

## ***SAME SALARY, THREE LIFESTYLES: CORRUPTION'S TOLL ON NIGERIA***

**Antony Goldman**

**Christian Science Monitor**

**2/5/97**

Consider the lifestyles of three actual Nigerians, each with a salary of \$75 a month: One, the director-general of a top government ministry, has a chauffeur and two children attending an exclusive boarding school in Britain. Another, a university lecturer, can afford such middle-class trappings as meat for dinner and electricity in the home. The third, a cook, scrabbles in a garbage bin for leftovers to take home to his family.

In an economy where wages bear little relation to living standards, only one of the three actually relies on salary alone to survive. The government official accepts bribes for expediting permits, while the professor sells grades to otherwise underachieving students.

Nigeria has become a symbol of how corruption thrives when most salaries are inadequate to cover living costs.

The nation was recently dubbed the world's most corrupt country by the German nonprofit organization Transparency International, founded in 1993 to foster confidence in rules of law. Last year's top 10 included many of the world's most-populous nations: Pakistan, China, Venezuela, Russia, India, and Indonesia.

Widespread bribery and graft in such nations has hindered economic growth and widened social inequality, experts say.

And in Nigeria, corruption filters through many levels of the economy. A telecommunications engineer, for example, won't fix a line until the unfortunate customer forks over some money "for the cable."

The system builds in corruption by rewarding individuals not through wages, which are often absurd, but through positions from which it is possible to dispense patronage, exerting influence in return for favors.

This corrosion has been fueled by an oil industry that has produced 2 million barrels of oil a day for 20 years, money that might otherwise have made Africa's most populous country rich.

General Sani Abacha, who seized power in 1993 when the Army annulled elections judged free and fair by most observers, is the latest in a long line of military rulers who have promised to clean up Nigeria.

In delivering a budget recently, he highlighted the problem: 18 projects financed by \$800 million in foreign loans had never even been started. Another 44 loans worth nearly \$5 billion stood unfinished. No effort would be spared, General Abacha said, in tracking down those who had disappeared with the loot. "All those involved will be brought before a tribunal. Nigerians must be assured that such acts, when uncovered, will be punished."

It is no idle threat. Dozens of prominent businessmen, so-called "untouchables," are behind bars months after being detained in connection with an official probe into

allegations of malpractice in the country's distressed banking sector. Military officers and senior policemen have all been brought before the law for misconduct.

Not everyone is impressed.

"It's all for show," says one Western diplomat in the commercial capital, Lagos. "It looks good, but the reality is that as much goes unaccounted for today as ever it did before. Transparency is a fiction."

Western powers would like to see Nigeria follow other emerging markets and deregulate its economy, now dominated by a huge public sector. But the government has turned its back on that advice. In his official briefing on the 1997 budget, Finance Minister Anthony Ani insisted Nigeria would move to privatize its inefficient public utilities at its own pace. "We are a sovereign nation," he said. "We will not be pushed around by anyone."

Mr. Ani can resist pressure for reform from abroad because, unlike other aid-dependent African nations, he has access to \$11 billion a year in oil sales.

What most annoys the countries to whom Nigeria owes \$30 billion in debt is Abacha's stubborn refusal to reform a controversial exchange-rate policy that, one World Bank official says, "allows the rich to steal from the poor."

While on the open market, the dollar sells for 80 naira, for official transactions the government pays just 22 naira for a dollar, a system widely condemned as building distortions into the economy as well as an open encouragement to corruption.

The official exchange rate, for example, allows a limited number of individuals to travel abroad cheaply, using discounted dollars, or to speculate on the black market.

"The government says it believes in competition. But what can we do when their agencies only pay a quarter of what we do for imports?" complains Emanuel Onwuyamelu, a Lagos-based businessman. "This is a nation of traders, but they refuse to leave us to do business."

The real problem with the dual exchange rate and the bloated public sector is that until they are abandoned, Nigeria will receive no relief from a debt burden that Abacha describes as "unsustainable." Nor will there be foreign investment in non-oil sectors of the economy, where unemployment is high, living standards are low, and infrastructure is crumbling.

In these sectors, talk of expanding the economy by 5.5 percent a year seems remote. Abacha says he can tackle the problem without pandering to the Lagos business elite, which he mistrusts, or its friends abroad. He has announced new schemes to help the rural poor and looks to the Chinese and Southeast Asians for technical expertise.

With the transition to civilian rule scheduled for completion next year, critics say Abacha is moving too slowly.

As the debate rages, a civil servant, apparently on the same salary as a man unable even to feed his family, will be jetting across continents first class.

