BUSINESS ETHICS AND THE IMPACT OF CORRUPTION ON NATIONAL DEVELOPMENT

RITA AZUKA ATAKPA (Ph.D)
Business Education Department
School of Vocational and Technical Education
College of Education, Agbor,
Delta State.
E-mail: ritaatakpa@yahoo.com.
Tel: +2347057096748

Abstract
The paper discussed Business Ethics and the impact of corruption on national development. The necessity of Business Ethics is of great relevance to the Nigerian society inorder to help build a viable economy with accountability and social responsibility devoid of corrupt practices. The paper highlighted the causes of corruption in contemporary Nigeria and the impact of corruption on national development. The paper revealed that bad governance, poor management of public enterprise, poor service delivery, moral decadence, poverty and underdevelopment etc were among the impact of corruption on national development.

The following recommendations were made: Nigerians should be re-oriented to a better value system; prosecution of government officials and private individuals found to have corruptly enriched themselves, religious bodies and Civil Society Organizations should organize workshops/seminars for public office holders on transparency and accountability; regular payment of wages and salaries of workers’ and for the government to respect the principles of rule of law as enshrined in the constitution.

Keywords: Business Ethics, Corruption, National Development

Introduction
The term Ethics originated from the Greek word ‘Ethos’ which means human character and it refers to the philosophical science that deals with the rightness or wrongness of human actions. Ethics is the systematic inquiry into human conduct. The purpose of ethics is to identify both the rules that should govern human behavior and the goals that are worth seeking. Modern ethical thinkers have moved away from normative ethical concerns (or what should be done) and are more interested in the value and problems associated with the application of business ethics (Ohakwe, 2012). Ethics is the conduct of behavior which takes into cognizance the dignity and conditions of recipients that may be influenced positively or negatively by one’s decisions and actions. Thus, Ethics dictates the right manner of doing things, while avoiding trampling on the right and dignity due to other persons. According to Kidus G.M. and Addis Ababa (2011), Ethics is concerning itself with human conduct or activity that is done knowingly or consciously and does have applicability to organizational life. Organizations as entities do not make decisions but
individuals acting in the interests of the organizations do. Business or Professional Ethics are standards or codes of conduct set by people in a specific profession. A code of Ethics is therefore a part of the expectation of those involved in many types of professions.

Parthemore and Whitby (2013), pointed out that ethics in business has to do with principles and practices or moral and good conduct in business processes. It is basically concerned with rightness or wrongness of human choices and actions within the context of business. Thus, Ethics exercises a governing role on the nature and process of business, because ethical issues are concerned with reasons for actions, for not all reasons are reasons to act (Skorupski, 1996). According to Kirk O. Hanson, a renowned Ethics scholar business ethics is the study of standards of business behavior which promote human welfare and the good. Ohakwe (2012) defined business ethics (also known as corporate Ethics) as a form of applied ethics or professional ethics that examines ethical principles and or moral problems that arises in business environment. It applies to all aspects of business conduct and is relevant to the conduct of individuals and entire organization. He further stated that business ethics has both normative and descriptive dimension. As a corporate practice and a career specialization, the field is normative. However, academics attempting to understand business ethics employ descriptive methods. Thus, the range and quality of business Ethical issues reflects the interaction of profit – maximizing behavior with non-economic concerns. Gruble (2011) argued that the study of business Ethics is about sustainability and the short term sacrifices which invariably lead to long-term gains. A widely accepted definition of Business Ethics maintains that Business Ethics is a set of corporate values and codes of principles, written or unwritten, by which company evaluates its actions and business related decisions. However, every organization has different perception of Ethics and codes of conduct due to their cultural values, working arrangements and strategic orientations. Therefore, Ethics and business Ethics according to the above authors are the corporate standards of conduct that guide the behaviours of individuals and business organization. Accordingly every business organization requires the checks of laws and codes of ethics to guide the nature and directions of their decisions.

There is no doubt that ethical behavior in business practices lead to business success and a stable organization and economic system. But in Nigeria, many businesses have collapsed because of unethical decisions which destroys the workability and sustainability of ethical business frame works. Steinberg (1994) remarked that Ethics in the world of business involves an ‘ordinary decency’ which encompasses areas as broad as recognition of values, integrity, honesty as well as fairness. In the same vein, Joseph (2010) stated that since morals spring virtually from every decisions, the organization’s stability and survival depends on the consistency of ethical decisions made by managers. For instance in the past years most organizations and banks either collapsed or was involved in serious ethical issues and disreputable business practices that affected them negatively and gradually destroyed the confidence of their shareholders and the general public. In some cases these companies and banks were involved in unethical issues like bribery and corruption that led to their classification as distressed institutions by their regulator.
Corruption

Corruption has been in existence in Nigeria since she got her independence and is still prevalent in all spheres of the nation’s socio-political economy and if not checked and eradicated could spell doom for the country. Corruption means the abuse of public office for private gains. Public office is abused through rent seeking activities when an official accepts, solicits or extorts bribe from a person or organization or corporate body. Public office is also abused when private agents actively offer bribes to circumvent public policies and processes for competitive advantage and profit. Also public office can also be abused for personal benefit even if the bribery occurs through patronage and nepotism, theft of state assets or diversion of state resources (World Bank 1992).

Sachs (2007) defined corruption as the pervasion of integrity or state of affairs through bribery, favour or moral depravity. It involves the injection of additional but improper transactions aimed at changing the moral course of events and altering judgements and position of trust. Corruption is a betrayal of trust resulting directly or indirectly from the subordination of public goals to those of individuals Gire (1999). Thus, a person who engages in nepotism has committed an act of corruption by putting his family interest over that of the larger society.

The United States Agency For International Development remarked that corruption is the abuse of public office for private gains. It encompasses unilateral abuses by government officials such as embezzlement and nepotism, as well as abuses linking public and private sectors such as bribery, extortion, influence peddling and fraud. Corruption takes place in both political and bureaucratic offices. It can be petty or grand, organized or unorganized. (USAID, 1999).

Obayelu (2007) argued that corruption is an effort to secure wealth or power through illegal means for private gain at public expense; or misuse of public power for private benefit. Corruption means nepotism, favouritism, bribery, graft and other unfair means adopted by government employees and the public alike to extract some social prohibited favours (Dwivedi 2007). Transparency International (TI) remarked that corruption is the misuse of entrusted power for private benefit. Corruption involves behavior on the part of officials in the public sector in which they improperly and unlawfully enrich themselves, or those close to them by misuse of power entrusted in them. Atakpa (2017) defined corruption as a dishonest or illegal behavior especially of people in authority.

Corruption is one of the many unresolved problems that have robbed the nation of development. Nigeria’s search for enduring socio-economic, political and technological development as well as efficient productive utilization of allocated resources in the new millennium has remained a mirage as a result of pervasive corrupt practices in the polity (Alabi and Fashogba, 2010). In fact, corruption is the major reason why the nation has remained under developed. According to Transparency International rating: Nigeria is one of the top three most corrupt countries in the world; the effect of this rating in the corruption perception index makes her a sort of persona non grata in the community of nations.

Causes of Corruption

All administrations since independence to date whether military or civilian have been characterized by corruption and abuse of office. Corruption in Nigeria can be attributed to the following factors.
1. Lack of honest leadership has been responsible for the existence of corrupt practices in the country. Since independence to date whether civilian or military regime have been characterized by corruption and abuse of office. According to Oko (2002), under the military, morality given-in to brute force, laws were used as tool of oppression; theft of government property became a virtue while self aggrandizement and pursuit of personal wealth replaced national interest.

2. Poor government control of the economy has been attributed to be one of the causes of corruption. Nigeria operates a mixed economy denominated by the government. Both federal and state government participate in different areas of economic activities such as oil business, transportation, hotels, insurance, public utilities and tourism. Politicians therefore regard government owned enterprises as a major source of wealth, power and means of rewarding party-faithfuls, friends and relatives.

3. Influence or Pressure of extended family system and community
There is allegiance to the extended family and community in Nigeria. Because of this, the moment one climbs up the social and political ladder. He/she is expected to give gratification inform of money, contracts and jobs to members of his community. As a result of these pressures one becomes easily corrupt.

4. The lack of political will or commitment to fight corruption by the political leadership. The nonchalant attitude of those saddled with the responsibility of enforcing the law and bringing probity into the system has aided corruption. The various arms of government viz the executive, judiciary and the legislature as well as the police and security agents often times treat cases of corruption with nonchalance, especially if the culprits are highly placed and influential in the society. As such all investigations conducted both in public or private as well as those by the National and State Houses of Assembly ended without any concrete result.

5. Value system has also contributed to the incidence of corruption in the country. It is such that the society does not check the background of wealthy people in the society. When one is perceived to be rich he/she is instantly worshipped and honoured to the extent that chieftaincy titles are given to him from all corners of the country including churches and mosques.

6. Irregular payment of workers salaries
In Nigeria most states could not even pay the minimum wage to their employees. Also some private and public corporations cannot even pay their workers monthly salary due to embezzlement and misappropriation of funds meant for workers salary by government officials and those entrusted to do so. Therefore, in order to meet up with their daily obligations to their respective families workers often compromise their duties for pecuniary gains.
6. Igbuzor (2008) pointed out that maxist scholars believed that corruption is a method that the capitalist class that emerged from colonialism uses to accumulate wealth. They contended that inflation of contracts, over-invoicing, collection of kick-backs and buying off of public companies at give-away prices are primitive means of accumulation of capital that the emergent bourgeoisie in post-colonial countries or states normally utilize.

However, the Vice President Yemi Osibanjo have expressed displeasure over the way corruption and corrupt people are treated with kid gloves in the country. He remarked that “it was disheartening to see Nigerians accept corruption as a way of life and go a step further to celebrate corrupt people in the society (Osibanjo, 2017)

Impact of Corruption on National Development

Corruption is a big challenge in public administration in Nigeria. It is at the centre of crisis of governance and legitimacy, the establishment of stable democratic order, rule of law, development and welfare of citizens. Of all forms of corruption, political corruption has posed a major obstacle to national progress in Nigeria (Ogundiya, 2010). Thus, the current crisis of development in Nigeria can be attributed to the history of poor governance characterized by corruption, social injustice and political instability.

Bad governance. According to World Bank (1992), bad governance has many features, among which are: failure or clear separation between what is private and what is public, hence a tendency to divert public resources for private gains; failure to establish predictable framework for law and government behavior that is conducive to development or arbitrary rules and regulations etc which impede the functioning of markets and encouragement of rent seeking priorities that are inconsistent with development, thereby resulting in misallocation of resources and excessively narrow base for, or non transparencies in decision making.

Corruption has robbed Nigerians of the benefit of economic development because scarce resources that should have been used for development projects have gone into private foreign accounts. Ribadu the former EFCC Chairman remarked that Nigeria lost 380 billion United State Dollars to corruption between independence in 1960 and the end of military rule in 1999 (Ogundiya 2009).

In the same vein, Tony Blair former British Prime Minister affirmed that this amount is equivalent to all the western Aid given to Africa in almost four decades and also equivalent to 300 years of British Aid for the continent

A lot of government functionaries use government document, equipment, vehicles etc. for private purpose. In addition they also divert government labour and time for government services to their private gain. This unsavoury attitude leads to poor service delivery in government and causes obstacle to national development.

Moral Decadence. Corruption is the great ailment that destroys moral values, remove the idea of meritocracy and enhanced all sorts of atrocities such as prostitution, robbery, nepotism, tribalism, broken homes, juvenile delinquency as well as breeds unproductive generation to man our organizations. These, therefore have a negative effect on sustainable human development.

Gire (1999) pointed out that corruption stifles business that are unwilling to engage in this nefarious activity. It also eventually destroys the companies that yields to
the practice, thereby halting or at least delaying considerably, the march towards economic progress and sustainable development.

According to Ribadu (2006), corruption is worse than terrorism because it is responsible for perpetual collapse of infrastructure and institutions in Nigeria. It results in loss of much needed revenue, decrease the level of direct foreign investment and loss of viable businesses by Nigerian banks. In addition, it diminishes national prestige and respect; leads to brain drain, civil unrest, business failure and unemployment, election rigging, absence of law and order and failure of government institutions.

Corruption has adversely affected governance and the larger social structure by crippling the states ability to deliver for its citizens enjoyment, the minimum social and economic right; which include health and education. This invariably result in retardation of economic development and the deterioration of public infrastructures already put in place. It reduces the quality of public infrastructures and services thereby affecting the quality of life of the people. Infact, the kick-backs and other forms of corruption will affect private investment and economic growth.

General under development. Corruption breeds under development in all political economic, socio-cultural educational and even psychological sectors (Mikail 2012). Indeed, most of the public policies were not established for the sake of the public but for the elites (i.e elite beneficial policies) to the detriment of the populace. This scenario has increased poverty, inequality and under development and prevented the country from attaining national development.

Corruption gradually destroys the civil and political rights of the people. It has worsened the problem of political apathy and low level of political participation as a result of frustration, disappointment and violence that is synonymous with electoral fraud and political corruption that characterize every transfer of political power.

Poor management of government enterprise. Public corporations and government enterprises in Nigeria has been poorly managed as a result of corruption. These agencies such as NITEL, NEPA, Railway and Water Board etc were performing below expectation due to the ravages of corruption. Since the inception of the civilian administration in 1999, poor management, inefficiency and poor service delivery have affected most of the public enterprises in the country. For instance, Nigeria Telecommunication(NITEL) and Mobile Communication(MTEL) were paralyzed and now dead, National Electricity Power Authority(NEPA) changed its nomenclature to Power Holding Company(PHCN), under the guise of privatization; Nigeria Railway Corporation(NRC), has decayed while Water Board is threatened with extinction. All these are the evil effects of corrupt practices perpetuated by those who are entrusted to handle them for effective service delivery.

Conclusion

This paper examined the concept of business ethics and the impact of corruption on national development. The paper analyzed the causes and impact of corruption on national development in Nigeria. The paper attributed the causes of corruption in Nigeria to poor government control of the economy, influence and pressure of extended family system, poor value system, irregular payment of salaries, and lack of political will or commitment to fight corruption by the political leadership among others. It also pointed out the impact of corruption on national development. Some of the factors identified were reduction in the quality of public infrastructures and services, subversion of democratic
principles, making politics a big business thereby destroying the political and civil right of the masses etc.

**Recommendations**

1. Nigerians should be re-oriented to a better value system. This is important because Nigerians for a long time have been living on the survival of the fittest and grab-whatever-comes-your way mentality. Their re-orientation to a good value system will contribute in no small measure to the eradication of corruption.

2. Government officials as well as private individuals found to have corruptly enriched themselves should be prosecuted. There should be no sacred cows; and those found guilty should be jailed and their properties confiscated by the government to serve as a deterrent to others.

3. Religious bodies and Civil Society Organization (CSOs) should collaborate towards organizing workshop/seminars on transparency and accountability for public office holders at all levels. This would ensure probity and reduce corruption to the barest minimum.

4. The government and the organized private sector should endeavour to pay the wages and salaries of their workers regularly to enable them meet up with their obligations and commitments to their families. This will invariably reduce their penchant to indulge in corrupt practices.

5. The federal government should consolidate and respect the principles of the rule of law and constitutionalism in order to deal with all corrupt officials in both public and private sector without any fear or favour.

There is no doubt that if these recommendations are implemented by the government, they would assist in eradicating or reducing corruption to the barest minimum in the country.
REFERENCES
Osibanjo Y. (2017) “Nigerians have Accepted Corruption as a way of life” vanguard Sunday, October 8 Page 5.
