JOURNAL OF ARTS, RELIGION, PHILOSOPHY AND CULTURAL STUDIES; VOLUME 2 NUMBER 2, 2026
ISSN: 3121-8644 (PRINT); E-ISSN: 3121-8636 (ONLINE)

COST OF GOVERNANCE, CORRUPTION AND PUBLIC ACCOUNTABILITY IN NIGERIA: CHALLENGES, IMPLICATIONS AND PROSPECTS

Sunday Onyema Iherue, Ph. D
Department of Religion and Peace Studies,
Faculty of Humanities,
Imo State University, Owerri

Abstract
Nigeria presents one of the most striking paradoxes in contemporary political economy: a country richly endowed with human and natural resources, yet persistently confronted by mass poverty, infrastructural decay, insecurity and weak public institutions. At the centre of this paradox lie three interlocking problems: the high cost of governance, entrenched corruption, and the fragility of mechanisms of public accountability. This paper examines how the structure and financing of the Nigerian state, particularly its bloated political offices, duplicated agencies and discretionary spending, create fertile ground for corruption, and how weak accountability institutions allow such corruption to persist with relative impunity. Drawing on prebendal theory, the theory of the two publics, principal–agent theory and the collective action perspective on corruption, the study relies on qualitative documentary analysis of scholarly literature, official reports and anti-corruption data. It argues that the high cost of governance in Nigeria is not merely a fiscal problem but a political arrangement that sustains patronage, rewards rent-seeking and undermines development. The paper identifies the implications of this arrangement for economic growth, social trust, service delivery and democratic legitimacy, and concludes with prospects for reform, including structural rationalisation of government, strengthening of anti-corruption and audit institutions, fiscal transparency, judicial reform, civic engagement and ethical reorientation.

Keywords: Cost of governance, corruption, public accountability, anti-corruption, democratic governance

Introduction

Since independence in 1960, Nigeria has struggled to translate its vast resource endowment into sustained development and improved welfare for its citizens. The discovery of oil in commercial quantities in 1956 and the subsequent oil boom of the 1970s generated unprecedented revenues for the Nigerian state. Yet, more than six decades after independence, the country continues to record high levels of poverty, unemployment, infrastructural deficits and insecurity. Scholars and public commentators have increasingly located the root of this developmental failure not in the absence of resources but in the character of governance and leadership. The novelist and social critic Chinua Achebe captured this diagnosis in words that have since become a reference point in Nigerian political discourse, "the trouble with Nigeria is simply and squarely a failure of leadership. There is nothing basically wrong with the Nigerian character. There is nothing wrong with the Nigerian land or climate or water or air or anything else" (Achebe, 1983, p. 1).

Achebe's claim is significant because it shifts attention away from cultural determinism towards the conduct of those who control the state. The failure of leadership which he identified manifests most clearly in three related phenomena. The first is the high cost of governance, understood as the disproportionate share of public revenue consumed by the running of government itself, especially salaries, allowances, overheads and perquisites of political office holders, relative to the resources devoted to capital development and public services. The second is corruption, which in Nigeria has become systemic rather than episodic. The third is the weakness of public accountability, meaning the inability of citizens, legislatures, courts, auditors and the media to compel public officials to explain and justify their conduct and to face consequences for wrongdoing.

These three problems are mutually reinforcing. An expensive governmental structure, with multiple layers of political offices and overlapping agencies, multiplies the opportunities for discretionary spending and rent-seeking. “Corruption, in turn, inflates the cost of governance through padded budgets, ghost workers, inflated contracts and unapproved allowances. Weak accountability allows both to continue because offenders rarely face sanction. As Klitgaard's well-known formulation suggests, corruption thrives where monopoly and discretion are high and accountability is low” (Klitgaard, 1988, p. 75). The Nigerian state, with its concentration of oil rents at the centre and weak oversight institutions, fits this description closely.

The objective of this paper is to examine the relationship between the cost of governance, corruption and public accountability in Nigeria, to identify the challenges which this relationship poses, to analyse its implications for national development and democratic consolidation, and to explore the prospects for reform. The paper is

organised into eight sections. Following this introduction, the second section clarifies the key concepts. The third presents the theoretical framework. The fourth provides a historical overview of the problem. The fifth examines the cost of governance and its drivers. The sixth discusses corruption and the accountability deficit. The seventh analyses the implications, while the eighth considers prospects and recommendations before the conclusion.

Methodology

This study adopts a qualitative research design based on documentary analysis. Secondary data were drawn from scholarly books and peer-reviewed journal articles on corruption, governance and accountability in Nigeria and Africa; reports of international organisations such as the World Bank, Transparency International and the United Nations Office on Drugs and Crime; publications of civil society and human rights organisations; and relevant Nigerian legal instruments, including the Constitution of the Federal Republic of Nigeria 1999 and statutes establishing anti-corruption and fiscal transparency institutions. The data were analysed thematically, with attention to recurring patterns in how the structure of government, the management of public revenue and the functioning of oversight institutions interact. The approach is interpretive and critical, seeking not only to describe the problem but to explain its persistence and to evaluate possible remedies.

