

Corruption and Its Impact on Nigeria's Democracy: A Case Study of the Nigerian Oil Sector

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ABSTRACT :In today's sustainability-conscious society, social ills significantly encourage disparity in development amongst nations. This study focuses on corruption, its effects on Nigeria's democracy, and further constrains the research sphere to the country's highest revenue generator and foreign policy exchange, its Oil and Gas Sector. Corruption is rooted in misconduct which deviates a public role holder from the formal responsibility in exchange for personal gains. Coined as a behavior engulfing not only the sector in question but the country at large, corruption as disclosed in this study poses significant negative effect on Nigeria and its democracy. Following that, the report suggests mitigating activities such as economic changes, altering cultural views, aggrandizing the legal framework, and re-engineering industry infrastructure. In obtaining these results, the qualitative research method via case study, coupled with document review research technique and quantitative data sources were employed in addressing the research questions; does corruption in Nigeria's oil sector impact the country's democracy? If so, what level does this relation exist? Potential measures applicable in combating the corruption in Nigeria. The research's contribution to knowledge resulted in conclusions in this study that will advise government and policymakers on realistic approaches for combating corruption in Nigeria's oil sector.

KEYWORDS -Corruption, Oil and Gas Sector, Democracy, Oil Boom, Oil Curse.

I. INTRODUCTION

The world today understands that within any eco system that is dependent on a particular element exists the possibility of consequences for that eco system. Education, innovations and technological advancements over the years have enlightened and provided humans with additional options to traditional means, to be used in cooperation or solely. Several proponents have detailed literature exploring and debating various concepts relating to dependency, across numerous disciplines and from different perspectives. The concept of 'resource curse' has gained prominent attention over the past decades, existing literature have attempted to assess its impact on political institutions and the rule of law in a state.

Zhan Jing (2011) posits that amongst existing literature pertaining to the resource curse, how resources endowment affects corruption in nations, is of utmost importance [1]. Kurecic P. (2014) concluded that a society's reliance on natural resource exports, particularly in the case of minerals, has a negative influence on inequality and poverty levels [2]. However, there are still gaps and disagreements in available empirical evidence proving resources propagate corruption and under what conditions such effects occur.

Relative research deduce that natural resource richness typically contributes to economic underdevelopment in third-world countries [3] [1]. According to some experts, one significant causative mechanism of the resource curse is that reliance on resources leads to bad governance and weak political institutions that are prone to widespread corruption [1]. Although, opposing views proffer that rich resource endowment does not always imply weak institutions since public position holders can employ resource windfall profits to improve state capacity.

This study will explore the various elements of corruption in Nigeria and how this corruption affects the democracy of Nigeria. Constraining the corruption sphere to the country's oil and Gas sector, seeing that Nigeria is an oil producing state and a member of the Organization of Petroleum Exporting Countries (OPEC).

This study shall explore the level of corruption in the Nigerian oil sector and how it affects the Nigerian democracy. It is pertinent to note that the level of democracy varies according to states. While some states are strong democracies with strong adherence to the rule of law, other states, however, are weaker states exhibiting little or no respect to the rule of law. These varying levels of democracy is caused by both internal and external factors which can

breed potentially catastrophic results. The research contributes to current pool of knowledge by providing theories in this study that will advise government and policymakers on realistic approaches for combating corruption in Nigeria's oil sector.

I.I Statement of problem

Nigeria, and its oil sector in particular have been described by United Nations Development Programme (UNDP) having “administrative neglect, failing social infrastructure and services, high unemployment rate, social deprivation, abject poverty, filth and degradation, and endemic conflict,” [4]. The former Governor of the Central Bank of Nigeria, Sanusi Lamido Sanusi, in a lecture, empirically explored the correlation between corruption and Nigeria economic growth with emphasis in the country's Oil sector, the study found huge evidences indicating a strong but negative relationship between corruption and democracy [5]. At this point in time when Nigeria's reliance on the oil and gas sector seems to be increasing rather than reducing via strategies which ultimately increase market prices despite high inflation rates. Furthermore, with the normalization of corruption throughout government systems, this research is critical in addressing the impediments caused by corruption on the democracy of the country.

I.I Research questions

This study aims to add to the body of knowledge about corruption in the oil industry and its impact on Nigeria's democracy. The project will answer the following research question.

- Does corruption in the Nigerian oil sector have any influence on Nigeria's democracy?
- How does the level of corruption in Nigerian oil sector affect the nation's level of democracy?
- What necessary steps should be taking in curbing the corruption menace in Nigeria and diversifying the nations mainstay against its fixation on oil?

II. THEORETICAL FRAMEWORK

II.I Background

Corruption is one of the most serious challenges to any country's economic and political progress [6]. Sumah S. (2018) describes corruption as a strong factor impeding the economic, social, political and even technological growth of many nations [3]. The author further posits that corruption is a constant in the society and occurs in all civilizations. Currently, Corruption in Nigeria transcends any individual subsystem but for exclusivity reasons, focus is placed on the Nigerian oil sector.

