

African Studies Centre
Leiden, The Netherlands

**Legitimizing corruption in
government:
Security votes in Nigeria**

Obiamaka Egbo, Ifeoma Nwakoby,
Josaphat Onwumere & Chibuike Uche

ASC Working Paper 91 / 2010

African Studies Centre
P.O. Box 9555
2300 RB Leiden
The Netherlands

Telephone +31-71-5273372
Fax +31-71-5273344
E-mail asc@ascleiden.nl
Website www.ascleiden.nl

© Chibuiké Uché e.a., 2010

Legitimizing Corruption in Government: Security Votes in Nigeria*

By

Obiamaka Egbo
Ifeoma Nwakoby
Josaphat Onwumere
& Chibuike Uche

Department of Banking and Finance
University of Nigeria

* Part of the research for this study was conducted while Chibuike Uche was a Visiting Fellow to the African Studies Centre Leiden (September–November 2010). The assistance of the Centre is gratefully acknowledged. We also thank RACE Achara and Bethuel Kinuthia for their comments on earlier drafts of this paper. The usual disclaimer applies.

Legitimizing Corruption in Government: Security Votes in Nigeria

Abstract

A concept that is increasingly gaining currency (and notoriety) in Nigeria's budgeting and governance system is the practice of setting aside huge sums of money, under the guise of enhancing state security, as security votes. This paper investigates the history and practice of the use of security votes in Nigeria. It argues that the growing abuse of security votes across all tiers of government in the country has been facilitated by the structure of government in place in the country. Since independence, Nigeria has been governed by autocratic or partially democratic regimes. This, which to some extent has been influenced by the country's colonial heritage and its emergence as a rentier state dependent mainly on oil revenue, has not augured well for the development of the culture of accountability among its political class. Corruption of governance has also impeded the ability of its citizens to call their rulers to order even in the current democratic dispensation.

Introduction

A concept that is increasingly gaining currency (and notoriety) in Nigeria's budgeting and governance system is the practice of setting aside huge sums of money, under the guise of enhancing state security, as security votes. Recently, for instance, Ebitu Ukiwe, a retired air commodore and former Chief of General Staff (number two man) in the Government of General Ibrahim Babangida asserted that "the amounts mentioned as security votes these days ... [are] outrageous and subject to abuses since nobody accounts for them."¹ Such abuses are no doubt widespread and range from outright misappropriation of such security votes for personal gains to the financing of all forms of social ills in the community for political gains. Along these lines, for instance, it has been asserted thus:

The tendency among Nigerian politicians, particularly the executive arm at the various levels of government, to manipulate security issues for political and economic gains is widespread. This has been fuelled by the abuse of security votes, an 'opaque fund' reserved for the executive which is not appropriated, accounted for or audited through the legislature. Sometimes, a state governor

¹ See Vanguard [Nigeria] Newspaper, June 8, 2006.

could (mis)appropriate as much as N100 million monthly as ‘security vote’. Such slush funds are channeled into the secret funding of militias and gangs of government ‘enforcers’. Many political office holders have been accused of eliminating political opponents through such gangs, including the high-profile killing of former minister of justice, Chief Bola Ige.²

Despite the alarming increase in the practice, use and abuse of security votes in Nigeria, there has been few research studies aimed at enhancing our understanding of the underlying forces that have helped shape the emergence and structure of this growing phenomenon in government budgeting and expenditure in Nigeria.

This paper investigates the history and practice of the use of security votes in Nigeria. It argues that the growing misuse and abuse of security votes, across all tiers of government in the country, has to some extent been facilitated by the structure of government in place: democracy, partial democracy³ or autocracy (military regime). It has, for instance, been argued that democratic regimes are usually less corrupt than autocratic regimes. This is so because the electoral mechanism that requires periodic renewal of mandate inhibits politicians from engaging in corrupt acts.⁴ On the other hand, corruption is higher in partially democratized countries than in dictatorships.⁵ The direct consequence of the above is that in both autocracies and partial democracies, as has been the case with Nigeria since Independence, the electoral mechanism has been rendered ineffective.⁶ Without control and fear of sanctions, the tendency is for the political class to maximize their personal welfare benefits to the detriment of the wider society. Under such a situation, the budgeting process remains at best a ritual and the political class show very little concern over its

² See Ibeanu and Momoh (2008, pp.69-70). More recently, Donald Duke, a former governor of Cross River State publicly described how governors influence elections with the aid of security votes. See the Guardian Newspaper (July 17, 2010).