Conceptual Clarifications

Cost of Governance

The cost of governance refers to the total expenditure incurred by the state in maintaining its institutions of government, including the executive, legislature and judiciary at all levels, together with ministries, departments and agencies. It includes personnel costs, overhead costs, allowances, travel, security votes, official vehicles, residences and the maintenance of political aides and appointees. In itself, the expenditure required to run government is neither unusual nor undesirable; every state must fund its institutions. The problem arises when the cost of running government becomes disproportionate to national revenue and to the resources available for development, or when such expenditure yields little in terms of public value. In Nigeria, the concern is that recurrent expenditure, a large share of which is consumed by the political class and the bureaucracy, has consistently crowded out capital expenditure on infrastructure, education and health.

“The structural roots of this problem are partly constitutional. Nigeria operates a presidential federal system with a bicameral National Assembly of 109 senators and 360 members of the House of Representatives, 36 state governments each with its own executive and legislature, and 774 local government areas” (Constitution of the Federal Republic of Nigeria, 1999, ss. 3, 48–49). Each tier maintains its own complement of political office holders, aides and agencies. Suberu observed that “the proliferation of states and local governments in Nigeria has been driven less by administrative efficiency than by the demand for access to centrally distributed oil revenues” (Suberu, 2001, pp. 79–110). The consequence is a governmental structure whose size reflects the logic of distribution rather than the logic of service.

Corruption

Corruption is a contested concept, but most definitions converge on the misuse of public position for private benefit. The World Bank defined it succinctly as follows: "the abuse of public office for private gain" (World Bank, 1997, p. 8).

An earlier and more elaborate definition was offered by Nye, whose formulation remains influential in political science: "Corruption is behaviour which deviates from the formal duties of a public role because of private-regarding (personal, close family, private clique) pecuniary or status gains; or violates rules against the exercise of certain types of private-regarding influence" (Nye, 1967, p. 419).

> Nye's definition is valuable because it recognises that corruption is not limited to monetary theft but includes the pursuit of status and the exercise of improper influence, such as nepotism and misappropriation. Rose-Ackerman further emphasised that corruption is fundamentally a problem of the relationship between the state and private interests, arising where public officials have discretion over the allocation of valuable benefits or costs (Rose-Ackerman, 1999, pp. 9–10).

In the Nigerian context, corruption takes many forms: embezzlement of public funds, inflation of contracts, bribery, electoral fraud, budget padding, the payment of ghost workers, and the diversion of oil revenues. “Page's taxonomy of corruption in Nigeria usefully distinguishes among five broad categories: graft, the rigging of procurement and contracts, the payment of ghost workers and related payroll fraud, extortion, and influence peddling, showing how corruption permeates virtually every level of the state” (Page, 2018, pp. 4–7).

Public Accountability

Public accountability refers to the obligation of public officials and institutions to answer for their use of public power and resources. Bovens provides a widely cited conceptual definition: “Accountability is a relationship between an actor and a forum, in which the actor has an obligation to explain and to justify his or her conduct, the forum can pose questions and pass judgement, and the actor may face consequences" (Bovens, 2007, p. 450).

Schedler similarly argues that “accountability has two basic dimensions: answerability, the obligation of officials to inform and explain, and enforcement, the capacity to impose sanctions on those who violate their public duties” (Schedler, 1999, p. 14). Accountability may be vertical, exercised by citizens through elections and civil society; horizontal, exercised by state institutions such as legislatures, courts, auditors and anti-corruption agencies over one another; or diagonal, exercised through the media and non-governmental organisations. In Nigeria, the formal architecture of accountability exists in abundance, but its enforcement dimension is notably weak.

Theoretical Framework

Prebendal Theory

“The most influential theoretical account of Nigerian politics is Richard Joseph's theory of prebendalism. Joseph argued that in Nigeria state offices are regarded as prebends, that is, as benefices to be competed for and then exploited for the personal benefit of office holders and their communal or ethnic supporters” (Joseph, 1987, pp. 55–68). In this framework, political competition is essentially a struggle for access to state resources, and the logic of the system encourages the multiplication of offices because each new office creates additional opportunities for patronage. Prebendal theory thus offers a compelling explanation for the high cost of governance: the political class has a structural interest in expanding government, not because such expansion improves service delivery but because it enlarges the pool of rents to be shared. Lewis extended this analysis by arguing that “under military rule in the 1990s Nigeria moved from prebendalism, in which rents were widely distributed among competing elites, towards predation, in which a narrow ruling clique appropriated resources with little regard for broader legitimacy” (Lewis, 1996, pp. 79–81).

The Theory of the Two Publics

Peter Ekeh's theory of the two publics explains why corruption can coexist with strong personal morality in African societies. Ekeh argued that “colonialism produced two public realms: a primordial public, grounded in kinship and ethnic solidarity and governed by moral obligations, and a civic public, associated with the colonial and post-colonial state and perceived as amoral” (Ekeh, 1975, pp. 91–92). He summarised the implications thus: "The unwritten law of the dialectics is that it is legitimate to rob the civic public in order to strengthen the primordial public" (Ekeh, 1975, p. 108).

This theory helps to explain why officials who divert public funds are frequently celebrated rather than condemned by their communities, and why citizens often lack a sense of ownership over the public treasury. The civic public is treated as nobody's property, while the primordial public commands loyalty and moral allegiance. Consequently, the high cost of governance and the corruption associated with it are often tolerated so long as some of the proceeds flow back to the officials' home communities.