Corruption in the Nigerian oil sector has long been a topic of discussion in the Nigerian media. Pring and Vrushi (2019) present an intricate link between corruption and a democratic government system, explaining that emerging democracies face susceptibility to corruption [7]. Pring and Vrushi imply that this susceptibility is as a result of insufficient development of anti-corruption and integrity mechanisms, which consequentially results in a loop of high corruption and low-performing democratic institutions for these countries [7]. In light of this, a similar pattern can be observed in the West African nation of Nigeria; It is not an exaggeration to say that corruption in Nigeria has reached cancerous proportions; the phenomena is so ubiquitous across the African continent that it has become a threat to decent governance, democratic processes, and fair commercial transactions in a competitive market [8].

Democracy is a system of governance in which the majority of the people collectively hold absolute authority and it is governed by them or by personnel selected by them. Additionally, a basic definition of democracy as offered by Abraham Lincoln, describes democracy as a government of the people, by the people, and for the people. A country operating a healthy democracy is more enabled to contain the occurrence of corruption, as opposed to other governing systems. Contrary authors argue that just because a regime is democratic does not imply that it is free of corruption [9,10,11]. Lack of transparency in political and campaign financing, outdated laws on freedom of information, insufficient protection to whistle-blowers, unreliable media have all been cited as causatives for corruption in a democracy [12]. In some countries, a healthy democracy may arise naturally over time, for others, it may emerge through revolution and other socio-political factors; majority of Nigerian citizens, on the other hand, will claim that a healthy democracy is difficult to attain due to the country's alarming level of corruption. Despite adopting democracy in 1999, multiple cases of high levels of oil and gas sector corruption date back to the preceding military regimes, indicating a deep rooted ill in regardless of leadership styles.

II.II Background of Nigeria and it's Oil Regions

Nigeria is situated on the Gulf of Guinea in Western Africa. The country shares land borders with the Republic of Benin in the west, Chad and Cameroon in the east, and Niger in the north, as well as an 853-kilometer coastline.

Nigeria is a developing country, with a land area of 923,768 km², and a population of around 200 million (Africa's most populous country) [13], with growth rate of approximately 2.38 [14]. From the Obudu Hills in the southeast to the beaches in the south, the rainforest, the Lagos estuary, and savannah in the middle and south west, and the Sahel to the expanding Sahara in the extreme north, Nigeria offers a diverse landscape. The Niger and Benue rivers are the country's two major rivers. The Niger Delta, the world's largest river delta, is formed when the two rivers converge. Natural resources abound throughout the country, including substantial amounts of petroleum and natural gas. Nigeria can arguable be regarded as a prominent player in the global energy industry due to its abundance of crude oil [15]. Nigeria's oil belt is located in its southernmost region, the Niger delta. The states of the Niger delta are depicted in Fig 1.

It is worth noting that oil is Nigeria's main source of foreign cash, accounting for over 90% of export earnings and more than 70% of total government revenues [16].

II.II Nigeria oil and gas sector

According to Nigerian law, the federal government owns all minerals, mineral oils, and natural gas. Application for oil prospecting licence is restricted to citizens or Nigerian-owned corporations. Nigeria's federal ministry of environment is in charge of enacting and executing this legislation and decree, which serve as the foundation for achieving sustainable development [17].

The minister of petroleum resources possesses sovereign power over oil company activities, and may revoke a license under certain conditions, including if the operator fails to comply with "good oilfield practice."

Following Inomiesa (2015) - presentation of empirical evidence suggesting that a lack of technological innovation, management, law, and corruption are all closely linked to the occurrence of environmental effects during oil and gas exploration. This report begs the question regarding the gross inefficiency of its oil and gas sector, with majority of claims pointing to gross misconduct (corruption) as the major cause [14].

In order to address the presence of corruption in Nigeria's oil and gas sector, the laws which govern the exploration of oil in the country are important considerations. The Nigerian oil business already has a number of laws in place. According to (Salu, 1999), majority of these rules serve as a conceptual framework for oil exploration and production with few regulations providing advice on pollution issues [18].

II.II Corruption in Nigeria oil and gas sector

Corruption is a major impediment to many countries' development [3]. Mentions of corruption in Nigeria oil and gas sector dates back to the military regime when dictatorships abused the Nigerian oil industry for personal benefit, and similar or even worse occurrences are occurring in the oil sector now, more than 21 years after the country became democratic. Inequality and derailed political institutions loom the Niger Delta as its people live in poverty despite the country's vast crude oil reserves. The country's economic evaluation is woefully inadequate, with the country recently being dubbed the "Poverty Capital of the World" [19].

Additionally, the progress made in establishing anti-corruption institutions such as - the Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices and Other Related Offences Commission (ICPC) - to combat the corruption problems in Nigerian society has been disappointing [8].

