

# **Collective Action In The Fight Against Corruption: The Case of Nigeria**

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# Brief Introduction

**INTEGRITY**

**THE CONVENTION ON BUSINESS INTEGRITY**

**MY ROLE**

## **The Concept of Collective Action**

The Convention on Business Integrity

The Context of Corruption in Nigeria

Lessons Learnt

# Collective Action In This Context

Refers to

1. Self conscious,
2. Freely organized,
3. Active and
4. Lasting

## ALLIANCES

- of organizations and
- citizens

sharing partially overlapping political or other goals with a basic commitment to peaceful reforms.



# Coalition Building

**Strong credible leadership**

**A compelling mission ( focus )**

**Incentives for stakeholder involvement (essential for cohesiveness)**

**Well informed/knowledgeable Membership**

**Sustainability**



# What's In It For Me?

**Incentives that motivate and reward organizational participation**

**Material incentives – Rewards of tangible value , money, goods, jobs**

**Solidarity incentives – Intangible rewards available only to coalition members**

**Purposive incentives – Accomplishment of a significant goal for the common good**



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# CBI Origins, Aims & Key Benefits

## Origins

- **Based on Traditional Revolving-credit Schemes Common to Many Cultures**
  - ◆ Instead of sharing finance, share credibility
  - ◆ See if the principles will scale-up with larger organizations and numbers of participants

## When dealing with each other to aim to

- **Assume “normal” business risk**
- **Extend “normal” terms of trade**
- **Drop the “Nigerian” Stereotype**

## Key Benefits

- **Reduction in risk through increased predictability**
- **Reduction in transaction costs**
- **Increased Access to Finance**
- **Increased Access to Markets**
- **Increased Access to Innovation, Skills and Entrepreneurship**
- **Increasing FDI Shares**
- **Economic Growth and Stability**
- **Ultimately, increased credibility and reduced corruption levels**



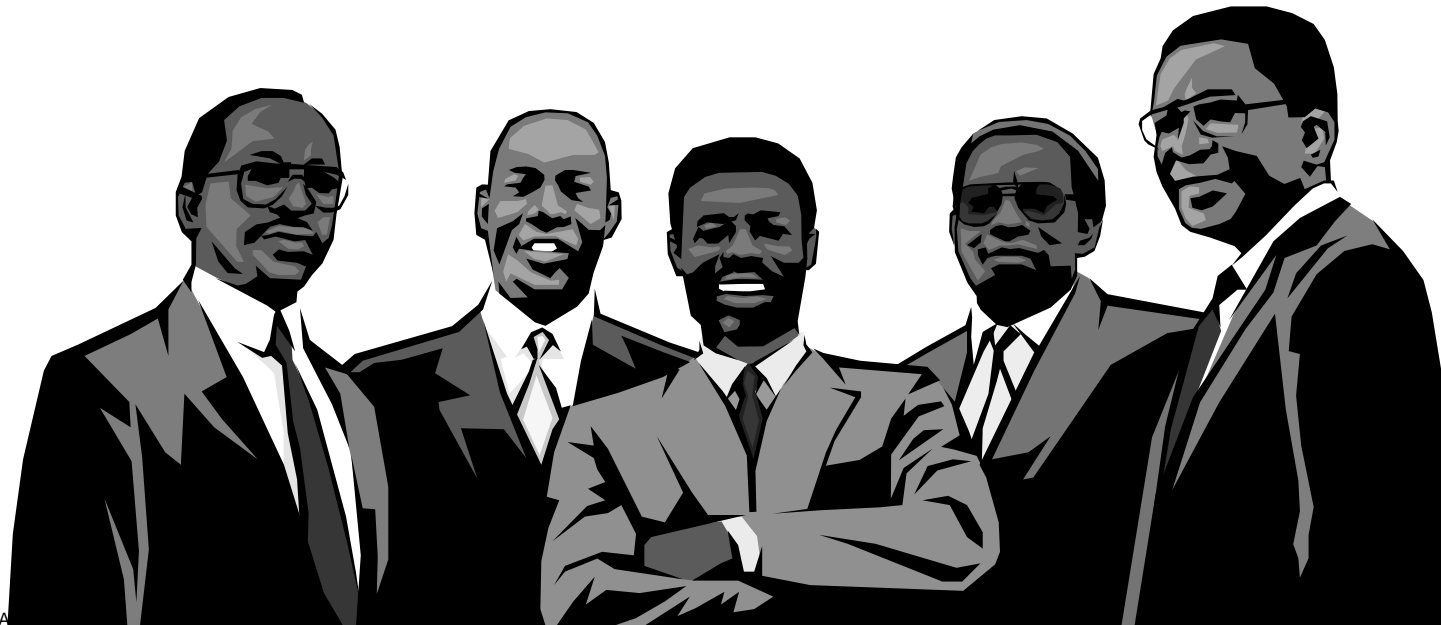
# The Convention On Business Integrity: Components (I)

## PEER REVIEW

- The Public Declaration
- The Road Map
- The Standard

## THE RATING SYSTEM

- Fitness For Purpose
- Value System
- Transparency & Accountability
- Will & Power to do The Right Thing
- A Proven Track Record



# The Convention On Business Integrity: Components(II)

## PEER PRESSURE

- Stakeholders as whistleblowers / watchdogs
- Sanctions & Appeals
- The Website

## ADVOCACY FOCUS

- Stakeholders as whistleblowers
- Primarily a pull strategy (through Nigerian Diaspora, Trade & Diplomatic Bodies, Chambers of Commerce & Industry, Development Agencies etc.)
- Push Strategy (Quarterly Signing Ceremonies, Publication of Success Stories, Direct Marketing)



# The Convention On Business Integrity: Components(III)

## GOVERNANCE MECHANISM

- The General Assembly of Signatories
- Platform of Credibility
- The Core Group
- The Secretariat



## **Current List of Signatories Includes**

**SAP**

**Cadbury**

**Dunlop**

**Pfizer West Africa**

**Accenture**

**The Lagos Business School**

**Prominent Securities**

**Denham Management**

**Agusto & Co.**

**Omelayole & Associates**

**Diamond Bank**

**Risk Watch Insurance & Re-Insurance Brokers**

**Ministry of The Federal Capital Territory**

**INTEGRITY**

**Prof. Gabriel Olusanya**

**Mr. Akintola Williams**

**Dr. Christopher Kolade**

# Challenges & Experiences

## MAJOR CHALLENGES

Capacity Issues

Generating Revenues/Funding

Leadership – Getting to be completely business led.

## EXPERIENCES

SAP

UN Global Compact

- Website
- Case Study

DFID

- Concept Test
- Business Plan & Funding

Nigeria – British Consultative Process

## Interest Now Shown By

- Kenya Min of Trade & Industry
- Nigeria Fed. Min of Finance
- Ghana
- Rwanda
- Zambia
- Uganda
- Cameroon
- Commonwealth Business Council

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## The Situation: Overview

***„Nigeria has, through the moral sanctions of collective opinion across the world, become something of a pariah state.“***

- **The Stereotypes**
  - ◆ „Special Treatment“
- **Formal Rules**
  - ◆ Weak Institutions
- **Informal Rules**
  - ◆ Collective Opportunism
- **The Net Effect**
  - ◆ International Exclusion
  - ◆ Domestic Introspection



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## The Situation: A Self-Fulfilling Prophecy

***“Could this apparent penchant for opportunism be a reaction to the perceived scarcity resulting from alienation of Nigeria from international trade flows and markets?”***

- TI’s Corruption Perception Index
- The Debate in Nigeria: Which Came First?
  - ◆ The Perception
  - ◆ Or The Exclusion