Principal–Agent Theory

Principal–agent theory, originally developed in the economics of the firm, conceives of the relationship between citizens and public officials as a contract in which citizens (principals) delegate authority to officials (agents) who may pursue their own interests at the expense of the principals (Jensen et al., 1976, pp. 308–310). Corruption, in this view, results from information asymmetry and inadequate monitoring. Klitgaard translated this insight into his well-known equation: "Corruption equals monopoly plus discretion minus accountability" (Klitgaard, 1988, p. 75).

The principal–agent framework suggests that reforms should focus on reducing monopoly and discretion while increasing transparency, monitoring and sanctions. In Nigeria, where the executive exercises vast discretion over oil revenues, security votes and procurement, and where legislative and audit oversight are weak, the conditions for corruption identified by Klitgaard are abundantly present.

The Collective Action Perspective

Critics of the principal–agent approach argue that it assumes the existence of principled principals willing to hold agents accountable. Persson, Rothstein and Teorell contend that

> where corruption is systemic, it is better understood as a collective action problem: when everyone expects others to behave corruptly, there are few incentives for any individual to act honestly, and even those who formally occupy the role of principal may themselves be corrupt (Persson *et al.,* 2013, pp. 449–451).

"This perspective is particularly relevant to Nigeria, where corruption has become normalised in everyday life. Smith's ethnographic study documented how ordinary Nigerians simultaneously condemn corruption and participate in it, because the social system makes it difficult to survive otherwise" (Smith, 2007, pp. 5–6). The collective action perspective implies that reform must change shared expectations, not merely strengthen monitoring. Together, these four theories provide a multidimensional framework: prebendalism explains the political logic of expensive government; the two publics theory explains its moral tolerance; principal–agent theory explains its institutional enablers; and the collective action perspective explains its resilience.

Historical Overview of Governance and Corruption in Nigeria

"Corruption in Nigeria is not a recent phenomenon. Osoba traced its roots to the colonial period, when the colonial state was constructed primarily as an instrument of extraction and control rather than service, and when an emerging indigenous elite learned to use access to the state for private accumulation" (Osoba, 1996, pp. 371–373). Falola and Heaton similarly note that "the first republic was marked by allegations of misuse of public funds and regional patronage, which contributed to the loss of public confidence that preceded the military coup of January 1966" (Falola *et al.,* 2008, pp. 172–175). The coup plotters themselves cited corruption among politicians as a justification for their intervention, but successive military regimes soon became implicated in similar and even worse practices.

The oil boom of the 1970s dramatically altered the scale of corruption. The concentration of oil revenues in the hands of the federal government transformed the state into the principal source of wealth and made control of the state the most lucrative prize in Nigerian society. "Watts described this condition as a form of "petro-capitalism" in which oil rents fuel patronage networks, weaken the fiscal link between state and citizen and generate violent competition for access to revenue" (Watts, 2004, pp. 53–58).

Under the regimes of Ibrahim Babangida and Sani Abacha, corruption reached unprecedented levels. The Abacha regime in particular became notorious for the looting of public funds, part of which has since been repatriated from foreign jurisdictions over several years. Lewis characterised this period as one of predatory rule, in which the state was systematically plundered by a narrow military elite" (Lewis, 1996, pp. 97–100).

The return to civilian rule in 1999 raised hopes of a new era of accountability. The Obasanjo administration established the Independent Corrupt Practices and Other Related Offences Commission (ICPC) in 2000 and the Economic and Financial Crimes Commission (EFCC) in 2003 (Corrupt Practices and Other Related Offences Act, 2000; Economic and Financial Crimes Commission (Establishment) Act, 2004). These institutions recorded some early successes, including the prosecution of a former Inspector-General of Police and several state governors. However, critics argued that the anti-corruption campaign was selectively deployed against political opponents. Adebanwi and Obadare documented how the anti-corruption war generated a powerful backlash from entrenched elite interests, showing, in the words of their title, that "corruption fights back" when reform threatens the material and political interests of the ruling class (Adebanwi *et al.,* 2011, pp. 185–187).

"Human Rights Watch reached a similar conclusion, noting that despite hundreds of prosecutions initiated by the EFCC, very few high-profile cases had resulted in convictions, and that political interference and a slow judicial system severely constrained the commission's effectiveness" (Human Rights Watch, 2011, pp. 1–4). "Subsequent administrations have continued to proclaim anti-corruption as a policy priority, but Nigeria's score on Transparency International's Corruption Perceptions Index has remained persistently low, with the country scoring 25 out of 100 and ranking 145th of 180 countries in the 2023 index" (Transparency International, 2024). The historical record therefore reveals a pattern in which anti-corruption rhetoric coexists with persistent, systemic corruption and a governmental structure that continues to grow in cost.

The Cost of Governance in Nigeria: Nature and Drivers

The Structure of Government

The first driver of the high cost of governance in Nigeria is the sheer size of the governmental structure. The presidential system, while offering certain advantages of executive stability, is inherently more expensive than a parliamentary system because it requires separate institutions for the executive and legislature at each level and encourages the multiplication of ministries and appointees. At the federal level, the President appoints a large cabinet, typically constitutionally required to include at least one minister from each of the 36 states" (Constitution of the Federal Republic of Nigeria, 1999's. 147(3)). Each minister, in turn, maintains special

advisers, personal assistants and support staff. At the state level, governors replicate the same structure with commissioners, special advisers and a multitude of aides. The constitutional requirement of federal character, while designed to promote national unity, has had the unintended effect of expanding the number of positions to be filled.

In addition, the proliferation of ministries, departments and agencies (MDAs) with overlapping mandates has significantly increased recurrent expenditure. “In 2012 the Presidential Committee on the Restructuring and Rationalisation of Federal Government Parastatals, Commissions and Agencies, chaired by Stephen Oronsaye, identified 541 federal parastatals, commissions and agencies and recommended that their number be reduced to 161 through abolition, merger and restructuring” (Presidential Committee on the Restructuring and Rationalisation of Federal Government Parastatals, Commissions and Agencies, 2012). For more than a decade the report remained largely unimplemented, illustrating the resistance of entrenched interests to structural reform, before the federal government announced in 2024 its decision to begin implementing some of its recommendations.

Remuneration and Perquisites of Political Office

“The second driver is the remuneration of political office holders, especially the allowances and running costs of legislators and executives. The Revenue Mobilisation Allocation and Fiscal Commission is constitutionally empowered to determine the remuneration of political office holders” (Constitution of the Federal Republic of Nigeria, 1999, Third Schedule, Part I, para. 32(d)). However, “public controversy has long centred on the opaque running costs and allowances which are not fully disclosed. Former Central Bank Governor Lamido Sanusi publicly argued in 2010 that the National Assembly consumed about a quarter of the federal government's overhead expenditure, a claim that provoked intense debate and highlighted the lack of transparency surrounding legislative spending” (Vanguard, 2010). Whatever the precise figures, the perception that legislators enjoy remuneration vastly disproportionate to national income levels has undermined public confidence in representative institutions.

Security Votes and Discretionary Funds

The third driver is the widespread use of security votes: discretionary funds allocated to the President, governors and some local government chairmen ostensibly for security purposes but which are not subject to normal appropriation or audit procedures. Page examined the practice in detail and concluded that “security votes are among the most opaque forms of public expenditure in Nigeria, often used for political patronage rather than genuine security needs” (Page, 2018, pp. 11–13). Because they are unaudited, security votes exemplify Klitgaard's combination of high discretion and low accountability (Klitgaard, 1988, p. 75). They illustrate how the cost of governance and corruption are intertwined: expenditure that is structurally hidden from scrutiny becomes a channel for private accumulation.

Payroll Fraud and Inflated Contracts

The fourth driver is the inflation of recurrent costs through payroll fraud and procurement irregularities. The existence of ghost workers on public payrolls has been a recurrent problem at federal and state levels. Okonjo-Iweala, who served twice as Nigeria's Minister of Finance, recounted how “the introduction of the Integrated Personnel and Payroll Information System helped to remove tens of thousands of ghost workers from the federal payroll and save substantial sums” (Okonjo-Iweala, 2018, pp. 23–27). She also described “the enormous resistance encountered in the reform of the fuel subsidy regime, in which fraudulent claims inflated subsidy payments to levels far above the actual volume of fuel imported” (Okonjo-Iweala, 2018, pp. 41–60). Her account shows “how reform efforts can provoke personal danger for reformers, a point captured in the title of her book. Contract inflation, meanwhile, remains pervasive in public procurement, despite the establishment of the Bureau of Public Procurement under the Public Procurement Act of 2007” (Public Procurement Act, 2007).

Budget Padding and Constituency Projects

A fifth driver is the practice of budget padding, whereby legislators or officials insert projects or inflate figures in the appropriation bill after it has been submitted, often for projects that are never executed or that duplicate existing ones. Constituency projects, originally intended to ensure that every part of the country benefits from public spending, have in many instances become avenues for rent-seeking because their implementation is poorly monitored. The combination of these drivers produces a governmental structure that is expensive not only because of what it legitimately consumes but because of what is illegitimately extracted from it.

Corruption and the Accountability Deficit

The Systemic Character of Corruption

Corruption in Nigeria is systemic in the sense that it is not confined to a few rogue individuals but is embedded in the ordinary functioning of institutions. A national household survey conducted by the National Bureau of Statistics with the United Nations Office on Drugs and Crime found that about 30 per cent of Nigerian adults who had contact with a public official in the preceding twelve months had paid a bribe or been asked to pay one, with police officers, prosecutors and judges among the officials most frequently involved (National Bureau of Statistics & United Nations Office on Drugs and Crime, 2019, pp. 7–9). This finding confirms that "corruption affects not only the elite management of oil revenues but also the everyday interactions of ordinary citizens with the state. Smith captured this pervasive quality when he described Nigeria as living with a culture of corruption in which ordinary citizens are at once its victims and its participants" (Smith, 2007, pp. 5–6).

Agbiboa characterised the phenomenon as "state robbery", arguing that "corruption in Nigeria has become the principal means through which the political elite accumulates wealth and that it directly undermines the state's developmental capacity" (Agbiboa, 2012, pp. 325–327). Ogundiya similarly contends that "political corruption in Nigeria is best explained by a combination of factors, including the personalisation of power, weak institutions, poverty and the absence of a strong ethical culture in public life" (Ogundiya, 2009, pp. 284–287).