³ This includes democracies where electoral malpractices are perverse.

⁴ Drury et al (2006, p.121) and Tavits (2007, p.218).

⁵ Montinola and Jackman (2002, p.147).

⁶ There is no doubt that Nigeria still has a partial democracy. Late President YarÁdua, for instance, publicly admitted that the process that brought him to power was flawed. Currently, President Goodluck Jonathan has consistently maintained that he will ensure that all votes count in the next general elections.

implementation.⁷ Such corrupt practices also lead to the decline of the economic and social wellbeing of the citizenry.⁸ It also erodes the legitimacy of the government which in turn applies all possible tactics to retain power. In the process, the goal of national security, which is to promote the economic development of the nation state⁹, is redefined to mean the exclusive quest for regime security.¹⁰ However we define national security, it is indisputable that secrecy in its policy formulation and funding can be sometimes justified. Unfortunately, such secrecy, especially in its funding (security votes) has also become a viable avenue for some political and military rulers to legitimize stealing from the public purse.

To achieve its objective, this paper is divided into five sections. Part One explores the interrelationship between corruption and governance while Part Two discusses the concept of security votes and its origins. Part Three critiques the practice of security votes under the military dispensation in Nigeria while Part Four investigates such practices under the civilian dispensation. Part Five concludes the paper.

Corruption and Governance

Arguably the most cited definition of corruption is that which defines it as the use of public resources for private purposes.¹¹ This has however been criticized on grounds that it has been extensively influenced by western doctrines where there is a distinct separation between the state and its rulers and their variant economic interests. The fact that in some jurisdictions, the distinction between the wealth of the state and its rulers is blurred was however not taken into consideration in the construction of the above definition.¹² This has led to calls for the definition of corruption to be broadened to include what has been referred to as the “corruption complex.”

⁷ See, for instance, the Debate on the 2010 Appropriation Bill in the Senate (Federal Republic of Nigeria (2009, pp.2-18).

⁸ Arinze (2008, p.71).

⁹ See Ujomu (2000, p.85).

¹⁰ See Ujomu (2001, p.251).

¹¹ See Shleifer and Vishny (1993, p.599) and Smith (1971, p.21).

¹² Absolute Monarchies like Saudi Arabia, for instance, fall into this category.

Proponents of this view argue that the basis of corruption must transcend the distinction between the property rights of the state and its rulers and include acts like nepotism, misappropriation, influence peddling and insider trading and abuse.¹³

For our purposes, the above definitional expansion is particularly useful. Although Eurocentric and colonial influences ensured that Nigerian laws were directly copied from English laws, the fact remains that several pre-colonial Nigerian ethnic groups had traditional practices that were not covered by the Anglo-Saxon definition of corruption. The problem with an Eurocentric approach to understanding Africa's past is perhaps best brought out by the fundamental difference in how the concept of the state, which is usually at the centre of the Anglo-Saxon definition of corruption, was constructed in both jurisdictions. This and its impact on our understanding of the peculiar circumstances of Africa has been explained thus:

In many parts of Africa, for most of their known history and until only a century or so ago, people contrived to live together in recognizable political communities without powerful bureaucracies (indeed without literacy in many cases), without standing armies, sometimes without a single national language, without cities, without modern industry and without that degree of centralized government which most people today would probably regard as necessary for the definition of a state. It may even be argued that many of the political entities of pre colonial Africa which historians have called states, like old Mali and old Kongo, were hardly states at all in any modern definition of the word. A Eurocentric historiography of Africa has sought to fit events into an inappropriate theoretical framework which still obscures our capacity to understand Africa as it really was and hence, as it really is.¹⁴

Colonization therefore altered the nature and concept of the state in Africa. Prior to the advent of colonization, Africa had cultures and practices that developed out of the peculiarities of its circumstances which at the time were not seen as corrupt. This was especially so given the nature of the state. This was at least in part because Chiefs and Kings received no salaries and relied on gifts, booty, tributes and levies for their upkeep. There was also practically no distinction between private and public purse.¹⁵

¹³ See, for instance, Sardan (1999, p.27).

¹⁴ Ellis (1996, p.10). See also, Fuglestad (1992).