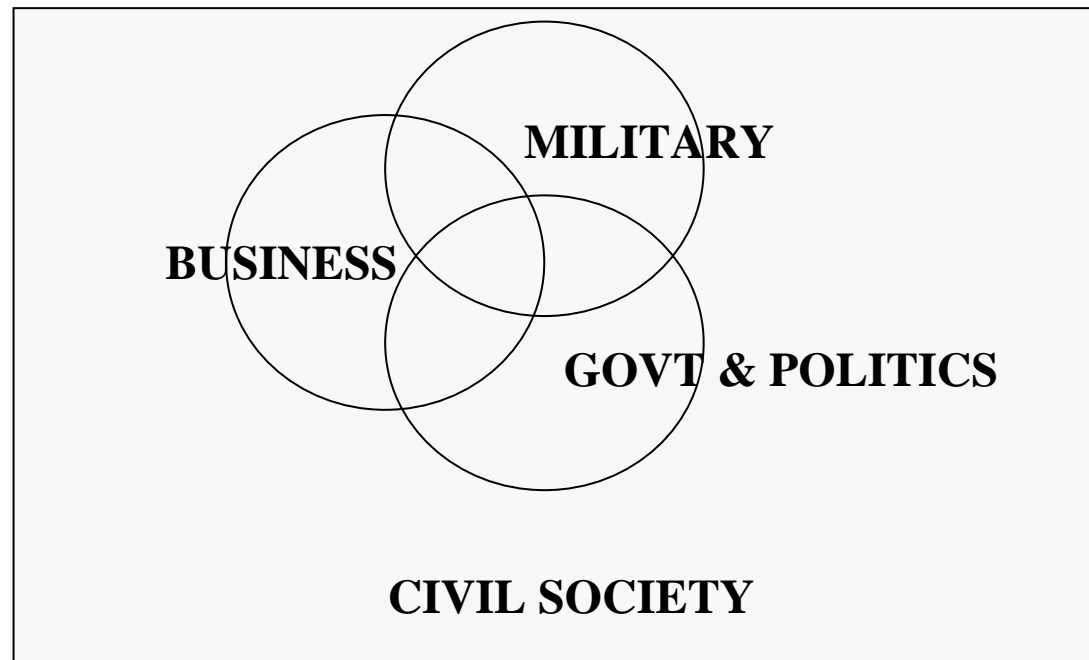




# Barriers To Dealing With Corruption

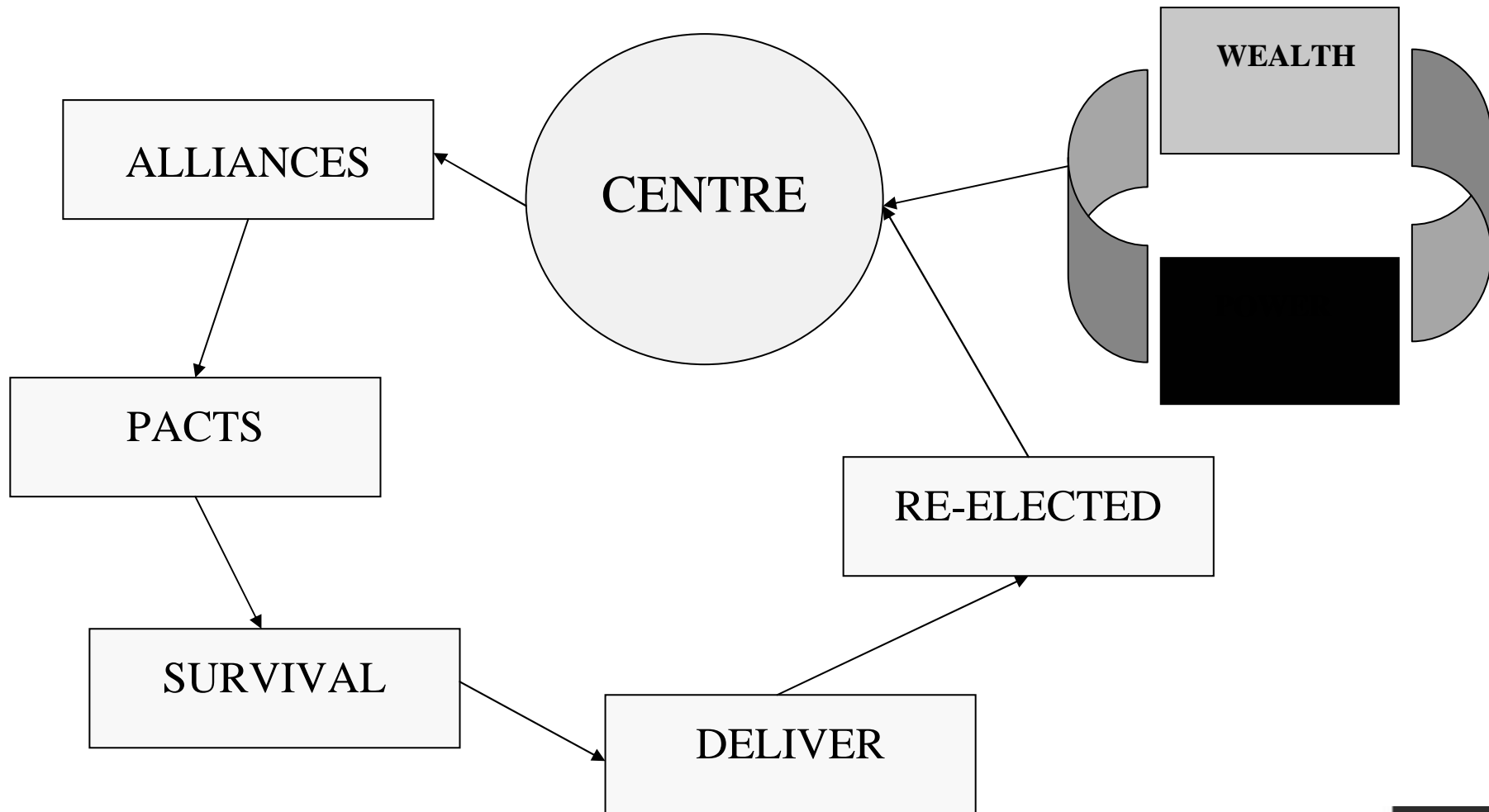
## THE PRIMARY ISSUES

- Structure of Nigerian Society
- How Wealth is Held and Distributed
- The Role of Public Office
- Complex Relationships, Alliances, Pacts & Networks



# Barriers To Dealing With Corruption

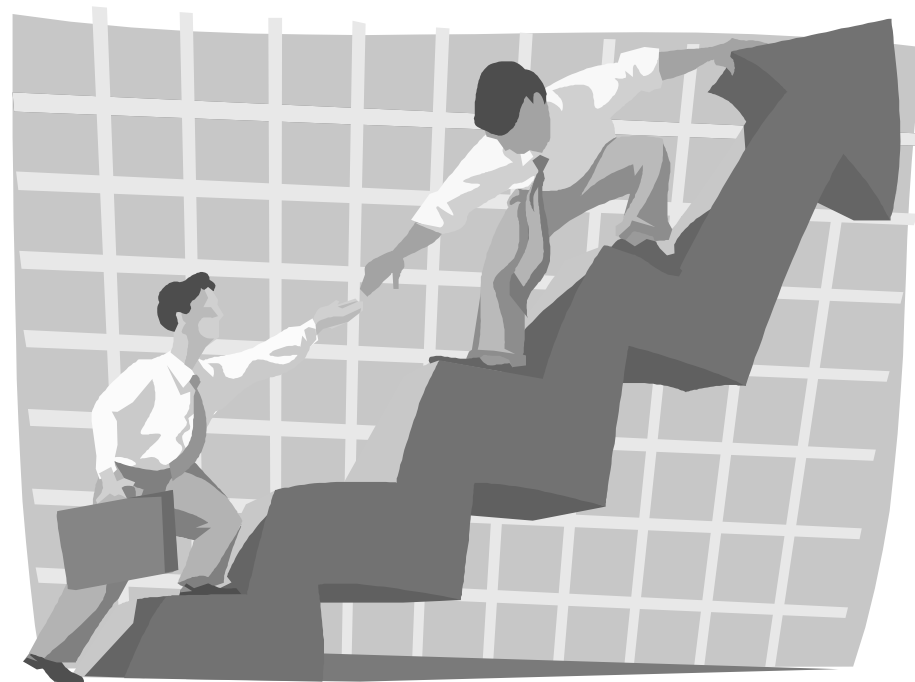
## ■ The Role of Public Office



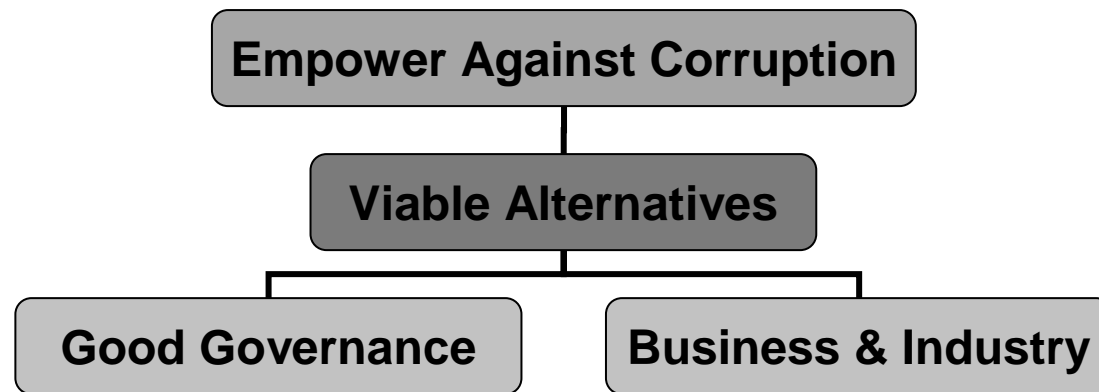
# Barriers To Dealing With Corruption

## ASPIRATIONS OF VARIOUS GROUPS

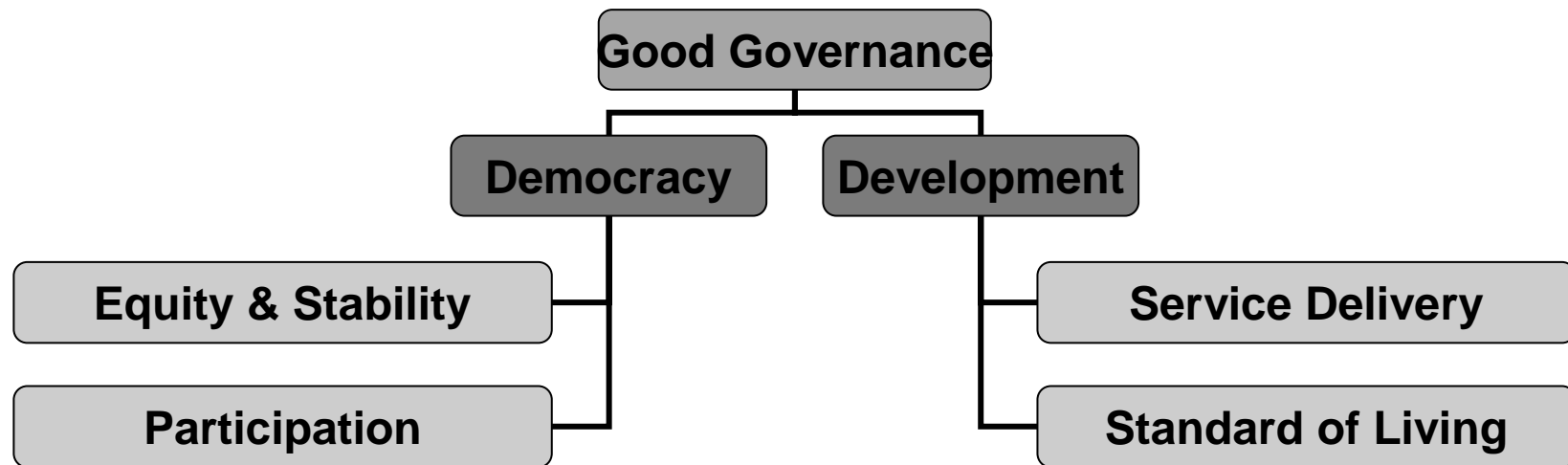
- The International Community
  - ◆ Stability, Equity & Participation
- The Elites
  - ◆ Access
- The Middle Class
  - ◆ Self-Actualization
- The Average Citizen
  - ◆ Service Delivery



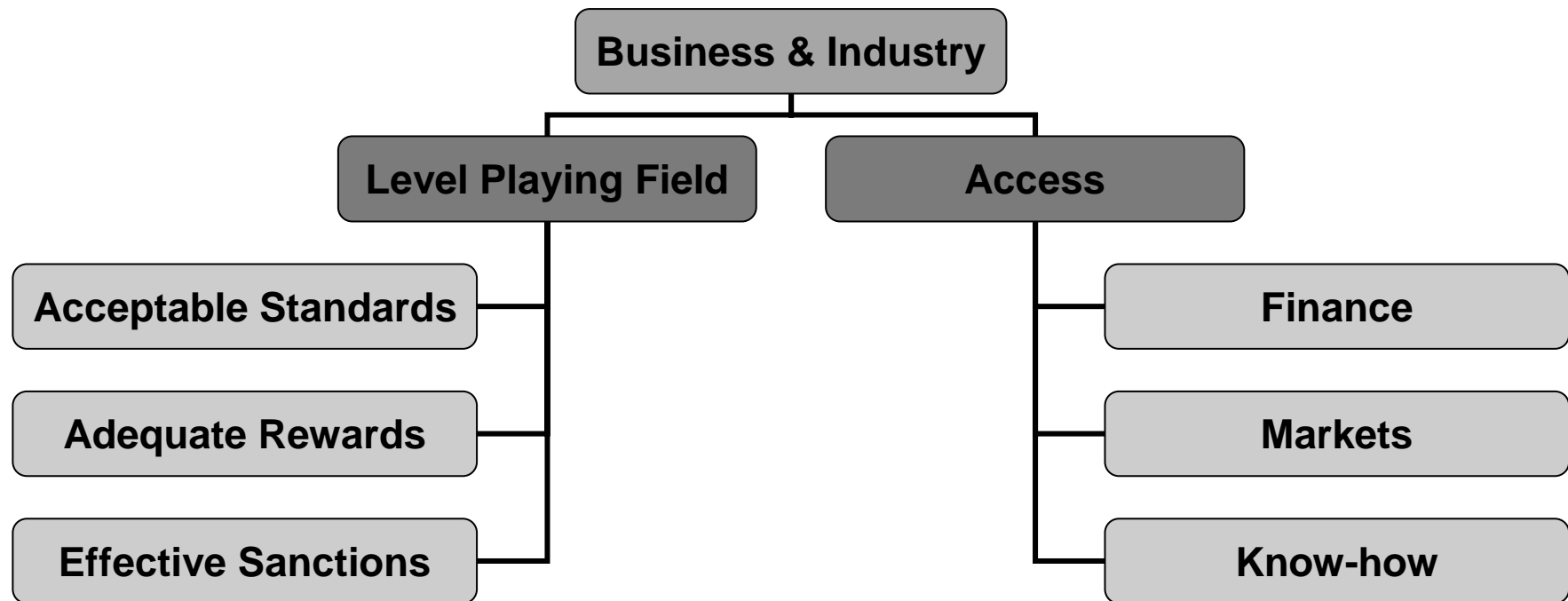
# Reducing Corruption - Overview



# Reducing Corruption – Society in General



# Reducing Corruption



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## Lessons Learnt

- **Get Business To Own The Concept from the Outset**
  - ◆ Otherwise slow process to develop sufficient clout for initiative to “tip”
- **Strive to achieve critical mass within first 2 years**
  - ◆ With a Membership Base broad enough to finance activities
  - ◆ Sufficient focus on public awareness
  - ◆ Large Enough Constituency
- **Concept Can Be Franchised**
  - ◆ The Principles Travel Well
  - ◆ The Analogies Sit Well with Diverse Cultures
  - ◆ It Supports the quest for
    - Do-It-Yourself
    - Home-grown
    - Locally driven and regulated reforms
- **The Concept Is Widely Believed to Be**
  - ◆ Simple, Practical, Workable and Potentially Effective



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