Oil Rents and the Resource Curse

Oil occupies a central place in the Nigerian corruption story. Gillies examined "how the international oil trade creates opportunities for corruption through the allocation of licences, the sale of crude oil by state companies and the involvement of politically exposed intermediaries" (Gillies, 2020, pp. 1–10). The large inflows of oil revenue to the federal government, which are distributed to states and local governments through the Federation Account, weaken the incentive of governments to raise taxes from citizens and therefore reduce citizens' leverage over their rulers. Where governments do not depend on taxpayers, the social contract that underpins accountability is weakened. Ake argued that "in much of post-colonial Africa the state has been captured by elites who use it for accumulation rather than development, concluding that the problem is not that development has failed but that it was never really on the agenda of Africa's ruling elites" (Ake, 1996, p. 1).

Weakness of Horizontal Accountability Institutions

Nigeria possesses a comprehensive formal architecture of horizontal accountability.
"The Constitution empowers the National Assembly to conduct investigations into the activities of any authority executing laws or disbursing public funds" (Constitution of the Federal Republic of Nigeria, 1999, s. 88). "The Auditor-General of the Federation is mandated to audit public accounts and to report to the National Assembly" (Constitution of the Federal Republic of Nigeria, 1999, s. 85). The Code of Conduct Bureau and Code of Conduct Tribunal are charged with enforcing asset declaration by public officers (Constitution of the Federal Republic of Nigeria, 1999, Fifth Schedule). "The Fiscal Responsibility Act of 2007 seeks to promote prudent management of public resources and transparency in fiscal operations" (Fiscal Responsibility Act, 2007), while the "Freedom of Information Act of 2011 grants citizens a right of access to public records" (Freedom of Information Act, 2011).

Despite this impressive framework, accountability institutions face serious limitations. Legislative oversight is frequently compromised because legislators themselves are implicated in the rent-seeking they are meant to supervise, and oversight functions are sometimes used as instruments of extortion. The reports of the Auditor-General often reveal serious irregularities, but their recommendations are rarely acted upon because the Public Accounts Committees are slow to consider them. Anti-corruption agencies are dependent on the executive for funding and leadership appointments, which exposes them to political manipulation. Human Rights Watch noted that "the EFCC's independence was compromised by the removal of its first chairman and by perceptions that it targeted opponents of the ruling party" (Human Rights Watch, 2011, pp. 35–40). The judiciary, which should be the final guarantor of accountability, is hampered by delays, adjournments and technicalities that allow high-profile defendants to prolong trials indefinitely.

Weakness of Vertical and Diagonal Accountability

Vertical accountability through elections is weakened by electoral malpractice, vote buying and the high cost of electoral competition. "When political office is obtained through the heavy expenditure of money, office holders tend to regard their positions as investments to be recouped, a pattern consistent with Joseph's analysis of prebendalism" (Joseph, 1987, pp. 63–65). Fagbadebo argued that "corruption and bad governance in Nigeria are mutually reinforcing and are a principal source of political instability, as they erode the legitimacy of elected governments" (Fagbadebo, 2007, pp. 28–30). Diagonal accountability through the media and civil society has

been more vigorous. Nigeria has a lively press and an active civil society, and organisations focused on budget tracking and open governance have helped to expose irregularities. Nonetheless, journalists and activists face intimidation, and public outrage frequently fails to translate into institutional sanctions.

Social Tolerance and the Moral Economy of Corruption

"The accountability deficit is also cultural and moral. Ekeh's theory of the two publics highlights how the moral norms governing the primordial public do not extend to the civic public, so that stealing from the state is not necessarily regarded as immoral" (Ekeh, 1975, p. 108). Smith observed that "Nigerians often judge corruption according to whether its benefits are shared with kin and community; the corrupt official who distributes largesse may be admired, while the one who hoards may be condemned" (Smith, 2007, pp. 65–70). Mbaku emphasised that "corruption in Africa is sustained by institutional arrangements that fail to constrain state officials, and that meaningful reform requires constitutional rules that effectively limit the discretion of those who govern" (Mbaku, 2007, pp. 1–5). These insights suggest that accountability cannot be achieved by legal and institutional reform alone; it also requires a reorientation of public values.

Implications of High Cost of Governance and Corruption

Economic Implications

The most immediate implication of high governance costs and corruption is the diversion of resources from productive investment. When a large proportion of public revenue is consumed by recurrent expenditure and lost to corruption, little remains for infrastructure, education, health and other capital projects that drive long-term growth. Mauro's cross-country study found that "corruption is associated with lower investment and, consequently, lower economic growth" (Mauro, 1995, pp. 681–683). Corruption also distorts the composition of public expenditure, favouring large, complex projects with opportunities for kickbacks over less visible but more beneficial investments such as maintenance and primary healthcare. Rose-Ackerman noted that "corruption raises the cost of doing business, discourages foreign investment and encourages capital flight" (Rose-Ackerman, 1999, pp. 2–4). In Nigeria, these effects are visible in the decay of public infrastructure, the unreliable power supply and the high cost of doing business.

Social Implications

Corruption and high governance costs deepen poverty and inequality. When funds meant for schools, hospitals and social programmes are diverted, the poor bear the heaviest burden because they depend most on public services. The resulting deprivation fosters frustration and a loss of trust in public institutions. Achebe observed that corruption in Nigeria had reached a stage where it had become a way of life, noting that: "My frank and honest opinion is that anybody who can say that corruption in Nigeria has not yet become alarming is either a fool, a crook or else does not live in this country" (Achebe, 1983, p. 37).

The perception that the political class lives in affluence while ordinary citizens struggle breeds cynicism, emigration of skilled professionals and, in extreme cases, participation in criminal and violent activities. The link between governance failure and insecurity is increasingly evident in the insurgencies, banditry and militancy that have affected different parts of the country.

Political Implications

Politically, high governance costs and corruption undermine democratic legitimacy. Citizens who perceive that elected officials serve themselves rather than the public lose faith in democracy as a system. Huntington observed that "corruption tends to flourish in periods of rapid modernisation when new sources of wealth and power emerge faster than institutions capable of regulating them" (Huntington, 1968, pp. 59–64). "In Nigeria, the weakness of institutions relative to the scale of oil wealth has produced a political system in which the competition for office is intense, expensive and frequently violent. Diamond warned that the failure of democratic governments to control corruption can lead to disillusionment with democracy itself and create openings for authoritarian alternatives" (Diamond, 2008, pp. 88–92). Nigeria's history of military intervention, partly justified by reference to civilian corruption, illustrates this danger.

Institutional and International Implications

"Corruption also erodes institutional capacity. When appointments and promotions are based on patronage rather than merit, the civil service loses professionalism and competence. Rotberg emphasised that corruption corrodes the very institutions that are required to combat it, creating a vicious circle that only committed leadership can break" (Rotberg, 2017, pp. 1–5). "Internationally, Nigeria's reputation for corruption imposes costs on law-abiding citizens and businesses, who face heightened scrutiny, reduced access to international

finance and reputational stigma. The country's poor ranking on international corruption indices affects investor confidence and weakens its diplomatic influence" (Transparency International, 2024).

Prospects for Reform

Despite the gravity of the challenges, the situation is not beyond remedy. The experience of other countries shows that corruption can be substantially reduced through sustained political commitment, institutional reform and social mobilisation. Rotberg argued that "successful anti-corruption transformations, such as those of Singapore, Hong Kong and Botswana, were driven by leaders who demonstrated personal integrity and built strong, independent institutions" (Rotberg, 2017, pp. 11–15). Drawing on the foregoing analysis, the following prospects for reform are identified.

Structural Rationalisation of Government

"The cost of governance must be reduced through the rationalisation of government structures. The implementation of the Oronsaye report, including the merger and abolition of redundant agencies, should be pursued consistently and transparently" (Presidential Committee on the Restructuring and Rationalisation of Federal Government Parastatals, Commissions and Agencies, 2012). Consideration should also be given to reducing the number of political aides and appointees, capping the size of cabinets at all levels and reviewing the constitutional provisions that encourage the multiplication of offices. Some commentators have proposed a unicameral legislature or part-time legislative service as ways of reducing costs; such proposals merit careful debate within a constitutional review process.

Transparency in Remuneration and Public Finance

"The remuneration of all political office holders, including allowances and running costs, should be fully disclosed and aligned with the determinations of the Revenue Mobilisation Allocation and Fiscal Commission" (Constitution of the Federal Republic of Nigeria, 1999, Third Schedule, Part I, para. 32(d)). "Security votes should be abolished or subjected to confidential but genuine audit. The provisions of the Fiscal Responsibility Act and the Freedom of Information Act should be vigorously enforced" (Fiscal Responsibility Act, 2007; Freedom of Information Act, 2011). Open budgeting, open contracting and the publication of audit reports would reduce the information asymmetry identified by principal–agent theory (Jensen *et al.,* 1976, p. 308) and empower citizens to monitor public expenditure.

Strengthening Anti-Corruption and Audit Institutions

Anti-corruption agencies should be insulated from executive interference through secure tenure for their leaders, independent funding and transparent appointment procedures. The Office of the Auditor-General should be granted greater autonomy and its reports should be considered promptly by the legislature. The Code of Conduct Bureau should publish asset declarations and verify them systematically. Human Rights Watch recommended that "the EFCC be strengthened through guaranteed independence and that the judiciary be reformed to facilitate the speedy trial of corruption cases" (Human Rights Watch, 2011, pp. 5–7)." The establishment of special courts for corruption cases and the enforcement of the Administration of Criminal Justice Act of 2015, which prohibits stays of proceedings in criminal trials, could help to reduce delays" (Administration of Criminal Justice Act, 2015, s. 306).

Addressing Corruption as a Collective Action Problem

Because systemic corruption is a collective action problem, reforms must seek to change mutual expectations. Persson et al. argued that "anti-corruption efforts succeed when they convince citizens and officials that others will also behave honestly, which requires visible, credible and sustained action rather than isolated prosecutions" (Persson et al., 2013, pp. 465–467). High-profile convictions of powerful offenders, regardless of political affiliation, would send a strong signal that impunity has ended. "Digital technologies, such as integrated payroll systems, electronic procurement and the Treasury Single Account, can reduce opportunities for discretion and human interference, as Okonjo-Iweala's experience with payroll reform demonstrates" (Okonjo-Iweala, 2018, pp. 23–27).

Civic Engagement and Ethical Reorientation

Sustainable reform also requires an engaged citizenry. Civil society organisations, the media, religious bodies and educational institutions have important roles to play in promoting civic values and demanding accountability. "Religious institutions, which command enormous followership in Nigeria, can contribute by challenging the celebration of ill-gotten wealth and by teaching that the civic public deserves the same moral respect as the primordial public" (Ekeh, 1975, pp. 108–111). Whistleblower protection should be strengthened so that citizens who expose corruption are rewarded rather than victimised. Electoral reform, including stricter

enforcement of campaign finance limits, would reduce the incentive for office holders to recoup their electoral investments through corruption.