¹⁵ Falola (1998, p.142). It has also been asserted that: "Before the advent of the British, the traditional rulers were subjected to certain checks and balances by the elders and chiefs and invariably the larger community. But this was to drastically change with the protection offered traditional rulers by the British, and which oftentimes bestowed on such rulers arbitrary powers"(Agedah, 1993, p.vi).

It was, for instance, customary in Ibo land to give gifts as a precursor to making demands on community elders.¹⁶

Interestingly, such systems had inbuilt mechanisms that helped prevent abuse. This was because in many of these jurisdictions, power was concentrated along kinship lines and thus based on group loyalty. Such loyalty gave the people some power in their relationship with the patriarch of the kin. With some power distributed to the people, that concentrated in the hand of the patriarch could not easily be misused.¹⁷ Based on the above, such rulers held office only as long as they pleased their people. They were essentially fatherly figures who were chosen for their good character and integrity and were thus responsible to the people. They reigned but did not rule.¹⁸

The formalization of the state, which was no doubt facilitated by colonization, however changed the structure of the agency relationships in the governance of these territories. To understand this point, it is important to note that the very essence of colonization was to exploit the economic potentials of Africa which had hitherto been unexplored. This has explicitly been explained thus:

Economic exploitation was the purpose of colonization, and force, its method. The government was not based on a social contract; It did not receive power from the people. Rather, it took power by force. As such, it had no loyalty, no responsibility to the Nigerian people. Without the restraints that such loyalty provides, the British enjoyed absolute, unrestricted power. They could do as they pleased. And they did in many instances. In all of their actions as colonial rulers of Nigeria, the British looked after their own interest first and foremost. These interests were mostly economic- the transfer of wealth from the colony to the homeland. Thus the government did not exist to serve the needs of the Nigerian people. It existed to control the Nigerian people and to serve the interest of the ruling elites and their mother country.¹⁹

¹⁶ See, for instance, Brownsberger (1983, p.222).

¹⁷ Clarno and Falola (1998, p.170).

¹⁸ Brownsberger (1983, p.223).

¹⁹ Clarno and Falola (1998, pp.170-171). It was also similarly asserted that: "Africans regarded colonialism as an alien, despotic, and non democratic system designed by the Europeans to help the later exploit African resources for the benefit of the metropolitan citizens. Colonial institutions, thus, were seen as instruments which the Europeans used in their exploitation of the African peoples and their resources" (Mbaku, 1998b, p.150).

The formal state became the vehicle for undertaking this task. The state therefore instantly became the main beneficiary of the expanded economic activities.

The change in the agency relationships in the colonized territories occurred because the colonial powers governed the colonized territories directly or indirectly through proxies.²⁰ In a normal agency contract, the citizen (or principal) grants the agent (or government) the authority to monopolize the use of legitimate force. In return, the agent provides the principal with public goods and services. Under such agency agreements, governments are usually allowed to impose coercive activities like taxes. The government then uses the resources collected to provide public good such as defense and crime control. Corruption becomes evident when the agent, in the performance of his duties, sacrifices the interest of his principal for his own.²¹ Under the agency agreements that existed in pre-colonial traditional African settings, the power structure ensured that such abuses could be rectified either through reprimand or removal of the agent. Policing the agent in a colonial setting was however riddled with structural difficulties. In the very first place, the mandate of the principal had been stolen from the public by the colonial power, with the aid of superior force. The colonial power then appoints any party as the agent to hold and use such mandate on its behalf. Under such scenario the principal loses all powers to police and control the agent. This distortion also affects the relationship of the colonial master and his self appointed agent. This is so because the colonial power, by the nature and objective of his intrusion, has lost considerable moral authority to hold his agent accountable. Under such a scenario, keeping their agents happy by allowing them some degree of corruption becomes an integral part of sustaining the colonial regime. Colonization also entrenched the belief among agents that government was for the governors, not the governed.²²

From the above, it is clear that corruption and the nature of governance in Nigeria have been historically entwined. This, to a great extent, corroborates the point that the

²⁰ For a summary of the debate on the distinction between direct and indirect rule, see Lange (2004, pp.906-908).

²¹ Mbaku (1998a, p.33).

²² Clarno and Falola (1998, p.173).

nature of governance in place do impact on the level of corruption, which has been earlier made. