

**PERCEIVED LEVEL OF CORRUPTION AMONG PUBLIC OFFICERS IN THE  
AGRICULTURAL SECTOR IN SOUTHWESTERN NIGERIA**

**BY**

**Olushola Samuel FADAIRO**

*SI NO. 129400*

*B.Agric (Ilorin), M.Sc. (Agricultural Extension & Rural Development), Ibadan*

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## ABSTRACT

Corruption constitutes a great challenge to effective agricultural policy implementation. Global ratings of countries' level of corruption have prompted conscious efforts in promoting transparency, particularly in Nigeria. However, there is dearth of information on corruption in organisational management practices in Nigeria's public sectors, including agriculture, which makes development of appropriate preventive measures difficult. Perceived level of corruption among public officers in the agricultural sector in southwestern Nigeria was therefore investigated.

Multistage random sampling procedure was used to select officers who were involved in agricultural policy implementation and service delivery from the Agricultural Development Programme (ADP) and Ministry of Agriculture and Natural Resources (MANR) in Oyo, Ekiti and Osun states. Fifty percent of the ADP zones were selected in each sampled state out of which 10% of officers were randomly sampled, resulting in 37, 27 and 18 respondents for Oyo, Ekiti and Osun states respectively. From the MANR in each state, 10% of officers were sampled resulting in 39, 32 and 21 respondents for the states respectively. Structured questionnaire was used to collect information on personal characteristics, job satisfaction, attitude and perception of corruption, determinants of corruption and effectiveness of internal control measures. Indices of transparency in public service delivery, budget, personnel and procurement managements were generated and used to determine the perceived level of corruption. Data were analysed using descriptive statistics, composite indices, Chi square, t-test and ANOVA at  $p = 0.05$ .

Most (77.6%) of the respondents were males and 87.4% had minimum of university education. Mean age and work experience were  $40.4 \pm 7.7$  and  $9.7 \pm 8.2$  years respectively. Majority of the

respondents indicated a high level of job satisfaction ( $10.4 \pm 1.5$ ), had favourable attitude ( $18.2 \pm 4.2$ ) and perception ( $52.0 \pm 5.2$ ) of corruption. Majority ( $2.9 \pm 1.0$ ) had favourable attitude to influence peddling, patronage ( $2.3 \pm 0.9$ ), pork barreling ( $2.2 \pm 1.0$ ), private use of government resources ( $2.2 \pm 1.1$ ) and bureaucratic conflict of interests ( $2.0 \pm 1.1$ ). Effectiveness of internal control measures for corruption had low index of  $14.9 \pm 2.6$ . Major determinants of corruption among the public officers were greed ( $3.5 \pm 0.7$ ), poor working conditions ( $3.4 \pm 0.7$ ) and poor management system ( $3.1 \pm 0.9$ ). Transparency was high in personnel management ( $45.7 \pm 6.1$ ) but low in public service delivery ( $18.9 \pm 3.8$ ), budget ( $26.8 \pm 4.5$ ) and procurement managements ( $15.7 \pm 3.6$ ). Perceived level of corruption was high among 46.6% of the respondents. Mean corruption perception index was generally high ( $107.1 \pm 8.1$ ) but lower in MANR ( $106.3 \pm 7.8$ ) than in the ADP ( $108.0 \pm 8.5$ ). Significant relationship existed between respondents' sex and attitude to corruption ( $\chi^2 = 11.3$ ). No significant difference existed in the perceived level of corruption between the ADP and MANR and across the states.

Perceived level of corruption in the agricultural sector of southwestern Nigeria was considerable. Public service delivery, procurement and budget management practices were avenues for corruption in the sector. Full compliance with regulations of organisational management practices would help reduce corruption.

**Keywords:** Corruption perception index, Pork barreling, Influence peddling, Bureaucratic conflict of interests.

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## DEDICATION

To God Almighty

Without whose abiding love and mercy I would not have been what I am today, and whose grace is always sufficient.

Not that we are sufficient of ourselves to think anything as of ourselves; but our sufficiency is of God. II Cor. 3:5

To the family God kindly gave me

AnjolaOluwa OreOluwa my dearly beloved wife and our children – Onaopemipo T'Oluwanimi

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## CERTIFICATION

I certify that this work was carried out by Mr. Olushola Samuel FADAIRO under my supervision in the Department of Agricultural Extension and Rural Development, University of Ibadan, Ibadan, Nigeria.

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Date

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Professor Ademola, A. Ladele

(Supervisor)

B.Sc. Agric. (Ife)

M.Sc. Agric. Extension (Ibadan)

Ph.D Agric. Extension (Ibadan)

Professor of Agric. Ext. & Rural Development.



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## LIST OF ACRONYMS

ADP	Agricultural Development Programme
AIDS	Acquired Immune Deficiency Syndrome
ANOVA	Analysis of Variance
CPI	Corruption Perception Index
EFCC	Economic and Financial Crime Commission
GDP	Gross Domestic Product
HIV	Human Immune Virus
ICPC	Independent Corrupt Practice Commission
IFPRI	International Food Policy Research Institute
MANR	Ministry of Agriculture and Natural Resources
NAFDAC	National Agency for Food Drug Administration and Control
NGO	Non Governmental Organisation
PEFA	Public Expenditure and Financial Accountability
PPMC	Pearson Product Moment Correlation
TI	Transparency International
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

## **CHAPTER ONE**

### **1.0**

### **INTRODUCTION**

#### **1.1 Background to the study**

It is well established that Nigeria suffers from endemic and systemic corruption which harms the country's development. The adage that "HIV and AIDs kills an individual, but corruption kills a whole generation, a whole people, and a whole country" implies that corruption is more lethal, more deadly and more devastating than HIV and AIDs. The 2010 Corruption Perceptions Index (CPI) released by Transparency International (TI) shows that corruption has increased in Nigeria with the country currently ranking 134th out of 180 countries surveyed in 2010. In 2008, Nigeria scored 2.7 points and took 121st position out of 180 countries but in 2010, the country's CPI score dropped to 2.1. With this score, Nigeria ranks below Ghana, Cameroun, Niger and Benin on the Transparency International rating scale (Daily Trust, 2009; Online Nigeria, 2009). Oyejide (2008) argued that the associated types and level of corruption in Nigeria may have been influenced and heightened by the direct access of government to oil windfall income in an environment of weak public institutions, capture or near-capture of the state by powerful vested interests and the inability of the citizens to effectively assert their rights.

Much progress has been made in the global battle against corruption giving the evidence of significantly increased attention to the problem in recent time (USAID, 2005). The increasing number of international conventions and domestic laws against corruption, as well as the evolution of Transparency International from a small NGO to a global movement with over 100 chapters around the world, further confirms this trend. Diplomatic, donor, and private sector engagement in the fight against corruption also has increased; however, there is evidence that

corruption still remains a serious problem and a significant impediment to development (USAID 2005; Anand 2006, and Sarmiento, 2000).

Although corruption is not a new phenomenon, what is new and worrying is the magnitude and forms it has taken. It has spread its tentacles to every sphere of national life. It is one of the biggest threats to development (Ades and Di Tella, 1996). Corruption benefits the rich and the well-to-do. It enriches the rich and disproportionately affects the poor, unprotected and the underprivileged and thereby it deepens their deprivation. What is more unfortunate today is the growing tolerance and the acceptance of corruption as an inevitable and integral part of the civil society (Anand, 2006). Unless it is checked, the governments and people will continue to pay a very heavy price for the consequent result of lower incomes, lower investments and lower development resulting in volatile economic swings (Olopoenia, 1998).

USAID (2005) argued that corruption undermines social, political, and economic development; cripples democracy and impedes economic growth. It stated further that failure to address endemic corruption ultimately undermines all development efforts with small and medium-sized enterprises being disproportionately affected. By improving the productivity of public expenditures, tracking and reducing leakage, and enhancing citizens' oversight, it is anticipated that anticorruption efforts can support the achievement of goals in agriculture, health, education, social safety net programs, and infrastructure. It was in this vein that Anand (2006) argued that the need of this hour is to stop crying ourselves hoarse about the persistent evil effects of corruption but rather engage in active efforts that will curb the spread. Anand's suggestion therefore implies that remedy, to a large extent, lies with us – We the people. Similarly, Spector (2005) argued that while comprehensive government reforms to address endemic corruption may

be needed, sector-specific solutions can be pursued at the same time or even in the absence of political will for more systemic reforms.

## **1.2 Statement of research problem**

Despite the impressive level of economic growth and development the world has achieved over the past quarter of a century, some 800 million individuals still remained caught up in absolute poverty and food insecurity (Kean, 2009). Nigeria provides a glaring example of food deficit; the country which was once self-sufficient in food production but now has become a net –importer of food and her food importation bill is rising to an alarming proportion in recent times (Nigeria International Food Summit, 2009). This ugly situation had prompted several empirical research works on contemporary socio-economic and policy problems of the agricultural/rural sector in the past few decades but with not so significant results on the hunger equation (Idachaba, 2000).

Idachaba (2000) asserted that several past research efforts on poverty, food security, HIV/AIDS, women in agriculture, children in agriculture, youth, low literacy and development communication among others, have not significantly contributed to the attainment of food security and sustainable livelihood due to the neglect of several factors which many researchers have designated non-research constraints. While giving credence to this argument, Ladele (2010) posited that the neglect of these variables probably is responsible for the low contributory percentages of the independent variables in our multiple regression analyses. He opined that the real explanatory variables are locked up in these so called non-researchable variables among which is corruption. In the same vein, Anand (2006) asserted that government's strategies for promotion of economic and social development have hardly borne any fruits in many nations because of rampant corruption in implementing the same. For instance, IFPRI (2008) reported

that the Nigerian federal budget execution for agriculture averaged only 79 percent, meaning 21 percent of the approved budget was never spent during the period of review. In addition, budget execution at the state and local levels was even less impressive, ranging from 44 percent to 71 percent. This fell short of the Public Expenditure and Financial Accountability (PEFA) best practice standard for budget execution which does not permit more than three percent discrepancy between budgeted and actual expenditures.

Corruption possibly constitutes greater challenge as a social ill that threatens the wellbeing of our economy more than poverty, youth unemployment, HIV/AIDS and food security and yet it has not been a major subject of social research. Moris (1991) further says that corruption when widespread affects agriculture and agricultural extension services in complex ways. It enormously increases effort required to carry out routine field activities, where timely access to transport, spare parts, and inputs are crucial to the achievement of official objectives. Yet hitherto, we only use the personal characteristics of the extension personnel and some other institutional factors to explain their job performances.

While reiterating the need for empirical studies on corruption in agriculture, Ladele (2010) pointed out that Nigeria has improved significantly by the 2008 Corruption Perception Index (CPI) rating with a score of 2.7 placing it as 62 most corrupt nations, amongst 180 rated worldwide when compared with its previous ranking as the second most corrupt nation in 2001 with a CPI of 1.0. This can be linked to the conscious effort to improve upon the scientific scaling provided by Transparency International. He stated further that addressing the challenge of dismantling corruption may be intimidating; tackling it through scientific study is most likely the missing link to solution in the fight against hunger, poor governance, poverty and

unemployment. In the same vein, Kaufmann *et al* (2008) argued that until researchers and development experts are able to demonstrate the relevance of their recommendations through action research in convincing manner to policy decision makers, the magnitude of corruption and its debilitating effect may be under cover. This view is further corroborated by Adegbite (2010) who argued that researches examining the current views about corrupt activities, risks and perceptions of risks across the public sectors in Nigeria are important step in developing sound risk management practices. Gyimah-Boadi (2002) also reiterated that remedying the problem of corruption begins from an awareness of prevalence through action research, recognition that corruption is a serious problem, and a commitment to do something about it. This foregoing amplifies the power in empirical studies on corruption in agriculture for providing future direction for development policy thrust.

It thus implies that the indication of corruption at any sub-sector of the rural and agricultural economy would contribute to an unknown degree toward rural development and the welfare of the teeming rural population. It is in this vein that this study ventures into providing empirical answers to the following questions:

- i. What is the attitude of public officers in charge of agriculture to corrupt practices?
- ii. How can the perception of public officers in the agricultural sector to corruption be described?
- iii. What are the perceived causes of corruption in the agricultural sector of the nation?
- iv. What measures are undertaken in the administrative spheres of the agricultural sector to combat corruption and how effective are they?
- v. To what extent do routine transactions in the agricultural sector include corruption or questionable practices?

- vi. To what extent do services rendered by public officers to farmers include corruption or questionable practices?
- vii. What is the public officers' perceived extent of corruption in the agricultural sector in southwestern Nigeria?

### **1.3 Objectives of the study**

The general objective of the study is to investigate the perceived level of corruption, attitudes and practices among public officers in the agricultural sector in south west Nigeria.

The specific objectives of the study were to:

- i. examine the attitude of public officials within the agricultural –based institutions to different forms of corruption,
- ii. determine the perception of public officers in agricultural sector in southwestern Nigeria to corrupt practices,
- iii. identify the perceived causes of corrupt practices in agricultural sector in southwestern Nigeria,
- iv. assess the whistle-blowing measures available for curbing corruption within the agricultural sector in southwestern Nigeria,
- v. determine the extent of transparency in organisational management practices within the agricultural-based institution,
- vi. ascertain the extent of transparency in the delivery of services by the public officers in the agricultural sector to the farmers, and
- vii. determine the perceived level of corruption among agricultural sector public officers in southwestern Nigeria.



#### **1.4 Hypotheses of the study**

The following null hypotheses were tested in the study:

1. There is no significant relationship between the public officers' background characteristics (age, sex, establishment, state of residence, level of education, job satisfaction) and their attitude to corruption.
2. There is no significant correlation between the officials' attitude to corrupt practices and the perceived level of corruption in the Nigerian agriculture.
3. There is no significant difference in the perceived level of corruption between the ADPs and the Ministries of Agriculture.
4. There is no significant difference in the perceived level of corruption across the areas of study.

#### **1.5 Significance of the study**

Fighting the scourge of corruption is fundamental to advancing Nigeria agricultural policy interests. This study attempts to present local diagnostics data on corruption against the backdrop of the argument that world's political, economy and social problems can best be addressed through the formulation of policies that takes into account locality and sectors specific differences (as the case may be) which are significantly contributory to its pattern of spread especially in developing countries. This is because local/national studies often provide more in-depth analysis of the phenomenon from different angles.

Increasingly, a common approach to designing and engaging in any anticorruption strategy (coordinated at either the government or civil society level) involves getting a diagnostics of the extent and level of corruption across different segments of the population and across different institutions and sectors. The study is therefore envisaged to be of tremendous impact not only on awareness-raising and formulating broader problems for further research, but also on advocacy and policy-making processes especially in the fields of agriculture in Nigeria. Study will also help at identifying the causes and consequences of corruption, the tolerance towards corrupt practices among agricultural technocrats, among others.

Among other several purposes, the outcomes of the study will be helpful to support the anti-corruption work such as quality control and financial accountability campaign carried out by civil society organizations, serving as a baseline for analysis and policy making recommendations. Study will also provide useful sources for authorities to draw on in order to better target their policy and agricultural reform efforts. It will help build new knowledge to design better interventions; support sectors making real efforts to improve; and position public officials to be quick to respond to emerging opportunities. Moreover, study's outcome and possible follow-up is anticipated to facilitate the development of partnerships between public institutions and researcher/civil society organisations, and forge sustained joint anti-corruption efforts.

### **1.6 Scope and limitation of the study**

The study was designed to utilise primarily indirect measures to determine the level (perceived) of corruption among public officers in the agricultural sector in the study area. Direct measures

such as budget tracking and desk reviews which are thought to provide a more valid assessment of corruption could not be used for this study due to the clandestine nature of corruption.

### **1.7 Conceptual definition of terms**

The following terms were used operationally in the study:

**Corruption:** Any act by a public official that violates the acceptable standard of behavior in order to serve his/her private or selfish or unofficial ends (monetary and non-monetary) through means that are illegitimate, immoral or incompatible with ethical standards.

**Pork barreling:** Funding for government programs for which economic or service benefits are concentrated among the public officers or in a particular area but whose costs are spread among all taxpayers. An example is a lawmaker who sponsor a bill for free supply of farm inputs to farmers in his constituency with the aim of capturing their votes during elections.

**Impropriety:** Failure by any public official to observe standards or show due honesty or modesty in the process of receiving compensation or enjoying privileges for extra efforts (such as overtime) put into governments work.

**Public Officials/Public Officers:** Persons who have been employed to an office at the state or local levels having purely ministerial duties and rendering services to the people on behalf of the government

**Field Staff:** Employees of the Agricultural Development Programme (ADP) who do not work at the organization's office, but travel to different places within a specified jurisdiction in order to do their work which in most cases is to service the clientele (farmers)

**Management Staff:** Employees of the Agricultural Development Programme (ADP) who work directly from the organizations office and carry out routine administrative duties.

**Attitude:** A predisposition or an expression of favor or disfavor towards a certain idea, object, person, or situation.

**Agricultural Sector:** An area of the national economy providing services relating to the planning and coordination of crop and livestock production improvement programmes and policies of the government.

**Procurement Management:** The art of planning, organising, directing and controlling the procedures of contracting, obtaining or buying of goods and services.

**Personnel Management:** The art of planning, organising, compensating, integrating and maintaining satisfied workforce for the purpose of contributing to organisational, individual and societal goals.

**Budget Management:** The art of planning, organising, directing and controlling an itemised forecast (Monetary and or quantitative expression) of the organisations income and expenses expected within a particular fiscal period.

Whistle Blower: A person or measure which tells the public or someone in authority about alleged dishonest or illegal activities (misconduct) occurring in an organisation

Transparency: Being without hidden agendas and conditions, accompanied by the availability of full information required for collaboration, cooperation, and collective decision making in an organization.

UNIVERSITY OF IBADAN

## CHAPTER TWO

### 2.0 REVIEW OF LITERATURE

Review of literature in this study focused on the concept of corruption, its types and forms of manifestations; corruption and the agricultural sector; the nexus between corruption and poverty; measures of corruption with specific focus on the Transparency International rating scale; Transparency International ratings of some African countries and Nigeria's performance in the recent past.

#### 2.1 Defining corruption

Understanding the concept of corruption presupposes that one should have a clear picture of what it entails and what constitutes it in the simplest term. However, there is no single accepted definition for the term 'corruption' because what may seem corrupt in one society may not necessarily be perceived as such in another. Though there have been different attempts to define it, there is no precise clear definition that can be applied to all forms, types and degrees. The classical concept of corruption as a general disease of the body was first propounded by ancient political thinkers like Plato and Aristotle (Retrieved 12<sup>th</sup> June, 2009 from <http://books.google.com.ng/books?id>).

Plato in his theory of the 'perverted' constitutions, democracy and tyranny postulated that such regimes instead of being guided by the law served the interest of the rulers (Retrieved 12<sup>th</sup> June, 2009 from <http://www.francesfarmersrevenge.com/stuff/archive/oldnews5/democracy.htm>).

These notions of corruption practically define corruption as dysfunctional. According to Carl Friedrich (undated), "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 associated with a particular motivation, namely that of private gain at public expense."

The Oxford English dictionary defines corruption as "Pervasion or favour, the use or existence of corrupt practices especially in a state, public corruption, etc." The most commonly used and popular definition is the one given by World Bank as cited by Tanzi (1998). According to this definition, corruption is seen as the use of public office for private advantage. Misuse, of course, typically involves applying a legal standard. Corruption defined this way would capture, for example, the sale of government property by government officials, kickbacks in public procurement, bribery and embezzlement of government funds. This definition is directly in line with the Nigeria Anti Corruption Commission Act, 2003 which deals with the use of public office for private or personal aggrandizement (Retrieved 12<sup>th</sup> June, 2009 from <http://www.dawodu.com/corrupt03.htm>).

However, USAID (2005) followed a broader perspective than World Bank by defining corruption as the abuse of entrusted authority for private gain. This definition recognizes that, while corruption in the public sector has particularly devastating impacts, it cannot realistically be addressed in isolation from corruption in political parties, the private business sector, associations, NGOs, and society at large. In other words, corruption involves not just abuse of public office but other offices as well.

Several attempts have also been made by Nigerian authors to define corruption. For instance, Vision 2010 Committee (1997) defines corruption as all those important activities or transactions that aim at changing the normal course of events, judgment and position of trust. Nwakwo as cited by Adegbite (2010) viewed corruption as occurring when a person in a position of trust and

responsibility, in defiance of prescribed norms, suppresses the rules to advance his personal interest at the expense of the public interest he/she has been entrusted to guard and promote. Olusaga (1981) added an interesting dimension. He posits that corruption entails 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. In similar vein, Oyejide (2008) asserts that corruption exists when government officials use their authority to design and implement public policies for private gain which may result in enriching these officials as well as other private individuals and or corporate bodies who either obtain a larger share of public benefits than their due or bear lower share of public costs for providing a product or service.

Svensson (2005) argued that corruption is an outcome- a reflection of a country's legal, economic, cultural and political institutions. Corruption can be a response to either beneficial or harmful rules. For example, corruption appears in response to benevolent rules when individuals pay bribes to avoid penalties for harmful conduct or when monitoring of rules is incomplete as in the case of theft. Conversely, corruption can also arise because bad policies or inefficient institutions are put in place to collect bribes from individuals seeking to get around them.

The foregoing suggests that no definition of corruption is completely clear-cut. The emphasis in this study is on official corruption, which focuses on activities in which public officials use powers delegated to them by the public to further their own economic interests at the expense of the common good.



## 2.2 Corruption and the agricultural sector

*“Most of Nigeria’s poor reside in rural areas and gain their livelihood from agricultural work. If the government’s poverty reduction goals are to be achieved, Nigeria will need an adequate level of strategically targeted investments in agriculture to upgrade rural infrastructure, boost productivity, and increase competitiveness. Before effective investment programs can be designed and implemented, however, it is important to have a clear understanding of the current pattern of public spending on agriculture” (Mogues et al, 2008).*

Agriculture in developing countries employs a large percentage of the population and, for the most part, a very poor segment of the population. Farms in these countries tend to be small: in Africa, for example, over 90% of the farms are in the hands of small landholders. In transition economies, by contrast, the agriculture sector employs less than a third of the labor force and the average farm size is large. For both groups of countries, corruption issues affect land title and use, credit availability, quality of supplies, water allocation, product standards and certification, marketing, and the development of agribusinesses. In transition economies, however, the governments are more involved in supplies, production and marketing and so there are relatively more opportunities for corruption. Yet societies depending on survival agriculture are affected proportionally more by corruption as the bribes farmers pay impact a higher percentage of their already low income (Sarimienta, 2000). The various manifestations of corruption in agricultural sector as were discussed by Rodney (2002) as follows:

### **Land title and use**

Problems with land ownership, registration, tenure and sales impede agricultural development in many countries. Multiple titles exist on many parcels and the rights of family members, especially women and children, are not well defined in some societies. Moreover, registration of title is often a slow, complex, and costly process, which is vulnerable to bribes offered or demanded for service. Informal properties, that is parcels with no official documentation as to "who owns" or "occupies" the land, are common. According to Barnes and Kevin (2000) the absence of property adjudication and land market institutions is a major institutional weakness in the sector. He argued that this problem is particularly pronounced in transition economies, where properties rights were not recognized in the socialist system. He stated further that the development of an active land market for buying, selling, leasing, mortgaging and inheriting the land is a major objective of privatization, but bribes and payoffs abound in the system.

### **Credit availability**

Credit must be available for the agriculture sector to flourish in developing and transition countries. Yet corruption occurs in the allocation of government-subsidized credit. Most typically, unnecessary fees and percentage payments are ways that government officials garner funds when granting credit.

### **Supplies**

Corruption in government contracts or licenses for agricultural supplies is common. Poor quality, undelivered goods and high prices are typical outcomes from collusion between government officials and private sector firms. An example is a government agency buying fertilizer from a private sector company at an elevated price and receiving a share of the profit. This increases the

cost of agricultural production and eliminates competition in the fertilizer industry as other firms have little chance of getting the government contract. Along these lines, the Egyptian chairman of the Agricultural Development Bank and Minister of Agriculture was recently arrested on charges of taking bribes from a company to whom he gave rights for importing pesticides. (Retrieved October 20, 2009 from

<http://www.arabicnews.com/ansub/Daily/Day/020826/2002082616.html>). In another example, the Philippine Center for Investigative Journalism has documented that farmers receive low quality planting materials, unhealthy farm animals and undelivered farm equipment from the state (Sarimienta, 2000).

### **Water allocation**

Irrigated agriculture is a favorite of bureaucratic and centralized governments and promotes "rent seeking" (Renger and Wolff, 2002). Rent seeking is described as lobbying superior regulatory bodies to garner financial income not matched by labor or investment. Rent seekers use political soliciting, including bribery, as a means to get water or facilities to regions favoring them. The allocation of water and irrigation facilities, thus, often turns on connections and corruption rather than on economic and development policy. Renger and Wolf further summarises some steps important for addressing irrigation problems. These include the importance of involving farmers in regulating and monitoring financial responsibility so that resources are used for their original purpose.

### **Product standards and certification**

Rodney (2000) posited that product standards and certification constitute another source of corruption, as individual producers attempt to bribe produce inspectors to get the desired

certification. He stated further that the development of quality improvement centers in rural communities has helped support objective grading of products by pooling produce for inspection and eliminating the opportunity for individual producers to offer bribes.

### **Marketing**

The government's role in product pricing and the sale and purchase of produce create significant opportunities for corruption. Fischer, (2000) while speaking on the role of local oblast governments which try to control agricultural production and pricing, argued that either they get directly involved in buying and selling produce, or they place quotas on inter-regional exports. He asserted that in this case, corruption and graft is spread. Rodney (2000) in the same vein asserted that many underpaid civil servants compromise their integrity and solicit bribes in return for favors, which may involve purchasing inputs or selling agricultural produce. Similarly, agriculture marketing boards create opportunities for corruption in the developing world. These parastatal boards provide a marketing avenue for producers, but often deliver smaller profits to farmers than a competitive market would provide because of embezzlement or because the boards hold down food costs to consumers. The ability to set price independent of market forces creates a further source of potential pay-offs.

### **Agribusiness**

Private sector agribusinesses are necessary for supplying inputs, processing food, transporting and marketing of agricultural products, yet corruption also impedes agribusiness development. The licensing and permits for transportation, storage, processing and business startup are sources of corruption, which put a check on the development of competitive agribusiness.

## **Petty corruption in donor programs**

Many examples of corruption are often overlooked as a cost of doing business. Yet actions such as the following have a long-term negative impact on donor programs (Rodney 2000):

- Local hosts fill their gas tanks at their government pumps and then partially drain the tanks at a third party residence for resale
- Local employees of USAID missions direct programs to support their own and family farming operations
- Employees of an organization with a major "bricks and mortar" project build their own home and sell bricks to others with whom they have contact
- Local host bill the donor for transportation costs and hire local transportation at a greatly reduced price

### **2.2.1 Corruption in Nigeria public sector**

Oyejide (2008) while giving a Nigerian perspective to the various manifestations of corruption in the public sector noted that the different forms taken by acts of corruption is broadly reflected in the interaction of economic interests and the use of policy instruments. He added that most of these acts occur in the context of administrative arrangements or state capture which are then manifested in contract and bidding bribes, theft of public resources, and purchase of licenses. Other manifestations of corruption indicated include:

#### **Subsidy**

The provision of goods and services by government at below market prices generates rents and opportunities for rent-seeking behavior by beneficiaries. This is because such goods and services are generally limited in supply and their provision at below market clearing prices inevitably

induces excess demand which creates the need for rationing and consequently, ample opportunities for corruption.

### **Federal character principle**

The quality of the bureaucracy is a function of merit-based recruitment and promotion. The less are staffing and advancement merit-based, the poorer the quality of the bureaucracy and the higher tends to be the extent of corruption. Hence, the use of the federal character principle as a recruitment and promotion criterion in the civil services in Nigeria, which may be justified on equity terms, may detract from quality of the bureaucracy and inadvertently encourage corruption.

### **2.3 Corruption and poverty: The nexus**

A substantial number of recent studies have examined the relationship between poverty and corruption to clarify the ways in which these phenomena interact (Gupta *et al*, 1998; Rose Rose-Ackerman, 1999; Heidenheimer and Johnston, 2002; and Chetwynd *et al*, 2003). It is noteworthy to mention that several of these studies submitted that corruption has direct consequences on poverty level of the people with more pronounced impacts on the low-income, resource-deficient and marginalized rural folks. According to USAID (2005), corruption is now seen unequivocally as a major barrier to development, and reducing it a top priority. Giving this background and the fact that Nigeria is more rural than urban (Okunlola, 2001), in addition to the reality that these rural folks whose predominant occupation is agriculture, are responsible for the bulk of the food production in Nigeria (Olawoye, 2007), the threat posed by corruption to farmers welfare, agricultural development, and national food security thus, cannot be overemphasized. Perhaps, it was in this vein that Idachaba (2000) posited that several past research efforts to address rural

problems (such as poverty, low literacy and development) have not significantly contributed to the attainment of food security and sustainable livelihood due to the neglect of several factors (corruption inclusive) which many researchers have designated non-research constraints.

According to Chetwynd *et al* (2003), corruption in the public sector -- the misuse of public office for private gain -- is often viewed as exacerbating conditions of poverty (low income, poor health and education status, vulnerability to shocks and other characteristics) in countries or regions of a country already struggling with the strains of economic growth and democratic transition. Alternatively, countries experiencing chronic poverty are seen as natural breeding grounds for systemic corruption due to social and income inequalities and perverse economic incentives.

The development literature is rich with theoretical insights on this relationship, many of them founded on practical experience and careful observation. The World Bank's *World Development Report for 2000/01: Attacking Poverty* summarized current thinking on the corruption-poverty linkage as follows:

*“The burden of petty corruption falls disproportionately on poor people ...For those without money and connections, petty corruption in public health or police services can have debilitating consequences. Corruption affects the lives of poor people through many other channels as well. It biases government spending away from socially valuable goods, such as education. It diverts public resources from infrastructure investments that could benefit poor people, such as health clinics, and tends to increase public spending on capital-intensive investments that offer more opportunities for kickbacks, such as defense contracts. It lowers the quality of infrastructure, since kickbacks are more lucrative on equipment purchases. Corruption also undermines public service delivery (World Bank, 200).”*

Chetwynd *et al* (2003) also employed the economic and governance models to explain the link between corruption and poverty. They believed that corruption has direct consequences on economic and governance factors, intermediaries that in turn produce poverty.

The "economic model" postulates that corruption affects poverty by first impacting economic growth factors, which, in turn, impact poverty levels. In other words, increased corruption reduces economic investment, distorts markets, hinders competition, creates inefficiencies by increasing the costs of doing business, and increases income inequalities. By undermining these key economic factors, poverty is exacerbated.

Economic theory and empirical evidence both demonstrate that there is a direct causal link between corruption and economic growth. Gupta *et al* 1998 asserted that corruption impedes economic growth by discouraging foreign and domestic investment, taxing and dampening entrepreneurship, lowering the quality of public infrastructure, decreasing tax revenues, diverting public talent into rent-seeking, and distorting the composition of public expenditure. They argued further that in addition to limiting economic growth, corruption also exacerbates income inequality; as evident by a regression analysis which indicated a positive correlation between corruption and income inequality. While explaining the link between corruption and income inequality, Tanzi and Davodi (1997) posited that corruption distorts the economy and the legal and policy frameworks allowing some to benefit more than others; there is unfair distribution of government resources and services; corruption reduces the progressivity of the tax system; corruption increases the inequality of factor ownership; and lower income households (and businesses) pay a higher proportion of their income in bribes than do middle or upper-income households.



Economic growth and income inequality are important because they link corruption to poverty. Studies show that the absence of economic growth (or negative growth) increases poverty. In the same vein, tests also show that an increase in GDP produces an increase in the income of the poor. However, income distribution is an important mediating factor because economic growth may not always benefit the poor (Mauro 2002, World Bank 2000).

The Governance Model asserts that corruption affects poverty by influencing governance factors, which, in turn, impact poverty levels. Kaufmann *et al.* (1999) define governance as, “the traditions and institutions by which authority in a country is exercised. This includes:

- (1) the process by which governments are selected, monitored and replaced,
- (2) the capacity of the government to effectively formulate and implement sound policies, and
- (3) the respect of citizens and the state for the institutions that govern economic and social interactions among them.”

Johnston (2000) suggests that serious corruption reduces governance capacity, that is, it weakens political institutions and citizen participation and leads to lower quality government services and infrastructure. The poor thus suffer disproportionately from reduced public services. He argued further that when health and basic education expenditures are given lower priority, for example, in favor of capital intensive programs that offer more opportunities for high-level rent taking, lower income groups lose services on which they depend. Corruption is consistently correlated with higher school dropout rates and high levels of infant mortality. Secondly, impaired governance increases poverty by restricting economic growth and, coming full circle, by its inability to control corruption. Thirdly, corruption that reduces governance capacity also may inflict critical collateral damage: reduced public trust in government institutions. As trust (an

important element of social capital) declines, research have shown that vulnerability of the poor increases as their economic productivity is affected. When people perceive that the social system is untrustworthy and inequitable, their incentive to engage in productive economic activities declines.

Gupta *et al* (2000) reported that diagnostic surveys of corruption in Bosnia -Herzegovina, Ghana, Honduras, Indonesia and Latvia showed that government institutions with the highest levels of corruption tend to provide lower quality services. The survey also showed the converse to be true. For instance, in Romania, the survey shows that state sector entities with better systems of public administration tend to have lower levels of corruption. The literature shows that corruption impacts the quality of government services and infrastructure and that through these channels it has an impact on the poor. This is particularly the case in the health and education sectors. According to Knack and Phillip (1997), enhanced education and healthcare services and population longevity are usually associated with higher economic growth. But under conditions of extensive corruption, when public services, such as health and basic education expenditures that especially benefit the poor, are given lower priority in favor of capital intensive programs that offer more opportunities for high-level rent taking, lower income groups lose services on which they depend. As government revenues decline through leakage brought on by corruption, public funds for poverty programs and programs to stimulate growth also become more scarce.

Krueger (1974) estimated that rent-seeking behaviour raised the costs of imports in India and Turkey from between 7 and 15% of the national income. He further posited that in most instances, where quantitative estimates can be made, corruption results in losses from 15 to 50% of the funds involved. Gupta *et al.* (1998) also found that corruption can lead to reduced social

spending on health and education. They argued that countries with higher corruption tend to have lower levels of social spending, regardless of level of development and that corruption lowers tax revenues, increases government operating costs, increases government spending for wages and reduces spending on operations and maintenance, and often biases government toward spending on higher education and tertiary health care (rather than basic education and primary health care). In addition, the current U.S. National Security Strategy underscores that poverty, weak institutions, and corruption can make states vulnerable to terrorist networks and drug cartels, and argues that efforts to address these challenges in developing countries can contribute directly to global security.

#### **2.4 Measuring corruption**

The first step in applying theory to practice is to measure corruption and the different mediating factors involved in the process. While a number of assessment tools exist to help measure corruption and describe the circumstances in which it is found, there are several difficulties faced by researchers working in this field. According to Arvind (2001), by its nature corruption would be difficult to measure since it is carried out, in most cases, clandestinely and away from the public eye and records. In addition, the administrative systems in poorer countries are often weak, making it difficult to collect measures of corruption such as unauthorized absences recorded in personnel records, or the percentage of procurements that did not meet standards. Abuse of power is also hard to measure because corruption is a practice that is frequently (though not always) hidden. To overcome these difficulties, researchers have used indirect measures of abuse of power such as perceptions of corruption, or procurement price data suggesting over-

payment for supplies. Arvind (2001) and Shang-Jin (1998) summarized several past and current attempts to measure corruption as follows:

- Business International (BI) Index. Business International Corporation published a number of ratings on countries, including an assessment of the level of corruption in various countries. BI index is based on surveys of experts/consultants (typically one consultant per country) conducted during 1980-83 by Business International, now a subsidiary of the Economist Intelligence Unit. It ranks countries from one to ten, according to “degree to which business transactions involve corruption or questionable payments.” These ratings were first published for period 1981-83.
- International Country Risk Guide (ICRG) Index. Produced every year since 1982 by Political Risk Services, a private international investment risk service. The ICRG corruption index is based on the opinion of experts and with the aim of capturing the extent to which “high government officials are likely to demand special payments” and to which “illegal payments are generally expected throughout lower levels of government” in the form of “bribes connected with import and export licenses, exchange controls, tax assessments, police protection or loans”.
- A survey of German businesses published in 1994. The survey was based upon the opinions of German businessmen. This source of corruption data has been used for empirical research by Ades and Di Tella (1996).
- Global Competitiveness Report (GCR) Index. The GCR index is based on a 1996 survey of firm managers, rather than experts or consultants. Sponsored by the World Economic

Forum (WEF), Switzerland, a consortium with a large membership of firms. The survey asked the responding firms about various aspects of competitiveness in the host countries where they invest. About 2381 firms in 58 countries answered the question on corruption which asked the respondents to rate the level of corruption on a one-to-seven scale according to the extent of “irregular, additional payments connected with import and export permits, business licenses, exchange controls, tax assessments, police protection or loan applications”. The GCR corruption index for a particular country is the average of all respondents’ ratings for that country. According to Arvind (2001), the GCR is a small part of larger attitudinal survey and there were few guarantees that corruption had been measured with the minimum degree of care required for academic research.

- Transparency International (TI) Index. Transparency International, an organization devoted to fighting bribery around the world, has measured perception of corruption in different countries. The index is based on a weighted average of approximately ten surveys of varying coverage. It ranks countries on a one-to-ten scale of 0 (highly corrupt) to 10 (very clean). Similarly, Transparency International created a “Bribe Payer’s Index” in 1999. This measure has not yet been used for empirical analysis.
- Political and Economic Risk Consultancy in Hong Kong has published estimates of corruption in 10 to 12 Asian Countries since 1993.
- Kaufmann *et al* (1999) have created an aggregate measure combining three elements of governance. These are: “probity”, “bureaucratic quality”, and “rule of law”. Their aggregation process addresses some of the problems associated with survey data like the one collected by Transparency International.

- Hall and Yago (2000) developed an index of “opacity” – the opposite of transparency.

Vian (2008) also identified methods for measuring corruption in different sectors to include the following:

### **Household and public expenditure surveys**

Household expenditure data can be an important tool for measuring accountability, documenting expenditures on government services that are supposed to be offered free of charge (Balabanova and McKee 2002a; Hotchkiss *et al.* 2004). They can also show whether public project spending is providing benefits according to government's stated priorities and budget. While household surveys can be expensive to undertake, these data are already being collected in many countries for other purposes. For instance, forms of financial corruption have been diagnosed using methods such as Public Expenditure Tracking Surveys (PETS) and similar techniques (Reinikka and Svensson 2002; Khemani 2004; Lindelow *et al.* 2006). Analysis can highlight weaknesses in recordkeeping, oversight and control procedures, or other bottlenecks causing delays and losses. Khemani (2004) studied the problem of non-payment of salaries in 252 health facilities in Nigeria. Linking data from surveyed respondents and financial records, she found no correlation between non-payment of staff and local government revenues; even when budget allocations were sufficient, staff non-payment was a problem. This kind of assessment can be useful to promote transparency and build pressure on governments to explain and correct performance problems.

## **Qualitative data collection**

Vian and Burak (2006) noted that qualitative data can help to define the pressures and social norms related to corruption, and to assess the detailed pathways by which corruption happens. For example, interviews with providers and patients in Bulgaria, Albania, Armenia, Azerbaijan and the Republic of Georgia revealed many details about why providers feel pressured to accept unofficial payments for services that are supposed to be offered free of charge, and why patients feel pressured to make these payments (Balabanova and McKee, 2002; Belli *et al.*, 2002; Vian and Burak, 2006). In another example, Ferrinho *et al.* (2004) used qualitative methods to better understand pressures behind the pilfering of public supplies of drugs by government employees in Mozambique and Cape Verde. Qualitative data may identify potential barriers to accountability, citizen voice and the other factors that influence opportunities for corruption (Emerging Markets Group 2005).

## **Control systems review**

Control system review or risk audit has been identified as key assessment tool for measuring vulnerability to corruption. Control systems are the internal operational processes by which an organization makes decisions and uses resources to perform its mission. A control system review can help measure discretion, accountability, transparency and enforcement. The approach compares an organization's processes with best practice standards, to see how well the organization is controlling discretion of decision-makers, complying with laws and regulations, and safeguarding resources. The review starts by identifying areas with high inherent risk of corruption, such as units with frequent cash transactions (more at risk of theft), or offices that

award approvals, permits or licenses (vulnerable to bribes). The existence of ‘best practice’ safeguards is then assessed, looking for such things as clear operating policies and procedures, appropriate division of responsibilities, use of computers for collecting and analysing data, and procedures for financial management and audit. This approach has been used in the US to develop hospital compliance systems to prevent fraud and abuse (Mills and Edwards, 2001).

Control reviews can also help develop measures of transparency and accountability. A control system review of the pharmaceutical supply system in Costa Rica measured compliance with standardized processes and decision-making criteria in the sub-systems of drug registration, selection, procurement and distribution (Cohen *et al.*, 2002). The procurement function was rated as moderately vulnerable, due to problems such as lack of documentation of prices paid and criteria used for awards. The approach used in Costa Rica has served as a model for a new WHO guide on measuring transparency in the pharmaceutical sector, and was recently used to detect vulnerabilities to corruption in Lao People's Democratic Republic, Malaysia, Thailand and the Philippines (World Health Organization 2006; World Health Organization 2007).

The control systems review approach works best when systems are stable, and is difficult to apply in countries where the sector is undergoing radical but still uncertain changes in how services are organized, financed and managed (Vian, 2008).

UNDP (2008) also classified the main types of corruption indicators as:

- Perception-based indicators
- Experience-based indicators



### **Perception-based indicators**

Indicators based on the opinions and perceptions of corruption in a given country among citizens and experts. Vian (2008) noted that Perception surveys can be used to compare opinions of stakeholders, or to look at specific kinds of problems such as absenteeism or private use of public facilities and equipment. One disadvantage of perception surveys is that individuals' perceptions of corruption may not reflect actual experience with corruption. In Bulgaria, researchers found that perceptions of corruption were consistently higher than actual experience (Krastev, 2004).

### **Experience-based indicators**

These indicators measure citizens' or firms' actual experiences with corruption, such as whether they have been offered or whether they have given a bribe. Experience-based measurement tools ask citizens if they have been asked to give a bribe, or if they have voluntarily offered something to an official. Perception-based and experience based indicators can diverge widely as respondents are often reluctant to openly discuss bribe-giving (Grodland, 2001).

#### **2.4.1 Validity of indirect measures of corruption**

Arvind (2001) in his assessment of the various measures of corruption noted that correlation between various measures of corruption tends to be very high, providing some support for the contention that survey data on corruption may provide reliable estimate of the real phenomenon. This position was corroborated by Oyejide (2008) who argued that while the various indexes have their limitations, they are however highly correlated among themselves, even though they are generated by different sources. He further opined that giving the difficulty associated with direct measurement of corruption because of efforts to avoid detection and punishment especially

in Nigeria, the use of questionnaire-based surveys which measure perceptions of corruption and assessment of compliance with due processes in public institutions is widely acceptable.

## 2.5 The Transparency International and global fight against corruption

*“We must ensure that there are real consequences to corruption. ‘No to impunity’ cannot just be a slogan – it must be carried out with all our combined strength and inspire citizens to speak up and to no longer tolerate corruption.”Huguette Labelle, Chair, Transparency International (TI, 2012)*

Transparency International (TI) is the global civil society organisation leading the fight against corruption. Through more than 90 chapters worldwide and an international secretariat in Berlin, the organization 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 dismally 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 (table 1), 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 (Figure 1). Table 2 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: 2012 Corruption perception data for countries world wide**

Country Rank	Country	CPI 2012 Score	Surveys Used	Standard Error	90% Confidence Interval		Scores Range	
					Lower	Upper	MIN	MAX
1	Denmark	90	7	2.0	87	93	83	98
1	Finland	90	7	3.0	85	95	83	100
1	New Zealand	90	7	2.2	87	94	83	98
4	Sweden	88	7	1.9	85	91	82	97
5	Singapore	87	9	2.1	83	90	79	99
6	Switzerland	86	6	2.6	81	90	73	90
7	Australia	85	8	1.1	83	86	80	89
7	Norway	85	7	1.6	82	87	78	89
9	Canada	84	7	2.2	80	87	74	89
9	Netherlands	84	7	2.0	81	88	73	89
11	Iceland	82	6	4.1	75	89	71	98
12	Luxembourg	80	6	2.8	75	85	71	89
13	Germany	79	8	2.3	75	83	73	89
14	Hong Kong	77	8	1.9	74	80	69	83
15	Barbados	76	3	6.7	65	87	66	88
16	Belgium	75	7	2.4	71	78	71	89
17	Japan	74	9	2.3	70	78	57	79
17	United Kingdom	74	8	1.3	72	77	69	81
19	United States	73	9	4.1	66	79	50	89
20	Chile	72	9	2.1	69	76	63	82
20	Uruguay	72	6	1.5	70	75	69	79
22	Bahamas	71	3	1.0	70	73	69	73
22	France	71	8	2.4	67	75	57	79
22	Saint Lucia	71	3	0.8	70	73	70	73
25	Austria	69	8	2.4	65	73	59	79
25	Ireland	69	6	3.5	64	75	54	78
27	Qatar	68	6	6.4	58	79	49	89
27	United Arab Emirates	68	7	4.3	61	75	54	86
29	Cyprus	66	4	2.4	63	70	62	71
30	Botswana	65	7	1.9	62	68	60	72
30	Spain	65	7	2.9	60	69	52	73
32	Estonia	64	8	3.0	59	69	50	75
33	Bhutan	63	3	3.6	57	69	58	70
33	Portugal	63	7	2.5	59	67	54	73
33	Puerto Rico	63	3	4.9	55	71	54	71
36	Saint Vincent and the Grenadines	62	3	5.6	53	71	54	73
37	Slovenia	61	8	3.9	55	67	45	73
37	Taiwan	61	7	3.9	54	67	50	79
39	Cape Verde	60	4	3.8	54	67	52	70
39	Israel	60	5	2.9	55	64	52	68
41	Dominica	58	3	2.3	55	62	54	63
41	Poland	58	10	2.0	55	62	47	65

Country Rank	Country	CPI 2012 scores	Surveys used	Standard Error	90% Confidence Interval		Scores Range	
					Lower	Upper	MIN	MAX
43	Malta	57	4	2.4	53	61	52	63
43	Mauritius	57	5	3.5	51	63	52	71
45	Korea (South)	56	10	2.4	52	60	47	67
46	Brunei	55	3	9.1	40	70	41	72
46	Hungary	55	10	3.5	49	61	37	71
48	Costa Rica	54	5	7.0	43	66	31	71
48	Lithuania	54	7	5.3	45	63	31	71
50	Rwanda	53	5	6.3	42	63	40	77
51	Georgia	52	6	6.0	42	62	32	70
51	Seychelles	52	4	8.0	38	65	32	71
53	Bahrain	51	5	4.1	44	58	36	61
54	Czech Republic	49	10	2.9	44	53	34	62
54	Latvia	49	6	4.0	42	55	31	58
54	Malaysia	49	9	3.4	44	55	31	62
54	Turkey	49	9	2.1	45	52	38	57
58	Cuba	48	4	4.1	41	55	36	54
58	Jordan	48	7	3.1	43	54	36	57
58	Namibia	48	6	3.5	42	54	38	63
61	Oman	47	5	7.6	35	60	32	75
62	Croatia	46	8	3.1	41	51	32	54
62	Slovakia	46	8	4.3	39	53	30	62
64	Ghana	45	9	3.8	39	51	28	58
64	Lesotho	45	5	4.6	38	53	37	63
66	Kuwait	44	5	3.9	37	50	32	52
66	Romania	44	8	3.7	38	50	32	60
66	Saudi Arabia	44	5	6.4	34	55	32	69
69	Brazil	43	8	3.3	38	49	31	58
69	Macedonia	43	6	4.7	35	51	21	50
69	South Africa	43	9	2.5	39	48	32	55
	Bosnia and Herzegovina	42	7	2.3	38	46	35	54
72	Italy	42	7	2.4	38	46	37	55
	Sao Tome and Principe	42	3	5.0	34	50	32	47
75	Bulgaria	41	8	3.8	35	47	29	62
75	Liberia	41	7	3.9	35	47	28	55
75	Montenegro	41	4	4.5	34	49	32	53
75	Tunisia	41	7	2.8	36	45	28	50
79	Sri Lanka	40	7	1.3	38	42	35	44
80	China	39	9	2.9	34	43	28	55
80	Serbia	39	7	2.6	35	44	31	49
80	Trinidad and Tobago	39	4	4.5	32	47	31	52
83	Burkina Faso	38	7	4.4	31	45	23	55
83	El Salvador	38	6	2.8	33	43	25	45
83	Jamaica	38	6	2.2	35	42	31	47
83	Panama	38	6	3.1	33	44	31	52

Country Rank	Country	CPI 2012 scores	Surveys used	Standard Error	90% Confidence Interval		Scores Range	
					Lower	Upper	MIN	MAX
83	Peru	38	7	2.1	35	42	29	45
88	Malawi	37	8	1.5	34	39	31	45
88	Morocco	37	8	3.2	32	43	25	54
88	Suriname	37	3	3.2	31	42	31	42
88	Swaziland	37	4	2.1	33	40	32	42
88	Thailand	37	8	1.6	34	40	31	45
88	Zambia	37	8	3.1	32	42	23	50
94	Benin	36	6	4.3	29	44	18	47
94	Colombia	36	7	2.6	32	40	29	50
94	Djibouti	36	3	8.6	22	50	23	52
94	Greece	36	7	3.6	30	42	21	49
94	India	36	10	2.1	33	40	24	47
94	Moldova	36	8	2.6	31	40	25	47
94	Mongolia	36	7	2.6	32	40	26	47
94	Senegal	36	9	1.8	33	39	32	47
102	Argentina	35	8	2.6	31	39	19	41
102	Gabon	35	5	2.1	32	38	31	42
102	Tanzania	35	8	2.1	31	38	22	41
105	Algeria	34	6	3.3	29	40	20	42
105	Armenia	34	6	2.7	29	38	21	40
105	Bolivia	34	7	3.7	28	40	17	47
105	Gambia	34	5	7.0	22	45	17	57
105	Kosovo	34	3	1.5	32	37	31	36
105	Mali	34	6	4.0	27	40	18	47
105	Mexico	34	9	1.7	31	37	27	42
105	Philippines	34	9	2.2	30	37	21	42
113	Albania	33	7	2.0	30	36	23	39
113	Ethiopia	33	8	1.6	30	36	23	38
113	Guatemala	33	6	2.7	28	37	21	40
113	Niger	33	5	3.1	28	38	21	40
113	Timor-Leste	33	3	5.6	23	42	23	43
118	Dominican Republic	32	6	2.7	28	37	23	42
118	Ecuador	32	6	2.9	28	37	21	41
118	Egypt	32	7	3.1	27	37	17	44
118	Indonesia	32	9	2.9	27	37	21	50
118	Madagascar	32	8	3.2	26	37	17	42
123	Belarus	31	5	3.6	25	37	22	43
123	Mauritania	31	5	3.5	25	36	23	42
123	Mozambique	31	7	1.6	29	34	25	38
123	Sierra Leone	31	8	1.9	28	34	21	40
123	Vietnam	31	8	2.5	27	35	21	41
128	Lebanon	30	6	2.3	27	34	23	38
128	Togo	30	5	3.4	24	35	23	42
130	Côte d'Ivoire	29	8	2.4	25	33	19	38
130	Nicaragua	29	7	2.1	26	32	21	37
130	Uganda	29	8	2.2	25	32	22	38

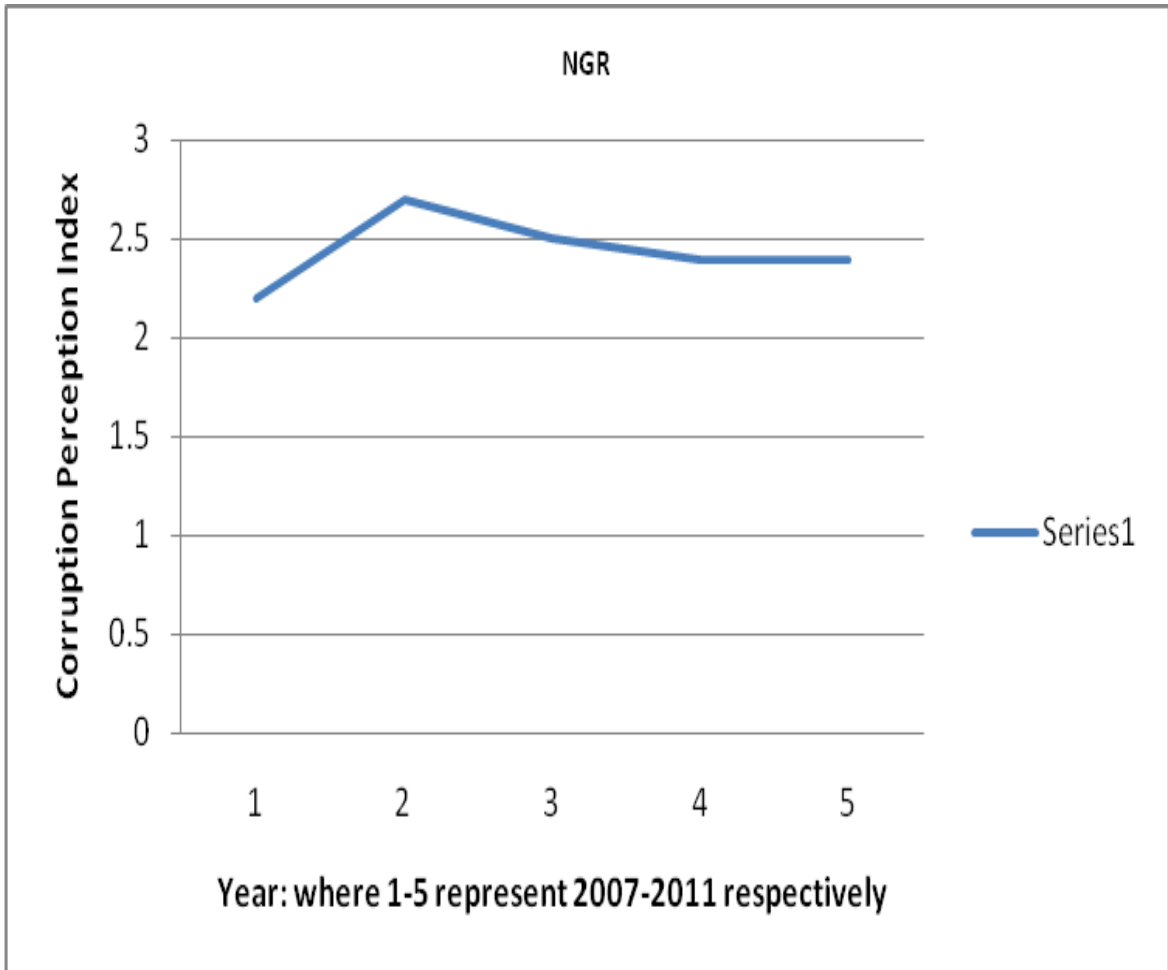
Country Rank	Country	CPI 2012 scores	Surveys used	Standard Error	90% Confidence Interval		Scores Range	
					Lower	Upper	MIN	MAX
133	Comoros	28	3	7.5	15	40	17	42
133	Guyana	28	4	2.1	25	31	23	32
133	Honduras	28	6	2.4	24	32	21	35
133	Iran	28	6	4.6	20	35	19	43
133	Kazakhstan	28	8	4.1	21	35	11	48
133	Russia	28	9	2.2	25	32	21	43
139	Azerbaijan	27	6	2.5	23	31	21	38
139	Kenya	27	8	2.2	24	31	19	35
139	Nepal	27	5	2.4	23	31	22	35
139	Nigeria	27	9	2.7	22	31	17	38
139	Pakistan	27	8	2.3	23	31	19	38
144	Bangladesh	26	7	4.1	20	33	21	50
144	Cameroon	26	8	3.5	20	32	12	41
144	Central African Republic	26	4	2.4	22	30	22	32
144	Congo Republic	26	6	3.3	20	31	19	40
144	Syria	26	5	2.7	22	31	19	32
144	Ukraine	26	8	1.8	24	29	18	32
150	Eritrea	25	4	9.2	10	40	12	52
150	Guinea-Bissau	25	4	2.1	22	29	22	31
150	Papua New Guinea	25	5	4.2	18	32	11	35
150	Paraguay	25	5	2.9	20	29	21	36
154	Guinea	24	7	2.7	19	28	12	32
154	Kyrgyzstan	24	6	1.8	21	27	18	32
156	Yemen	23	6	2.2	20	27	16	31
157	Angola	22	7	1.8	20	25	17	31
157	Cambodia	22	7	3.1	17	27	12	37
157	Tajikistan	22	5	3.8	15	28	11	32
160	Democratic Republic of the Congo	21	5	3.3	16	27	12	32
160	Laos	21	3	1.3	19	23	19	23
160	Libya	21	6	4.0	14	27	2	31
163	Equatorial Guinea	20	3	1.3	18	22	17	22
163	Zimbabwe	20	8	4.3	12	27		38
165	Burundi	19	5	2.8	14	23	12	28
165	Chad	19	5	2.5	15	23	12	25
165	Haiti	19	5	2.8	14	23	11	23
165	Venezuela	19	7	2.1	15	22	12	25
169	Iraq	18	4	2.3	14	22	11	21
170	Turkmenistan	17	3	2.9	12	22	11	21
170	Uzbekistan	17	6	2.0	14	20	11	22
172	Myanmar	15	4	3.7	9	21	6	21
173	Sudan	13	6	2.9	8	17		21
174	Afghanistan	8	3	3.3	2	13	1	12
174	Korea (North)	8	3	3.4	2	13	1	12
174	Somalia	8	4	2.3	4	12	2	12

**Table2: 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 deivoir	2.1	2.0	2.1	2.2	-

**Source: Transparency International, 2012. A look at corruption perception index.**





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

## 2.6 Corruption Perceptions Index 2012: Methodology

Following certain criticisms against the CPI methodology, a rigorous review process which led to certain changes has been made to the methodology in 2012. The new method used now includes just one year's data from each data source. According to TI (2012), the current method will allow comparison of scores over time, which was methodologically difficult previously. In addition, given the changes to the methodology, country scores of the CPI 2012 cannot be

compared against those of 2011 or previous editions. Year to year comparisons will be possible from 2012 onwards.

According to Transparency International (2012), the following steps are followed to calculate the CPI:

**Select data sources:**

The Corruption Perceptions Index (CPI) is an aggregate indicator that brings together data from a number of different sources. Each data source must fulfill the following criteria to qualify as a source for the Corruption Perceptions Index:

- i. Quantifies perceptions of corruption in the public sector
- ii. Be based on a reliable and valid methodology, which scores and ranks multiple countries on the same scale
- iii. Performed by a credible institution and expected to be repeated regularly
- iv. Allow for sufficient variation of scores to distinguish between countries

The CPI 2012 is calculated using different data sources from independent institutions that capture perceptions of corruption within the past two years. These sources are listed below and described in detail at the appendix III:

- African Development Bank Governance Ratings 2011
- Bertelsmann Foundation Sustainable Governance Indicators 2011
- Bertelsmann Foundation Transformation Index 2012

- Economist Intelligence Unit Country Risk Ratings
- Freedom House Nations in Transit 2012
- Global Insight Country Risk Ratings
- IMD World Competitiveness Yearbook 2012
- Political and Economic Risk Consultancy Asian Intelligence 2012
- Political Risk Services International Country Risk Guide
- Transparency International Bribe Payers Survey 2011
- World Bank - Country Policy and Institutional Assessment 2011
- World Economic Forum Executive Opinion Survey (EOS) 2012
- World Justice Project Rule of Law Index 2012

**Standardise data sources:**

To a scale of 0-100 where 0 equals the highest level of perceived corruption and 100 equals the lowest level of perceived corruption. This is done by subtracting the mean of the data set and dividing by the standard deviation and results in z-scores, which are then adjusted to have a mean of approximately 45 and a standard deviation of approximately 20 so that the data set fits the CPI's 0-100 scale.

**Calculate the average:**

For a country or territory to be included in the CPI, a minimum of three sources must assess that country. A country's CPI score is then calculated as the average of all standardised scores available for that country. Scores are rounded to whole numbers.

### **Report a measure of uncertainty:**

The CPI is accompanied by a standard error and confidence interval associated with the score, which capture the variation in scores of the data sources available for that country/territory.

#### **2.6.1 Criticisms of Transparency International Corruption Perception Index**

The CPI has been credited widely for putting the issue of corruption on the global policy agenda and raising international awareness about the phenomenon. Nonetheless, the CPI has been the focus of much criticism regarding its methodology (Arndt and Oman, 2006; Galtung 2006). Byrne, Arnold and Nagano (2010) summarised the following as the major short-comings of the CPI:

1. Perception-based corruption indexes may influence the actual perception of corruption because of the media attention they receive, thus raising the possibilities that the indexes influence the very same perceptions on which they are based. This circularity reinforces perceptions of corruption, creating a vicious cycle between perception and fact. Therefore, the perception of corruption does not always reflect the reality or complexity of the actual level or experience of corruption within a country.
2. The CPI incorporates surveys that do not contain explicit definitions of the aspects of governance and corruption they intend to measure. Indicators such as “corruption,” “conflicts of interest,” “diversion of funds,” and “anti-corruption efforts and achievements” are difficult to interpret universally; and divergent interpretations clearly have a subsequent impact on country-to-country comparability.

3. Reliance on the indexes does not reward genuine reformers (country that is believed to be corrupt, but is willing to reform) because the rankings do not provide an indication of political intent or success in the fight against corruption.
4. Changes in methodology and sample base have complicated year-to-year comparisons. Survey respondents in different countries describe corruption in different terms. Even when countries have similar rankings, their experiences of corruption may be vastly divergent. As the sources used for a country change from year to year, the implicit definitions change; and that complicates same-year comparisons between and among countries.
5. Perception-based corruption indexes often are founded on experts' evaluations of a country's situation. Those experts' perceptions, however, may be influenced by other experts' reports on corruption in a particular country; and those other reports again may be founded on the perception based indexes from the last year. In such cases, we have a cycle of reports based on other reports, which were based on the first reports.
6. A single score gives no in-depth information about where corruption occurs or what types of corruption are predominant in a country. The CPI does not measure how much corruption costs either in real terms or in terms of its impact on economic growth.

Despite the above criticisms of CPI, suffice to say that it still remains the major source of empirical data on corruption in the various nations of the world. It is also pertinent to mention that the data has contributed in no small mean to the global fight against corruption by

stimulating conscious efforts in promoting transparency and accountability among many nations of the world.

### **2.6.2 Implications of CPI for economic growth and development**

Perceptions of corruption have real consequences. Foreign investors and international donors use perception-based composite governance indicators to make decisions on vital investment and aid. As a consequence, countries are discriminated against because of perceived trends in their commitments to good governance (Byrne, Arnold and Nagano, 2010).

The perception that a country has corrupt leadership is likely to make international companies reluctant to allocate foreign direct investment there (Byrne, 2010). It is estimated that a one-standard-deviation increase (improvement) in a perception-based corruption index increases investment rates by 3 percent of a country's GDP and increases the annual growth rate of GDP per capita by one percentage point (Mauro, 1995). According to Williamson (2004), Transparency International acknowledged that a fall in foreign direct investment in Bangladesh may be linked to the country's position at the bottom of its table since 2001. In the same vein, a report from the Organisation for Economic Co-operation and Development notes that at least one donor stopped funding a country because of its standing in the CPI (Arndt and Oman, 2006). The same report also notes that the dominance of perception indexes may be contributing to the emergence of a "corruption trap." As development aid is increasingly made conditional on the implementation of reforms, those countries with the least resources to implement "good governance" stand to suffer most from the withdrawal of precisely the support they need to stand any realistic chance of tackling corruption. In this way, perception-based indexes can become entirely counterproductive.

## 2.7 Types of corruption

Arvind (2001) noted that three types of corruption can be identified in any democratic society. He opined that these three types of corruption differ from each other in terms of the types of decisions that are influenced by corruption, by the sources of (misused) power of the decision maker, and hence the types of models that can be used to explain corruption. The three types of corruption are:

(1) **Grand corruption:** This type of corruption is associated with the political elite by which they change either the national policies or the implementation of national policies to serve their own interests at some costs to the populace. According to Krueger (1993), politicians are supposed to make resource allocation decisions based solely upon the interests of their principals (the populace), but where public spending is diverted to sectors where gains from corruptions are greatest at the expense of serving the needs of the collectivity of the people, the condition is described as grand corruption. Porta and Vannucci (1997) argued that it is difficult to identify and measure this type of corruption especially when it can be shown that at least some segments of the population will gain, or when claims can be made that (incalculable) future gains will accrue to some segments of the society

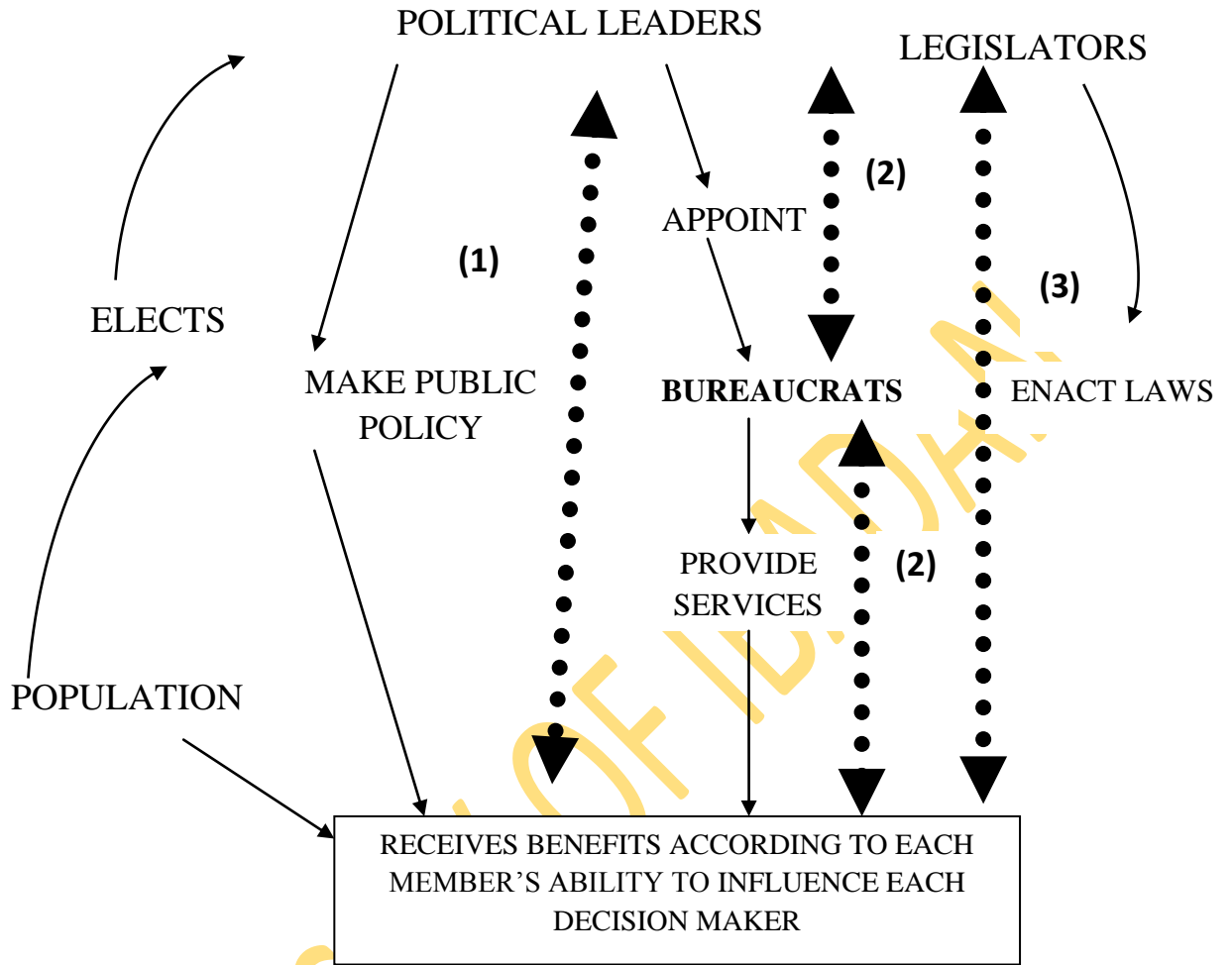
(2) **Bureaucratic corruption:** This refers to corrupt acts of the appointed bureaucrats in their dealings with either their superiors (the political elite) or with the public. In its most common form, usually known as petty corruption, the public may be required to bribe bureaucrats either to receive a service to which they are entitled or to speed up a bureaucratic procedure. Bureaucrats may also extract payments while carrying out tasks

assigned to them by the political elite. Rose-Ackerman (1998) argued that corruption in the judiciary, where bribes can lower either the costs or the chances of legal penalties may be classified under this category of corruption.

(3) **Legislative corruption:** This refers to the manner and the extent to which the voting behaviour or legislators can be influenced. Legislators can be bribed by interest groups to enact legislation that can change the economic rents associated with assets. According to Rose-Ackerman (1999), this type of corruption would include vote buying by legislators in their attempt to be re-elected or by officials in the executive branch in their efforts to have some legislation enacted. An example of this type of corruption is the attempt by certain interest group in Nigerian universities to “lobby” the National Assembly with monetary incentives in order to secure the passage of a bill meant to professionalise their disciplines. It is expected that the “professionalisation” will translate to better remuneration for members of the group.

Figure 2 below highlights relationships between the populace, the political, administrative and judicial elite. The three types of corruption explained above are also shown in bold dotted arrows.





**Figure 2:** Corrupt relationships in a democratic society  
 Source: Arvind (2001): Corruption: A review. p74

## 2.8 Dimensions of corruption

The activities that constitute illegal corruption differ depending on the country or jurisdiction. For instance, Wikipedia (2010) posited that some political funding practices that are legal in one place may be illegal in another. In some cases, government officials have broad or ill-defined powers, which make it difficult to distinguish between legal and illegal actions. Amundsen (1999) and Anderson (2002) characterised some main forms or manifestations of corruption, according to a number of basic characteristics. The main dimensions considered are bribery, embezzlement, fraud and extortion (Amundsen, 1999); and nepotism, patronage, pork-barreling, bureaucratic conflict of interest, influence peddling and impropriety (Anderson, 2002). According to Andvig *et al* (2000), although these concepts are partly overlapping and at times interchangeable with other concepts, they may identify some basic varieties of corruption. These dimensions of corruption are discussed as follows:

“**Bribery**” is the payment (in money or kind) that is given or taken in a corrupt relationship. A bribe is a fixed sum, a certain percentage of a contract, or any other favour in money or kind, usually paid to a state official who can make contracts on behalf of the state or otherwise distribute benefits to companies or individuals, businessmen and clients. Andvig *et al* (2000) identified the many equivalent terms to bribery as *kickbacks*, *gratuities*, “*commercial arrangements*”, *baksheesh*, *sweeteners*, *pay-offs*, *speed-* and *grease money*, which are all notions of corruption in terms of the money or favours paid to employees in private enterprises, public officials and politicians. These are payments or returns needed or demanded to make things pass swifter, smoother or more favourably through the state or government bureaucracies. Worldwide, bribery alone is estimated to involve over 1 trillion US dollars annually (BBC, 2007).

**“Embezzlement”** is theft of resources by people who are put to administer it; it is when disloyal employees steal from their employers. This is a serious offence when a public official misappropriates public resources and or steals from the public institution in which he or she is employed and from resources he or she is supposed to administer on behalf of the public. The general public is deprived when public funds are embezzled, but no individual property is stolen and individual citizens are bereft of legal rights to present themselves as forfeited. This points to one of the dangers of embezzlement. There will have to be a political will as well as an independent judiciary and a legal capacity to clamp down on embezzlement. Embezzlement is a form of corruption and power abuse that can develop in closed institutional and moral spheres, independently of the public moral and with few possibilities of public sanction. In many thoroughly corrupt countries, embezzlement is a fundamental part of the resource extractive capacity of ruling elite, even more important than extraction through bribes (Andvig *et al*, 2000).

**“Fraud”** is an economic crime that involves some kind of trickery, swindle or deceit. Fraud involves a manipulation or distortion of information, facts and expertise, by public officials positioned between politicians and citizens, who seeks to draw a private profit. Fraud is when a public official (agent), who is responsible for carrying out the orders or tasks assigned by his superiors (principal), manipulates the flow of information to his private profit; hence the widely used principal-agent or incentive theory employed by economists to study this phenomenon (Eskeland and Thiele 1999; Fjeldstad 1999). Fraud is also a broader legal and popular term that covers more than bribery and embezzlement. It is fraud for instance when state agencies and state representatives are engaged in illegal trade networks, counterfeit and racketing, and when forgery, smuggling and other organised economic crime is propped up by “official” sanction

and/or involvement. It is fraud when politicians and state agents take a share for closing their eyes on economic crimes, and it is serious fraud when they have an active role in it (Andvig *et al*, 2000).

**“Extortion”** is money and other resources extracted by the use of coercion, violence or the threats to use force. Blackmailing and extortion are corrupt transactions where money is violently extracted by those who have the power to do it, but where very little is returned to the “clients” (perhaps only some vague promises of exception from further harassment). “Protection” or “security” money can be extorted in the classical, well-known mafia style, where organised criminals use insecurity, harassment and intimidation to extort money from individual citizens, private businesses and public officials (Andvig *et al*, 2000). Corruption in the form of extortion is usually understood as a form of extraction “from below”, by mafias and criminals. Corrupt practices of this kind can, however, also be “from above”, when the state itself is the biggest mafia of them all. This is for instance when the state, and in particular its security services and paramilitary groups, extorts money from individuals, groups and businesses. With more or less concealed threats, taxes, fees and other resources are extracted from travellers, market vendors, transporters and other private sector businesses. Furthermore, various state officials may extract “under the table” fees and “gifts” from individual citizens as they approach the state as clients, customers, patients, school children etc.

**“Favouritism”** is a mechanism of power abuse implying “privatisation” and a highly biased distribution of state resources, no matter how these resources have been accumulated in the first place. Favouritism is the natural human proclivity to favour friends, family and anybody close and trusted. Favouritism is closely related to corruption insofar as it implies a corrupted

(undemocratic, “privatised”) *distribution* of resources. In other words, this is the other side of the coin where corruption is the *accumulation* of resources (Andvig *et al*, 2000). This definition implies that favouritism is the penchant of state officials and politicians, who have access to state resources and the power to decide upon the distribution of these, to give preferential treatment to certain people. Clientelist favouritism is the rather everyday proclivity of most people to favour his own kin (family, clan, tribe, ethnic, religious or regional group). Favouritism or cronyism is for instance to grant an office to a friend or a relative, regardless of merit. Favouritism is a basic political mechanism in many authoritarian and semi-democratic countries. In most non-democratic systems, the president has for instance the constitutional right to appoint all high-ranking positions, a legal or customary right that exceedingly extends the possibilities for favouritism. It easily adds up to several hundred positions within the ministries, the military and security apparatus, in the parastatal and public companies, in the diplomatic corps and in the ruling party.

“*Nepotism*” is a special form of favouritism, in which an office holder (ruler) prefers his proper kinfolk and family members such as wife, brothers and sisters, children, nephews, cousins, in-laws etc. (Anderson, 2002). Many unrestricted presidents have tried to secure their (precarious) power position by nominating family members to key political, economic and military/security positions in the state apparatus. Nepotistic nominations into office however, is not the exclusive problems of the political class alone but also rampant among bureaucrats who holds key offices in government positions.

**“Patronage”** refers to favoring supporters, for example with government employment. This may be legitimate, as when a newly elected government changes the top officials in the administration in order to effectively implement its policy. It can be seen as corruption if this means that incompetent persons, as a payment for supporting the regime, are selected before more able ones (Gallagher, 2012). In non-democracies many government officials are often selected for loyalty rather than ability. They may be almost exclusively selected from a particular group that supports the regime in return for such favors. This form of corruption is widely acclaimed to be associated with political appointments in Nigeria in the recent years (Balogun and Jimoh, 2012). According to Gallagher (2012), a similar problem has been reported in Romania, where the government is often accused of patronage (when a new government comes to power it rapidly changes most of the officials in the public sector).

**“Influence Peddling”** or trading in influence refers to the situation where a person sells his/her influence over the decision process involving a third party (person or institution). The difference with bribery is that this is a tri-lateral relation. Anderson (2002) opined that from a legal point of view, the role of the third party (who is the target of the influence) does not really matter although he/she can be an accessory in some instances. It can be difficult to make a distinction between this form of corruption and some forms of extreme and loosely regulated lobbying where for instance law- or decision-makers can freely "sell" their vote, decision power or influence to those lobbyists who offer the highest compensation, including where for instance the latter act on behalf of powerful clients such as industrial groups who want to avoid the passing of specific environmental, social, or other regulations perceived as too stringent, etc. Where lobbying is (sufficiently) regulated, it becomes possible to provide for a

distinctive criterion and to consider that trading in influence involves the use of "improper influence" (Wikipedia, 2010).

***“Pork-barreling”*** is the appropriation of government spending for localized projects secured solely or primarily to bring money to a representative's district. The term *pork barrel politics* usually refers to spending which is intended to benefit constituents of a politician in return for their political support, either in the form of campaign contributions or votes (Wikipedia, 2010).

***“Conflict of Interests”*** can be defined as any situation in which an individual or corporation (either private or governmental) is in a position to exploit a professional or official capacity in some way for their personal or corporate benefit. A conflict of interest is also defined as a set of circumstances that creates a risk that professional judgment or actions regarding a primary interest will be unduly influenced by a secondary interest (Thompson, 1993). *Primary interest* refers to the principal goals of the profession or activity, such as the protection of clients, the health of patients, the integrity of research, and the duties of public office. *Secondary interest* includes not only financial gain but also such motives as the desire for professional advancement and the wish to do favours for family and friends, but conflict of interest rules usually focus on financial relationships because they are relatively more objective, fungible, and quantifiable. According to Thompson (1993), the secondary interests are not treated as wrong in themselves, but become objectionable when they are believed to have greater weight than the primary interests. The *conflict* in a conflict of interest exists whether or not a particular individual is actually influenced by the secondary interest. It exists if the circumstances are reasonably

believed (on the basis of past experience and objective evidence) to create a risk that decisions may be unduly influenced by secondary interests.

**“Institutional Corruption”** as a form of corruption was identified by Thompson (1995). It is distinguished from bribery and other kinds of obvious personal gain. Campaign contributions are the prime example. According to Thompson (1995), even when they are legal, and do not constitute a *quid pro quo*, they have a tendency to bias the process in favor of special interests, and undermine public confidence in the political institution. They corrupt the institution without individual members being corrupt themselves. A similar problem of corruption arises in any institution that depends on financial support from people who have interests that may conflict with the primary purpose of the institution (Wikipedia, 2010).

## **2.9 Impediments to empirical studies on corruption in Africa**

Africa suffers from endemic and systemic corruption which harms the continent’s development. The continent provides a glaring example of resource paradox. Africa has an abundance of natural resources yet, it is also one of the poorest regions in the world with millions of people living under \$1 a day. The Transparency International (TI) ratings of countries’ level of corruption have prompted conscious efforts in promoting transparency in many nations of the world. However, there is dearth of empirical data on corruption in many African nations, which makes development of appropriate and locality specific preventive measures difficult. One major impediment to empirical studies on corruption particularly in Africa may be associated with certain myths developed around corruption study. Kaufmann, Kraay and Mastruzzi (2008) exhaustively discuss these and their associated realities, some of which are highlighted as follows:



**Myth 1: Corruption cannot be measured**

**Reality:** Corruption can, and is being, measured in many forms. Different approaches serve different purposes, as seen in the following three broad ways of measuring corruption:

**Myth 2: Subjective data reflect vague and generic perceptions of corruption rather than specific objective realities**

**Reality:** *Since corruption usually leaves no paper trail, perceptions of corruption based on individuals' actual experiences are sometimes the best, and the only, information we have.*

**Myth 3: Subjective data are too unreliable for use in measuring corruption**

**Reality:** *All efforts to measure corruption using any kind of data involve an irreducible element of uncertainty.* No measure of corruption 'objective' or subjective, specific or aggregate can be 100 percent reliable—in the sense of giving precise measures of corruption.

**Myth 4: We need hard objective measures of corruption in order to progress in the fight against corruption**

**Reality:** *Since corruption is clandestine, it is virtually impossible to come up with precise objective measures of it.*

**Myth 5: Subjective measures of corruption are not "actionable" and so cannot guide policymakers in the fight against corruption**

**Reality:** *Several different surveys of firms and individuals ask detailed and disaggregated questions about corruption in different areas of government. Moreover, tracking even quite general perceptions about corruption can also be a useful way—even if not alone—of monitoring anticorruption programs.* In fact, governments in democracies around the world rely on polling data to set policy priorities and track their progress.

Ladele and Fadairo (2012) in their essays on social research and corruption identified three additional reasons responsible for the paucity of empirical studies on corruption as follows:

- Issue of Conscience and Obtrusive notion on corruption: The mere mention of the word ‘corruption’ as a subject of research among workers upset so many as if the research is settling to investigate them on corruption. Respondents normally put up an obtrusive posture suggesting the questioner is tending to intrude or force opinions on them.
- Thought that corruption is a political problem that can only be addressed by policy makers. Authors however argued that this may not be realistic because empirical evidence ought to be made available to justify policy action.
- The impression about the enormity of the perpetrators who rein huge political influence. Authors argued that this will continue to be so because corruption is a clandestine activity operating in underground.

## CHAPTER THREE

### 3.0 THEORETICAL AND CONCEPTUAL ORIENTATION

#### 3.1 Theoretical framework

There is increasing interest among agricultural policymakers, planners and donors in how corruption affects agricultural services and outcomes, and what can be done to combat corruption in the agricultural sector. Efforts to explain the risk of abuse of entrusted power for private gain have examined the links between corruption and various aspects of management, financing and governance. Behavioural scientists and anthropologists also point to individual and social characteristics which influence the behaviour of government agents and clients. This study presents a comprehensive framework and a set of theories for describing and measuring how opportunities, pressures and rationalizations from management practices influence corruption in the agricultural sector.

The following theories have been considered relevant for this study:

- i. The system-oriented Heidenheimer Theory
- ii. The principal-agent Theory
- iii. Principal-Agent –Client Model
- iv. Principal-Agent –Supervisor Model
- v. Taryn Vian Control System Review Theory
- vi. Functional Theory of Corruption
- vii. The Resource Allocation Theory

### 3.1.1 The system-oriented Heidenheimer theory

The Heidenheimer approach is fruitful in providing concepts to study different types of corruption. The definition, and use, of the corruption concept in the Heidenheimer (1989) model has a public-office centred base and rests on official definitions of corruption in the context of study and Western elite norms. Public opinion is brought into the model, as types of corrupt behaviour are classified into petty, routine and aggravated corruption, and according to normative evaluations of black, grey and white corruption. The meaning of these different concepts and definitions is further explained below.

Heidenheimer focuses on the distribution of the incidence of corruption among societies and predicts what types of corruption would be frequent within a society. Societies are grouped according to four types of political obligation relationships: the traditional family based system, the traditional patron-client based system, the modern boss-follower based system, and the civic culture based system. This model shows the relative occurrence of varieties of political behaviour concerning office-holding and civic participation that are regarded as corrupt in terms of Western elite norms. It also evaluates the severity or tolerance with which elite and mass opinion in a community considers various behaviours officially regarded as corrupt. This system classification implies that we can expect both the corrupt behaviour and the frequency of corrupt behaviour to vary among different systems and countries depending on the political culture and tradition.

In his theory, Heidenheimer (1989) grouped corruption into three different categories – petty, routine or aggravated corruption – depending on the incidence or seriousness of corruption. Determining to which category an act belongs is partly based on its pervasive effect on the

functions of society but also on whether the act is common in the different systems of political obligation relationships. Petty corruption means that officials deviate from rules in minor ways for benefit of friends. Routine corruption is characterized by: a) gifts being accepted by public officials or parties for generalised good will; b) nepotism practices found in official appointments and contract awarding; c) officials profiting from public decisions through sideline occupations; and d) clients pledging votes according to patron's direction. Aggravated corruption is characterised by: a) clients needing patron intervention to get administrative due process; b) gifts being expected by officials as prerequisite for extending due process; c) officials tolerating organised crimes in return for payoffs; d) activists suddenly changing party allegiance for pecuniary reasons; and e) officials and citizens ignoring clear proof of corruption.

Furthermore, Heidenheimer introduced the additional categories of black, grey and white corruption to give a conceptual way of looking at perceptions of acts by the elite and the public in general, and the variation of public perception of corruption between political systems. According to Andersson (2006), white corruption means that the behaviour is perceived as tolerable both by a majority of the elite and the public, and they would probably not vigorously support action against it. If acts are perceived as corrupt both by a majority of the elite and the public they are classified as black corruption. In the intermediate category, grey corruption, perceptions deviate between the elite and the public whether they would want to see the actions punished. Some groups, usually elites, may regard the behaviour as illegal and want to see it punished while others do not. The majority may be ambiguous. According to Heidenheimer (1989), the groups strongly opposed are more likely to be elites while the public in general tends to be more indifferent to the acts.

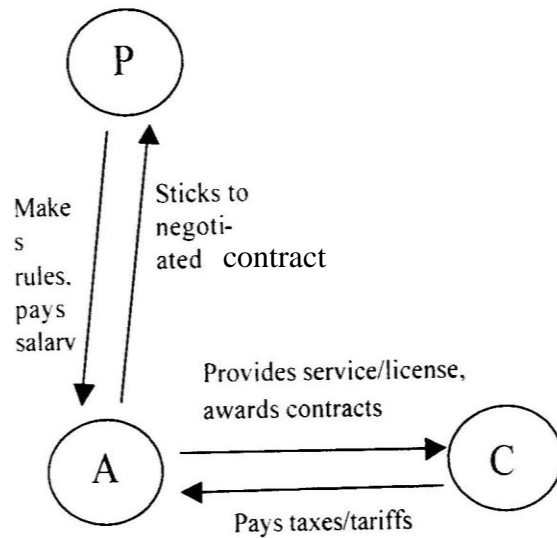
In applying the Heidenheimer approach as a comparative reference point, this study used trust (interpersonal trust) as an approximation for civicness in the Heidenheimer model in order to see if there is a relationship between trust and corruption levels, thus, giving empirical support for the model. Using this Heidenheimer model for comparison also provides an opportunity to test in a comparative context its presumptions about types of corruption. It is assumed useful in studying attitudes about corruption as it provides a theoretical foundation and tools useful for empirical studies.

The Heidenheimer approach is one of the more influential approaches. It provides the basis for method and selection of different types of corruption used in this study. However, in order to develop the discussion about different types of corruption and to enable an empirical study of corruption in Nigeria, this study finds the Heidenheimer approach inadequate. For instance, because of global diversities, our understanding of corruption has become more fragmented and ambiguous. This in turn means that the model with its categorisation of black, grey and white corruption has lost some of its capacity to reflect corrupt behavior (Heidenheimer, 2001; Andersson, 2002).

### **3.1.2 The principal-agent theory**

The principal-agent approach is about what is happening when authority is delegated from a principal to an agent. Delegation takes place because the agent has information or skills that the principal lacks. From a principal-agent approach the design of the regulatory system becomes the actual subject of analysis. For the purposes of government regulation, the model is commonly developed as in Figure 3. The principal (P) creates rules directed at assigning tasks to the agent (A). These are intended to regulate exchange with the client (C). Such exchange relates to the

payment of taxes and customs tariffs, the provision of services and licenses, or the awarding of contracts. This framework is then used to determine an optimal regulatory system.



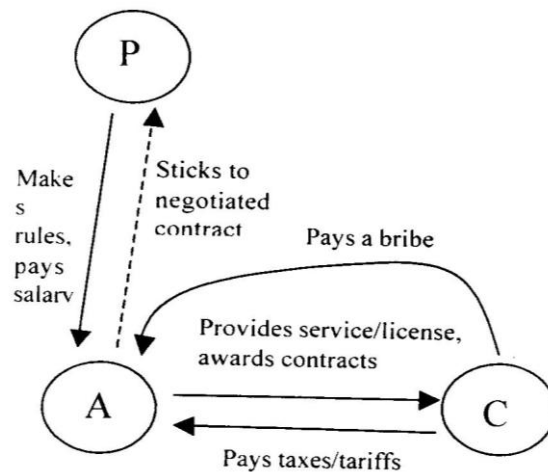
**Figure 3: Basic Principal -Agent – Client Model**

Source: Lambsdorff, J.G. 2001. How corruption in government affects public welfare — A review of theories.

A conflict of interests arises between principal and agent. While each of the two actors is maximizing utility, the principal may be insufficiently skilled or facing time constraints that favor delegation of tasks to the agent. But the agent in turn will have an informational advantage. Either his effort is not observable by the principal, he can hide information from the principal after the contract is negotiated, or he can obfuscate his qualifications before the contract is sealed. An example of the last-named case is that agents may have a certain propensity to behave honestly which is hidden to the principal, (Besley and McLaren 1993). Given this informational advantage, it may not be possible to write contracts contingent on the agent’s quality. Likewise, a

contract that specifies the agent's effort level is not enforceable, (Furubotn and Richter 1998). The principal thus faces problems of moral hazard or adverse selection.

Another crucial characteristic of corruption can be seen in the agents' relationship to third parties. A client adds another dimension to the principal-agent approach, because he provides another opportunity for the agent to cheat. Corruption is deemed to take place when an agent trespasses on the rules set up by the principal by colluding with the client and promoting his own benefit. He obtains a bribe that is hidden to the principal. This is depicted in Figure 4. The aim of a bribe is to loosen loyalty between agent and principal and induces the agent to bend the rules in favour of the client. It is this type of collusion between a client and the agent that distinguishes corruption from simple self-seeking behaviour among agents (Lambsdorff, 2001).

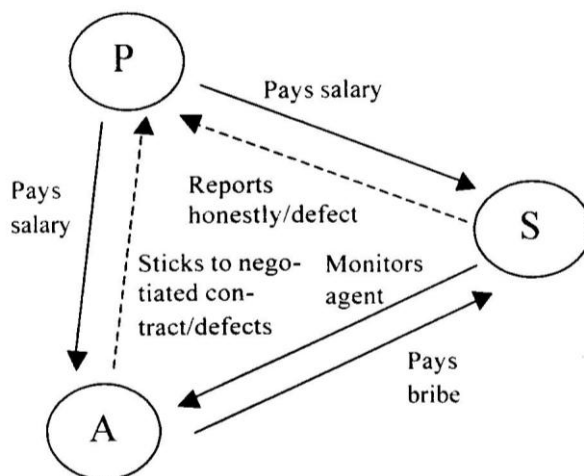


**Figure 4: Principal –Agent –Client Model**

Source: Lambsdorff, J.G. 2001. How corruption in government affects public welfare — A review of theories.



Another variant of the principal agent model emerges when a supervisor/auditor is introduced, who is supposed to monitor the agent and report truthfully to the principal, so as to alleviate the informational asymmetries faced by the principal (Figure 5). However, if a supervisor can collude with the agent, he can be induced to falsify his reports. Supervisors are often engaged to monitor and assess whether agents provided the contracted quality. If supervisors take bribes instead of reporting malfeasance, agents can get away with bad quality work. Bribe-taking supervisors were behind a case in South Korea, where a department store collapsed in 1995, killing more than 500 people and injuring 900 others (Lambsdorff, 2001).



**Figure 5: Principal-Agent –Supervisor Model**

Source: Lambsdorff, J.G. 2001. How corruption in government affects public welfare — A review of theories.

In a modern democracy, the political system is characterised by delegation of authority on all levels of government. The main advantage with the principal-agent perspective is that it provides frames to analyse these chains of delegation. It also provides the possibility of closer study and better understanding of the reasons for weaknesses or strengths in the chains of delegation.

Furthermore, this perspective enables us to see how changes in the institutional framework guiding these delegation chains impact on the ability to monitor and control.

In representative democracies four discrete steps in the chain of delegation from voters to those who govern can be identified (Strom 2000). In the Nigerian case, the voters can be seen as the principal in relation to the Parliament to which they have delegated power. The Parliament can be regarded as the principal in relation to the government (cabinet), to which power is delegated. The government in turn delegates authority to the public administration. On the local government level there is a similar type of delegation as at the national level in municipalities and county councils. We thus have a chain of delegation. The operation of this chain of delegation gives rise to several interesting questions. Does the principal really know if the agent is carrying out the duties as planned? Is the agent's information about activities correct? A natural consequence of these questions leads us to think about how agents might be made accountable and controlled, so that the intentions of the principal are not lost. A crucial factor affecting the answers to these questions revolves around the degree of access to information. Generally, the delegating party has less information about the true state of affairs than the party to which the authority has been delegated. According to Andersson (2006), control systems and information from external sources can provide information about the real state of affairs or consequences of proposals independently from that agent. In other words, measures can be undertaken that increase the cost for an agent to deliver incorrect information or to conduct tasks in a way contrary to the intentions given, especially when efficient systems for punishment can be brought about that make the agent less inclined to choose that kind of strategy.

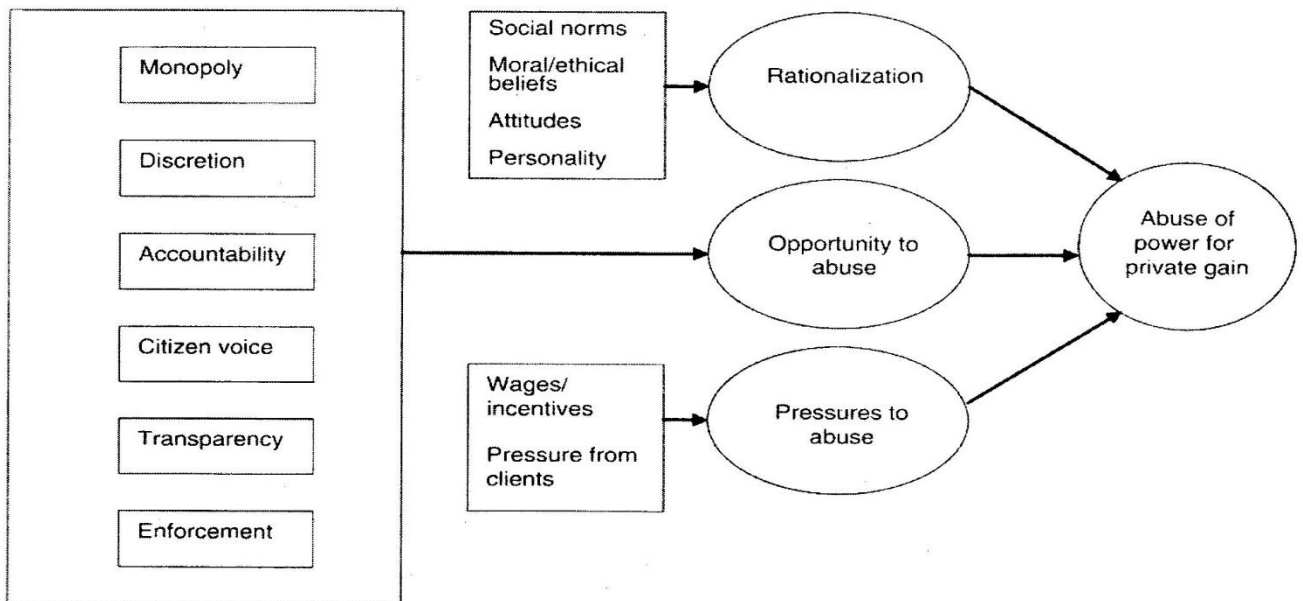
According to Andersson (2002), to overcome agency problems there are specific measures that can be undertaken. Four main types of such measures are: a) contract design, b) screening and selection mechanisms, c) monitoring and reporting requirements, and d) institutional checks. The first two classes concern ex ante mechanisms that come into play before a task has been delegated to the agent. The last two categories, monitoring and reporting requirements and institutional checks, are referred to as ex post and control measures to signal and control after the principal and agent have entered into a relationship and the agent has been delegated authority to carry out an independent action as agent.

Principal-agent theory has become more and more central in corruption research. Questions about the importance of individual choice compared to institutional factors need not be seen as exclusionary factors; rather they can be seen as complementary factors which explain an expected outcome. Corruption is not perceived as a result of an individual choice operating outside of contextual dimension. Instead, the social context plays an important role in the resulting decision.

### **3.1.3 Taryn Vian Control System Review theory**

Vian (2008) presents a theoretical framework of corruption in the health sector which consolidates some of the concepts and models that have been developed previously (Klitgaard, 1988; Lewis 2006). Looking at corruption from the viewpoint of the government agent, the framework suggests that corruption is driven by three main forces: government agents who abuse public power and position for private gain do so because they feel pressured to abuse (financially or by clients), because they are able to rationalize their behaviour or feel justified (attitudes and social norms support their decision), and because they have the opportunity to abuse power. The

factors involved, and the application of this model to the public sector, are presented in the diagram below:



**Figure 6: Framework of corruption in the health sector**

**Source:** Vian, T. 2008. Review of corruption in the health sector: theory, methods and interventions. *Health Policy and Planning* Vol. 23, No. 2 p 83.

### 3.1.4 Functional theory of corruption

One line of thinking in the corruption literature (Leff, 1964; Huntington, 1968; and Lui, 1985) which has been largely criticised sees corruption as “grease”. This functional theory of corruption argues that the economic benefits of corruption outweigh the costs and that corruption may not be inconsistent with development and, at times, may even foster it. The theory argues that the buying and selling of political favours has political and economic advantages (at least for some), and that bribery "greases the wheels" by cutting through unnecessary red tape, thereby

improving efficiency and speeding up the wheels of commerce. According to Huntington (1968), *in terms of economic growth, the only thing worse than a society with a rigid, over-centralized dishonest bureaucracy, is one with a rigid, over-centralized, honest bureaucracy.* On the political side, it is argued that corrupt practices are a means of integrating people in the political system. The propositions of this theory is however inconsistent with the numerous assertions in literature that portrays corruption as a *cancer* which retards economic development. For instance, the claim that corruption is politically integrative is questioned by Johnston (1996) who argues that corruption also has disintegrative feature. The arguments that corruption improves efficiency are based on the assumption that the economic costs of extensive public regulations may be reduced or avoided through bribery. Using data from three worldwide firm-level surveys, Wei (1999) examined the relationship between bribe payment, management time wasted with bureaucrats, and cost of capital. Contrary to the efficient 'grease' theory, they find that firms that pay more bribes are also likely to spend more, not less, management time with bureaucrats negotiating regulations, and face higher, not lower, cost of capital.

### **3.1.5 The Resource Allocation theory**

The resource allocation model views corruption as a cost within a supply-demand framework. The model assesses the consequences of resource allocation for rent-seeking activities – activities requiring input of labour and subject to a production function (Krueger, 1974). The model is based on the premise that entrepreneurs attempt to escape the invisible hand of the market and to redirect policy proposals for their own advantage. The theorists of resource allocation model argue that rent-seeking activities in resource allocation differ from corruption in that, unlike corruption, rent-seeking activities need not involve illegal payments to the legislators

or policy makers. The premise of the model is that rent-seeking is one part of an economic activity, such as distribution or production, and part of firm's resources are devoted to the activity (including the hiring of expeditors).

The rent-seeking model has been applied to the activities of different bureaucracies competing for budgets (Faith, 1980). Mixon *et al* (1994) after applying this model found that clients seeking favours from politicians offer them meals instead of direct (monetary) bribes, thus affecting the demand for restaurants in cities where legislators reside. The arguments of the resource allocation model appear to have restricted the definition of corruption to bribery alone. In addition, studies on rent-seeking behaviour (Grossman and Helpman, 1994) reveals that "rent-seeking entails a welfare loss beyond that for an import restriction without rent-seeking; implying that rent-seeking has more negative impact on development than good.

### **3.2 Conceptual framework for the study**

Having gone through a review of the aforementioned theories and models, it is observed that none of them can independently explain the perceived level, attitudes and practices of corruption among public officers in the agricultural sector of Nigeria. Therefore, for this study, a conceptual framework was derived from a synthesis of the theories to ensure that findings from this study get substantial evidences. The conceptual framework for exploring the perceived level, attitudes and practices of corruption among public officers in Nigerian agricultural sector is thus made up of the independent, intervening and dependent variables as shown in Figure 7.

### **3.2.1 Independent Variables**

The independent variables of this framework consist of the public officers' background characteristics such as age, sex, education, job satisfaction; their perception of and attitude to corrupt practices. In addition, other independent variables include the internal control (whistle blowing) measures against corruption, the various forms in which corruption may be experienced in the agricultural sector such as nepotism, private use of public resources, patronage, bribery, influence peddling, impropriety; and the causes of corruption. These variables have direct effects on the organizational management practices within the agricultural sector and also impact on the level of corruption that may be experienced in this sector.

### **3.2.2 Intervening Variables**

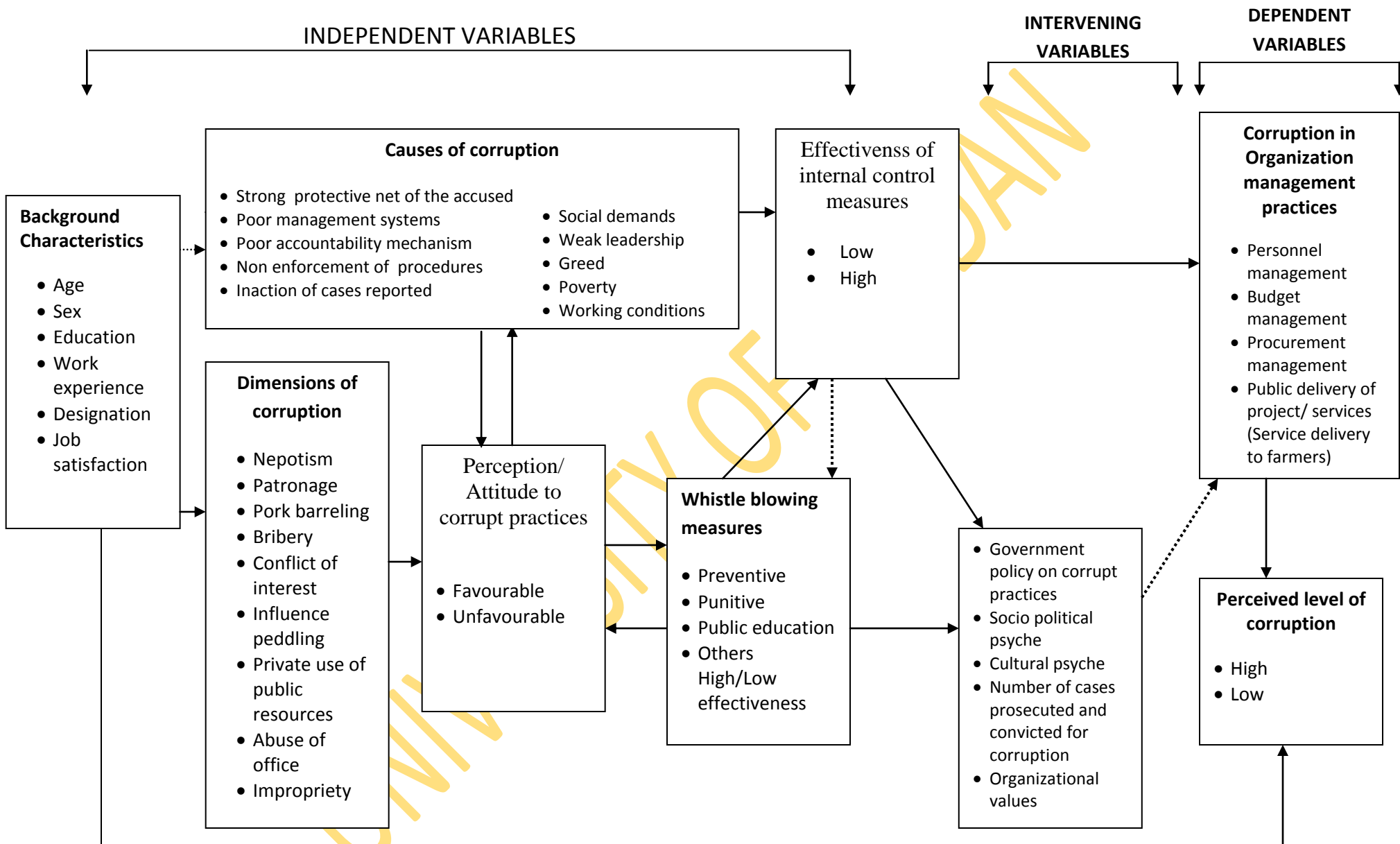
According to Kerlinger (1973), intervening variables account for internal and directly unobservable psychological processes that in turn account for behaviour, effect and causes. They are variables which though not focused upon, still affect the dependent variable. They are factors whose influences sometimes may not be easily delineated or measured but which affect the way independent variables influence the dependent variable. In this study, government policies on corrupt practices, socio-political psyche and cultural psyche of public officers influence the extent of corruption in public offices. For instance, Samura (2009) noted that third world economies are predominantly buffeted with barrages of corrupt practices that have deep anchorage on weak government policies on corruption. In the same vein, psychological factors can help explain some types of corruption. Internally, some people are "naturally evil" and will commit criminal acts, including corrupt ones in any type of system. Pressure and peer comparison can also contribute greatly to acts of corruption, for instance, in the words of one

artist “when the best of people take bribes, isn’t it the fool who doesn’t”. This presupposes that in an environment where an individual see others around him/her benefiting from corruption, they may well choose to indulge too. Other factors include number of cases prosecuted and convicted for corrupt practices and effectiveness of internal control measures for corruption within the sector of agriculture. Values and value system of the society can also affect either positively or otherwise, the extent of corrupt practices within a society and its economic sectors such as agriculture. For example, a society where an individual who is honest and credible is accorded more prestige and respect than another whose character is questionable but have economic assets will likely have fewer cases of corruption than other society where the reverse is desirable.

### **3.2.3 Dependent Variable**

The dependent variable of this study is the perceived level of corruption in agriculture. The following domains were investigated in this study: personnel management, budget management, procurement management and public service delivery of projects and services. An aggregated score of each of the variables was used to describe the management practices in the agricultural sector. Summated scores of all the variables formed the basis for categorization into high and low levels of corruption.





**FIGURE 7: FRAMEWORK FOR PERCEIVED LEVEL OF CORRUPTION AMONG PUBLIC OFFICERS IN THE AGRICULTURAL SECTOR IN SOUTHWESTERN NIGERIA**

### 3.3 Explanation of the framework

The framework shown in Figure 7 represents the schematic representation of how independent variables, intervening variables and the dependent variables are interrelated. The respondents' background characteristics are presumed to affect the forms and causes of corruption in the agricultural sector. For instance, respondents with high level designation or position of office may be prone to high social demands and may also be predisposed to corrupt practices in the form of nepotistic nomination of friends or family into office. Geographical variation in cultural permissiveness for different forms of corruption may also influence respondents' perception of what is corrupt and what is not and consequently, their attitude to corrupt practices. Causes of corruption may affect respondents' perception and attitude and vice versa. Non enforcement of procedures or strong protective net of the accused may engender a high level of tolerance for corrupt practices. Also, where there is high tolerance for corruption, the accountability mechanism within the organizational system may be weak.

Furthermore, effectiveness of internal controls mechanisms for corruption may affect and be affected by respondents' perception and attitude to corruption. The establishment of Economic and Financial Crime Commission (EFCC) and Independent Corrupt Practice Commission (ICPC) during the regime of President Olusegun Obasanjo was widely acknowledged to have triggered caution with respect to corrupt practices among public officials and the general populace. The Transparency International report also reveals a slight improvement in Nigeria's rating during this period.

The interplay of the above enumerated independent variables are likely to have impact on organisational management practices such as public service delivery, procurement, personnel and

budget management which cumulatively determine the perceived level of corruption among the public officials in the agricultural sector (dependent variable). Also, government policy on corruption, socio-political/cultural psyche of respondents including the value system within respondents organization (intervening variables) are presumed to indirectly influence the perceived level of corruption among the public officials in the agricultural sector.

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## CHAPTER FOUR

### 4.0 RESEARCH METHODOLOGY

This chapter describes the methodology employed in carrying out the study. The components examined here include research design, study area, population of the study, sampling procedure, sources of data, instrument for data collection, pre-test, validity and reliability of instrument for data collection, measurement of variables and technique of data analysis.

#### 4.1 Research design

The plan, structure and strategy of investigation used for this study were perception-based survey. The study adapted a sectoral strategy to the empiricism study of corruption in the field of agriculture. Data was mainly collected from public officers in the Ministry of Agriculture and Agricultural Development Programme which were identified as major vehicles through which agricultural development policies of the nation are implemented (Yekinni, 2007). A survey of farmers was also carried out for the purpose of obtaining a flip side of the data on transparency in public service delivery by the public officials from the farmers. Due to the issue of conscience and obtrusive notion on corruption, the use of the term “corruption” was largely avoided in the designed questionnaire. Instead, other words revealing conditions of corruption such as financial probity, transparency, dishonesty, etc. were used in place of corruption.

## 4.2 The study area

The study was carried out in southwestern geopolitical zone of Nigeria. The area lies within latitudes  $6^{\circ}$  N and  $9^{\circ}$  N of the equator and longitudes  $3^{\circ}$  E and  $6^{\circ}$  E of the Greenwich meridian (Online Nigeria, 2007, Figure 8). It is surrounded by the Republic of Benin in its west border, the Atlantic Ocean at the south border, Edo and Delta States on the east and Kwara and Kogi States on the north border (Answers, 2007). It comprises of six Yoruba speaking states namely: Lagos, Ogun, Oyo, Osun, Ondo and Ekiti States. It harbours a population of 27,581,982 people (Nigeria-Planet, 2007). Agriculture in small and scattered holdings is the major income generating activity of the population of this area. For the purpose of this study, Oyo, Osun and Ekiti States were chosen as the study areas. These locations shown in Figure 8 are thus briefly described:

Osun State which covers an area of approximately  $14,875\text{km}^2$  and population of 3,423,535 (2006 National Population Census) was created on August 27, 1991 with the capital located at Oshogbo. Osun State, known as the state of the living spring was carved out of the old Oyo state. The state is bounded on the west by Oyo state, Ondo and Ekiti states in the East, Kwara state in the North and Ogun in the south. There are 30 local government areas that make up Osun State. Agriculture is the traditional occupation of the people of the state. The main cash crops are cocoa, Palm produce while food crops include Yam, Maize, Cassava, Millet, Plantain, and Rice. The Federal Government has indicated its presence in the state through the citing of two major industries namely: Osogbo Steel Rolling Mills and the Nigerian Machine Tools at Osogbo, the state capital. Other industries in the state include the cocoa products industry at Ede and the supreme oil industry at Ilesha. Other small and medium industry ventures are spread all over the

state. Osun state apart from being rich in agricultural products is also endowed with a number of mineral resources such as gold, clay, limestone and granite. The state is also a repository of Yoruba culture. Ile-Ife, known to be the cradle of the Yoruba race is a very attractive tourist center. It has the renowned Oranmiyan Staff, the Ife-Museum, the Osun shrine and the Olumirin water falls at Erin Ijesha. Others are the Mbari-Mbayo heritage, Idi-baba cultural center and the Aduni Susan-Wenger Art works center located at Osogbo. Above all, the state is recognized internationally through its colourful annual Osun-osogbo festival.

Oyo State lies between latitude  $7^{\circ}$  and  $9.30^{\circ}$  North of the equator and between longitude  $2.5^{\circ}$  and  $5^{\circ}$  East. The state comprises of 33 Local Government Areas and covers an area of  $32,249.1\text{km}^2$  out of which  $27,107.93\text{km}^2$  is cultivable (OYSADEP, 2001). Oyo state is a state of small hills and lowlands, forests and grasslands. It is bounded in the north by Kwara State, in the south by Ogun State, and by Republic of Benin in the west and in the east by Osun State. Ibadan is the capital city of Oyo State. Other major cities in Oyo State include Oyo, Ogbomoso, Iseyin, Saki, Eruwa and Igbo-Ora. The total population of the people is estimated at 4,488,789 (NPC, 2006). The bulk of this population resides in the rural area with farming as their main occupation.

Ekiti State was created out of the old Ondo on 1st October 1996 with its capital in Ado-Ekiti. The state is located between latitudes  $7^{\circ}25'$  and  $8^{\circ}5'N$  and between longitudes  $4^{\circ}45'$  and  $5^{\circ}46'$  east. The state covers a total land area of  $6,353\text{Km}^2$  and is bound by Osun State to the west. To the east of Ekiti State is found Edo State, while it is bounded in the south by Ondo State. Ekiti State is a landlocked state, having no coastal boundary. There are 16 Local Government Areas (LGAs) in the state.

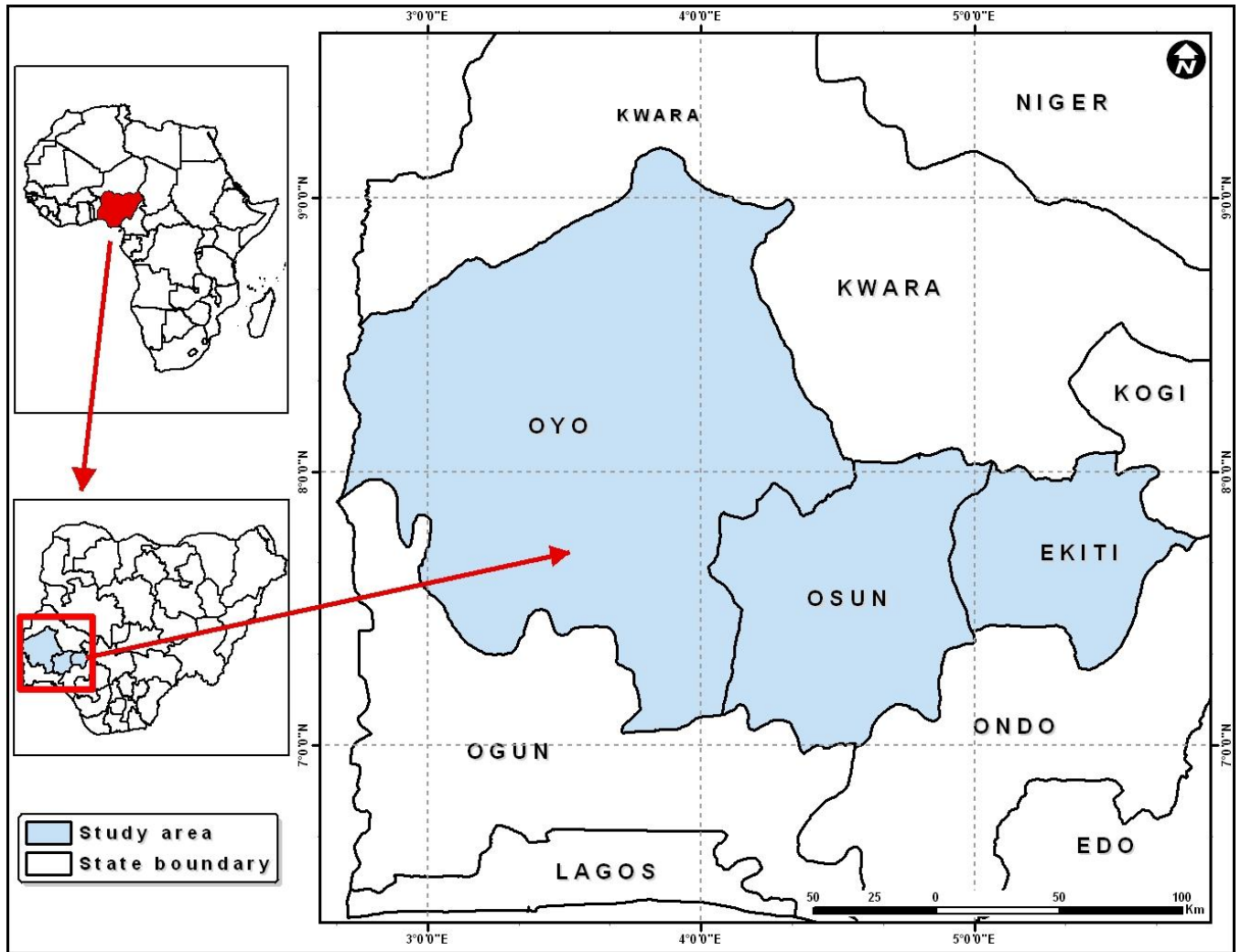


Figure 8: Map showing the study area

### **4.3 Study population**

The population for the study comprised all the members of staff of the Ministries of Agriculture and Natural Resources (MANR), Staff of Agricultural Development Programme (ADP) and the farmers in south west Nigeria. These establishments (MANR & ADP) were identified as major vehicles through which agricultural development policies of the nation are implemented (Yekinni, 2007).

### **4.4 Sampling procedure and sample size**

#### **ADP respondents**

A multi-stage sampling procedure was used to sample the respondents for this study. The first stage involved the selection of 3 out of the six states that make up the south west geopolitical zone of Nigeria using simple random sampling technique. Oyo, Ekiti and Osun States were thus selected for the study. Respondents (Public officers) were selected from the ADP and Ministry of Agriculture in each of the sampled states. Sampling of the ADP staff was accomplished by the sampling of 50% of the zones within each state using simple random sampling technique. From each of the sampled zones, a list of members of staff was obtained from the Director of Personnel. Using the obtained list, members of staff were stratified into Management and Field staff and simple random sampling technique was used to select 10% from the staff population in each of the zones. Thus, a total of 82 respondents were drawn from the ADP in the three states. Table 3 presents analysis of the sampling procedure for respondents drawn from ADP.



**Table 3: Analysis of sampling procedure for ADP Staff**

State	No. of ADP zones	Selected zones	No of staff in selected zones		No. of staff Selected from zones (10%)		Total
			Field staff	Management staff	Field staff	Management staff	
Oyo	4	2 (Oyo, Ibadan/Ibarapa)	299	68	30	7	37
Ekiti	2	1 (Aramako)	198	71	20	7	27
Osun	3	2 (Osogbo, Iwo)	133	52	13	5	18
			Total				<b>82</b>

**Source: Field survey, 2010**

## **MANR respondents**

Sampling of public officers from the Ministry of Agriculture and Natural Resources in the selected states was accomplished by stratifying the members of staff in each state ministry into three categories namely: Management/Principal Officers (GL 12 and above), Senior Officers (GL 8-10) and Junior Officers (GL 4-7). The stratification was to ensure that the selection of respondents for the study is not skewed in favour of personnel from any particular cadre. Ten percent of respondents were sampled from each of the categories using simple random sampling technique. Thus, a total of 92 respondents were sampled from the Ministries of Agriculture in the three states. Table 4 presents analysis of the sampling procedure for respondents drawn from the ministry of agriculture.

**Table 4: Analysis of sampling procedure for MANR Staff**

State	No. of Staff in each category			No. of staff selected from each category (10%)			Total
	Management/ Principal Officers	Senior Officers	Junior Officers	Management/ Principal Officers	Senior Officers	Junior Officers	
Oyo	98	157	132	10	16	13	39
Ekiti	71	136	113	7	14	11	32
Osun	69	78	63	7	8	6	21
				Total			<b>92</b>

**Source: Field survey, 2010**

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## **Farmers**

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. Table 5 presents analysis of the sampling procedure for farmers drawn from the study area.

**Table 5: Analysis of sampling procedure for farmers**

State	No. of ADP Zones	Selected Zones (50%)	No. of blocks in selected zones	Sampled ADP blocks (50%)	No. of cells in sampled blocks	Sampled cells (10%)	No. of registered farmers in sampled cells	No. of farmers Sampled (20%)
Oyo	4	2 (Oyo, Ibadan/Ibarapa)	15	8	42	4	238	47
Ekiti	2	1 (Aramako)	8	4	22	2	186	37
Osun	3	2 (Osogbo, Iwo)	20	10	52	5	341	68
<b>Total</b>								<b>152</b>

Source: Field survey, 2010

#### **4.5 Source of data and instrument for data collection**

The use of primary data was employed for this study. On the one hand, data were collected through the use of structured questionnaires consisting of both open and close-ended questions to elicit information from the public officers sampled from the ADP and MANR. On the other hand, interview schedule was used to garner information from the farmers.

#### **4.6 Validity and reliability of instrument**

The instrument for data collection was subjected to face and content validation by lecturers/researchers in Agricultural Extension, Political Science and Economics. The process resulted in correction of defective and irrelevant items and the inclusion of some others to ensure appropriateness and adequacy of the items on the instruments to measure the variables of the study. The reliability of the instruments was tested by administering 30 copies of questionnaire to public officers in the Ondo State Ministry of Agriculture and Natural Resources. Thirty copies of questionnaire developed for farmers were also administered to ADP contact-farmers in the same state. Using the split-half method, reliability co-efficient of 0.818 and 0.836 were obtained for public officers and farmers respectively testifying that the instruments were reliable for the study.

#### **4.7 Measurement of variable**

##### **4.7.1 Dependent variable**

The dependent variable for this study is the Perceived level of corruption in agricultural sector. This was measured using the control systems review method, an approach similar to the Transparency International measure of corruption. Questions were asked from respondents on

issues of personnel management; budget management, including budget preparation, implementation, and evaluation; procurement management and public service delivery of agricultural projects and services. These indicators were identified by World Bank (2008) as organizational management practices that reveal the extent of corrupt practices in public offices.

Extent of transparency in Personnel Management was determined by asking respondents to indicate extent to which personnel management practices (related to administration, policies, regulations, hiring, changes, promotion etc.) in their organization satisfy certain transparency procedures on a four point Likert-type scale of Never, Occasionally, Frequently and Always. Scores of 1, 2, 3 and 4 were awarded to positive statements and the reverse for negative statements. From respondents' responses to the 20 statements on the scale, least score of 31 was obtained and the highest score was 58. The mean score of  $45 \pm 6.1$  obtained was used to categorize personnel management practices in the sector as transparent and not transparent.

Budget Management was assessed by asking respondents to react to 10 statements that investigated transparency in various budgetary issues on a 3 point Likert-type scales of Not at all, Moderate extent and Large extent. Scores of 1, 2, and 3 were awarded to positive statements and the reverse to negative statements. Respondents also ticked the options they considered appropriate to describe budget expenditure and management in their establishment from various options provided. Thus, from a total of 14 statements on budget management, the least score obtained was 14 and the highest score was 44. Mean score of  $26.8 \pm 4.5$  was also obtained and scores of mean and above indicated transparency in budget management.

Respondents indicated the extent to which procurement procedures in their establishment comply with expected due process in public sectors by reacting to 6 statements on a Likert-type scale of

never, up-to 25% of the time, up-to 50% of the time, up-to 75% of the time and always. Scores of 1,2,3,4 and 5 were awarded to positive statements and the reverse to negative statements. The least score obtained was 9 and the highest score was 22. Mean score of  $15.7 \pm 3.6$  was also obtained and scores of mean and above indicated transparency in procurement management.

Extent of transparency in public service delivery was determined by asking respondents from the MANR and ADP to indicate their extent of agreement issues surrounding quality, timeliness, accessibility and user-satisfaction of service delivery by their organizations on a Likert-type scale of Agree, Uncertain and Disagree. The public officers also reacted to statements on implementation of activities/services offered by their organization on a three point Likert-type scale of not at all, moderate extent and large extent. Scores of 1, 2, and 3 were awarded to positive statements and 3,2 and 1 to negative statements. From respondents' responses to the 9 statements on the scale, least score of 9 was obtained and the highest score was 27. The mean score of 18.9 (sd =3.8) obtained was used to categorize public service delivery in the agricultural sector as transparent and not transparent. In order to consider the flip side of the data obtained from the public officers on transparency in public service delivery, data was also obtained from the farmers that were served by the ADP officials. The farmers reacted to 15 statements on service delivery to their farm enterprise by the ADP on a five point Likert-type scale of Strongly agree, agree, uncertain, disagree, and strongly disagree. Scores of 5,4,3,2 and 1 were awarded to positive statements and the reverse to negative statements. The least score obtained was 24 and the highest score was 44. Mean score of  $34.3 \pm 4.5$  was obtained and used to categorize public service delivery in the agricultural sector as adjudged by farmers as transparent and not transparent.



Respondents (public officials) responses to the various indicators were aggregated together in order to determine the perceived level of corruption in the agricultural sector. Low scores indicated low level of transparency (high level of corruption) and high scores connoted high level of transparency (low level of corruption). The maximum score obtained was 131 while the minimum was 89. Mean score of  $107.1 \pm 8.1$  was obtained this provided the basis for classification of the perceived level into: high and low levels.

#### **4.7.2 Independent variables**

The independent variables for the study include respondents' background characteristics, perception and attitude of respondents to corruption, determinants of corruption, whistle-blowing measures for controlling corruption and their effectiveness.

##### **4.7.2.1 Background characteristics of respondents**

For the purpose of comparison with a similar study by Gibbons (1989) on the impact of background characteristics on people's attitude to corruption, background questions were asked from the respondents. In other words, background variables were examined in order to observe if there are particular variables that explain possible variation in perceived level of corruption. This survey employed background variables which included respondents age, sex, highest level of education, years of work experience, job satisfaction, and opinion on due process in the public sector. These variables were measured at various levels of measurement considered appropriate. Descriptive statistics such as frequencies, percentages, and means were used to summarise the data collected as shown below.

**Age:** Respondents were asked to state their actual age in years

**Sex:** Respondents indicated whether Male [1] or Female [2]

**Education:** Respondents indicated their highest level of education as:

Primary [1]

Secondary [2]

College/University [3]

Post-graduate [4]

**Current position:** Respondents were asked to state their current designation/post.

**Job satisfaction:** This was measured using a number of indicators itemised as follows:

1. Respondents were asked to give their opinion on working in public sector when compared with working in private sector as:

Worse [1]

The same [2]

Better [3]

2. Respondents were requested to indicate how satisfactory their salary is as:

Unsatisfactory [1]

Fairly satisfactory [2]

Very satisfactory [3]

3. Respondents were requested to indicate how satisfactory their benefits are as:

Unsatisfactory [1]

Fairly satisfactory [2]

Very satisfactory [3]

4. Respondents indicated how secure their job or position is as:

Insecure [1]

Fairly secure [2]

Very secure [3]

5. Respondents indicated how often they engage in other income generating activities as:

Never [3]

Occasionally [2]

Frequently [3]

**Opinion on due process:** Respondent indicated their opinion as:

Enhance better service delivery [1]

It has no significant effect [2]

Reduces quality of service delivery [3]

#### **4.7.2.2 Attitude of respondents to corruption**

Attitudinal statements were generated (using scenarios) on the various forms in which corruption is expressed in the public sector such as nepotism, patronage, bribery, bureaucratic conflict of interest, pork barreling, influence peddling, private use of public resources, impropriety and abuse of office as listed by UNDP's Guide to measuring corruption (2008) and Eker (1989). Respondents were asked to respond to these statements on a four point scale of "not at all honest", "slightly honest", "quite honest" and "very honest". Scores of 1, 2 3and 4 were awarded to the responses respectively. Total scores for each of the respondent was computed which formed the basis of their categorisation into favorable (+ve) and unfavorable (-ve) attitudes using the mean score as the benchmark. The maximum score obtained was 31 while the

minimum was 9. Mean score of  $18.2 \pm 4.2$  and above indicated favourable attitude to corruption and below mean scores indicated unfavourable attitude. Also, responses were compared for the various forms of corruption using descriptive statistics, mean and ranking. The purpose of this was to ascertain how the respondents evaluate different corruption scenarios and which behaviours are regarded as more corrupt than others in the agricultural sector.

#### **4.7.2.3 Perception of corrupt practices by respondents**

Perception of corruption by public officers was measured by generating a list of 27 perception statements which respondents reacted to on a 3-point scale of Agree, Uncertain and Disagree. Scores of 3, 2 and 1 were awarded to positive statements and the reverse for negative statements respectively. The maximum score obtained was 65 while the minimum was 35 (mean  $52.0 \pm 5.2$ ). Respondents with scores of mean and above were regarded as having favourable (+ve) perception while respondents with scores below mean were categorized as having unfavourable (-ve) perception.

#### **4.7.2.4 Determinants of corruption**

A comprehensive list of items generated from literature and similar research studies were listed and respondents were requested to identify more items in spaces provided below the listed items. Afterwards, respondents were requested to rank these items based on the extent to which they determine corrupt practices in public organisations as: very large extent, large extent, limited extent and not a factor. Ranks of 3, 2 and 1 were awarded to: very large extent, large extent and limited extent responses respectively. Respondents' judgment were amalgamated using the method of adding ranks (Kerlinger, 1978) in order to determine the order of severity of these factors as determinants of corrupt practices in the agricultural sector.

#### 4.7.2.5 Whistle-blowing measures of controlling corruption and their effectiveness

Respondents were asked to provide answers to some set of questions on the availability of internal mechanism (i.e. phone hotline, e-mail address, local office) through which they can report corruption in their organizations on a “Yes” or “No” basis. The effectiveness of these measures were determined by asking respondents to tick from a scale of 1-5 as: completely ineffective, ineffective, fairly effective, effective, and completely effective. Also, questions were raised to determine how protected the reporter of corrupt practice is from potential harassment. Descriptive statistics such as frequencies and percentages were used to summarise the data collected. The statements are as follows:

1. In law, is there an internal mechanism (i.e. phone hotline, e-mail address, local office) through which civil servants can report corruption?  
Yes [2]  
No [1]
2. In practice, is the internal mechanism (i.e. phone hotline, e-mail address, local office) through which civil servants can report corruption effective?  
Yes [2]  
No [1]
3. In practice, does the internal reporting mechanism have a professional, full-time staff?  
Yes [2]  
No [1]

4. In practice, does the internal reporting mechanism receive regular funding?
- Yes [2]
- No [1]
5. In practice, does the internal reporting mechanism for public sector corruption acts on complaints within a reasonable time period.
- Yes [2]
- No [1]
6. In practice, when necessary, the internal reporting mechanism initiates investigations.
- Yes [2]
- No [1]
7. How effective would you say the process of reporting corruption cases in your establishment is?
- Completely ineffective [1]
- Ineffective [2]
- Fairly effective [3]
- Effective [4]
- Completely effective [5]
8. How would you say the process of reporting corruption cases is in your institution?
- Extremely difficult [1]
- Difficult [2]
- Fairly simple [3]

Simple [4]

Extremely simple [5]

9. As far as you know how protected is the reporter of corrupt practice from potential harassment?

Totally unprotected [1]

Fairly protected [2]

Totally protected [3]

#### **4.8 Data analysis**

Descriptive statistics such as frequency counts, percentages, means and charts were used to summarise the data. Inferential statistics were used to describe the types of relationship or differences that existed between the variables in the stated hypotheses as follows:

Ho1: There is no significant relationship between the public officers' background characteristics (age, sex, level of education, job satisfaction) and their attitude to corruption. Chi square and Pearson Moment Correlation (PPMC) were used to test the relationship.

Ho2: There is no significant correlation between the public officers' attitude to corrupt practices and the perceived level of corruption in the Nigerian agriculture. This was tested using Correlation analysis

Ho3: There is no significant difference in the perceived level of corruption between the ADPs and the Ministries of Agriculture and Natural Resources (MANR). The difference was tested using t-test statistics

Ho4: There is no significant difference in the perceived level of corruption across the areas of study. Analysis of Variance (ANOVA) was used to test the difference.

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## CHAPTER FIVE

### 5.0 RESULTS AND DISCUSSION

#### 5.1.1 Introduction

This chapter presents the results, interpretation and discussion of the data that were collected. The results are presented and discussed in nine main sections which include findings on: background characteristics and job satisfaction of public officers, attitude of public officers in the agricultural sector in southwestern Nigeria to corruption, perception of public officials in the agricultural sector to corrupt practices, determinants of corruption in the agricultural sector in southwest Nigeria, effectiveness of internal control (whistle blowing) measures for controlling corruption in the agricultural sector in southwest Nigeria, extent of transparency in organizational management practices within the agricultural-based institution, farmers' assessment of transparency in public service delivery by the ADP and MANR, perceived level of corruption in the agricultural sector in southwest Nigeria, and results of tested hypotheses.

#### 5.2 Background characteristics of public officials in the agricultural sector in southwestern Nigeria

##### 5.2.1 Age

Age distribution of respondents as presented on table 6 shows that 57.5% of the respondents were 40 years old and below, while the mean age was 40.4 years. This suggests that majority of the public officers in the agricultural sector in south west Nigeria were middle aged people who are still in their active years of service. This result is consistent with the argument of Owoyemi, Elegbede and Gbajumo-Sheriff (2011) that demographic composition of workplaces in Nigeria is skewed in favour of younger workers and that population of older workers in active labour force

is gradually declining in Nigeria. This is expected to have a positive effect on their job efficiency and productivity as Truxillo (2011) reported that job performance and productivity is higher in younger workers when compared with the older ones. While the dominance of younger people among the workforce could be of an advantage to the agricultural sector in terms of job performance, studies have also shown that younger people are more vulnerable to corruption and sharp practices than the older folks (Giang *et al.*, 2011; UN-Habitat, 2011). This implies that the agricultural sector in the South West Nigeria is prone to corrupt practices. The dominance of the middle-aged officers in the agricultural sector could therefore be viewed as a double edge sword that can cut on either side.

### **5.2.2 Sex**

Table 6 also show that majority of the respondents (77.6%) were male, while 22.4% were female. This implies the dominance of male over the female in the workforce in the agricultural sector in south west Nigeria. This is consistent with the argument of NCAA (2006) which posited that although increasing numbers of women are becoming involved in the professional workforce in Nigeria, they are greatly outnumbered by their male counterparts. The dominance of male over the female could also be viewed as a risk factor for corruption in the agricultural sector giving the research findings that female are more tolerant of corruption in public services than their male counterparts (UNIFEM, 2008; Hossain and Nyamu, 2010; Dollar, Fisman and Gatti, 1999).

### **5.2.3 Highest level of education**

The distribution of the respondents based on their highest level of education shows that 87.4% of them had college/university education and above. Only 12.6% had a maximum of secondary

school education. The distribution indicates a high level of literacy among the respondents. The high literacy level may be due to the opinion that job requirement/condition in most public sectors, especially in Nigeria, allow for opportunity of self development for workers (Ugwuona and Omeje, 1998). It is expected that this will reflect in the quality of service and job performance of workers in the agricultural sector. The distribution is however inconsistent with the report of Commonwealth Advisory Seminar as quoted by FGN (2004) which revealed that staff distribution according to educational qualification was skewed towards lower cadre in the Federal Ministries in Nigeria. According to the report, 66.4% of public officers in the Federal Ministries had less than college/university level education. This contradiction may suggest that a differential exists in the pattern of staff distribution according to educational qualification between the state and federal ministries in Nigeria.

#### **5.2.4 Years of work experience**

Furthermore, the table shows that 66.1% of respondents had worked in their establishments for 10 years and below, while 32.8% had worked for between 11 and 30 years in their current establishment. The mean years of work experience is 9.7 indicating that most of the public officers in the agricultural sector have spent less than  $\frac{1}{3}^{\text{rd}}$  of the maximum required years of service (35 years) in the public sector in Nigeria.

#### **5.2.5 Opinion on due process**

An overwhelming proportion (91.4%) of respondents indicated a positive opinion on due process, suggesting that the idea of conducting official proceedings according to established principles and laid down procedures is welcomed among majority of the respondents. About 4.6% of the respondents however indicated negative opinion while 4.0% of them were

indifferent. The sizeable proportion of respondents (8.6%) who indicated to be averse to the idea of due process in the public sector leaves much to be worried about the public officials respect for public service regulations and ethics, one of which is due process. This implies that these officials will be swift to bypass official procedures meant to curtail sharp practices at the slightest opportunity they have. The result suggests that the process of “socialization” of the officials in the agricultural sector as propounded by Max Weber in his Fusion theory of administration is yet to sweep across all members of the workforce within the sector. This is indicative of an important risk factor for corruption in the agricultural sector giving the argument of Principal-Agent theory of corruption which asserted that attitudes of an agent not interested in rules set-up by the principal is underlined by the intention to collude with the client in order to promote his/her own benefit.

**Table 6: Distribution of public officials based on their background characteristics (n = 174)**

<b>Variable</b>	<b>Frequency</b>	<b>%</b>	<b>Mean</b>	<b>Std. dev.</b>
<b>Age (years)</b>				
≤ 30	17	9.8		
31 – 40	83	47.7		
41 – 50	56	32.2	40.4	7.7
51 – 60	16	9.2		
> 60	2	1.1		
<b>Sex</b>				
Male	135	77.6		
Female	39	22.4		
<b>Highest level of education</b>				
Secondary	22	12.6		
College/University	36	20.7		
Postgraduate	116	66.7		
<b>Years of work in current organization</b>				
< 11	115	66.1		
11-20	33	19.0	9.7	8.2
21-30	24	13.8		
>30	2	1.1		
<b>Opinion on due process</b>				
Positive	159	91.4		
Neutral	7	4.0		
Negative	8	4.6		

Source: Field survey, 2011

### **5.3 Job satisfaction of public officials in the agricultural sector in southwestern Nigeria**

#### **5.3.1 Distribution of public officials based on their responses to statements on job satisfaction**

Table 7 presents the distribution of public officials based on their responses to statements on their job conditions and benefits. The table shows that 79.9% of respondents opined that working in the public sector in Nigeria is better than working in the private sector. However, 52.9% and 49.4% of respondents indicated their dissatisfaction with their salary and job benefits respectively. Furthermore, 87.9% of respondents' considered their job as secure. The foregoing shows that respondents probably regarded working in the public sector as better when compared with the private sector because of assurance of job security they get in working in the public sector. The result also suggests that salary and job benefits were not critical motivating factors for respondents' preference for work in the public sector. This implies that job security is more important as a motivating factor to public workers in the agricultural sector when compared to other factors such as salary and job benefits. While the finding is expected to impart positively on respondents commitment and dedication to duty, it is also consistent with the findings of Bajwa *et al* (2010) which revealed that job security ranked among the most important factors with high motivating potential among health workers in India.

Furthermore, the table shows that 67.2% of respondents engaged themselves in extra-official activities and majority (56.4%) of them did so mainly to enhance their income. This suggests that they are underpaid. It also implies that while salary may not be the most important motivating factor for public sector workers, its contribution to job satisfaction of workers and job concentration cannot be downplayed. Aid donors and international organizations routinely

recommend fighting corruption by paying higher wages to public servants. As a historical example of this policy, Sweden, which ranks among the least corrupt countries on all current cross-country rankings, was considered as one of the most corrupt countries in Europe in the seventeenth and eighteenth centuries (Svensson, 2005). While explaining the reasons for the transformation in Sweden, Lindbeck (1975) argued that increased remuneration of civil servants combined with deregulation was pivotal to the emergence of an honest and competent public administration in Sweden in the late nineteenth century. This position was corroborated by the assertion of Becker and Stigler (1974) that by paying an official a wage above his opportunity wage, one can ensure, under certain conditions that the official will behave honestly.

**Table 7: Distribution of public officials based on their responses to statements on job satisfaction**

SN	Statements	Response category	F	%	Mean
1	What is your opinion on working in the public sector in Nigeria when compared with working in the private sector?	Worse	25	14.4	2.7
		The same	10	5.7	
		Better	139	79.9	
2	How satisfactory would you say your salary is?	Unsatisfactory	92	52.9	1.5
		Fairly satisfactory	78	44.8	
		Very satisfactory	4	2.3	
3	How satisfactory would you say your benefits (housing, health etc.) are?	Unsatisfactory	86	49.4	1.6
		Fairly satisfactory	77	44.3	
		Very satisfactory	11	6.3	
4	How secure would you say your job or position is?	Insecure	21	12.1	2.5
		Fairly secure	40	23.0	
		Very secure	113	64.9	
5	How often do you engage in extra-official activities?	Never	57	32.8	1.9
		Occasionally	86	49.4	
		Frequently	31	17.8	
6	What is your major drive for engaging in extra-official activities?	Income enhancement	66	37.9	2.0
		Service to community	51	29.3	
		Not applicable	57	32.8	

Source: Field Survey, 2011



### 5.3.2 Level of job satisfaction of public officers

Table 8 on categorisation of respondents based on their level of job satisfaction shows that majority (74.1%) indicated a high level of job satisfaction, while only 25.9% had low job satisfaction. The result shows a similar trend in level of job satisfaction among the ADP and the MANR staff as majority (78.6% and 71.7% respectively) indicated a high level of job satisfaction. This result is consistent with the findings of Idowu *et al* (2011) and Ibrahim, Muhammad, Yahaya, and Luka (2008) who reported a high level of job satisfaction among majority of respondents sampled for their studies. The high level of job satisfaction obtained among majority of the public officials in the agricultural sector might not be unconnected with the assurance of job security indicated by majority of them in earlier findings (table 7). In addition, Chukwunenye and Amgbare (2010) noted that the alarming rate of unemployment in Nigeria in recent years has conditioned the employed citizens to endure whatever they find doing for a living notwithstanding the associated odds and displeasure for fear of leaving what is certain for the uncertain.

**Table 8: Distribution of public officials based on their level of job satisfaction**

<b>Job Satisfaction</b>	<b>Scores</b>	<b>ADP Staff</b>	<b>MANR Staff</b>	<b>All respondents (n=174)</b>			
				<b>F</b>	<b>%</b>	<b>Mean</b>	<b>Std dev</b>
Low	6-9	19 (23.2)	26 (28.3)	45	25.9	10.4	1.5
High	10-14	63 (76.8)	66 (71.7)	129	74.1		

Figures in parentheses are percentages

Source: Field Survey, 2011

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## **5.4 Attitude of public officials in the agricultural sector in southwestern Nigeria to corruption**

### **5.4.1 Distribution of respondents based on responses to scenarios describing major forms of corruption**

Table 9 presents the attitude expressed by respondents to different forms of corruption. The table reveals that majority of respondents (89%) indicated favourable attitude to influence peddling, patronage (78%), Pork barreling (70%), private use of government resources (65%) and bureaucratic conflict of interest (56%). Just about 50% of the respondents indicated favourable attitude to nepotism. This results suggests that majority of respondents will probably not exercise any caution or feel remorse in indulging in corrupt practices in the form of patronage, pork barreling, illegal use of government resources for private gain, and nepotism. The foregoing is an indication of cultural permissiveness for these forms of corruption in the public sector of Nigeria. It also indicates areas where attitudinal change interventions should be directed in efforts at curbing corruption in the agricultural sector of Nigeria.

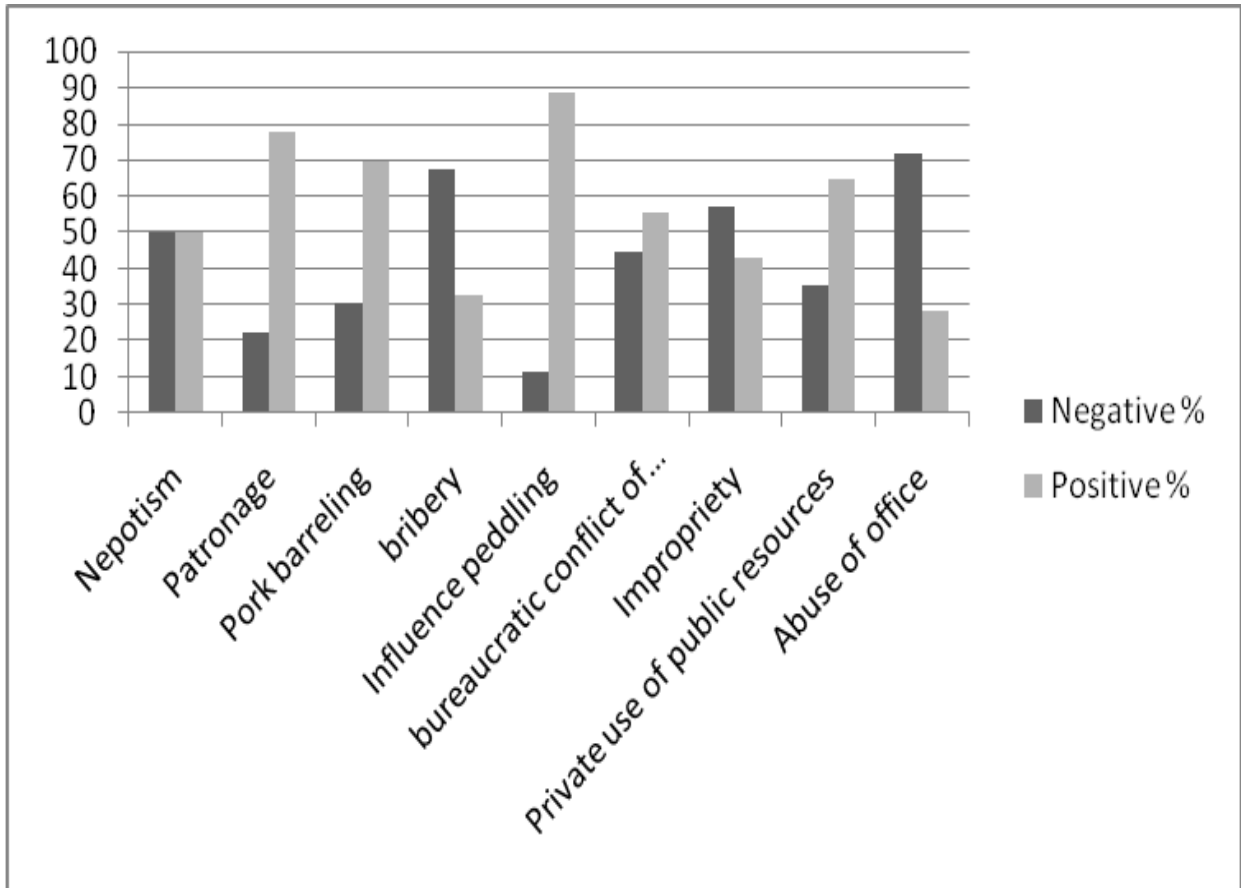
On the other hand, majority of respondents (72%) were not disposed to abuse of office, bribery (67%), and impropriety (57%) as they expressed negative attitude to them. Despite the positive response obtained for the latter forms of corruption, the considerable proportion of respondents whose responses showed favourable attitude to these forms of corruption still leaves much to be worried about. Furthermore, one could infer from the foregoing that only few forms of corruption are generally perceived among the public workers in Nigeria as actually translating to corruption. This contradicts the findings of Gibbons (1989) and Anderson (2002) in related studies on attitude of public workers to forms of corruption in Canada and Sweden respectively where all the above scenarios were regarded as corrupt by the respondents. This may suggest

poor awareness of other forms of corruption among the public officers in Nigeria. The too many emphasis on curbing bribery as a major means of combating corruption is perhaps a probable factor. For instance, the word “bribery” is a recurring decimal in most cases where corruption is being referred to whether in the media or on the streets.

The result may also suggest cultural permissiveness of certain values which are not perceived as too bad or if bad, are widespread and no serious sanctions against them. This has a far reaching consequence on the development of the Nigerian society as it may take very serious but difficult effort of equal valence required to change any people from the culture they are already used to. According to Moreno (2010), corruption has a cultural side, and most societies have a certain degree of corruption permissiveness, with some of them being, on average, more likely to justify corrupt practices than others. He added that although measuring corruption is a difficult task, an index of corruption permissiveness based on citizen responses to survey questions may reflect the extent to which corruption is justified in different societies. He further observed that the index of corruption permissiveness has a modest correlation with International Transparency’s Corruption Perceptions Index. There is therefore, an urgent need to raise the awareness of the various dimensions of corrupt practices and also embark on a public re-orientation campaign among the public in order to reverse this ugly trend in the sectors of our economy.

**Table 9: Distribution of public officials' responses to statements (attitudinal) describing different forms of corruption**

Scenarios describing some forms of corruption	Not at all honest		Slightly honest		Quite honest		Very honest		Mean	SD
	F	%	F	%	F	%	F	%		
<b>A</b> A senior public officer is in a position to award grant for rural development project. He decides to give the grant to his native community rather than to another community which better meets the criteria for the grant. <b>(Nepotism)</b>	87	50.0	51	29.3	30	17.2	6	3.4	1.7	0.8
<b>B</b> When Mr. A got appointed as the National Food Project Coordinator, he recommended the secondment of his loyal supporters from the ministry to head the state offices of the project. <b>(Patronage)</b>	39	22.4	51	29.3	71	40.8	13	7.5	2.3	0.9
<b>C</b> During a recent advocacy visit by a tractor manufacturing company to agric ministry of nation Y, the spokesman of the company announced that the company would provide training sponsorship for members of staff, which the staff had wanted for years, but only if the company wins the bid as a permanent supplier of agricultural machines to the country. <b>(Pork-barreling)</b>	53	30.5	41	23.6	64	36.8	16	9.2	2.2	1.0
<b>D</b> Mr X, an average farmer wants to get a tractor hiring service from a public Tractor Hiring service but needs the approval of a civil servant in the local government area, so he offers to buy the official a GSM phone. <b>(Bribery)</b>	117	67.2	28	16.1	20	11.5	9	5.2	1.5	0.9
<b>E</b> Mrs. Y, a village extension worker, often recommends a particular agro-chemical business enterprise in the Monthly Technical Review Meeting with farmers while speaking during question period. Mrs. Y owns N500, 000 worth of stock in the business enterprise. <b>(Influence Peddling)</b>	20	11.5	44	25.3	41	23.6	69	39.7	2.9	1.0
<b>F</b> A group of extension workers use their knowledge and contacts to establish a part-time consulting firm, which gives advice to private clients under their catchment. The officials are still actively employed by the government. <b>(Bureaucratic conflict of interest)</b>	77	44.3	42	24.1	27	15.5	28	16.1	2.0	1.1
<b>G</b> An agricultural donor agency delegates responsibility for an activity to a subject matter specialist (SMS). The knowledge of the donor about the activity and their follow up is meagre. The SMS leads the activity with great interest and work a lot overtime. The SMS decide to compensate himself economically for the overtime, among other things by letting his wife follow him on an official journey abroad that is paid for by the administration, which the responsible donor neither know about nor approve. <b>(Impropropriety)</b>	100	57.5	36	20.7	28	16.1	10	5.7	1.7	0.9
<b>H</b> A local government official who is in charge of tractor hiring service to farmers at subsidized rate, decides to engage the service of the tractors on his family farm during the off-peak season without paying the required amount for the service to the government coffers and disallowing farmers of access. <b>(Private use of public resources)</b>	61	35.1	41	23.6	40	23.0	32	18.4	2.2	1.1
<b>I</b> An agric supervisor purchased produce worth N5M from the government farm where he works but paid only N4.5M to the government purse. <b>(Abuse of Office)</b>	125	71.8	31	17.8	7	4.0	11	6.3	1.4	0.8



**Figure 8: Bar chart distribution of respondents according to their attitude to major forms of official corruption.**

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#### **5.4.2 Attitude of respondents to corruption**

Table 10 shows that 51.7% of respondents were favorably disposed to corrupt practices, while 48.3% of them had negative attitude to corruption. Giving the various argument on the positive correlation between attitude and practices (Nyantakyi, 2002; Dike, 2008), this result implies that majority of workers in the agricultural sector in the study area have the tendency of indulging in corrupt practices when they have opportunity to do so. Furthermore, the distribution on the basis of respondents' establishment shows that at least 50% of respondents from the ADP and MANR showed favorable attitude to corrupt practices. This implies that neither the ADP nor MANR is immune to the monster of corruption, an indication that corruption is not the problem of the political class alone. This finding corroborates the position of Nyantakyi, (2002) who asserted that the simplistic reasoning that corruption is the malignant hobby of politicians is fallacious. The foregoing therefore implies that the battle against corruption is not a mean one and might take drastic and resilient effort to combat.

**Table 10: Categorisation of public officials based on their attitude to corrupt practices**

<b>Attitude Categories</b>	<b>Scores</b>	<b>ADP Staff</b>	<b>MANR Staff</b>	<b>All respondents (n=174)</b>			
				<b>F</b>	<b>%</b>	<b>Mean</b>	<b>Std dev</b>
Unfavourable (-ve)	9-17	41 (50.0)	43 (46.7)	84	48.3	18.2	4.2
Favourable (+ve)	18-31	41 (50.0)	49 (53.3)	90	51.7		

Figures in parentheses are percentages

Source: Field Survey, 2011

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## 5.5 Perception of public officials in the agricultural sector to corrupt practices

Table 11 on the distribution of respondents based on their responses to perception statements on corruption shows that 91.4% of respondents agreed that giving of indulgence encourages entrepreneurs to escape clogged bureaucratic procedures of the government and believed that this makes administration more accessible to ordinary citizens. This implies that stiff bureaucracy in public administrative system is a probable temptation why majority of public officers in the agricultural sector perceive corruption as a common pitfalls especially to the ordinary citizens of the nation. This is however contrary to the intention of bureaucracy in the public sector which according to Ayee (1994) is to ensure due process and reduce opportunities for corruption. The foregoing thus suggests that bureaucracy will promote corruption either when it is too stiff or too loose. The question therefore is that “at what degree of the continuum will bureaucracy help to discourage corrupt practices in the public sector?”

About 79% of respondents agreed that fraud has assumed a way of life in Nigeria and it is impossible to uproot it completely from the public system. In similar vein, 68.4% of respondents opined that the tradition of using man-know-man to get desires met is age-long in our national system and should not be seen as bad since everyone benefit at one time or the other from it. This implies a wide acceptability of corrupt practices as a way of life among public workers in the agricultural sector in Nigeria, an indication that corruption is fast becoming a cultural problem in our national system as argued by Ladele (2010). Furthermore, 83.9% of respondents agreed with the statement that our socio-economic situations many times leave one with no option than to cut corners through official positions.

Also, 64.9% believed that sharp practices work like a fiscal tool in helping to redistribute political goods more widely than does the official system. This findings suggests that corruption in the public sector is fueled by poverty and feeling of sense of being marginalized one way or the other. This result also corroborates several literatures which argued that a nexus exists between poverty, inequality and corruption (Nyantakayi, 2002; Rose Ackerman 1999, Heidenheimer and Johnston 2002). For instance, Nyantakayi (2002) reiterated that poverty provides the propitious environment for corruption to thrive.

From the foregoing, one can infer that the causes of corruption in the public sector of Nigeria are many and that individual varies in their reasons for perceiving corruption as unavoidable. Therefore, curbing corruption in public sector of Nigeria would require proactive and comprehensive action, using system-based approaches and multi-prong instruments of deterrence.

**Table 11: Distribution of responses of public officials to statements on perception of corruption**

SN	Statements (Rephrased version)	Agree		Uncertain		Disagree		Mean
		F	%	F	%	F	%	
1	Bribery is a form of dishonesty	22	12.6	58	33.3	94	54	1.6
2	Fraud has assumed a way of life	137	78.7	17	9.8	20	11.5	2.7
3	Dishonesty does not hurt development	102	58.6	7	4.0	65	37.4	1.8
4	No need to monitor sharp practices	74	42.5	21	12.1	79	45.4	2.0
5	Immoral act starts from within heart	111	63.8	28	16.1	35	20.1	1.6
6	Giving indulgence encourages entrepreneurship	159	91.4	2	1.1	13	7.5	2.8
7	Dishonesty subverts public interest	65	37.4	25	14.4	84	48.3	2.1
8	Bribes gives motivation to underpaid workers.	102	58.6	21	12.1	51	29.3	1.7
9	Fraudulent acts promotes apathy	40	23.0	30	17.2	104	59.8	2.4
10	Sharp practices help redistribute political goods	113	64.9	17	9.8	44	25.3	2.4
11	Gratification reinforces existing inequalities	47	27.0	33	19.0	94	54.0	2.3
12	Gratification hinders administrative development and performance	98	56.3	26	14.9	50	28.7	1.7
13	Gratification prevents turmoil	86	49.4	36	20.7	52	29.9	1.8
14	Dishonesty leads to frustration on the part of the few honest public servants.	42	24.1	25	14.4	107	61.5	1.6
15	Gratification works like the fiscal policy	114	65.5	37	21.3	23	13.2	1.5
16	Due process confer extra constitutional power on kitchen cabinet	92	52.9	37	21.3	45	25.9	1.7
17	Immorality grows out of stress and imbalances in society	112	64.4	30	17.2	32	18.4	1.5
18	Financial probity is easier for those who have money	127	73.0	28	16.1	19	10.9	1.4
19	Bribe contribute to the preservation of existing advantages	119	68.4	27	15.5	28	16.1	1.5
20	Dishonesty is inherent in some cultures	63	36.2	17	9.8	94	54.0	1.8
21	The down-trodden will be corrupt when given the opportunity	91	52.3	36	20.7	47	27.0	1.8
22	Quota system in recruitment is unfair	40	23.0	21	12.1	113	64.9	2.4
23	23. man-know-man is not corruption	119	68.4	14	8.0	41	23.6	2.5
24	Accountability and probity should be encouraged in all sectors	42	24.1	14	8.0	118	67.8	1.6
25	Those who labour at the altar should reap at the alter	34	19.5	29	16.7	111	63.8	1.6
26	No option than to cut corners	146	83.9	6	3.4	22	12.6	2.7
27	No harm in getting a bite of the national cake anyhow	109	62.6	16	9.2	49	28.2	1.7

Source: Field Survey, 2011

### **5.5.2 Distribution of respondents based on their perception of corruption categories**

Table 12 on the categorization of respondents based on their perception of corruption shows that majority (52.3%) had favorable perception of corruption, while 47.7% had unfavourable perception of corruption. Also, respondents did not differ significantly in their perception of corruption according to their establishments, as majority of the respondents from ADP and MANR (52.4% and 52.2% respectively) indicated a favorable perception of corruption. This results when related to findings on table 10 shows a consistence in respondents' attitude and perception of corrupt practices. Therefore, it can be inferred that a veritable culture of corruption prevails among the public officials in the agricultural sector of Nigeria.

This is however contrary to the report of Ghana Governance and Corruption as cited by Nyantakyi (2002) on a similar survey carried out in Ghana which showed an unfavourable attitude and perception of corruption among majority (76%) of respondents; an indication of preparedness of Ghana to fight corruption better than Nigeria. This perhaps explains the reason why Ghana in recent years has continued to make steady and consistent improvement on her Transparency International (TI) rating while Nigeria's score on Corruption Perception Index (CPI) has continually been low. For instance, Ladele and Fadairo (2011) reported that Nigeria's CPI rating further dropped to 2.4 from 2.7 between year 2009 and 2010. On the other hand, Ghana steadily rose from 3.3 in 2006 to 4.1 in 2010. The important lessons that can be drawn from the experience of Ghana are that (i) Nigeria's case is not hopeless. If it worked for Ghana, it can also work for Nigeria and (ii) the need to understand efforts taken by Ghana and what she is still doing to combat and discourage corruption.

**Table 12: Categorisation of respondents based on their perception of corruption**

Perception Categories	Scores	ADP Staff	MANR Staff	All respondents (n=174)			
				F	%	Mean	Std dev
Unfavourable (-ve)	35-51	39 (47.6)	44 (47.8)	83	47.7	52.0	5.2
Favourable (+ve)	52-65	43 (52.4)	48 (52.2)	91	52.3		

Figures in parentheses are percentages

Source: Field Survey, 2011

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## 5.6 Determinants (perceived) of corruption in the agricultural sector in Southwestern Nigeria

Table 13 presents the determinants of corruption in the agricultural sector in south west Nigeria. According to the table, the major causes of corruption among the public officials were: greed, poor working conditions and remuneration, poverty, poor management systems and bureaucratic inefficiency with mean scores of 3.5, 3.4, 3.2, 3.2 and 3.1 respectively. This result corroborates the earlier findings of this study (table 7) that improved salary package contribute to job satisfaction of staff in the agricultural sector and may reduce the pervasiveness of corruption among them. It is also in line with the earlier argument presented in this report (table 11) that stiff bureaucracy in public administration is a plausible temptation for corruption among public officials. Furthermore, the findings is also consistent with the report of Ghana Governance and Corruption (2000) that low salaries is the leading cause of corruption among 80% of public workers in Ghana.

The table further reveals that weak and ineffective media, inaction of sanction on cases reported, strong protective social net of the accused and social demands with mean scores of 2.5, 2.7, 2.7 and 2.8 respectively were minor causes of corruption among public workers employed in the agricultural sector in south west Nigeria. The findings that inaction of sanction on cases reported and strong protective social net of the accused were not major determinants of corruption is not unexpected since data on effectiveness of internal control measures (table 14) reveals that internal mechanisms for control of corrupt practices were not available in the offices of many of the respondents and where they were available, they were reported to be poorly effective. In essence, since there were no provision for mechanism through which civil servants can report corrupt cases in their establishments, and where available, were limited to paper policy, there

would not have been any case(s) of reportage of corruption not to talk of whether adequate sanction was meted on the perpetrators.

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**Table 13: Determinants (perceived) of corruption among public officials**

SN	Determinants	Very large extent		Large extent		Limited extent		Not a factor		Mean	Rank
		F	%	F	%	F	%	F	%		
1	Greed	109	62.6	44	25.3	20	11.5	1	0.6	3.5	1
2	Poor working conditions and remuneration	84	48.3	72	41.4	14	8.0	4	2.3	3.4	2
3	Bureaucratic inefficiency	71	40.8	64	36.8	37	21.3	2	1.1	3.1	5
4	Poverty	84	48.3	52	29.9	30	17.2	7	4.0	3.2	3
5	Poor management systems	80	46.0	44	25.3	46	26.4	4	2.3	3.2	3
6	Poor/no proper accountability mechanism	56	32.2	66	37.9	50	28.7	2	1.1	3.0	6
7	Lack of information and transparency on rules and procedures	46	26.4	72	41.4	43	24.7	13	7.5	2.9	10
8	Unclear rules with loopholes for manipulation	51	29.3	74	42.5	43	24.7	6	3.4	3.0	6
9	Weak leadership at all levels	52	29.9	81	46.6	31	17.8	10	5.7	3.0	6
10	Non-enforcement of rules and procedures	56	32.2	72	41.4	35	20.1	11	6.3	3.0	6
11	Social demands and obligations	46	26.4	61	35.1	56	32.2	11	6.3	2.8	11
12	Strong protective social net of the accused	42	24.1	54	31.0	60	34.5	18	10.3	2.7	12
13	Inaction of sanction on cases reported	43	24.7	62	35.6	49	28.2	20	11.5	2.7	12
14	Weak and ineffective media	40	23.0	48	27.6	47	27.0	39	22.4	2.5	14

Source: Field Survey, 2011



## **5.7 Effectiveness of internal control (whistle blowing) measures for controlling corruption in the agricultural sector in southwestern Nigeria**

### **5.7.1 Distribution of respondents to statements on internal control measures for corrupt practices**

Table 14 reveals that 64.4% of respondents agreed that there was an internal mechanism through which they can report dishonesty in their establishments. However, an appreciable fraction (29.9%) of this proportion of respondents indicated that the internal control mechanism was not operational. This implies that the fight against corruption in the agricultural sector is more pronounced in paper policy and not backed with appropriate action. Confronting corruption however, requires demonstration of will beyond mere rhetoric. Furthermore, majority (56.9%) of respondents adjudged the process of reporting dishonesty cases in their establishments as difficult. In similar vein, only 30.5% of respondents agreed that the reporter of dishonest cases is totally protected.

**Table 14: Effectiveness of internal control (whistle blowing) measures against corruption (n=174 for statements 1, 7, 8 and 9. For statements 2-6, n=112)**

SN	Statements	Response category	F	%	Mean
1	In law, is there an internal mechanism (i.e. phone hotline, e-mail address, local office) through which civil servants can report dishonesty?	Yes	112	64.4	1.6
		No	62	35.6	
2	In practice, is the internal mechanism effective?	Yes	60	34.5	1.5
		No	52	29.9	
3	In practice, does the internal reporting mechanism have a professional, full-time staff?	Yes	84	48.3	1.8
		No	28	16.1	
4	In practice, does the internal reporting mechanism receives regular funding	Yes	57	32.8	1.5
		No	55	31.6	
5	In practice, does the internal reporting mechanism acts on complaints within a reasonable time period?	Yes	86	49.4	1.8
		No	26	14.9	
6	In practice, when necessary, does the internal reporting mechanism initiates investigations?	Yes	99	56.9	1.9
		No	13	7.5	
7	How effective would you say the process of reporting cases of sharp practices in your establishment is?	Completely ineffective	83	47.7	2.1
		Ineffective	34	19.5	
		Fairly effective	21	12.1	
		Effective	22	12.6	
		Completely effective	14	8.0	
8	How would you say the process of reporting dishonesty cases is in your institution?	Extremely difficult	57	32.8	2.4
		Difficult	42	24.1	
		Fairly simple	40	23.0	
		Simple	24	13.8	
		Extremely simple	11	6.3	
9	As far as you know how protected is the reporter of dishonest cases from potential harassment?	Totally unprotected	59	33.9	2.0
		Fairly protected	62	35.6	
		Totally protected	53	30.5	

Source: Field Survey, 2011

### **5.7.2 Categorisation of respondents on level of effectiveness of internal control measures for corruption**

Table 15 shows the categorization of respondents based on perception of how effective the internal control mechanism for curbing corruption is in the agricultural sector. According to the table, majority (57.1%) of respondents indicated a low level of effectiveness of internal control mechanism. The table further reveals a similar trend in the responses of ADP and MANR respondents as majority (61.7% and 53.8% respectively) from both establishments indicated low level of effectiveness of internal control measures for curbing corruption in their organizations. However, more respondents from the ADP indicated low effectiveness of their internal control mechanism than the respondents from MANR.

**Table 15: Categorisation of respondents based on their assessment of effectiveness of internal control measures for curbing corruption in their establishments**

Level of effectiveness	Scores	ADP Staff	MANR Staff	All respondents (n=112)			
				F	% (valid)	Mean	Std dev
Low	11-14	29 (61.7)	35 (53.8)	64	57.1	14.9	2.6
High	15-20	18 (38.3)	30 (46.2)	48	42.9		

Figures in parentheses are percentages  
Source: Field Survey, 2011

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## **5.8 Extent of transparency in organisational management practices within the agricultural-based institution**

Extent of transparency in organisational management practices within the agricultural-based institutions was determined by collecting data on four major indicators which included transparency in personnel management, budget management, procurement management and public service delivery. The distribution of respondents based on their responses to statements on these management practices and their perceived extent of transparency were respectively presented and discussed in this section.

### **5.8.1.1 Distribution of respondents based on their responses to statements on personnel management practices**

Table 16 presents the distribution of respondents based on their responses to personnel management practices within their establishments. According to the table, personnel management practices related to hiring of staff and promotion were more frequently influenced by family ties or friendship within the public system in the agricultural sector of Nigeria. This is indicated by the highest mean score of 3.2. This result is consistent with the findings on table 10 which reveals that 78% and 50% of public officials in the agricultural sector in the study area had a favourable attitude to corrupt practices in the forms of patronage and nepotism respectively. It is also in line with the argument of Dike (2008) who asserted that the culture of using man-know-man to get what is desired is a major set-back for the qualitative development of Nigeria. Furthermore, statements that personnel management practices related to administration and policies were well written and communicated; simple, clear and easy to understand were more positively responded to with total mean scores of 2.9 and 2.9 respectively.

This result suggests that lines of communication were well laid out vertically and horizontally within the ADP and MANR in the study area.

On the other hand, lowest mean scores of 1.9 were obtained for each of the statements that personnel management decisions were strictly applied and non-compliers were always punished; and promotions and changes were usually influenced by illegal payments. This indicates that the latter practices seldom occur in the ADP and MANR establishments. While it is commendable that corruption within the agricultural sector has not heightened to the point where positions or promotions were purchased or influenced by illegal payments, however, the findings that defaulters of personnel management decisions/practices were rarely punished indicates a weak enforcement of procedures and regulations in the agricultural sector. This perhaps is the major cause of the recurring decimal of policy failures in the agricultural sector of Nigeria which according to Idachaba (2006) in his essays titled “good intentions are not enough” has been the bane of our past agricultural and rural development efforts.

**Table 16: Distribution of respondents to statements on personnel management practices within their establishments**

SN	<i>Extent to which decisions related to administration /policies /regulations of personnel management are:</i>	Never		Occasionally		Frequently		Always		Mean
		F	%	F	%	F	%	F	%	
1	formally written/well communicated	18	10.3	42	24.1	47	27.0	67	38.5	2.9
2	simple, clear, easy to understand	14	8.0	52	29.9	39	22.4	69	39.7	2.9
3	require an excessive number of administrative steps	18	10.3	42	24.1	64	36.8	50	28.7	2.2
4	well supervised	33	19.0	78	44.8	55	31.6	8	4.6	2.2
5	strictly applied	68	39.1	69	39.7	32	18.4	5	2.9	1.9
<i>Extent to which decisions related to hiring, assignments, changes, promotions and salary increases were:</i>										
6	made in a transparent manner	51	29.3	55	31.6	39	22.4	29	16.7	2.3
7	clear on position vacancies announced	43	24.7	57	32.8	44	25.3	30	17.2	2.4
8	useful for the improvement of institutional efficiency.	53	30.5	49	28.2	54	31.0	18	10.3	2.2
9	Fund allotment is subjected to regular decision by the internal unit of control.	51	29.3	67	38.5	41	23.6	15	8.6	2.1
10	Fund allotment is subjected to due process.	72	41.4	42	24.1	36	20.7	24	13.8	2.1
11	Fund allotment is subject to committees approval	74	42.5	37	21.3	49	28.2	14	8.0	2.0
12	based on specific criteria defined in writing	58	33.3	50	28.7	41	23.6	25	14.4	2.2
13	based on professional experience	54	31.0	41	23.6	57	32.8	22	12.6	2.3
14	based on merit	55	31.6	44	25.3	60	34.5	15	8.6	2.2
15	based on professional performance	23	13.2	49	28.2	63	36.2	39	22.4	2.7
16	based on family ties or friendship	14	8.0	21	12.1	48	27.6	91	52.3	3.2
17	influenced by business ties/associations	7	4.0	71	40.8	14	8.0	82	47.1	2.0
18	based on political ties/political affiliation/political pressure	9	5.2	69	39.7	21	12.1	75	43.1	2.1
19	based on influential connections within the institution	13	7.5	61	35.1	28	16.1	72	41.4	2.1
20	influenced by illegal payments (purchase of positions or promotions)	7	4.0	54	31.0	19	10.9	94	54.0	1.9

Source: Field Survey, 2011

### **5.8.1.2 Extent of transparency in personnel management practices in the agricultural sector**

Table 17 on the extent of transparency of personnel management practices shows that a higher proportion (51.1%) of respondents indicated that personnel management practices within their establishments were transparent. In the same vein, majority of respondents from the ADP and MANR (51.2% and 51.1% respectively) adjudged their personnel management practices as transparent. This result suggests that personnel management practices within the ADP and MANR establishments follow the same pattern and style. From the foregoing, it can be inferred that personnel management practices in the agricultural sector in the study area is less prone to corruption. The large extent of transparency observed may be due to simple and clear channels of communication observed within the establishments (Table 16).



**Table 17: Extent of transparency of personnel management in the agricultural sector**

Transparency	Scores	ADP Staff	MANR Staff	All respondents (n=174)			
				F	%	Mean	Std dev
Transparent	46-58	42 (51.2)	47 (51.1)	89	51.1	45.7	6.1
Not Transparent	31-45	40 (48.8)	45 (48.9)	85	48.9		

Figures in parentheses are percentages

Source: Field Survey, 2011

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### **5.8.2.1 Transparency in budget management practices within the agricultural-based institution**

Table 18 shows the distribution of respondents on budget management practices within their establishments. A quick view of the distribution suggests poor involvement of most of the personnel in budget administration, monitoring and implementation. For instance, 55.7% of respondents indicated that they were not in any way carried along in budget management in their organizations. Although it may be difficult to involve everyone in an organization in all issues of budget management, Kusek and Rist (2004) however posited that Transparency is enhanced where almost every member of an establishment is involved either fully or partially in issues of budget management. This position was supported by the findings of Anderson (2002) which revealed that more than 80% of public office workers in Sweden participated at various degrees in issues of budget management and expenditure in their organizations. This perhaps is one of the factors that contributed to the Transparency International (TI) ranking of Sweden as one of the cleanest countries of the world. Furthermore, 91.4% of respondents agreed that budget expenditure monitoring in their establishments were either not monitored at all or only monitored on paper.

UNDP (2002) in its training manual on Results-Based Monitoring and Evaluation established a nexus between budget expenditure monitoring and public accountability. In addition, the researcher also observed that all the countries that were reported in the manual to have included Results-Based Monitoring and Evaluation components in their public/private system have consistently occupied the higher rung of the ladder of Transparency International rankings of corruption free countries. Thus, the index of budget monitoring and public accountability has a modest correlation with International Transparency's Corruption Perceptions Index.

About 65% and 59.8% of respondents agreed that lack of moral uprightness and management incompetence respectively, were responsible for the differential between actual spending and budget spending in their organizations. This result is in consonance with the additional argument of The Punch Newspaper (2008) on the alleged fraud against the former Minister of Health of Nigeria – Prof. Adenike Grange; that most ministries in Nigeria exhibit slackness in their budget implementation with the motive of saving part of budget funds for sharing among top decision makers at the end of the fiscal year.

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**Table 18: Distribution of respondents based on their responses to statements on budget management within their establishments**

SN	Statements	Response categories	F	%	Mean
1	How much involved are you in issues of budget management, including budget preparation, implementation, and evaluation in your organization?	Not involved at all	97	55.7	1.6
		Partially involved	55	31.6	
		Fully involved	22	12.6	
2	Which of these options best describes budget expenditure monitoring in your organization?	Not monitored at all	90	51.7	1.5
		Monitored on paper	69	39.7	
		Truly monitored	15	8.6	
3	To what extent is lack of moral uprightness responsible for the differential between actual spending and budgeted spending in your organization?	Not at all	28	16.1	2.2
		Negligible extent	33	19.0	
		Moderate extent	53	30.5	
		Large extent	60	34.5	
4	To what extent (if any) is management incompetence responsible for the differential between actual spending and budgeted spending?	Not at all	49	28.2	2.3
		Negligible extent	21	12.1	
		Moderate extent	41	23.6	
		Large extent	63	36.2	
<i>During the last two years to what extent would you agree that decisions relating to the budget administration (amounts assigned to the budget, services, programs which they were carried out, groups that received budget allocations) have been:</i>					
5	done transparently (we know who received what and why)	Not at all	85	48.9	1.8
		Moderate extent	43	24.7	
		Large extent	46	26.4	
6	announced/open to public knowledge through various legal means	Not at all	89	51.1	1.7
		Moderate extent	57	32.8	
		Large extent	28	16.1	
7	subjected to regular audits by the internal control unit	Not at all	25	14.4	2.2
		Moderate extent	84	48.3	
		Large extent	65	37.4	
8	subject to regular external audits performed by professionals qualified and experienced in conducting audits	Not at all	34	19.5	2.2
		Moderate extent	81	46.6	
		Large extent	59	33.9	
9	based on specific criteria defined in writing	Not at all	50	28.7	2.0
		Moderate extent	66	37.9	
		Large extent	58	33.3	
10	influenced by ethnic ties	Not at all	126	72.4	2.6
		Moderate extent	32	18.4	
		Large extent	16	9.2	
11	based on political pressure	Not at all	19	10.9	1.6
		Moderate extent	64	36.8	
		Large extent	91	52.3	
12	based on influential connections within the institutions	Not at all	20	11.5	1.6
		Moderate extent	57	32.8	
		Large extent	97	55.7	
13	influenced by illegal payments	Not at all	17	9.8	1.5
		Moderate extent	43	24.7	
		Large extent	114	65.5	
14	planned with consideration given to institutional fulfillment	Not at all	40	23.0	2.1
		Moderate extent	83	47.7	
		Large extent	51	29.3	

Source: Field Survey, 2011

### **5.8.2.2 Extent of transparency in budget management in the agricultural sector in southwestern Nigeria**

Table 19 shows that a higher proportion of respondents (50.6%) adjudged the budget management procedures in their establishments as not transparent. This finding is consistent with IFPRI (2008) report on the review of public expenditure in Nigeria Agriculture. According to the report, about 21% of the approved federal budget was never spent falling short of the recommended best practice standard for budget execution by the Public Expenditure and Financial Accountability (PEFA). In addition, budget expenditure at the state and local levels was worse, ranging from 44% to 71%.

However, respondents differ in their assessment according to their establishments. For instance, majority of respondents (62.2%) from the ADP indicated that budget management within their establishment is not transparent, while majority (59.8%) of their counterparts from the MANR indicated a transparent budget management procedure in their establishment. This finding suggests that the MANR establishment have an edge over the ADP in terms of transparency in budget issues. The reason for this outcome may not be farfetched, as the MANR was observed to exhibit a more transparent personnel management practices than the ADP

**Table 19: Extent of transparency of budget management in the agricultural sector**

Transparency	Scores	ADP Staff	MANR Staff	All respondents (n=174)			
				F	%	Mean	Std dev
Transparent	27-44	31 (37.8)	55 (59.8)	86	49.4	26.8	4.5
Not Transparent	14-26	51 (62.2)	37 (40.2)	88	50.6		

Figures in parentheses are percentages

Source: Field Survey, 2011

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### **5.8.3.1 Transparency in procurement management practices within the agricultural-based institution**

Table 20 shows that 53.5% of respondents indicated that guidelines and regulations of procurement management in their establishments were never or only adhered to up to 25% of the time. Also, 75.9% of them agreed that the requirements for competitive bidding during procurement were compromised frequently or all the time in their establishments. Furthermore, 94.8% of respondents indicated that some proportions of public procurement contracts in their organizations involved gratification. The foregoing suggests that procurement management process in the study area involves to a large extent irregular practices which provides opportunities for corruption to thrive. According to Attafuah (2002), corruption best thrives in environments characterized by administrative caprice, weak enforcement of due process and disregard for organizational values, principles and norms.

**Table 20: Distribution of public officials responses to procurement management statements**

SN	Statements	Response categories	F	%	Mean
1	In your department/organization, to what extent are guidelines/policies/regulations of procurement management formalized in writing?	Never	13	7.5	3.4
		Up to 25% of the time	42	24.1	
		Up to 50% of the time	26	14.9	
		Up to 75% of the time	49	28.2	
		All the time	44	25.3	
2	To what extent are the guidelines/policies/regulations of procurement management adhered to during actual procurement process?	Never	25	14.4	3.4
		Up to 25% of the time	68	39.1	
		Up to 50% of the time	13	7.5	
		Up to 75% of the time	32	18.4	
		All the time	36	20.7	
3	How often are exceptions made to requirement for competitive bidding during procurement?	Never	25	14.4	2.8
		Occasionally	17	9.8	
		Frequently	36	20.7	
		All the time	96	55.2	
4	In many countries, it is common for enterprises to make additional gratification to win procurement contract. What proportion of public procurement contracts in your organization involves any gratification?	Never	9	5.2	2.2
		Up to 25% of the time	41	23.6	
		Up to 50% of the time	27	15.5	
		Up to 75% of the time	22	12.6	
		All the time	75	43.1	
5	In my institution, there are too many levels in the decision making process	Agree	86	49.4	1.8
		Uncertain	27	15.5	
		Disagree	61	35.1	
6	The decision making process in my institution is too centralized	Agree	64	36.8	2.0
		Uncertain	50	28.7	
		Disagree	60	34.5	

Source: Field Survey, 2011



### **5.8.3.2 Extent of transparency of procurement management in the agricultural sector in southwestern Nigeria**

Table 21 reveals that slightly above half of respondents (54.0%) adjudged the procurement management process in their establishments as not transparent. The table further shows a similar trend in the responses of respondents from ADP and MANR as more than half (51.2% and 56.5% respectively) indicated that procurement management process in their establishments was not transparent. This result suggests that another important area where anti-corruption efforts should focus at curbing corruption in the public sector is procurement management process. This finding gives credence to the argument of Mayne and Eduardo (1999) that procurement is one of the areas most prone to corruption in the public sectors. According to the authors:

“Contracting is the main way a government operates and public money is spent. In this sense, contracts are the vehicles for implementing public policy. A significant portion of health and agriculture expenditure goes to procurement or contracts for goods and services. It is estimated that between 20-50% of the government health budget is used to procure drugs. Preventing and controlling corruption in procurement is therefore, a determining factor in policy and project efficiency”.

**Table 21: Extent of transparency of procurement management in the agricultural sector in southwestern Nigeria**

Transparency	Scores	ADP Staff	MANR Staff	All respondents (n=174)			
				F	%	Mean	Std dev
Transparent	16-22	40 (48.8)	40 (43.5)	80	46.0	15.7	3.6
Not Transparent	9-15	42 (51.2)	52 (56.5)	94	54.0		

Figures in parentheses are percentages

Source: Field Survey, 2011

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#### **5.8.4.1 Transparency in public service delivery within the agricultural-based institution**

Table 22a presents the distribution of respondents based on statements on public service delivery by their establishments. The table shows that highest positive agreements was obtained for statements that the services rendered were of high quality, were offered at government regulated cost, and were fully satisfactory to the user with mean scores of 2.8, 2.6, and 2.5 respectively. Majority of respondents (58.0%) also disagreed with the statement that services offered were performed according to informal rules. On the whole, the distribution of responses of public officers suggests that service delivery by the agricultural sector to clientele was transparent. However, the flip side of the data presented on table 22b suggests otherwise. For instance, 60.8% of farmers disagreed that services and inputs were usually supplied at government regulated price. About 59.4% of farmers 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 than the expected beneficiaries. This finding corroborates the argument of Sarimienta (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 22a: Distribution of public officers based on their responses to statements on public service delivery by the ADP and MANR establishments**

SN	Statements	Response category	F	%	Mean
<b><i>Would you agree that the services offered by your institution are:</i></b>					
1	Of high quality?	Agree	143	82.2	2.8
		Uncertain	20	11.5	
		Disagree	11	6.3	
2	Performed according to informal (not written) rules?	Agree	35	20.1	1.6
		Uncertain	38	21.8	
		Disagree	101	58.1	
3	Offered at official (government regulated) cost?	Agree	128	73.6	2.6
		Uncertain	26	14.9	
		Disagree	20	11.5	
4	Fully satisfactory to the user?	Agree	106	61.0	2.5
		Uncertain	42	24.1	
		Disagree	26	14.9	
5	Accessible by the less privileged?	Agree	102	58.6	2.4
		Uncertain	48	27.6	
		Disagree	24	13.8	
<b><i>In relation to the implementation of the activities/delivery of services, to what extent at the institution where you work there exist:</i></b>					
6	clearly defined mechanisms that take into consideration the feedback and needs of the users?	Not at all	35	20.1	1.8
		Moderate extent	74	42.5	
		Large extent	65	37.4	
7	clearly defined mechanisms that channel user's complaints as well as their preferences?	Not at all	23	13.2	1.7
		Moderate extent	81	46.6	
		Large extent	70	40.2	
8	Receipts for the different transactions issued to clients?	Not at all	28	16.1	1.7
		Moderate extent	71	40.8	
		Large extent	75	43.1	
9	Receipts for the different transactions saved in hard copy for use during internal or external audits?	Not at all	27	15.5	1.7
		Moderate extent	62	35.6	
		Large extent	85	48.9	

**Table 22b: Distribution of farmers' based on their responses to statements on public service delivery by the ADP and MANR establishments**

SN	Statements	SA		A		U		D		SD		Mean
		F	%	F	%	F	%	F	%	F	%	
1	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
2	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
3	Supplies from the government are usually inadequate	20	13.5	44	29.7	30	20.3	50	33.8	4	2.7	3.2
4	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
5	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
6	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
7	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
8	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
9	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
10	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
11	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: Field Survey, 2011

#### **5.8.4.2 Extent of transparency in public services rendered by the agricultural sector**

Table 23a on extent of transparency in public service delivery shows that 51.1% of public officers indicated that delivery of public service in their establishment was not transparent. Furthermore, findings suggests that public service delivery is more transparent in the ADP than in the MANR establishments as more respondents (51.2%) from the ADP adjudged public service delivery in their establishment as transparent when compared with 46.7% of the MANR respondents that indicated so. This relatively high transparency in the ADP might be due to the fact that most funds made available to the ADP offices were tied to certain projects being sponsored by donor agencies. It is also important to mention that most of these donor agencies also incorporate monitoring and evaluation components into their projects in order to reduce corruption to the barest minimum. The foregoing therefore justifies the inclusion of monitoring and evaluation components in donor funded projects as a means of reducing leakages and wastages.

Table 23b on the categorisation of farmers based on their responses to statements on public service delivery by the agricultural sector shows a similar trend with the results obtained from the public officers. Majority (56.8%) of the farmers indicated that public service delivery in the agricultural sector was not transparent. Furthermore, data obtained from farmers in each of Oyo, Ekiti and Osun States shows that none of these states is immune to corruption. This is indicated by the majority of farmers (55.8%, 57.9% and 64.2% respectively) that indicated lack of transparency in service delivery in each of the states.

The foregoing implies that service delivery in the agricultural sector is not without some traces of corruption. This corroborates the argument of Idachaba as cited by Ladele (2010) in his paper

on Agricultural Research, Food Security and Hunger, in which he enunciated on the elements research in the hunger equation. He pointed out that the imbalance in the hunger equation and unsustainable livelihoods in Africa is largely caused by some overlooked variables which most researchers have designated as non-research constraints. Ladele (2010) identified one of these variables as corruption.

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**Table 23a: Extent of transparency in public service delivery (Public Officers)**

Transparency	Scores	ADP Staff	MANR Staff	All respondents (n=174)			
				F	%	Mean	Std dev
Transparent	19-27	42 (51.2)	43 (46.7)	85	48.9	18.9	3.8
Not Transparent	9-18	40 (48.8)	49 (53.3)	89	51.1		

Figures in parentheses are percentages

Source: Field Survey, 2011

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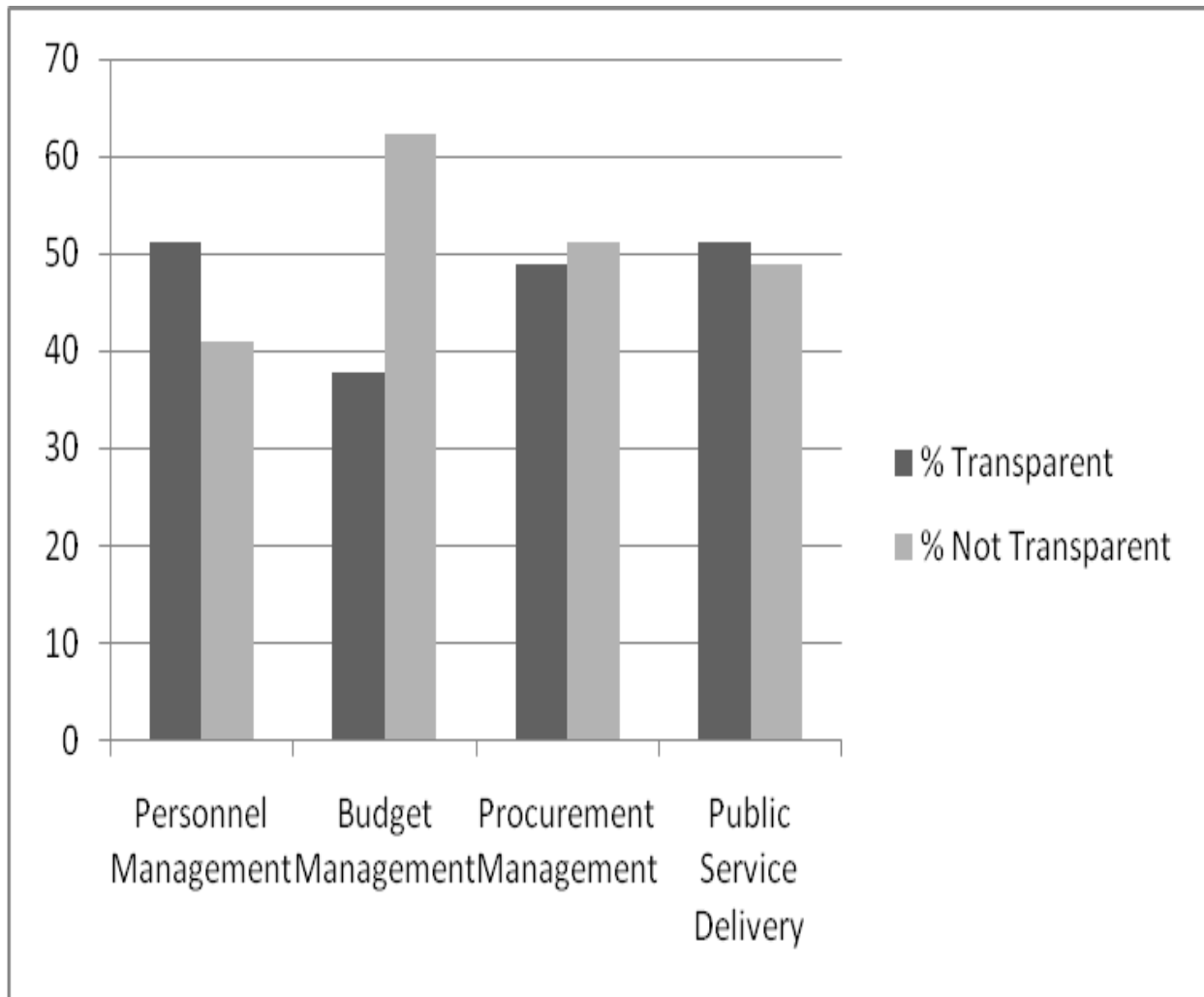
**Table 23b: Extent of transparency in public service delivery (Farmers)**

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

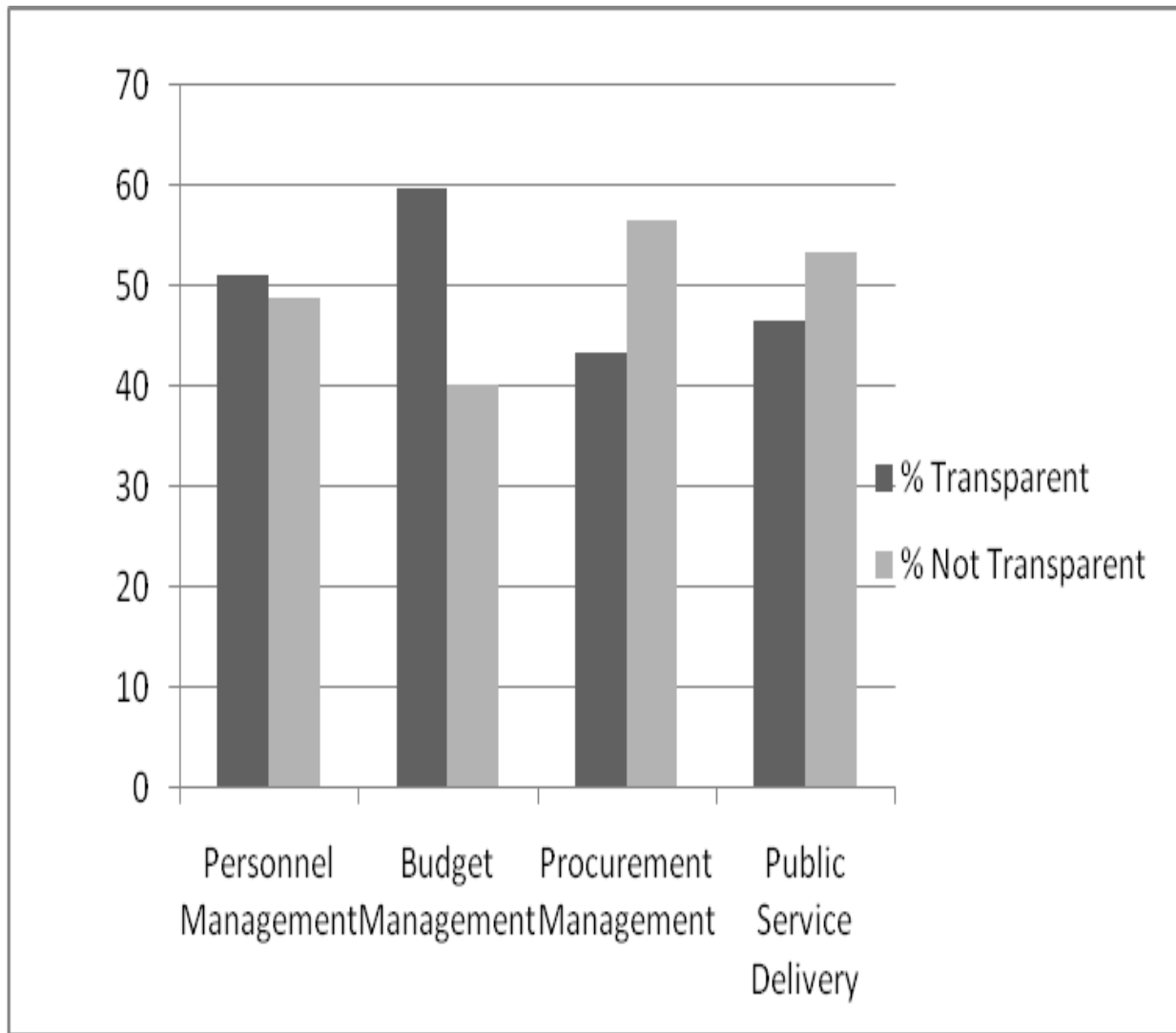
Source: Field Survey, 2011

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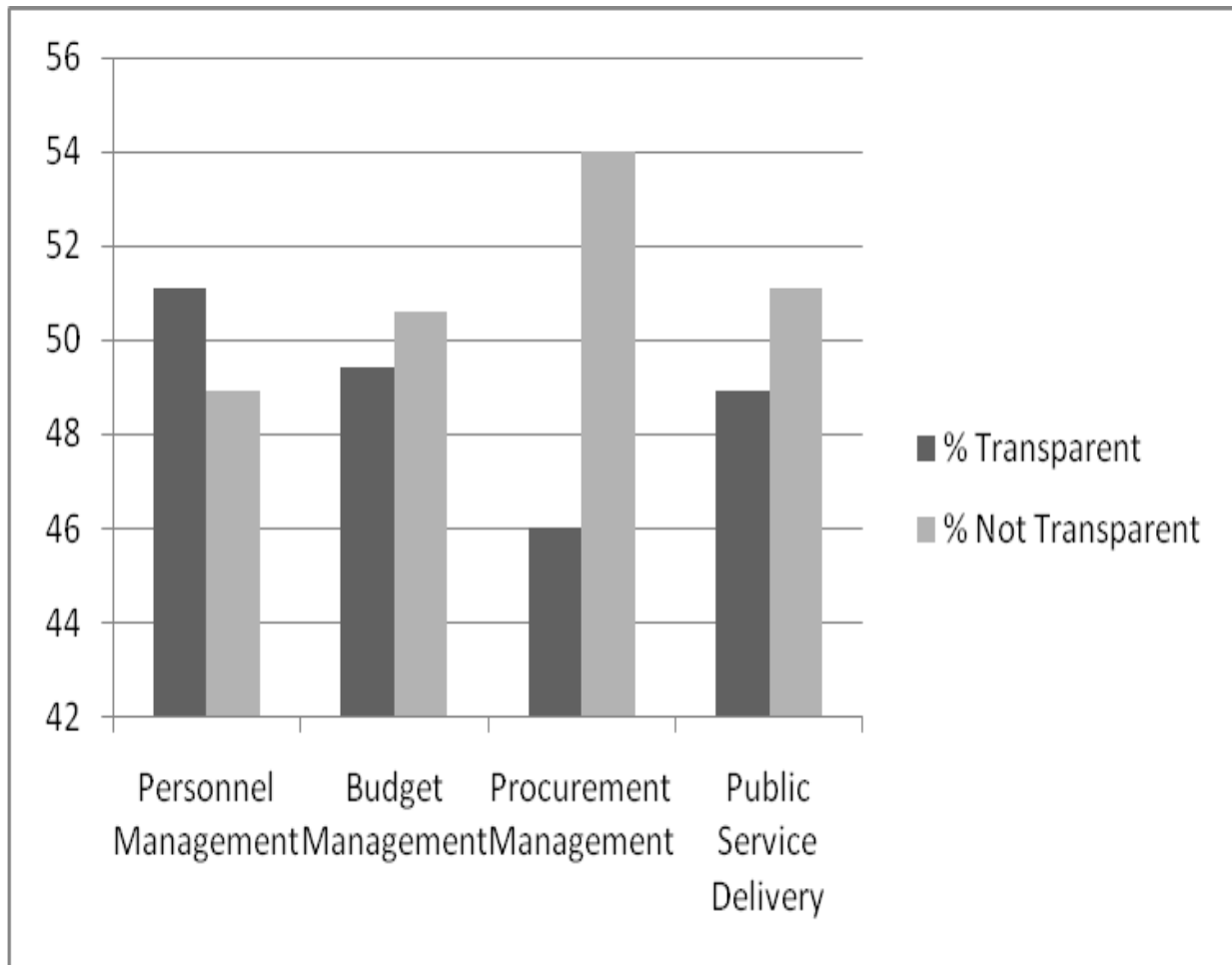


**Figure 9: Bar chart distribution of transparency in organisational management practices in the ADP establishment in southwest Nigeria**

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**Figure 10: Bar chart distribution of transparency in organisational management practices in the MANR establishment in southwest Nigeria**



**Figure 11: Bar chart distribution of transparency in organisational management practices among public officers in the agricultural sector in southwestern Nigeria**

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### **5.9 Perceived level of corruption in the agricultural sector in southwestern Nigeria**

Table 24 presents the perceived level of corruption among public officials in the agricultural sector in the southwest Nigeria based on the indicators of extent of transparency in personnel management, budget management, procurement management and public service delivery. The table shows that about 53.4% of respondents adjudged the level of corruption in the agricultural sector as low. However, almost half of respondents (46.6%) indicated a high level of corruption. The considerable proportion of respondents who indicated a high level of corruption is an indication of the fact that the extent of corruption in the agricultural sector is not negligible. Furthermore, table 24 shows that a higher proportion of respondents (53.3%) from MANR indicated a high extent of corruption in their establishment when compared with 48.8% of respondents from the ADP who adjudged extent of corruption in their establishment as high. This suggests that the level of corruption in the MANR is higher than that of the ADP. The reason for this may not be farfetched given the fact that MANR plays a coordinating role over the ADP and therefore serves as medium through which funds are released to the ADP from the state government.

Another plausible reason is that funds available at the ADP are usually tied to projects managed by external agencies which in most cases have effective monitoring and evaluation components that keep sharp practices at minimal extent. This relatively high level of corruption within the MANR establishment has a serious implication for agricultural development in Nigeria, given the roles played by the Ministry of Agriculture in agricultural policy implementation, regulation and supervision of all agricultural and rural development projects.

**Table 24: Perceived level of corruption among public officers in the agricultural sector**

Level of corruption (perceived)	Scores	ADP Staff	MANR Staff	All respondents (n=174)			
				F	%	Mean	Std dev
Low	107-131	42 (51.2)	43 (46.7)	93	53.4	107.1	8.1
High	89-106	40 (48.8)	49 (53.3)	81	46.6		

Figures in parentheses are percentages

Source: Field Survey, 2011

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## 5.10 Hypotheses Testing

The results of the hypotheses tested in this study are presented in this section. Implications of the findings are also discussed.

### Hypothesis one

There is no relationship between the public officials' background characteristics (establishment, state, sex, education, age, job satisfaction and years of work experience) and their attitude to corruption.

#### 5.10.1 Establishment of public officials and their attitude to corruption

Table 25 shows that no relationship exist between the category of agricultural establishment and the attitude of respondents to corruption ( $\chi^2 = 0.761, p > 0.05$ ). This result indicates that the category of establishment that the respondents belong to, whether ADP or MANR is not associated with their disposition to corruption. This finding contradicts the assumptions of Heidenheimer's (1989) approach to corruption where he proposed a system-oriented model of corruption. According to him, corrupt behaviour and its frequency vary among different systems and pervasiveness of corruption is associated with the nature and type of system. Furthermore, while Heidenheimer's theory may not be completely ruled out in this case, suffice to posit that the ADP and MANR establishments are not quite different in terms of culture and tradition.

**Table 25: Chi-Square analysis of relationship between establishment of public officers and their attitude to corruption**

Establishment categories	Attitude to corruption				df	$\chi^2$ value	p-value
	Unfavorable		Favorable				
	Freq	%	Freq	%			
ADP	41	50.0	41	50.0	1	0.761	0.391
MANR	43	46.7	49	53.3			

Not significant  $p > 0.05$

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### 5.10.2 State (location) of establishment and attitude of respondents to corruption

Table 26 shows a significant relationship between the states of survey and attitude of public officials in the agricultural sector to corruption ( $\chi^2 = 11.319$ ,  $p < 0.05$ ). This suggests that the geographical location of agricultural establishments/respondents is associated with their attitude to corruption. This finding is consistent with the argument of Anderson (2008) that individual's definition of what is corrupt and what is not can be influenced by their origin and societal norms. The cross-tabulation results further shows that more respondents from Oyo State (65.8%) were favorably disposed to corruption when compared with 34.2% who were negative in their attitude. The reverse is the trend for Osun and Ekiti States where more respondents were negative in their attitude to corruption (64.1% and 55.9% respectively). This result suggests that public officers in Oyo State are more permissive to corrupt practices than their colleagues from Osun and Ekiti States.

**Table 26: Chi-Square analysis of relationship between state of establishment and attitude of public officers to corruption**

States of survey	Attitude to corruption				df	$\chi^2$ value	p-value
	Unfavorable		Favorable				
	Freq	%	Freq	%			
Oyo	26	34.2	50	65.8	2	11.319	0.003*
Osun	25	64.1	14	35.9			
Ekiti	33	55.9	26	44.1			

\*Significant at  $p < 0.05$

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### 5.10.3 Sex of public officers and their attitude to corruption

Table 27 reveals a significant relationship between sex of respondents and their attitude to corruption ( $\chi^2 = 0.045$ ,  $p < 0.05$ ). This result suggests that sex of individuals is associated with their attitude to corruption. The cross-tabulation analysis further shows that more proportion of the females (66.7%) had favorable attitudes to corruption than the males (47.4%) suggesting that female public officers in the agricultural sector in south west Nigeria are more tolerant of corruption than their male counterparts. The result negates the general notion suggesting that women may have higher standards of ethical behaviour and be more concerned with the common good than men (Dollar, 1999). However, the findings give credence to the argument of Anderoni and Vesterlund (2001) that the answer to which is the fair sex is complicated. The authors posited that concerning altruism women are more altruistic than men when it is expensive, but when it is cheap men are more altruistic. They added that men are more likely to be either perfectly selfish or selfless, whereas women tend to be equalitarians who prefer to share evenly.

**Table 27: Chi-Square analysis of relationship between sex of public officers and their attitude to corruption**

Sex Categories	Attitude to corruption				df	$\chi^2$ value	p-value
	Unfavorable		Favorable				
	Freq	%	Freq	%			
Male	71	52.6	64	47.4	1	0.045	0.026
Female	13	33.3	26	66.7			

\*Significant at  $p < 0.05$

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#### **5.10.4 Level of education of public officers and their attitude to corruption**

Table 28 indicates that no significant relationship existed between public officer's level of education and their attitude to corrupt practices ( $\chi^2 = 2.817$ ,  $p > 0.05$ ). This indicates that respondents' level of education is not related to their attitude to corruption. It is also an indication that the tendency to be corrupt is not the exclusive problem of the poorly educated nor is the peculiarity of the highly educated. This finding is against the argument of Onoge (2001) who posited that corruption thrives better among the highly educated than the poorly educated folks.

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**Table 28: Chi-Square analysis of relationship between Level of education of public officers and their attitude to corruption**

Highest level of education	Attitude to corruption				Df	$\chi^2$ value	p-value
	Unfavorable		Favorable				
	Freq	%	Freq	%			
Secondary	7	31.8	15	68.2	2	2.817	0.245
College/University	19	52.8	17	47.8			
Postgraduate studies	58	50.0	58	50.0			

Not significant  $p > 0.05$

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### **5.10.5 Respondents' age, job satisfaction and years of work experience and their attitude to corruption**

Table 29 shows that there is no significant correlation between respondents age ( $r=0.127$ ,  $p>0.05$ ), job satisfaction ( $r=-0.138$ ,  $p>0.05$ ), and years of work experience ( $r=0.107$ ,  $p>0.05$ ) and their attitude to corruption. These results show that respondents attitude to corruption is not influenced by age, level of job satisfaction and length of service in the agricultural sector. The negative correlation between respondents' level of job satisfaction and their attitude to corruption suggest that the attitude of an average public servant to corruption will not significantly improve even when efforts are made to improve their salaries and allowances, the condition of work environment and job security. This perhaps explains the reason why despite the introduction of special salary package for men of the forces in Nigeria, the sector is still largely perceived to be disposed to corruption (U-reports, 2008). In the same vein, the study further shows that the problem of corruption is not peculiar to certain age bracket, but is a problem of both the young and the old.

In similar vein, the non-correlation between respondents age, years of work experience and attitude to corruption gives credence to the argument that the problem of corruption is not peculiar to certain age bracket, but is a problem of both the young and old (Adelakun, 2001). However, this result is inconsistent with the findings of Gibbons (1989b) in a similar study where age was observed to influence the evaluations of corrupt scenarios. Age affected bribery and bureaucratic conflict of interest, where older respondents were more condemning than the younger.

**Table 29: Correlation analysis of respondents' age, job satisfaction, years of work experience and attitude to corruption**

<b>Variables</b>	<b>r-value</b>	<b>p-value</b>
Age	0.127	0.094
Job satisfaction	-0.138	0.070
Years of work experience	0.107	0.161
Not significant $p > 0.05$		

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### 5.11 Hypothesis two:

There is no relationship between the public officials' attitude to corrupt practices and the perceived level of corruption in the agricultural sector.

Table 30 reveals a significant correlation between respondents attitude to corrupt practices and the perceived level of corruption in the agricultural sector ( $r = 0.163$ ,  $p < 0.05$ ). This result implies that corruption is influenced by attitude. This finding is consistent with Johnston (2002) model on the variety of factors that contribute to corruption and that can be used as entry points to fight it. He argued that attitudes remain important both in analysing the extent and location of corruption and in developing responses.

**Table 30: Correlation between the officials' attitude to corrupt practices and the perceived level of corruption in the Nigerian agriculture**

<b>Variables</b>	<b>r-value</b>	<b>p-value</b>
Attitude to corrupt practices	0.163	0.032*

\*Significant  $p < 0.05$

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### 5.12 Hypothesis three

There is no significant difference in the perceived level of corruption between the ADPs and the Ministries of agriculture

Table 31 indicates that there is no significant difference in the perceived level of corruption between the ADP and the MANR ( $t = 1.366$ ,  $p > 0.05$ ). This result implies that extent of corruption within the ADP establishments is not quite different from that of the MANR, an indication that neither of the establishments can be adjudged as fairer in terms of extent of corruption than the other. The result further suggests that the structural differential and the role differences that exist between these two major establishments of the agriculture sector does not necessarily translates to different levels of corruption between the establishments.

**Table 31: Difference in the perceived level of corruption between the ADPs and the Ministries of agriculture**

Variable	N	Mean	Std. dev.	Std. error	Mean diff	t-value	df	p-value
ADP	82	108.0	8.5	0.9	1.7	1.366	172	0.174
MANR	92	106.3	7.8	0.8				

Not significant  $p > 0.05$

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### 5.13 Hypothesis four

There is no significant difference in the perceived level of corruption across the areas of study (Ekiti, Osun and Oyo).

Table 32 reveals that there is no significant difference in the perceived level of corruption across the areas of study (Ekiti, Osun and Oyo States;  $F = 0.113, p > 0.05$ ). This result implies that perception of corruption is not different across the geographical boundary that exists between these states. In addition, the result is consistent with the earlier finding of this study on table 18b which reveals the farmers assessment of the public officers in the three states as highly corrupt in their dealings with them on public service delivery.

**Table 32: There is no significant difference in the perceived level of corruption across the areas of study (Ekiti, Osun and Oyo).**

Variables		df	Sum of squares	Mean Square	F	p-value
Perceived level of corruption* States	Between Groups	2	15.166	7.583	0.113	0.893
	Within Groups	171	11451.759	66.969		

Not significant  $p > 0.05$

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## CHAPTER SIX

### 6.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter presents summary of major findings of the study and their implications in developing sound organisational management practices in the agricultural sector in southwest Nigeria. Conclusion drawn from the study, recommendations based on the findings and areas for further study were also documented.

#### 6.1 Summary of major findings

Majority of the public officers in the agricultural sector in south west Nigeria were middle aged people, with an average age of 40.4 years. Majority (77.6%) were male and 87.4% of them had college/university level education and above. Respondents had worked in their establishments for an average of 9.7 years while an overwhelming proportion (91.4%) were positively disposed to due process in the public system. Most (79.9%) of the respondents preferred the work in the public sector in Nigeria to working in the private sector despite their dissatisfaction with their salary and job benefits (52.9% and 49.4% respectively). Job security ranked as the most important factor with highest motivation potential among public officials in the agricultural sector. Level of job satisfaction was high among majority (74.1%) of respondents.

Majority of respondents indicated favorable attitude to influence peddling (89%), patronage (78%), Pork barreling (70%), private use of government resources (65%) and bureaucratic conflict of interest (56%). Just about 50% of the respondents indicated favorable attitude to nepotism. On the other hand, majority of respondents acknowledged abuse of office (72%), bribery (67%), and impropriety (57%) as unfavorable. Respondents' perception of corruption shows a wide acceptability of corrupt practices as a way of life among majority (52.3%) of

public officials in the agricultural sector in Nigeria. Also, Respondents did not differ in their attitude and perception of corruption according to their establishments, whether ADP or MANR. The major causes of corruption among the public officials were: greed, poor working conditions and remuneration, poverty, poor management systems and bureaucratic inefficiency in that order. About 64.4% of respondents agreed that there was an internal mechanism through which they can report dishonesty in their establishments. However, almost half (29.9%) of this proportion of respondents indicated that the internal control mechanism was not operational. Internal control measures for curbing corruption had low level of effectiveness among majority of respondents (61.7% and 53.8% respectively) from ADP and MANR respectively.

Among the major indices used to quantify corruption in the study, only personnel management practices was transparent among majority (51.1%) of the public officials. Other indices such as budget management, procurement management and public service delivery recorded low levels of transparency among majority of public officials (50.6%, 54.0% and 51.1% respectively). While MANR was more transparent than the ADP establishment in budget management practices, ADP had a higher level of transparency on issues of public service delivery when compared with the MANR. The flip side of the data on service delivery reveals that majority of farmers in Oyo, Ekiti and Osun States indicated (55.8%, 57.9% and 64.2% respectively) lack of transparency in services rendered to them by public officials in the ADP and MANR. Higher proportion of respondents (53.3%) from MANR indicated a high extent of corruption in their establishment when compared with 48.8% of respondents from the ADP who adjudged extent of corruption in their establishment as high. On the whole, almost half of public officials (46.6%) indicated a high level of corruption in their establishments.



A significant relationship was observed between respondents sex ( $\chi^2 = 0.045$ ,  $p < 0.05$ ), state of survey ( $\chi^2 = 11.319$ ,  $p < 0.05$ ) and their attitude to corruption. Attitudes of respondents also correlate significantly with the perceived level of corruption (0.163,  $p < 0.05$ ), while no significant difference was observed in the perceived level of corruption across the areas of study (Ekiti, Osun and Oyo) ( $F = 0.113$ ,  $p > 0.05$ ) and between the public officials selected from the ADP and the MANR ( $t = 1.366$ ,  $p > 0.05$ ).

## 6.2 Conclusion

The study concludes that the perceived extent of corruption in the agricultural sector is considerable and that a veritable culture of corruption prevailed among the public officials in the agricultural sector of southwestern Nigeria. While neither of the ADP nor the MANR was immune to corruption, its pervasiveness was however higher in the MANR than that of the ADP. Furthermore, procurement management, budget management and public service delivery were salient organisational management practices which provided opportunities for corruption to thrive in the sector. Apart from bribery, abuse of office and impropriety, public officials in the agricultural sector were tolerant of the many other forms of corruption as they perceived them as job-related opportunities to top-up their wages. In addition, internal mechanisms for control of corrupt practices in the agricultural sector were more pronounced on paper policy and not backed with appropriate action. While the causes of corruption in the sector were many, the several illegal gains derived by the public officials in the form of corruption were major impetus to respondents' high level of job satisfaction.

### 6.3 Recommendations

Based on the empirical findings obtained from this study, the following recommendations are made:

1. The clogged bureaucratic procedures involved in administrative processes in the agricultural sector should be reviewed to close-up the gap that such procedures have created for corruption to thrive in the public sector.
2. There is a dire need to make known and enforce compliance of the public officials in agricultural establishments to the various forms of corruption using the media and other public enlightenment campaign strategies. The existing media campaign programmes that suggest bribery as the only form of corruption should be repackaged to incorporate other forms of corruption in its message. This will ensure that audience is treated with the required full dosage of therapy necessary to curtail further spread of corruption in the public sectors of the nation.
3. There is need to put in place mechanisms for the protection of “whistle blowers” so that they can be encouraged to supply anti-corruption commission with vital and confidential information that would aid its work. In addition, adequate reward system should be put in place for the upright and honest public officials for their courage in keeping their heads above the waters of corruption. These strategies will help in establishing an oasis of integrity in the current desert of corruption in our public system. It will also engender attitudinal change among corrupt public officials. It is important to note that similar strategy helped tremendously in the fight against fake drugs by the National Agency for Food Drug Administration and Control (NAFDAC) especially during the tenure of Prof. Dora Ankuyili as the Director General.

4. The role of the media in anti-corruption crusade cannot be overemphasized. The lopsided attention paid by the media to coverage of corruption news among the political class at the expense of the decay in other sectors is underlined with the erroneous and simplistic reasoning that corruption is the malignant hobby of politicians. Balancing the trivial thus requires that more attention (of equal valence) be paid to reportage of corrupt practices in other sectors of the nation's economy. This will help in sensitizing the populace and may further trigger beaming of the search light of anti-corruption commission into such sectors.

5. The economic empowerment of public officers in the agricultural sector must be seen and vigorously pursued as a national emergency. In this regard, the provision of adequate remuneration package and benefits, improvement in general welfare and working conditions of public officials will help to close off opportunities for corruption, alleviate pressures and strengthen resistance to corruption. This will go a long way in making public officers less vulnerable to corrupt tendencies.

6. The existing internal mechanisms for control of corruption in agricultural establishments must be made to function in the form of a total war against corruption and not a mere paper policy. In this wise, strict compliance to the guidelines and regulations of procurement and budget management including public service delivery should be enforced. Non compliers should be punished in accordance with the civil service regulation to serve as deterrent to others.

7. Citizenship education should be re-introduced into the curriculum of studies at all levels of education in Nigeria. This will ensure that future employees in the agricultural sector are well grounded in anti-corruption values, honesty and integrity necessary to escape all trappings of

corruption. In this way, sustainability of efforts against corruption in the agricultural sector can be guaranteed.

#### **6.4 Contributions to knowledge**

1. Study demystifies the generally upheld opinion that corruption cannot be measured empirically.
2. Study would be instrumental in creating awareness and stimulating debate about corruption particularly within the agricultural sector.
3. Study serve as a source of data in a field hungry to unravel the contributory percentages of the so called non-research constraints to the imbalance in the hunger equation in southwestern Nigeria.
4. Study provides a local tool of counterweight to international corruption surveys (risk assessments, perception indices and others, whose aim is often to rank countries against one another). This will help development practitioners with alternative tools that can be adapted for measuring corruption in other sectors of the nation's economy.

#### **6.6 Areas for further research**

In order to dismantle the roadblock on the path of research on corruption in Nigeria, it is necessary to mount appropriate research and development coalition of professionals (e.g. Corruption in Agriculture) that will chart a roadmap for meaningful research agenda. Research efforts should be along the direction suggested as follows:

1. Content analysis of media space on corruption compared with other issues of social malaise,
2. Socio-cultural dimension of corruption,
3. Evaluation of the activities of anti-corruption agencies and programmes,
4. Corruption Perception Analysis of the major sectors of the economy,
5. Validation and adaptation of corruption measurement tools at local levels,
6. Designing methodologies and valid indicators to capture varieties of corruption,
7. Policy research and advocacy on corruption ,
8. Cause and effect analysis on corruption, and
9. Quantifying the cost of corruption.

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UNIVERSITY OF IBADAN

**APPENDIX I**

**UNIVERSITY OF IBADAN  
DEPARTMENT OF AGRICULTURAL EXTENSION AND RURAL DEVELOPMENT**

Dear Respondent,

I am a research student of Agricultural Extension and Rural Development from the above mentioned institution. I am conducting a survey to identify the practices that have developed within the agricultural public institutions related to organisational management practices and the distribution of public services by agricultural establishments. All information, which you offer, will be kept strictly confidential and solely used for research purpose. I assure you that your participation will not be revealed under any circumstances, nor will your name be printed or used in any report. I encourage you to be as candid as possible and to freely express your sincere opinions in answering the questions.

<b>RESPONDENTS CATEGORY</b>	<b>Public Servant</b>
<b>SURVEY IDENTIFICATION NUMBER</b>	
<b>ESTABLISHMENT</b>	
<b>STATE</b>	
<b>DATE OF SURVEY</b>	

**SECTION A**

**TICK [√] APPROPRIATELY IN THE BOX PROVIDED**

1. What is your age in years? .....
2. What is your sex? Male  Female
3. What is the highest level of education you completed? Primary , Secondary , College/University  Post-graduate studies
4. What is your current designation/post?.....
5. How many years have you worked in this organization?.....years
6. What is your opinion on working in the public sector in Nigeria when compared with working in the private sector? Worse , The same , Better
7. How satisfactory would you say your salary is? Unsatisfactory , Fairly satisfactory , Very satisfactory
8. How satisfactory would you say your benefits (pension, health etc.) are? Unsatisfactory , Fairly satisfactory , Very satisfactory
9. How secure would you say your job or position is? Insecure , Fairly secure , Very secure
10. How often do you engage in extra-official activities? Never , Occasionally , Frequently
11. On hourly rating, which activities fetch you more? Official activities , Extra official

activities [ ] Not applicable [ ].

12. What is your major drive for engaging in extra-official activities? Income enhancement [ ], Service to community [ ], Not applicable [ ].

13. Which of these options describe your opinion on due process? Enhance better service delivery [ ], It has no significant effect [ ], Reduces quality of service delivery [ ].

14. Where is due process better applied? Public sector [ ], Private sector [ ].

### SECTION B

15. Kindly rate the following administrative behaviours by ticking the options you consider most appropriate against each of the scenarios.

	Scenarios	Not at all honest	Slightly honest	Quite honest	Very honest
<b>A</b>	A senior public officer is in a position to award grant for rural development project. He decides to give the grant to his native community rather than to another community which better meets the criteria for the grant.				
<b>B</b>	When Mr. A got appointed as the National Food Project Coordinator, he recommended the secondment of his loyal supporters from the ministry to head the state offices of the project.				
<b>C</b>	During a recent advocacy visit by a tractor manufacturing company to agric ministry of nation Y, the spokesman of the company announced that the company would provide training sponsorship for members of staff, which the staff had wanted for years, but only if the company wins the bid as a permanent supplier of agricultural machines to the country.				
<b>D</b>	Mr X, an average farmer wants to get a tractor hiring service from a public Tractor Hiring service but needs the approval of a civil servant in the local government area, so he offers to buy the official a GSM phone.				
<b>E</b>	Mrs. X, a village extension worker, often makes references in the Monthly Technical Review Meeting with farmers to a particular agro-chemical business enterprise while speaking during question period. Mrs. X owns N500, 000 worth of stock in the business enterprise.				
<b>F</b>	A group of extension workers use their knowledge and contacts to establish a part-time consulting firm, which gives advice to private clients under their catchment. The officials are still actively employed by the government.				
<b>G</b>	An agricultural donor agency delegates responsibility for an activity to a subject matter specialist (SMS). The knowledge of the donor about the activity and their follow up is meagre. The SMS leads the activity with great interest and work a lot overtime. The SMS decide to compensate himself economically for the overtime, among other things by letting his wife follow him on an official journey abroad that is paid for by the administration, which the responsible donor neither know about nor approve.				
<b>H</b>	A local government official who is in charge of tractor hiring service to farmers at subsidized rate, decides to engage the service of the tractors on his family farm during the off-peak season without paying the required amount for the service to the government coffers and disallowing farmers of access.				
<b>I</b>	An agric supervisor purchased produce worth N5M from the government farm where he works but paid only N4.5M to the government purse.				

**SECTION C**

16. Indicate the extent to which you agree or disagree with the following statements.

Statements	Agree	Uncertain	Disagree
1. Bribe taking and giving is a form of dishonesty			
2. Fraud has assumed a way of life especially in Nigeria so it is impossible to uproot it completely from the public system			
3. Dishonesty does not hurt pace of development			
4. There is no need to thoroughly monitor sharp practices closely in Nigeria since it does not hurt pace of development			
5. The concept of immoral act starts from within heart and mind, thus it cannot be checked			
6. Giving of indulgence encourages entrepreneurship by bypassing clogged bureaucratic channels and thus make administration more accessible to ordinary citizens			
7. dishonesty subverts public interest to favour private interest			
8. Bribes allow officials' to-top their low salaries and gives motivation to underpaid workers.			
9. Fraudulent acts promotes apathy and a sense of alienation on behalf of citizens.			
10. Sharp practices help redistribute political goods more widely than does the official system and makes decision making predictable			
11. The process of giving and receiving of gratification reinforces existing inequalities and, hence, a conservative form of influence			
12. Gratification hinders administrative development and performance			
13. Taking of gratification prevents turmoil by enabling the excluded/marginalized groups to gain access to the state's resources			
14. Dishonesty affects professionalism in the public service and leads to frustration on the part of the few honest public servants.			
15. Giving and receiving of gratification works like the fiscal policy of the government, and therefore must not be over-used to explain every ill development			
16. Due process often confer extra constitutional power on illegitimately constituted group of individuals e.g. kitchen cabinet, special advisers etc., which exercise enormous authority on behalf of legitimately constituted institutions			
17. Immorality grows out of stress and imbalances in society			
18. Financial probity is easier for those who have money, special expertise and special access or connection to prominent figures or personalities.			
19. Bribe taking and giving involves the use of scarce and unevenly distributed resources which contribute to the preservation of existing advantages rather than changing the status quo.			
20. Dishonesty is inherent in some cultures and as such should be curbed			

21. The down-trodden only complain of immoral practices on the part of public officers but are sure to do same given the opportunity			
22. The idea of quota system in recruitment and promotion of staff in public offices is unfair and inhibitive to development			
23. The tradition of using man-know-man to get what you want is age long in our national system and should not be seen as promoting nepotism since everyone has benefited from the tradition at one time or the other			
24. Efforts to promote accountability and probity should be encouraged in all sectors of our economy if our nations image must be redeemed among the committee of nations			
25. The popular saying that those who labour at the altar should not be blame if they reap more than what is appointed for their labour is immoral and should be discouraged.			
26. Our socio-economic situations many times leave one with no option than to cut corners through ones official position.			
27. There is no harm in getting your bite of the national cake anyhow			

#### SECTION D

17. Indicate the extent to which you consider the following factors as determinants of dishonesty in public organization. Provide additional factors in the space provided and categorize them accordingly.

	<b>Very large extent</b>	<b>Large extent</b>	<b>Limited extent</b>	<b>Not a factor</b>
Greed				
Poor working conditions and remuneration				
Bureaucratic inefficiency				
Poverty				
Poor management systems				
Poor/no proper accountability mechanism				
Lack of information and transparency on rules and procedures				
Unclear rules with loopholes for manipulation				
Weak leadership at all levels				
Non-enforcement of rules and procedures				
Social demands and obligations				
Strong protective social net of the accused				
Inaction of sanction on cases reported				
Weak and ineffective media				

**SECTION E**

18. Evaluate to what extent the decisions of your institution related to administration /policies /regulations of personnel management satisfy the following statements.

<b>Decisions:</b>	<b>Never</b>	<b>Occasionally</b>	<b>Frequently</b>	<b>Always</b>
are formally written/well communicated				
are simple, clear, easy to understand				
require an excessive number of administrative steps				
are well supervised (managers make sure that the rules are followed)				
are strictly applied (non-compliance always leads to negative consequences for defaulters)				

19. Evaluate to what extent during the last two years personnel management decisions (hiring, assignments, changes, promotions, salary increases) were made.

<b>Personnel management decisions/policy are:</b>	<b>Never</b>	<b>Occasionally</b>	<b>Frequently</b>	<b>Always</b>
made in a transparent manner (I know who were assigned, promoted, transferred, or received wage increase and why).				
clear on position vacancies announced within the institution as well as announced publicly outside the institution (when appropriate) before employment is made.				
useful for the improvement of institutional efficiency.				
Fund allotment is subjected to regular decision by the internal unit of control.				
Fund allotment is subjected to a formal procedure of due process.				
Fund allotment is subject to committees approval before implementation				
based on specific criteria defined in writing (as opposed to tacit – not written and informal rules).				
based on professional experience				
based on merit				
based on professional performance				
based on family ties or friendship				
influenced by business ties/associations				
based on political ties/political affiliation/political pressure				
based on influential connections within the institution				
influenced by illegal payments (purchase of positions or promotions)				

20. How much involved are you in issues of budget management, including budget preparation, implementation, and evaluation in your organization? Not involved at all [ ], Partially involved [ ], Fully involved [ ].
21. Which of these options best describes budget expenditure monitoring in your organization? Not monitored at all [ ], Monitored on paper [ ], Truly monitored [ ].
22. To what extent is lack of moral uprightness responsible for the differential between actual spending and budgeted spending in your organization? Not at all [ ], Negligible extent [ ], Moderate extent [ ], Large extent [ ].
23. To what extent (if any) is management incompetence responsible for the differential between actual spending and budgeted spending? Not at all [ ], Negligible extent [ ], Moderate extent [ ], Large extent [ ].
24. During the last two years to what extent would you agree that decisions relating to the budget administration (amounts assigned to the budget, services, programs which they were carried out, groups that received budget allocations) have been.

<b>The budget administration decisions were:</b>	<b>Not at all</b>	<b>Moderate extent</b>	<b>Large extent</b>
done transparently (we know who received what and why)			
announced/open to public knowledge through various legal means			
subjected to regular audits by the internal control unit			
subject to regular external audits performed by professionals qualified and experienced in conducting audits			
based on specific criteria defined in writing			
influenced by ethnic ties			
based on political pressure			
based on influential connections within the institutions			
influenced by illegal payments			
planned with consideration given to institutional fulfillment			

25. In your department/organization, to what extent are guidelines/policies/regulations of procurement management formalized in writing? Never [ ], Up-to 25% of the time [ ], Up to 50% of the time [ ], Up to 75% of the times [ ], All of the time [ ].
26. To what extent are the guidelines/policies/regulations of procurement management adhered to during actual procurement process? Never [ ], Up-to 25% of the time [ ], Up to 50% of the time [ ], Up to



75% of the times [ ], All of the time [ ].

27. How often are exceptions made to requirement for competitive bidding during procurement?

Never [ ], Occasionally [ ], Frequently [ ], All the time [ ].