Leadership and Political Will

Finally, as Achebe insisted, "the problem is fundamentally one of leadership" (Achebe, 1983, p. 1). No institutional reform can succeed without leaders willing to subject themselves to the rules they impose on others. Klitgaard emphasised that "effective anti-corruption strategies begin by "frying big fish", that is, by prosecuting prominent offenders to demonstrate that the rules apply to everyone" (Klitgaard, 1988, pp. 190–192). Leaders who reduce their own perquisites, publish their assets and allow independent institutions to function would do more to restore public confidence than any number of anti-corruption slogans.

Recommendations

Based on the findings of this study, the following recommendations are made:

1. "The federal government should fully implement the Oronsaye report by merging or abolishing duplicated agencies, and the National Assembly should back the process with enabling legislation, so that recurrent spending on government can be cut" (Presidential Committee on the Restructuring and Rationalisation of Federal Government Parastatals, Commissions and Agencies, 2012).
2. "The Revenue Mobilisation Allocation and Fiscal Commission should publish the full pay and allowances of all political office holders, including the "running costs" of legislators, and no office holder should receive payments beyond its determination" (Constitution of the Federal Republic of Nigeria, 1999, Third Schedule, Part I, para. 32(d)).
3. "Security votes should be abolished or subjected to confidential audit by the Auditor-General, since unaudited discretionary funds combine high discretion with low accountability" (Klitgaard, 1988, p. 75; Page, 2018, pp. 11–13).
4. "The constitutional review process should cap the size of cabinets and the number of political aides at federal, state and local levels, and should debate the cost implications of the present legislative structure" (Suberu, 2001, pp. 79–110).
5. "The EFCC, ICPC and Code of Conduct Bureau should be given financial autonomy and leaders with secure tenure, appointed through a transparent process, to insulate them from executive interference" (Human Rights Watch, 2011, pp. 5–7).
6. "Special courts for corruption cases should be established, and the ban on stays of proceedings in the Administration of Criminal Justice Act should be strictly enforced to end endless adjournments" (Administration of Criminal Justice Act, 2015, s. 306).
7. "Audit reports of the Auditor-General should be published and considered by the Public Accounts Committees within a fixed period, with sanctions for officials whose accounts show irregularities" (Constitution of the Federal Republic of Nigeria, 1999, s. 85).
8. "Government should extend digital systems such as the Integrated Personnel and Payroll Information System, the Treasury Single Account and e-procurement to all tiers of government in order to reduce ghost workers and contract inflation" (Okonjo-Iweala, 2018, pp. 23–27).
9. "The Fiscal Responsibility Act and the Freedom of Information Act should be vigorously enforced, and budgets, contracts and asset declarations should be published in open formats for citizen monitoring (Fiscal Responsibility Act, 2007; Freedom of Information Act, 2011).
10. A strong whistleblower protection law should be enacted, and campaign finance limits should be enforced to reduce the pressure on office holders to recoup electoral spending" (Joseph, 1987, pp. 63–65).
11. "Religious bodies, schools, the media and civil society should promote a public ethic that treats the common treasury with the same moral seriousness as kin obligations, and should stop celebrating ill-gotten wealth" (Ekeh, 1975, pp. 108–111; Smith, 2007, pp. 65–70).
12. "Political leaders should lead by example by reducing their own perquisites, publicly declaring their assets and ensuring that high-profile offenders are prosecuted regardless of party affiliation" (Achebe, 1983, p. 1; Klitgaard, 1988, pp. 190–192).

Conclusion

This paper has examined the relationship between the cost of governance, corruption and public accountability in Nigeria. It has argued that the high cost of governance is not merely a question of fiscal arithmetic but a reflection of a political system organised around the distribution of rents. The multiplication of offices, the opacity of remuneration, the use of security votes, payroll fraud and budget padding all inflate the cost of government while creating opportunities for corruption. Corruption, in turn, is sustained by weak accountability institutions, by the moral economy described in Ekeh's theory of the two publics, and by the collective action dynamics that make honesty costly in a corrupt system. The implications are far-reaching: reduced investment

and growth, deepening poverty and inequality, insecurity, erosion of democratic legitimacy and the weakening of institutional capacity.

Yet the analysis also suggests that reform is possible. Rationalising the structure of government, making public finance transparent, strengthening anti-corruption and audit institutions, reforming the judiciary, harnessing technology, mobilising civil society and religious institutions, and above all cultivating principled leadership, together offer a realistic pathway to a less costly, less corrupt and more accountable Nigerian state. The challenge is not the absence of knowledge about what needs to be done, but the presence of powerful interests that benefit from the status quo. Overcoming those interests requires sustained pressure from citizens and a new generation of leaders who regard public office not as a prebend but as a trust held on behalf of the people.

References

Achebe, C. (1983). The trouble with Nigeria. Fourth Dimension.

Adebanwi, W., & Obadare, E. (2011). When corruption fights back: Democracy and elite interest in Nigeria's anti-corruption war. The Journal of Modern African Studies, 49(2), 185–213. https://doi.org/10.1017/S0022278X11000012

Administration of Criminal Justice Act, 2015 (Nigeria).