Evidence of widespread corruption pervading Nigeria led to the Transparency International (IT) placing Nigeria 130th out of 180 countries as the world's most corrupt country in 2009 [20].

III. RESEARCH METHODOLOGY

This Chapter goes into greater detail about the research strategy used. The chapters are divided into subsections as follows: qualitative research method, case study, research philosophy, justification of research methodology.

III.I Qualitative Research Method

Qualitative research has over the years amassed multiple definitions from various proponents, they include:

- Qualitative research as a type of research that aims to uncover and comprehend the meaning that some persons or groups of people attribute to social or human problems [21].
- Denzin & Lincoln (2005) cite that qualitative research is a method that situates the observer in the world via a collection of interpretive and material acts that make the world visible [22].

The qualitative research approach is used in this study due to the empirical character of the investigation. Qualitative research includes ethnography, case studies, document reviews, and participant findings. Various characteristics of this research approach makes it a viable approach for the intended study. These characteristics include;

- The ability to provide a comprehensive explanation and interpretation of a research topic without restricting the scope of the study or the nature of participant responses [23].
- Holistic nature permitting researchers to search for meaning through people's experiences or their constructed perspectives [24].
- Ability to investigate social phenomenon from the participant's viewpoint, and viability in describing, explaining, and interpreting collected data.

For the purpose of this research, the case study method in specific is the qualitative research approach adopted.

III.II Case Study

Case study is a prominent and commonly used form of social science research which is widely often used in disciplines including psychology, sociology, anthropology, social work, nursing, education, business, community planning, economics, and political science, as a "distinctive form of empirical inquiry" [25,26,27].

According to (Ellram, 1996, p. 94); the case study research framework is designed to explain, explore, or describe a phenomenon of interest [28]; Yin (2014), expounds on this definition to denote the phenomenon of interest as "the case", further positing that the case study method analyses "the case" in depth and within its real-world context, especially when the boundaries between the phenomenon and the context are not readily evident," [25].

Yin (2014) proposed a two-fold definition that encompasses both the breadth and characteristics of case study research, claiming that it "comprises an all-encompassing approach" that can be used to a variety of epistemological orientations.

III.III Research Philosophy

This study concurs with the research philosophies discussed by Yin (2014) [25]. According to Yin (2014), case study method can be geared toward a realist perspective but still tolerate a relativist perspective. A realist viewpoint operates within the realm of a single reality that is independent of any observer, but a relativist viewpoint recognizes the presence of "many realities with various meanings" [25]. As such, the case study research can accommodate both quantitative, qualitative and mixed-design, and may also offer additional qualities in evaluation conduction [29,30].

III.IV Justification of Research Methodology

A more holistic approach to addressing the research subject is offered via the use of a triangulated approach, which comprises evaluating the same phenomenon using multiple approaches (case study and document review).

(Denzin, 1970, p. 291) makes note of the rigidity of the document review, as it is frequently employed in conjunction with other qualitative research methodologies [22]. This study adopts this research eco-system, as well as other pertinent studies [32]. This concurs with (Rapley, 2007) who broadly identifies qualitative research approaches/tools/techniques (Including the Case study methodology, document review) as necessitating the examination and interpretation of data in order to elicit meaning, gain understanding, and build analytical expertise. These research characteristics support data triangulation. The case study method patterned to address "how" and "why" questions, and they include explanatory, exploratory, and descriptive content that will help illustrate the challenges corruption has caused in Nigeria, focusing on the oil sector induced corruption [25].

III.V Data Collection

The research methodology process began with defining an inclusion criterion for documents, followed by the collection of documents, subsequently an articulation of the key areas of analysis ensues prior to document coding, and finally concluded with the verification of documents included.

III.V.1 Data Coding Specifics Focusing on Corruption in Nigeria’s Oil and Gas Sector and its effects on democracy.

- Corruption in Nigeria
- Niger Delta
- Nigeria Oil and Gas
- Corruption effects on democracy
- NNPC, SHELL
- Oil fraud

Documents incorporated were coded according to importance, with the most relevant being designated ‘important’, followed by ‘slightly important’, and lastly ‘contributory’; this can be seen in Table 1.

IV. FINDINGS AND ANALYSIS

IV.I Data Presentation

This chapter is concerned with and presents the nature, type and source of the information, the sampling design and technique as well as data collection and analytical techniques that are used in the study. The research has one case study area, Nigeria; and included a total of 9 focus groups and 23 major document selections amongst other data sources described in Table 1.

IV.II Field, Data Sources, Location – Time, and Support

The field samples will be constrained to the oil producing states of Nigeria, these oil regions include Delta, Akwa-Ibom, Bayelsa, Rivers, Lagos, Edo, Ondo, Imo, and Abia [35] (See Fig. 1). Restrictions as a result of the COVID-19 pandemic-imposed limitations on the sources of data, due to this reason, secondary data consists majority of data incorporated into this research. Data for this study will be obtained from books, official papers, journals, and other printed items. Additionally, internet websites and other online data sources are exploited.

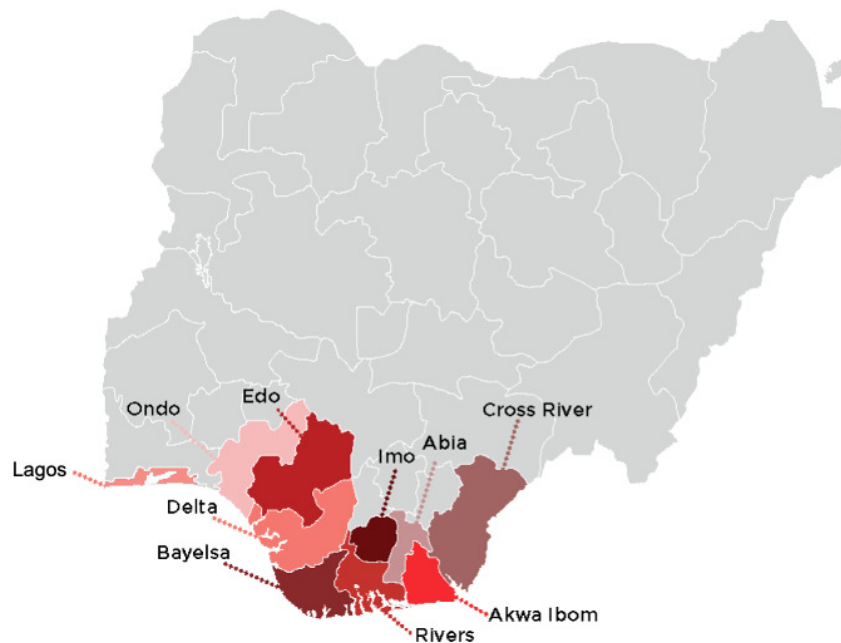


Figure 1: Map of Nigeria Displaying oil producing states (updated to include Lagos state which has been recently been found to be an oil producing state) [36]

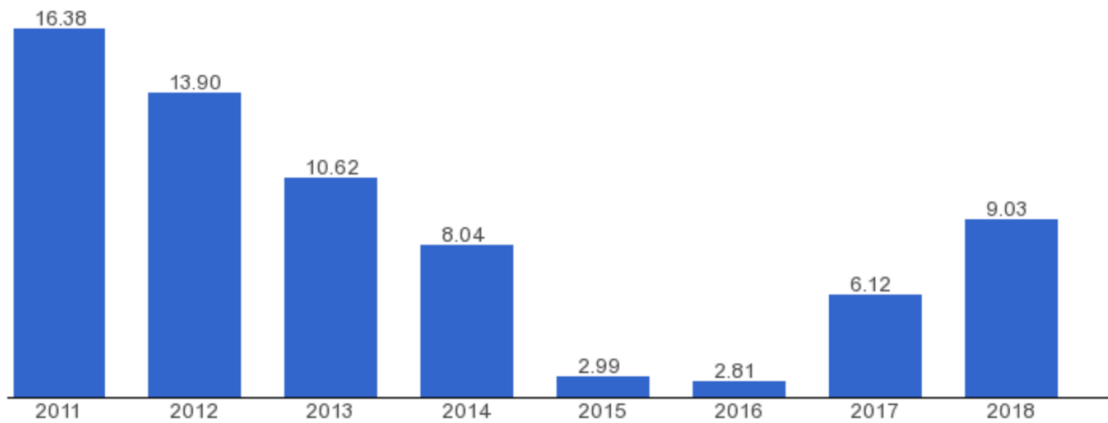


Figure 2: Bar chart of Nigeria oil revenue excluding production cost of oil, percent of GDP, 2011-2018 [37].

Figure

3.

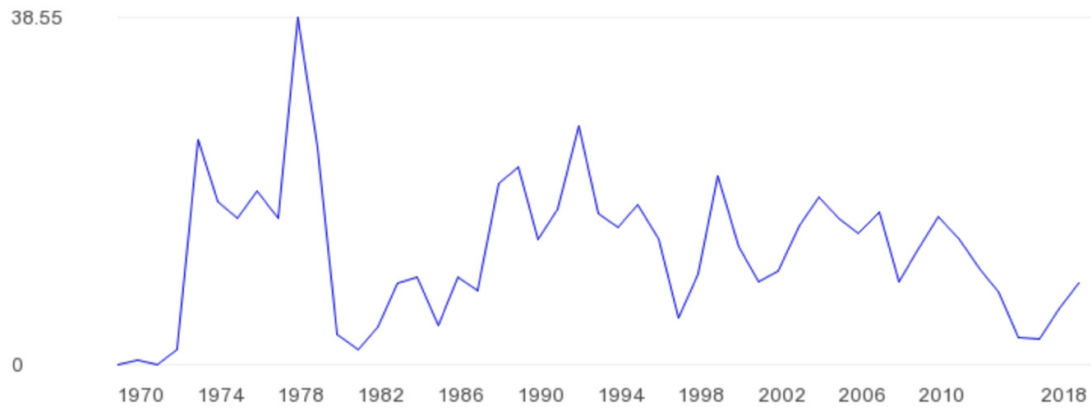
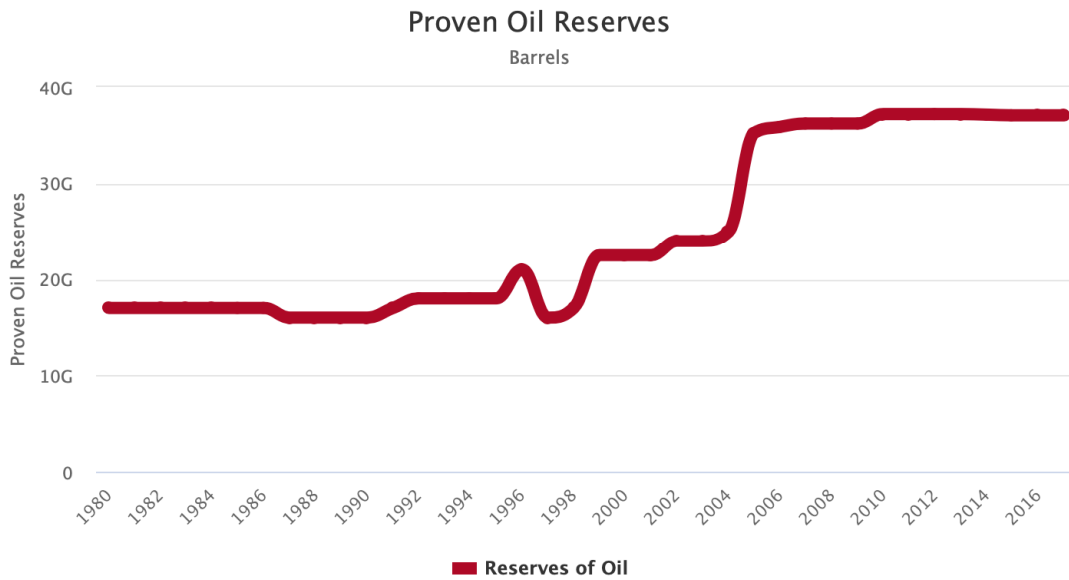


Figure 3: Line chart Nigeria oil revenue excluding production cost of oil, percent of GDP, 2011-2018 [37].

History of Oil Reserves in Nigeria



4: Graph illustrating Nigeria’s proven oil reserves [38].

Figure

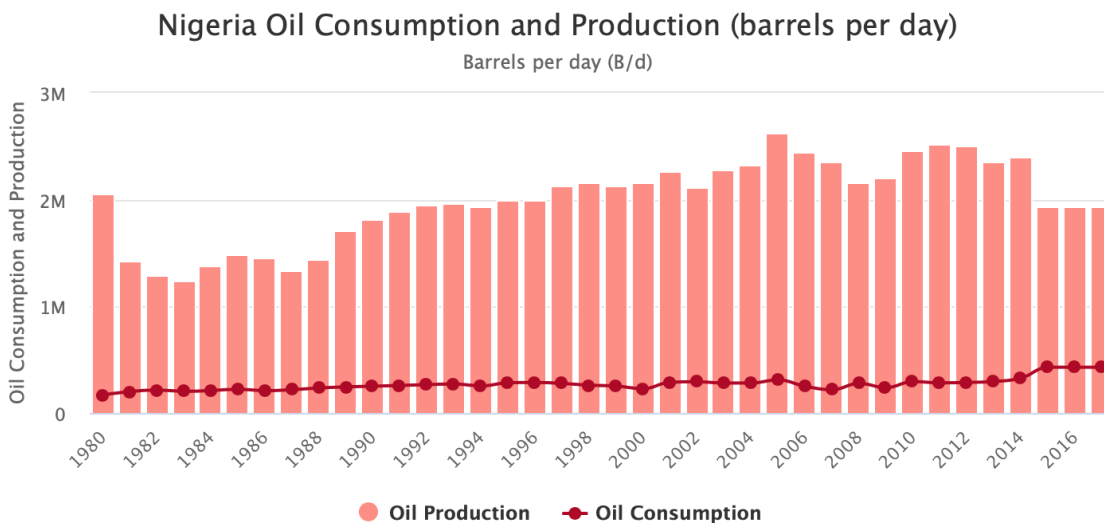


Figure 5: Graph illustrating Nigeria oil consumption vs production data [38].

