	3.1	3.0
Gabon	3.3	3.1	2.9	2.8	3.0
Madagascar	3.2	3.4	3.0	2.6	3.0
Malawi	2.7	2.8	3.3	3.4	3.0
Sao Tome	2.7	2.7	2.8	3.0	3.0
Tanzania	3.2	3.0	2.6	2.7	3.0
Senegal	3.6	3.4	3.0	2.9	2.9
Mali	2.7	3.1	2.8	2.7	2.8
Ethiopia	2.4	2.6	2.7	2.7	2.7
Mozambique	2.8	2.6	2.5	2.7	2.7
Cameroun	2.4	2.3	2.2	2.2	2.5
Sierra Leone	2.1	1.9	2.2	2.4	2.5
Mauritania	2.6	2.8	2.5	2.3	2.4
Nigeria	2.2	2.7	2.5	2.4	2.4
Uganda	2.8	2.6	2.5	2.5	2.4
Central African Republic	2.0	2.0	2.0	2.1	2.2
Guinea Bissau	2.2	1.9	1.9	2.1	2.2

Kenya	2.1	2.1	2.2	2.1	2.2
Zimbabwe	2.1	1.8	2.2	2.4	2.2
Guinea	1.9	1.6	1.8	2.0	2.1
Angola	2.2	1.9	1.9	1.1	2.0
Chad	1.8	1.6	1.6	1.7	2.0
DR Congo	1.9	1.7	1.9	2.0	2.0
Libya	2.5	2.6	2.5	2.2	2.0
Equatorial Guinea	1.9	1.7	1.8	1.9	1.9
Sudan	1.8	1.6	1.5	1.6	1.6
Somalia	1.4	1.0	1.1	1.1	1.0
Egypt	2.9	2.8	2.8	3.1	2.9
Niger	2.6	2.8	2.9	2.6	2.5
Togo	2.3	2.7	2.8	2.4	2.4
Cot d'ivoire	2.1	2.0	2.1	2.2	-

Source: Transparency International (2012)

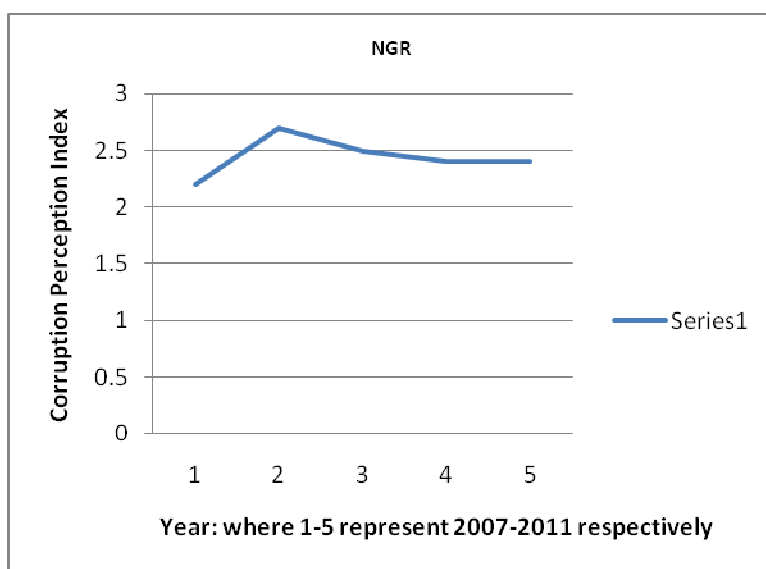


Figure 1: Nigeria's CPI ratings from 2007 to 2011

Source: Fadairo (2013), p57

### Empirical findings on perceptions on official corruption in agriculture sector

A survey carried out to investigate transparency among the extension workers and public officers in the Ministry of agriculture with respect to the delivery of services to farmers in Southwestern Nigeria is presented in Table 2.

### METHODOLOGY

Sampling of farmers was done using multi-stage sampling technique based on the extension service delivery administrative structure of the Agricultural Development Programme (ADP). Using the existing division of the ADP in each state

according to zones, blocks and cells; 50% of the ADP zones in each state and 50% of blocks from the sampled zones were selected using simple random sampling technique. Furthermore, 20% of the cells in each of the selected blocks were randomly sampled. A list of ADP - registered farmers was obtained in each of the selected cell and 10% of farmers were sampled from each cell using simple random sampling technique. Therefore, a total of 152 farmers were drawn from the 3 states. However, only 148 questionnaires representing 97.4% of the total sample size were processed and reported in this study.