Agbiboa, D. E. (2012). Between corruption and development: The political economy of state robbery in Nigeria. Journal of Business Ethics, 108(3), 325–345. https://doi.org/10.1007/s10551-011-1093-5

Ake, C. (1996). Democracy and development in Africa. Brookings Institution.

Bovens, M. (2007). Analysing and assessing accountability: A conceptual framework. European Law Journal, 13(4), 447–468. https://doi.org/10.1111/j.1468-0386.2007.00378.x

Constitution of the Federal Republic of Nigeria, 1999 (as amended).

Corrupt Practices and Other Related Offences Act, 2000 (Nigeria).

Diamond, L. (2008). The spirit of democracy: The struggle to build free societies throughout the world. Times.

Economic and Financial Crimes Commission (Establishment) Act, 2004 (Nigeria).

Ekeh, P. P. (1975). Colonialism and the two publics in Africa: A theoretical statement. Comparative Studies in Society and History, 17(1), 91–112. https://doi.org/10.1017/S0010417500007659

Fagbadebo, O. (2007). Corruption, governance and political instability in Nigeria. African Journal of Political Science and International Relations, 1(2), 28–37.

Falola, T., & Heaton, M. M. (2008). A history of Nigeria. Cambridge University.

Fiscal Responsibility Act, 2007 (Nigeria).

Freedom of Information Act, 2011 (Nigeria).

Gillies, A. (2020). Crude intentions: How oil corruption contaminates the world. Oxford University.

Human Rights Watch. (2011). Corruption on trial? The record of Nigeria's Economic and Financial Crimes Commission. https://www.hrw.org/report/2011/08/25/corruption-trial/record-nigerias-economic-and-financial-crimes-commission

Huntington, S. P. (1968). Political order in changing societies. Yale University.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. Journal of Financial Economics, 3(4), 305–360. https://doi.org/10.1016/0304-405X(76)90026-X

Joseph, R. A. (1987). Democracy and prebendal politics in Nigeria: The rise and fall of the Second Republic. Cambridge University.

Klitgaard, R. (1988). Controlling corruption. University of California.

Lewis, P. M. (1996). From prebendalism to predation: The political economy of decline in Nigeria. The Journal of Modern African Studies, 34(1), 79–103. https://doi.org/10.1017/S0022278X0005521X

Mauro, P. (1995). Corruption and growth. The Quarterly Journal of Economics, 110(3), 681–712. https://doi.org/10.2307/2946696

Mbaku, J. M. (2007). Corruption in Africa: Causes, consequences, and cleanups. Lexington.

National Bureau of Statistics & United Nations Office on Drugs and Crime. (2019). Corruption in Nigeria: Patterns and trends. Second survey on corruption as experienced by the population. https://www.unodc.org/documents/data-and-analysis/Crimestatistics/2019/Corruption_in_Nigeria_2019_standard_res_11MB.pdf

Nye, J. S. (1967). Corruption and political development: A cost-benefit analysis. American Political Science Review, 61(2), 417–427. https://doi.org/10.2307/1953254

Ogundiya, I. S. (2009). Political corruption in Nigeria: Theoretical perspectives and some explanations. The Anthropologist, 11(4), 281–292. https://doi.org/10.1080/09720073.2009.11891117

Okonjo-Iweala, N. (2018). Fighting corruption is dangerous: The story behind the headlines. MIT.

Osoba, S. O. (1996). Corruption in Nigeria: Historical perspectives. Review of African Political Economy, 23(69), 371–386. https://doi.org/10.1080/03056249608704203

Page, M. T. (2018). A new taxonomy for corruption in Nigeria. Carnegie Endowment for International Peace. https://carnegieendowment.org/research/2018/07/a-new-taxonomy-for-corruption-in-nigeria

Persson, A., Rothstein, B., & Teorell, J. (2013). Why anticorruption reforms fail: Systemic corruption as a collective action problem. Governance, 26(3), 449–471. https://doi.org/10.1111/j.1468-0491.2012.01604.x

Presidential Committee on the Restructuring and Rationalisation of Federal Government Parastatals, Commissions and Agencies. (2012). Report of the presidential committee on the restructuring and rationalisation of federal government parastatals, commissions and agencies. Federal Government of Nigeria.

Public Procurement Act, 2007 (Nigeria).

Rose-Ackerman, S. (1999). Corruption and government: Causes, consequences, and reform. Cambridge University.

Rotberg, R. I. (2017). The corruption cure: How citizens and leaders can combat graft. Princeton University.

Schedler, A. (1999). Conceptualizing accountability. In A. Schedler, L. Diamond, & M. F. Plattner (Eds.), The self-restraining state: Power and accountability in new democracies (pp. 13–28). Lynne Rienner.

Smith, D. J. (2007). A culture of corruption: Everyday deception and popular discontent in Nigeria. Princeton University.

Suberu, R. T. (2001). Federalism and ethnic conflict in Nigeria. United States Institute of Peace.

Transparency International. (2024). Corruption perceptions index 2023. https://www.transparency.org/en/cpi/2023

Vanguard. (2010, December). Who's more corrupt? Vanguard. https://www.vanguardngr.com/2010/12/whos-more-corrupt/

Watts, M. (2004). Resource curse? Governmentality, oil and power in the Niger Delta, Nigeria. Geopolitics, 9(1), 50–80. https://doi.org/10.1080/14650040412331307832

World Bank. (1997). Helping countries combat corruption: The role of the World Bank. World Bank.