28. In many countries, it is common for enterprises to make additional gratification to win procurement contract. What proportion of public procurement contracts in your organization involves any gratification? Never [ ], Up-to 25% of the time [ ], Up to 50% of the time [ ], Up to 75% of the times [ ], All of the time [ ].

29. How do you agree with the following expression?

In my institution...	Agree	Uncertain	Disagree
there are too many levels in the decision making process			
the decision making process is too centralized			

30. Would you agree that the services offered by your institution...

Services offered by my institution are:	Agree	Uncertain	Disagree
Of high quality?			
Performed according to informal (not written) rules?			
Offered at official (government regulated) cost?			
Fully satisfactory to the user?			
Accessible by the less privileged?			

31. In relation to the implementation of the activities/delivery of services, to what extent at the institution where you work there exist...

	Not at all	Moderate extent	Large extent
clearly defined mechanisms that take into consideration the feedback and needs of the users?			
clearly defined mechanisms that channel user's complaints as well as their preferences?			
receipts for the different transactions issued to clients?			
receipts for the different transactions saved in hard copy for use during internal or external audits?			

**SECTION F**

- 32. In law, is there an internal mechanism (i.e. phone hotline, e-mail address, local office) through which civil servants can report dishonesty? Yes [ ], No [ ].
- 33. In practice, is the internal mechanism effective? Yes [ ], No [ ].
- 34. In practice, does the internal reporting mechanism have a professional, full-time staff? Yes [ ], No [ ].
- 35. In practice, does the internal reporting mechanism receives regular funding Yes [ ], No [ ].
- 36. In practice, does the internal reporting mechanism acts on complaints within a reasonable time period? Yes [ ], No [ ].
- 37. In practice, when necessary, does the internal reporting mechanism initiates investigations? Yes [ ], No [ ].
- 38. How effective would you say the process of reporting cases of sharp practices in your establishment is? Completely ineffective [ ], Ineffective [ ], Fairly effective [ ], Effective [ ], Completely effective [ ].
- 39. How would you say the process of reporting dishonesty cases is in your institution? Extremely difficult [ ], Difficult [ ], Fairly simple [ ], Simple [ ], Extremely simple [ ].
- 40. As far as you know how protected is the reporter of dishonest cases from potential harassment? Totally unprotected [ ], Fairly protected [ ], Totally protected [ ].
- 41. What in your opinion are the best measures of curbing the problem of sharp practices in the agricultural sector of Nigeria?

.....

.....

.....

**APPENDIX II**

**UNIVERSITY OF IBADAN  
DEPARTMENT OF AGRICULTURAL EXTENSION AND RURAL DEVELOPMENT**

Dear Respondent,

I am a research student of Agricultural Extension and Rural Development from the above mentioned institution. I am conducting a survey to identify the practices that have developed within the agricultural public institutions related to the distribution of public services. All information, which you offer, will be kept strictly confidential and solely used for research purpose. I assure you that your participation will not be revealed under any circumstances, nor will your name be printed or used in any report. I encourage you to be as candid as possible and to freely express your sincere opinions in answering the questions.

<b>RESPONDENTS CATEGORY</b>	<b>Farmers</b>
<b>SURVEY IDENTIFICATION NUMBER</b>	
<b>STATE</b>	
<b>ZONE</b>	
<b>DATE OF SURVEY</b>	

1. What is your age in years? .....
2. What is your sex? Male [ ], Female [ ].
3. What is your marital status? Single [ ], Married [ ], Widowed [ ], Widower [ ].
4. How many years have you been engaged in agricultural practice? .....
5. Do you receive advisory or any other agricultural support services from the Agricultural Development Programme (ADP)? Yes [ ], No [ ].
6. Do you receive advisory or any other agricultural support services from the Ministry of agriculture? Yes [ ], No [ ].
7. What is the size of your farmland in acres? .....
8. What type of agricultural practice(s) are you involved?

	Agricultural Practice	Tick as many as relevant
i	Food crop	
ii	Cash crop	
iii	Livestock	
iv	Poultry	
v	Fishery	
vi	Mini-livestock	
vii	Marketing	

10. (a) In the past 12 months, have you found it necessary to offer a gift in any form to someone from the ADP/Ministry of agriculture? Yes [ ], No [ ].  
 (b) If yes, how many times? .....

11. Did you offer the gift willingly? Yes [ ], No [ ]?

12. Did you make a complaint with regard to the need to offer any gift in order to get served? Yes [ ], No [ ].

13. If yes, how effective was it? It did not make a difference [ ], It did make a difference [ ].

12. What problems, if any, do you face when accessing services from the extension workers and the ministry of agriculture?

.....  
 .....  
 .....

14. Kindly assess the delivery of services by the ADP to your farm enterprise in recent years via the following statements: (SA-Strongly Agree, A-Agree, U-Uncertain, D-Disagree, SD-Strongly disagree)

SN	Statements	SA	A	U	D	SD
1	Services provided by government workers are always fully satisfactory to the farmers					
2	Intervention and supply are biased towards some types of farm enterprises than others					
3	Supplies from the government are usually inadequate					
4	Supplies in most times are given to other than the expected beneficiaries					
5	Intervention benefits are limited to some people e.g. politicians and families of extension/ministry officials					
6	Agricultural services and benefits have always reached the farmers					
7	Services and inputs supplied are usually of high quality					
8	Services and inputs when supplied to farmers are usually at official (government regulated ) price					
9	Government workers sometimes demand for gifts or money from us whenever they render agricultural services to us					
10	Supplies meant for farmers are sometimes appropriated by government workers for their personal farm activities					
11	Extension workers are always available for advise					

23. Indicate the extent to which you consider the following factors as causes of dishonesty among agric workers. Provide additional factors in the space provided and categorize them accordingly.

	<b>Very large extent</b>	<b>Large extent</b>	<b>Limited extent</b>	<b>Not a factor</b>
Greed				
Poor working conditions and remuneration				
Bureaucratic inefficiency				
Poverty				
Poor management systems				
Poor/no proper accountability mechanism				
Lack of information and transparency on rules and procedures				
Unclear rules with loopholes for manipulation				
Weak leadership at all levels				
Non-enforcement of rules and procedures				
Social demands and obligations				
Strong protective social net of the accused				
Inaction of cases reported				
Weak and ineffective media				

24. What in your opinion can be done to instill honesty among agric workers serving the farmers?

.....

.....

.....

## APPENDIX III

### TRANSPARENCY INTERNATIONAL FULL SOURCE DESCRIPTION CORRUPTION OF CORRUPTION PERCEPTION INDEX 2012

Data sources that were used to construct the Corruption Perceptions Index 2012:

- African Development Bank Governance Ratings 2011
- Bertelsmann Foundation Sustainable Governance Indicators 2011
- Bertelsmann Foundation Transformation Index 2012
- Economist Intelligence Unit Country Risk Ratings
- Freedom House Nations in Transit 2012
- Global Insight Country Risk Ratings
- IMD World Competitiveness Yearbook 2012
- Political and Economic Risk Consultancy Asian Intelligence 2012
- Political Risk Services International Country Risk Guide
- Transparency International Bribe Payers Survey 2011
- World Bank - Country Policy and Institutional Assessment 2011
- World Economic Forum Executive Opinion Survey (EOS) 2012
- World Justice Project Rule of Law Index 2012

#### 1. African Development Bank Governance Ratings 2011

**Code: AFDB**

##### **Data Provider**

The African Development Bank (AFDB) is a regional multilateral development bank, engaged in promoting the economic development and social progress of countries on the continent. The AfDB's 2011 Governance Ratings are part of the Country Policy and Institutional Assessment (CPIA), which assesses the quality of a country's institutional framework in terms of how conducive it is to fostering the effective use of development assistance. The current CPIA strives to achieve a maximum level of uniformity and consistency across all regional member countries surveyed. Also, and in order to comply with the Paris and Rome declarations on Aid Effectiveness, Harmonization and Alignment, the AfDB has modified the questionnaire and guidelines for its CPIA to be in line with those of the World Bank and the Asian Development Bank, thus increasing the comparability and synergy among systems. The CPIA is carried out by a group of country economists with vast experience in policy analysis. The knowledge of these experts is complemented with that of local contacts that provide both quantitative and qualitative insights. Peer discussions are also used to monitor the quality of the findings.

##### **Corruption Question(s)**

Experts are asked to assess: Transparency, Accountability and Corruption in the Public Sector. "This criterion assesses the extent to which the executive can be held accountable for its use of funds and the results of its actions by the electorate and by the legislature and judiciary, and the extent to which public employees within the executive are required to account for the use of resources, administrative decisions, and results obtained. Both levels of accountability are

enhanced by transparency in decision making, public audit institutions, access to relevant and timely information, and public and media scrutiny. A high degree of accountability and transparency discourages corruption, or the abuse of public office for private gain. National and sub-national governments should be appropriately weighted. Each of three dimensions should be rated separately:

- (a) the accountability of the executive to oversight institutions and of public employees for their performance;
- (b) access of civil society to information on public affairs; and
- (c) state capture by narrow vested interests.”

### **Scores**

The rating scale ranges from 1 (very weak for two or more years) to 6 (very strong for three or more years) and allows for half point intermediate scores (e.g.3.5). The score is an aggregate of the three dimensions of corruption across national and sub-national government institutions in the country.

### **Country Coverage**

All African Countries (53) are covered with the exception of South Sudan (inclusion scheduled for 2013). Countries are scored in terms of their performance during the year of the rating vis-à-vis the criteria, which are included in the CPIA Manual for Drafters and updated every year. The CPIA is a three-phase process involving i) the rating of countries by country teams; iii) the review of all ratings by sector experts; and iii) the endorsement of final ratings at open discussions between country teams and reviewers

### **Data availability**

The data set has been published annually since 2005. The 2011 Governance Ratings were compiled during 2011 and published in January 2012.

## **2. Bertelsmann Foundation Sustainable Governance Indicators 2011**

**Code: BF (SGI)**

### **Data Provider**

The Bertelsmann Stiftung was founded in 1977 as a private foundation. As a think tank they work toward improved education, a just and efficient economic system, a preventative healthcare system, a vibrant civil society and greater international understanding. The Bertelsmann Stiftung is independent and nonpartisan. It designs, launches and runs its own projects. The Sustainable Governance Indicators (SGI) examines governance and policymaking in OECD member states in order to evaluate each country's need for, and ability to carry out, reform. The indicators are calculated using quantitative data from international organisations and then supplemented by qualitative assessments from recognised country experts.

### **Corruption Question(s)**

Experts are asked to assess:

“To what extent are public officeholders prevented from abusing their position for private interests?”

This question addresses how the state and society prevent public servants and politicians from accepting bribes by applying mechanisms to guarantee the integrity of officeholders, through: auditing of state spending; regulation of party financing; citizen and media access to information; accountability of officeholders (asset declarations, conflict of interest rules, codes of conduct); transparent public procurement systems; and effective prosecution of corruption. Scores are given from: a low of 1 to 2, where 'Public officeholders can exploit their offices for private gain as they see fit without fear of legal consequences or adverse publicity' to a high of 9 to 10, where 'Legal, political and public integrity mechanisms effectively prevent public officeholders from abusing their positions.'

### **Scores**

Scores are given on a scale of 1 (highest level of corruption) to 10 (lowest level of corruption).

### **Country Coverage**

31 OECD countries were scored.

The quantitative data are compiled centrally by the SGI project team from official, publicly accessible statistics (primarily from OECD sources). The qualitative data are captured and examined by a worldwide network of around 80 respected researchers. The SGI Codebook, a detailed questionnaire, provides a clear explanation for each of the questions, so that all experts share a common understanding of the questions.

### **Data availability**

First published in 2009, this is now a biennial publication. The Sustainable Governance Indicators 2011 were published in 2010 and assess a two-year period from 1 May 2008 to 30 April 2010.

## **3. Bertelsmann Foundation Transformation Index**

**Code: BF (TI)**

### **Data Provider**

The Bertelsmann Stiftung was founded in 1977 as a private foundation. As a think tank they work toward improved education, a just and efficient economic system, a preventative healthcare system, a vibrant civil society and greater international understanding. The Bertelsmann Stiftung is independent and nonpartisan. It designs, launches and runs its own projects. The Transformation Index provides the framework for an exchange of good practice among agents of reform. Within this framework, the BTI publishes two rankings, the Status Index and the Management Index, both of which are based on in-depth assessments of 128 countries. The scores are based on detailed country reports which assess 52 questions divided into 17 criteria.

Assessments are provided by two experts per country. Country assessments consist of two sections: the written assessment of the state of transformation and management performance in a country (country report) and the numerical assessment of the state of transformation and management performance (country ratings). Scores are given by a country expert, which are then reviewed blind by a second country expert who also provides a second independent rating of the country.



### **Corruption Question(s)**

Experts are asked to assess: “To what extent are public officeholders who abuse their positions prosecuted or penalized?”

Assessments range from: a low of 1 to 2, where 'Officeholders who break the law and engage in corruption can do so without fear of legal consequences or adverse publicity.' to a high of 9 to 10, where 'Officeholders who break the law and engage in corruption are prosecuted rigorously under established laws and always attract adverse publicity.'

“To what extent does the government successfully contain corruption?” Assessments range from: from a low of 1 to 2, where 'The government fails to contain corruption, and there are no integrity mechanisms in place.' to a high of 9 to 10, where 'The government is successful in containing corruption, and all integrity mechanisms are in place and effective.'

### **Scores**

Scores are assigned on a scale of 1-10 with 10 being the lowest level of corruption and 1 being the highest. The score for each country is an average of the two questions.

### **Country Coverage**

128 countries and territories are scored. Country scores pass through an *intra-regional* review stage followed by an *inter-regional* review and ratings aggregation.

### **Data availability**

The Transformation Index was first published in 2003, and has been published every two years since then. The data is taken from the BTI 2012 report, published in 2011 and assesses a two-year period from 1 February 2009 to 31 January 2011.

## **4. Economist Intelligence Unit Country Risk Ratings**

**Code:** EIU

### **Data Provider**

The Economist Intelligence Unit (EIU) was established in 1946 as the research body for The Economist newspaper. Since then, it has grown into a global research and advisory firm that produces business intelligence for policy makers worldwide. 650 full-time and contributing analysts work in and on over 200 countries/territories. Country Risk Ratings are designed to provide in-depth and timely analysis of the risks of financial exposure in more than 140 countries. The EIU relies on teams of experts based primarily in London (but also in New York, Hong Kong, Beijing and Shanghai) who are supported by a global network of in-country specialists. Each country analyst covers a maximum of two or three countries/territories. The economic and political reports produced by EIU analysts are subjected to a rigorous review process before publication.

### **Corruption Question(s)**

Specific guiding questions include:

Are there clear procedures and accountability governing the allocation and use of public funds?

Are public funds misappropriated by ministers/public officials for private or party political purposes?

Are there special funds for which there is no accountability?

Are there general abuses of public resources?

Is there a professional civil service or are large numbers of officials directly appointed by the government?

Is there an independent body auditing the management of public finances?

Is there an independent judiciary with the power to try ministers/public officials for abuses?

Is there a tradition of a payment of bribes to secure contracts and gain favours?

### **Scores**

Scores are given as integers on a scale from 0 (very low incidence of corruption) to 4 (very high incidence of corruption).

### **Country Coverage**

144 countries/territories were scored in 2012 according to the standardised guidelines for the corruption question provided to each analyst.

### **Data availability**

Country risk assessments have been produced by the EIU since the early 1980s. Updated summaries are provided monthly for 100 countries and quarterly for the rest. The CPI draws on the most recent data provided, October 2012 for 144 countries/territories.

## **5. Freedom House Nations in Transit 2012**

**Code: FH**

### **Data Provider**

Founded in 1941, Freedom House is an independent watchdog organisation that supports the expansion of freedom around the world. Freedom House supports democratic change, monitors freedom, and advocates for democracy and human rights. The Nations in Transit (NIT) reports measure democratisation in 29 nations and administrative areas throughout Central Europe and the Newly Independent States (NIS). The reports focus on democratic progress and setbacks. Each report focuses on the following thematic areas: national democratic governance; electoral process; civil society; independent media; local democratic governance; judicial framework and independence; and corruption. The NIT surveys were produced by Freedom House staff and consultants. The latter were recommended by relevant authorities and are regional or country specialists. A range of sources were used in compiling the report, including: multilateral lending

institutions; non-governmental organisations; and other international organisations; local newspapers and magazines; and select government data.

### **Corruption Question(s)**

The Freedom House experts are asked to explore a range of indicative questions, including:

Has the government implemented effective anti-corruption initiatives?

Is the government free from excessive bureaucratic regulations, registration requirements, and other controls that increase opportunities for corruption?

Are there adequate laws requiring financial disclosure and disallowing conflict of interest?

Does the government advertise jobs and contracts?

Does the state enforce an effective legislative or administrative process—particularly one that is free of prejudice against one’s political opponents—to prevent, investigate, and prosecute the corruption of government officials and civil servants?

Do whistleblowers, anti-corruption activists, investigators, and journalists enjoy legal protections that make them feel secure about reporting cases of bribery and corruption?

### **Scores**

Ratings run from 1 (lowest level of corruption) to 7 (highest level of corruption) and allow for half-point and quarter-point intermediate scores (e.g. 3.25).

The score is a generalised composite measure of corruption that includes an assessment of all areas covered by the indicative questions.

### **Country Coverage**

29 countries/territories were ranked in 2012.

Country scores are reviewed at the regional level and then centrally by the Freedom House academic advisory board.

### **Data availability**

The report has been published annually since 2003.

The 2012 Nations in Transit data coverage is from 1 January through 31 December 2011.

## **6. Global Insight Country Risk Ratings**

**Code: GI**

### **Data Provider**

Founded in 1959, IHS is a global information company employing more than 5,100 people in more than 30 countries around the world. It provides a wide range of online services covering macroeconomics, country risk and individual sector analysis. The Global Insight country risk rating system has been in operation since 1999 and provides a six-factor analysis of the risk

environment in 204 countries/territories. The six factors are political, economic, legal, tax operational and security risk. The corruption risk score used in the CPI is drawn largely from the evaluation of operational risk, but also builds on the insight of the country experts in analysing the other areas of risk. The assessments are made by over 100 in-house country specialists, who also draw on the expert opinions of in-country freelancers, clients and other contacts. The ratings reflect IHS Global Insights expert perceptions of the comparative level of the problem in each country/territory. The ratings assess the broad range of corruption, from petty bribe-paying to higher-level political corruption and the scores assigned to each country are based on a qualitative assessment of corruption in each country/territory.

### **Corruption Question(s)**

Experts are asked to assess:

Corruption, particularly as it affects operational activities for businesses. There is analytical emphasis on the economic and political drivers of the problem. From a business perspective, corruption is a particular concern in relation to obtaining business permits and favourable policy and planning decisions. Analysts will closely assess businesses' experience of these processes.

### **Scores**

The ratings range from a minimum of 1.0 (minimum corruption) to 5.0 (maximum corruption) and allow for half-point intermediate scores (e.g. 3.5).

### **Country Coverage**

203 countries/territories worldwide are scored.

Scores provided by country analysts are reviewed and benchmarked by IHS Global Insight's risk specialists at both the regional and global level.

### **Data availability**

The Country Risk Rating System has been available since 1999 and is continuously maintained.

## **D World Competitiveness Year Book 2012**

**Code: IMD**

### **Data Provider**

IMD is a world pioneer in executive education. More than a business school, IMD collaborates with individuals, teams and organisations to resolve real business issues, build capabilities and prepare for the future. Delivered from a campus on the shores of Lake Geneva in Switzerland and key locations worldwide, IMD's top-ranking programmes and services combine practical experience, thought leadership and a global mind-set. ([www.imd.org](http://www.imd.org)) The World Competitiveness Yearbook (WYC) measures the competitiveness of nations and, in doing so, both ranks and examines how a nation's socio-political and economic climate affects corporate competitiveness. The study uses 331 criteria in order to obtain a multifaceted image of the competitiveness of nations, defined as following: "Competitiveness of nations is a field of economic knowledge, which analyses the facts and policies that shape the ability of a nation to create and maintain an environment that sustains more value creation for its enterprises and more prosperity for its people." The WCY largely includes hard data but also a survey of senior

business leaders who, together, reflect a cross-section of a nation's corporate community. IMD calls upon local and foreign enterprises operating in a given economy, and surveys both nationals and expatriates, so as to add an international perspective on local environments. In 2012 4,200 business executives responded. The IMD World Competitiveness Centre works in collaboration with 54 partner institutes around the world to assure the validity and relevance of data.

### **Corruption Question (s)**

Survey respondents were asked: "Bribing and corruption: Exist or do not exist".

### **Scores**

Answers are given on a 1 - 6 scale which is then converted to a 0 - 10 scale where 0 is the highest level of perceived corruption and 10 is the lowest.

### **Country Coverage**

59 countries/territories around the world were scored in 2012.

### **Data availability**

The IMD World Competitiveness Yearbook has been published annually since 1989.

The 2012 data was gathered between January and April 2012, and published in May 2012.

## **8. Political and Economic Risk Consultancy 2012**

**Code: PERC**

### **Data Provider**

The Political and Economic Risk Consultancy or PERC is a consulting firm specialising in strategic business information and analysis for companies doing business in the countries of East and Southeast Asia. As part of its services, PERC produces a range of risk reports on Asian countries, paying special attention to critical socio-political variables like corruption, intellectual property rights and risks, labour quality, and other systemic strengths and weakness of individual Asian countries/territories. PERC publishes fortnightly newsletters, which are available to subscribers, on a number of issues. The data for the CPI was gathered from the corruption newsletter, which gathers and interprets data from an executive opinion survey of local and expatriate businesspeople. The survey was conducted via face-to-face, telephone and online interviews. Business people were asked about both the country in which they currently work and their country of origin. 100 business executives were surveyed in each country.

### **Corruption Question(s)**

Survey respondents were asked:

"To what extent do you perceive corruption to be a problem in the following positions?"

National-level political leaders

City and other local-level political leaders

Civil servants at the national level

Civil servants at the city level

“To what extent do you perceive corruption to be a problem affecting the following institutions?”

The police department

The court system

Customs

The taxation bureau

Government licensing bodies

Inspection bodies

The military

### **Scores**

Answers to each question were scaled from 0 (not a problem) to 10 (a serious problem). The results of the 11 separate scores for each position and institution were averaged to give one score for each country.

### **Country Coverage**

15 Asian countries/territories plus the United States were surveyed in 2012. The same questions and survey methodology were employed in each country surveyed. Individual respondents were asked both about the country they were from and the country they currently work in.

### **Data availability**

The survey dates back 20 years and is conducted annually. The data used for the CPI 2012 was gathered in a survey carried out between December 2010 and February 2011 and published in March 2012.

## **9. Political Risk Services International Country Risk Guide**

**Code: PRS**

### **Data Provider**

Based in the vicinity of Syracuse, New York, since its founding in 1979, Political Risk Services (PRS) has consistently focused on political risk analysis. On a monthly basis since 1980, their International Country Risk Guide (ICRG) has produced political, economic, and financial risk ratings for countries/territories important to international business. The ICRG now monitors 140 countries/territories. ICRG ratings form the basis of an early warning system for opportunities and pitfalls, country-by-country. ICRG staff collect political information and convert it to risk points on the basis of a consistent pattern of evaluation. Political risk assessments and other political information form the basis of ICRG risk ratings. It is therefore possible for the user to

check through the information and data so as to assess the ratings against their own assessments, or against some other risk ratings system.

### **Corruption Question(s)**

This is an assessment of corruption within the political system. The most common form of corruption met directly by businesses is financial corruption in the form of demands for special payments and bribes connected with import and export licenses, exchange controls, tax assessments, police protection, or loans. The measure is most concerned with actual or potential corruption in the form of excessive patronage, nepotism, job reservations, exchange of favours, secret party funding, and suspiciously close ties between politics and business.

### **Scores**

The corruption scores are given on a scale of 0 (highest potential risk) to 6 (lowest potential risk).

### **Country Coverage**

The ICRG provides ratings for 140 countries on a monthly basis. To ensure consistency both between countries/territories and over time, points are assigned by ICRG editors on the basis of a series of pre-set questions for each risk component.

### **Data availability**

The ICRG model was created in 1980 and the data is made available on a monthly basis. The CPI data is an aggregate of quarterly assessments covering the period of September 2011 to September 2012.

## **10. Transparency International Bribe Payers Survey 2011**

**Code: TI**

### **Data Provider**

Transparency International (TI), the global civil society organisation leading the fight against corruption, brings people together in a powerful worldwide coalition to end the devastating impact of corruption on people around the world. TI's mission is to create change towards a world free of corruption. Transparency International commissioned the tailor-made Bribe Payers Survey. This is a survey of business executives in 30 countries/territories around the world which probes perceptions of bribery and corruption both in their country of operation and by companies from other countries that they do business with. It was conducted by the IPSOS polling group in 2011. 100 business executives from 30 different countries/territories were surveyed in 2011, through phone, face-to-face and online interviews on the subject of bribery and corruption. The sample included companies from a broad range of sectors in each country/territory, with an oversampling of large and foreign-owned companies.

### **Corruption Question(s)**

Survey Respondents were asked:

“In your opinion, how common is it for public officials to demand or accept bribes in this country?”

“In your opinion, how common is the misuse of public funds for private gain in this country?”

### **Scores**

For each question scores were given on a scale of 1 to 5, where 1 corresponds to 'never' and 5 corresponds to 'very common'. The results of the two questions were averaged to give one score per country/territory.

### **Country Coverage**

30 countries were surveyed in 2011. The same question was asked of respondents in all countries, about bribery and corruption both at home and in the context of international business dealings.

### **Data availability**

The Bribe Payers Survey was first conducted in 1999. It is expected that the survey will be repeated triennially. The 2011 survey was conducted between April and June 2011.

## **11. World Bank Country Policy and Institutional Assessment 2011**

### **Code: WB**

### **Data Provider**

The World Bank was established in 1944, is headquartered in Washington, D.C and has more than 10,000 employees in more than 100 offices worldwide. The World Bank is made up of two development institutions: the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). The IBRD aims to reduce poverty in middle-income and creditworthy poorer countries, while IDA focuses on the world's poorest countries. The CPIA rates all IDA-eligible countries against a set of 16 criteria grouped in four clusters: (a) economic management; (b) structural policies; (c) policies for social inclusion and equity; and (d) public sector management and institutions. The criteria are focused on balancing the capture of those factors critical to fostering growth and poverty reduction against avoiding undue burden on the assessment process. The ratings are the product of staff judgment and do not necessarily reflect the views of the World Bank's Board of Executive Directors or the governments they represent. The Bank has prepared guidance to help staff assess country performance, by providing a definition of each criterion and a detailed description of each rating level. Bank staff assess the countries' actual performance on each of the criteria, and assign a rating. The ratings reflect a variety of indicators, observations, and judgments based on country knowledge, originating with the Bank or elsewhere, and on relevant publicly available indicators.

### **Corruption Question(s)**

Experts are asked to assess: Transparency, Accountability and Corruption in the Public Sector. "This criterion assesses the extent to which the executive can be held accountable for its use of funds and the results of its actions by the electorate and by the legislature and judiciary, and the extent to which public employees within the executive are required to account for the use of resources, administrative decisions, and results obtained. Both levels of accountability are enhanced by transparency in decision making, public audit institutions, access to relevant and timely information, and public and media scrutiny. A high degree of accountability and



transparency discourages corruption, or the abuse of public office for private gain. National and sub-national governments should be appropriately weighted.

Each of three dimensions should be rated separately:

- (a) accountability of the executive to oversight institutions and of public employees for their performance;
- (b) access of civil society to information on public affairs; and
- (c) state capture by narrow vested interests.”

### **Scores**

The rating scale ranges from 1 (low levels of transparency) to 6 (high levels of transparency) and allows for half-point intermediate scores (eg. 3.5). The score is an aggregate of the three dimensions of corruption across national and sub-national government institutions in the country/territory.

### **Country Coverage**

78 countries were scored in the CPIA 2011. The process of preparing the ratings involves two phases: (a) the benchmarking phase, in which a small, representative, sample of countries is rated in an intensive Bank-wide process; and (b) a second phase, in which the remaining countries are rated using the derived benchmark ratings as guideposts. The process is managed by the Bank’s Operations Policy and Country Services Vice-Presidency.

### **Data availability**

First released in 2005 in its current form, the CPIA is now an annual exercise.

The ratings process typically starts in the fall and is concluded in the spring of the following year. The scores disclosed in June 2012 (the 2011 CPIA exercise) cover 2011 country performance.

## **12. World Economic Forum Executive Opinion Survey (EOS) 2012**

**Code: WEF**

### **Data Provider**

The World Economic Forum is an independent international organisation committed to improving the state of the world by engaging business, political, academic and other leaders of society to shape global, regional and industry agendas. Incorporated as a not-for-profit foundation in 1971, and headquartered in Geneva, Switzerland, the Forum is not tied to political, partisan or national interests.

The Executive Opinion Survey (EOS) is the World Economic Forum's annual survey of business executives. The survey has evolved over time to capture new data points essential to the Global Competitiveness Index (GCI) and other Forum indexes.

The Forum's Centre for Global Competitiveness and Performance works closely with a network of over 150 partner institutions that administer the surveying of their respective countries/territories. They are selected because of their capacity to reach out to leading business executives as well as their understanding of the national business environment and their commitment to the Forum's research on competitiveness. The Partner Institutes are, for the most

part, well-respected economics departments of national universities, independent research institutes or business organisations. An average of 100 business executives per country/territory were surveyed for the EOS 2012 with an oversampling of larger firms. The surveys are conducted according to stringent guidelines which underwent a review in 2008. The sample is stratified by sector and company size.

### **Corruption Question(s)**

Survey respondents were asked:

(On a scale of 1 - 7 where 1 means very common and 7 means never)

“In your country, how common is it for firms to make undocumented extra payments or bribes connected with the following”:

- a) Imports and exports;
- b) Public Utilities;
- c) Annual Tax Payments;
- d) Awarding of public contracts and licensing;
- e) Obtaining favourable judicial decisions.

(on a scale of 1 - 7 where 1 means very common and 7 means never)

“In your country, how common is diversion of public funds to companies, individuals or groups due to corruption?”

### **Scores**

Each question is scored by respondents on a scale of 1 - 7.

The results of parts a) to e) of the first question were aggregated into a single score. The results of the two questions were then averaged across all respondents to give a score per country/territory.

### **Country Coverage**

In 2012 the survey captured the views of business executives in 140 economies.

The survey is conducted in each country/territory according to the sampling guidelines and therefore in a consistent manner across the globe during the same time of year.

### **Data availability**

The World Economic Forum has conducted its annual survey for more than 30 years.

The data was gathered in a survey conducted between January and June 2012.

## **13. World Justice Project Rule of Law Index**

**Code: WJP**

### **Data Provider**

The World Justice Project (WJP) is an independent, not-for-profit organisation working to advance the rule of law for the development of communities of opportunity and equity. The WJP’s multi-national, multi-disciplinary efforts are dedicated to developing practical programmes in support of the rule of law around the world. The work of the WJP is based on two complementary premises: the rule of law is the foundation for communities of opportunity and equity, and multi-disciplinary collaboration is the most effective way to advance the rule of law.

The WJP Rule of Law Index is an assessment tool designed by The World Justice Project to offer a detailed and comprehensive picture of the extent to which countries/territories adhere to the rule of law in practice. The Index provides detailed information and original data regarding a variety of dimensions of the rule of law, which enables stakeholders to assess a nation's adherence to the rule of law in practice, identify a nation's strengths and weaknesses in comparison to similarly situated countries, and track changes over time. The Index's rankings and scores are the product of a rigorous data collection and aggregation process. Data comes from a global poll of the general public and detailed questionnaires administered to local experts. To date, over 2,000 experts and 66,000 other individuals from around the world have participated in this project.

### **Corruption Question(s)**

A total of 68 questions are asked of experts and respondents from the general population (53 and 15 targeted to each group respectively) on the extent to which government officials use public office for private gain. These questions touch on a variety of sectors within government including the public health system, regulatory agencies, the police, and the courts. Individual questions are aggregated into four sub-indices:

Government officials in the executive branch do not use public office for private gain

Government officials in the judicial branch do not use public office for private gain

Government officials in the police and the military do not use public office for private gain

Government officials in the legislature do not use public office for private gain

### **Scores**

Scores are given on a continuous scale between from a low of 0 to a high of 1.

### **Country Coverage**

97 countries were scored in the 2012 Rule of Law index.

The Index is deliberately intended to be applied in countries with vastly differing social, cultural, economic, and political systems.

### **Data availability**

The first edition was published in 2010, with slight variation in methodology and country coverage.