Data was collected from the farmers on transparency in public service delivery by the ADP and MANR establishments using interview schedule. Respondents reacted to 11 test items on transparency in delivery of services and goods to farmers by ADP and MANR workers on a Likert-type scale of SA (strongly agree), A (agree), U (uncertain), D (disagree) and SD (strongly disagree). Scores of 5, 4,3,2,1 were awarded to positive statements and the reverse to negative statements. Data were summarised and presented using descriptive statistics such as frequency counts, percentages and mean.

#### **FINDINGS OF THE STUDY**

Table 2 shows that 60.8% of farmers disagreed that services and inputs were usually supplied at government regulated price. About 59.4% of them also disagreed that services provided by the ADP and MANR officials were always fully satisfactory to them. Furthermore, majority of farmers (53.4%) indicated that supplies in most times were given to other people than the expected beneficiaries. This finding corroborates the argument of Sarimiento (2000) that corruption in the agricultural sector mostly affects credit availability, quality of supplies, pricing and allocation of inputs. In addition, the table reveals that the dimension of corrupt practices in the agricultural sector is less inclusive of bribery and duty abandonment. This is because a higher proportion of the farmers (67.6% and 55.4% respectively) indicated that extension workers were always available to serve them and that they do not demand for gift or money from them when they were available to render services. Table 3 on farmers' perceived extent of transparency in public service delivery by extension workers in southwestern, Nigeria further affirmed that sharp practices in the delivery chain of services rendered to farmers is considerable as

56.8% of clientele (farmers) indicated poor transparency in the handling processes. The consistency in the feedback obtained from farmers sampled from the three states of study; Oyo (55.8%), Ekiti (57.9%) and Osun (64.2%) States further suggests that the problem of poor transparency in service delivery to farmers is spread across states in the southwestern part of the nation. This leaves one with the suspicion that no extension system of any state in the nation is perhaps immune to the negative impact of corruption and sharp practices on its agricultural development and promotion.

**Table 2: Distribution of farmers' based on their responses to statements on transparency in public service delivery by the ADP and MANR establishments**

Statements	SA		A		U		D		SD		Mean
	F	%	F	%	F	%	F	%	F	%	
Services provided by government workers are always fully satisfactory to the farmers	22	14.9	35	23.6	3	2.0	69	46.6	19	12.8	2.8
Intervention and supply are biased towards some types of farm enterprises than others	12	8.1	25	16.9	17	11.5	64	43.2	30	20.3	2.5
Supplies from the government are usually inadequate	20	13.5	44	29.7	30	20.3	50	33.8	4	2.7	3.2
Supplies in most times are given to other than the expected beneficiaries	24	16.2	55	37.2	30	20.3	35	23.6	4	2.7	3.4
Intervention benefits are limited to some people e.g. politicians and families of extension/ministry officials	0	0	31	20.9	12	8.1	61	41.2	44	29.7	2.2
Agricultural services and benefits have always reached the farmers	31	20.9	50	33.8	21	14.2	33	22.3	13	8.8	3.4
Services and inputs supplied are usually of high quality	34	23.0	22	14.9	25	16.9	50	33.8	17	11.5	3.0
Services and inputs when supplied to farmers are usually at official (government regulated ) price	1	0.7	22	14.9	35	23.6	82	55.4	8	5.4	2.5
Government workers sometimes demand for gifts or money from us whenever they render agricultural services to us	14	9.5	18	12.2	34	23.0	65	43.9	17	11.5	2.6
Supplies meant for farmers are sometimes appropriated by government workers for their personal farm activities	3	2.0	4	2.7	45	30.4	63	42.6	33	22.3	2.2
Extension workers are always available for advise	53	35.8	47	31.8	16	10.8	29	19.6	3	2.0	3.8

Source: Fadairo (2013)

**Table 3: Farmers' perceived extent of transparency in public service delivery by extension workers in southwestern Nigeria**

Transparency	Scores	Oyo	Ekiti	Osun	All respondents (n=148)			
					F	%	Mean	Std dev
Transparent	34-44	19 (44.2)	16 (42.1)	24 (35.8)	64	43.2	34.3	4.5
Not Transparent	24-33	24 (55.8)	22 (57.9)	43 (64.2)	84	56.8		

Figures in parentheses are percentages

Source: Fadairo (2013).

**CONCLUSION**

Aside the issue of financial mismanagement in the agricultural sector, corruption affects virtually all aspects of farm and rural development. While the dimension of sharp practices in the sector is less inclusive of bribery and duty abandonment, it is more pronounced in allocation of supplies from government, intervention benefits and service

delivery to smallholder farmers. Increased pressure to enforce transparency through more action research on corruption in the agricultural sector by social scientists, re-orientation of citizens on moral standards including our traditional values and value system would help improve the state of transparency in the agricultural sector in Nigeria.



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