Table 1: Document review data sourcing and coding

DOCUMENT TYPE		JOURNAL ARTICLES			
S/N	DOCUMENTS SELECTED	AUTHORS/CO-AUTHORS	DATA ANALYZED	APPLICABLE CHAPTER	CODING REFERENCE
1.	Impact of Corruption on Economic Growth in Nigeria	- Nwankwo Odi	Correlation and existing relationship between corruption and economic growth in Nigeria.	-Theoretical framework -Findings and Analysis	Important
2.	An econometric analysis of the impact of Corruption on economic growth in Nigeria	- Egunjobi T. Adenike	Feasible combative measures in tacking corruption in the Nigerian economy.	- Theoretical framework - Findings and Analysis	Important
3.	Corruption and economic development: evidence from Nigeria	- NageriKamaldeenIbraheem - Gunu Umar - Abdul, FalilatAjoke	Exploration of the correlation between corruption and economic development in Nigeria.	- Theoretical framework - Findings and Analysis	Important
4.	Corruption Reduction in the Petroleum Sector in Nigeria: Challenges and Prospects	- Benneth K. Obioma	Addresses corruption in Nigeria’s petroleum sector, as well as barriers and prospects.	- Theoretical framework - Findings and Analysis	Important
5.	Preparing a Qualitative Research-Based Dissertation: Lessons Learned	- Glenn A. Bowen	Insight into qualitative research method, its application in research-based dissertations.	- Research methodology	Important
6.	Document Analysis as a Qualitative Research method	- Glenn Bowen	Offers an exploration of document analysis, both as a qualitative research method and as a data source	- Research methodology	Slightly Important
7.	Transparency in Nigeria’s Oil and Gas Industry: Is Policy Re-Engineering the Way Out?	- Olabode Oyewunmi - Olusola Joshua Olujobi	Explores and offers possible solutions to oil and gas sector related problems.	- Theoretical framework, Findings and analysis - discussion	Important

8.	Oil, Corruption and the Resource Curse. International Affairs	- Nicholas Shaxson	Provides key concepts pertaining to resource curse, it's causes and effects.	- Introduction - Theoretical framework	Slightly Important
9.	Resource Curse and How to Avoid it	- Paul Stevens	Explores the concepts of resource curse, and provides combative measures to prevent the resource curse	- Introduction - Theoretical framework	Slightly Important
10.	Political Corruption in Nigeria: Implications for Economic Development in the Fourth Republic.	- OsariyekemwenIgiebor	Exploration of the correlation between corruption and economic development in Nigeria.	- Theoretical framework - Findings and Analysis	Important
DOCUMENT TYPE		BOOK			
11.	Doing conversation, discourse and document analysis	- Tim Rapley	Provides extensive detailing on qualitative research approaches/tools/techniques.	- Research methodology	Slightly Important
12.	The Act of Research	- Norman Denzin	Details comprehensive information on triangulation of research methods, techniques and tools	Research methodology	Slightly Important
13.	Case study research: Design and methods.	- Robert K. Yin	Comprehensively covers the case study method and	Research methodology	Important
14.	Research methodology: methods and techniques.	- Kothari C. R.	Details overview of various research methods as well as relevant applications.	Research methodology	Slightly Important
15.	The Social Construction of Corruption	- Mark Granovetter	Presents broad oversight of the concept of corruption, including founding theories, concepts, characteristics and causes.	- Theoretical framework - Research methodology	Contributory
DOCUMENT TYPE		REPORT			

16.	Manifestations and impacts of corruption on democratic governance in Nigeria	- Okunola Muyiwa Olabode - Umaru Ado - Hassan SalisuInusa	Examination of corruption and democracy, as well viable anti-corruption measures.	Introduction	Slightly Important
17.	Resource Curse: A Case Study of Nigeria	- Adela Zubikova	Explores the concepts of resource curse, whilst constraining the research scope to Nigeria.	- Introduction - Theoretical framework,	Slightly Important
18.	Sustainable exploration of oil and gas in the United Kingdom and Nigeria	- OghenemarhoInomeisa	Background on Nigeria and its oil and gas sector, presenting a comparison on sustainable exploration techniques in the UK and Nigeria.	- Theoretical framework, Findings and analysis - discussion	Important
19.	Corruption Perception Index 2015	Transparency International	Provides statistical data on corruption in Nigeria	- Theoretical framework,	Contributory
DOCUMENT TYPE		WEBSITES			
20.	Petroleum Act. (2004)	Worldometers.info	Provides recent statistical data on Nigeria oil and has sector.	- Theoretical framework - Data Presentation	Slightly Important
21.	Nigeria Market Overview.	www.trade.gov	Provides recent statistical data on Nigeria oil and has sector.	- Theoretical framework - Data Presentation	Contributory
DOCUMENT TYPE		LECTURES			
22.	Growth prospects for the Nigerian economy	- Sanusi Lamido Sanusi	Addresses Oil dependency in Nigeria, its effects and mitigative measures.	- Theoretical framework	Slightly Important
23.	Anti-Corruption Module 3 Key Issues: Corruption and Democracy	- Katharina Kiener-Manu	Exploration of the relationship between corruption and democracy, as well viable anti-corruption measures	- Introduction -Theoretical framework	Contributory

IV.III ANALYSIS

Taking into consideration the statistical data surrounding Nigeria’s oil and gas sector, from fig. 2 it can be deduced that the oil revenue for Nigeria has reduced short term (2011-2018), this can be as a result of loss of revenue due to oil spillages, oil bunkery and also from corruption. Fig. 3 shows the long-term revenue of the oil sector of Nigeria, taking into account the substantial decline over the years which can be as a result of the move to cleaner energy amongst others, it can be said that the Nigerian economy must diversify its mainstay. It must be noted that the data presented in Fig. 2 and Fig. 3, take into account production cost of oil in its projections. Fig. 5 presents the consumption and production of oil in Nigeria indicate a slight correspondence of pattern between the years 1988 to 2010, the data presented for subsequent years showcase an increase in consumption whilst production decreases. This data corresponds with the reduction in revenue showcased in Fig. 2 and 3. Figure 4 illustrates the proven oil reserves of the country, which has been on increase, especially through the years 2003-2005. The data in this chart did not account for Lagos as an oil developing state, as such, figures presented may be questionable.

Following the results obtained in the previous paragraph, a reassessment of the laws governing the oil and gas sector is imminent so as to assess the rigidity of the laws governing Nigeria’s oil and gas sector. According to the Federal Environmental Protection Agency, Lagos Nigeria, the following are the important national laws and international agreements in effect, arranged in chronological order:

Table 2: Table indicating important national laws and international agreements in effect in Nigeria

S/N	LAW/REGULATION/ACT	YEAR	DESCRIPTION
1	The Oil Pipeline Act (as revised by the Oil Pipeline Act of 1965)	1956	Addresses measures to prevent pollution of land or water.
2	The Mineral Oil (Safety) Regulations	1963	Promulgated under the Mineral Oils Act (the predecessor of the Petroleum Act) are a set of regulations that govern the use of mineral oil; this regulation regulates the safe discharge of flammable gases and establishes penalties for violations and non-compliance. Good oilfield practice is encouraged by this act, and although it is not adequately defined in this decree. The act assumes adequate coverage of good oilfield practice by the appropriate current Institute of Petroleum Safety Codes, the American Petroleum Institute Codes, or the American Society of Petroleum Engineers Codes. As a result, oil corporations are effectively obligated to follow international standards in their activities in Nigeria.
3	Petroleum Regulations	1967	This regulation was enacted to prevent the disposal or escape of petroleum into seas inside the harbour area, as well as to provide safety precautions in the transportation of petroleum and pipeline operation standards.
4	Petroleum Drilling and Production Regulation	1969	This law mandates license holders to take all reasonable precautions, such as providing up-to-date equipment approved by the competent authority, to prevent oil or other fluids or chemicals from polluting inland rivers, river water courses, Nigerian territorial waters, or the high seas.
5	The Petroleum Refining Regulations	1974	Addresses the structural and construction standards for oil storage tanks in order to prevent leakage damage.
6	Oil Pollution Act	1990	The Act gives the government and industry direction on pollution prevention, mitigation, cleanup, and accountability. It also establishes a detailed plan to ensure that adequate financial resources are available

			for oil spill cleanup and recompense. It assures that the federal government is well-prepared to deal with spillage consequences, and it requires businesses to take preventative steps [39].
7	The Petroleum Act	2004	This act stipulates that a license from the Ministry of Petroleum Resources is prerequisite for commencing oil operation activities such as prospecting, exploration, drilling, production, storage, refining, or transportation [40].

According to (Inomiesa, 2015), the Nigerian legislation, regulation, and acts are adequate and meant to protect the environment from the negative effects of oil spills and exploration activities in Nigeria's Niger Delta [14]. This research analysis posits that uneven distribution of oil proceeds through corruption (via oil bunkering) heightens inequality and poverty, consequentially derailing democracy levels. The study offers numerous strategic initiatives which can be adopted by other countries in addressing corruption, whilst promoting both social and economic equality for a more sustainable society (see Conclusion).

V. CONCLUSION

Following a decade (between 1960 to 1970) of significant positive economic growth in Nigeria, majorly propagated by the oil boom of the 1960s; oil producing nations were presented with opportunities for economic growth and sustainable development amongst others. The magnitude of opportunity presented is reflected in the current economic performance of nations such as Malaysia, Indonesia, Singapore, China, India, and Thailand which were relatively on par or below Nigeria in terms of GDP per capita as of 1970; but are now clear of Nigeria in terms of economic performance and have also become major players on the global economic arena [5]. Nigeria's gross economic underperformance despite an endowment of renewable and non-renewable resources such as oil and gas amongst others, not only reflects its over-dependence on the commodity, but is also indicative of corruption at a large-scale (public and private sectors inclusive).

Nigeria, like many other emerging countries, is grappling with a slew of social, economic, and political issues impeding its growth. Although numerous factors contribute to the country's current state of growth, this study identifies the country's inability to adequately exploit oil wealth into a diversified productive base as the most significant factor. The findings of the research methodology applied in this study has revealed the existence of corruption "culture" embedded in the practices, regulations and infrastructure of Nigeria's oil and gas sector. This study reveals that corruption in the nation's oil and gas system is endemic and pervasive across the institutions, state agencies, citizens, public officials, and even domestic and foreign players are all affected. It is considered as a key regression driver in the country as well as a constraint to sustainable development and economic growth [41]. The study identifies stages where corruption may occur to include: awarding of licenses, signing of contracts, bunkering and pipeline theft, and the exportation of petroleum products.

This study proposes that the perpetration of corruption in Nigeria's Oil and Gas industry or as a result of its weakness, exerts negative influences on Nigeria's democracy through the various forms highlighted earlier in this study (See: Chapter 3.1). This supports the results obtained by (Lamido, 2010); Lamido's study explored empirically the correlation between corruption and Nigeria economic growth with emphasis on the Oil sector, the study found huge evidences indicating a strong but negative relationship between corruption and democracy. This study adopts the description of democracy described below;

- I) A method of free and fair elections for selecting and changing the government,
- ii) People's active engagement in politics and public life as citizens,
- iii) Protection of all citizens 'human rights',
- Iv) treatment of people equally under the law [42],

as the four key characteristics/aspects of this type of government structure. Following this definition, corruption in Nigeria's oil and gas industry negatively impacts all aspects of the nation's democracy.

Financial gains from these corruption practices in the sector have aided in compromising free and fair elections in the country, as financial power accrued from these ill dealings provide potential political aspirants with monetary incentives for swaying public votes. Limited institutional growth and development as a result of increased levels of corruption in the oil sector has promoted inequality amongst citizens, leading to preferential treatment for some citizens.

Additionally, this study reveals that corruption-induced inequality has led to political apathy in which citizens no

longer feel compelled to vote because of rampant political corruption and feeling excluded from the government. Corrupt practices such as oil theft and bunkering entail harmful environmental processes for crude oil extraction, and have led to various human rights violations such as unlawful land takeovers, environmental degradation of communities etc.

Despite these issues surrounding the oil and gas industry in Nigeria, oil generated revenue is still a viable means of significantly improving Nigeria's economy [43]. Due to the country's heavy reliance on its oil and gas industry, the recommendations made in this study focus on mitigative measures to curb corruption in the sector, and measures that will improve the current operations and output of the sector.

Taking into consideration the above findings, this study proposes the following recommendations;

- **Economic reform:**

It is imperative that Nigeria implement economic reforms that boost human resources, high-quality public infrastructure, and promote competition. A firm fiscal policy, open fiscal operations, development-oriented monetary and exchange rate policies, financial sector strengthening, and strict adherence to the rule of law, respect for the sanctity of contract as well as commitment to fighting corruption and corrupt practices are all necessary pillars for sustaining this consolidation [43,44]

- **Change in beliefs:**

The Nigerian populace place emphasis on cultural identification; a meld of cultural factors such as community-based values, greed, and reliance on oil as a primary source of prosperity have been implicit to the embracement of corruption in Nigeria [45]. As such, a possible solution will involve a drastic shift in cultural beliefs in the community via education, community enlightenment programs, and assistance from the media.

- **Legal framework reevaluation:**

The current situation of Nigeria's oil and gas sector indicates structural lapses in the existing legal framework which have allowed widespread corruption. According to (Oyewunmi and Olujobi, 2015), stakeholders' ability to track and prosecute those who commit it, is critical to deterring corruption [44]. A collaborative effort amongst both international and national anticorruption-focused agencies/bodies such as the Economic and Financial Crimes Commission and Independent Corrupt Practices (ICP) amongst others can aid in ensuring a regulatory system with consequences for corruptionists. An effective act would include advocating for the freedom of information Bill which will enable the press to report cases of corruption undisturbed.

- **Re-engineering industry infrastructure:**

When likened to other developed and developing oil producing nations like Canada, UAE, Malaysia, China etc., the engineering infrastructure in place in Nigeria's oil and gas sector is less efficient, and in some aspects, outdated. This reveals that there is plenty of space for re-engineering in Nigeria's oil and gas industry to improve infrastructure and human capital utilization. This viewpoint is shared in light of one sector's ability to influence other sectors through technological advancement acquisition and infrastructural upgrades.

The money generated by a well-managed oil sector, if mismanaged or lost owing to corruption, will have minimal impact on national development. Against Nigeria's unique geopolitical, fiscal, and environmental indicators, which have consistently worked against oil and gas contributions. This study believes that with the proper implementation of the above recommendations, the oil and gas sector can provide outputs capable of enhancing Nigeria's economic, social and environmental circumstances; as well as stimulating sustainable development across the region.

VI. ACKNOWLEDGEMENT

An acknowledgement section may be presented after the conclusion, if desired. (8)

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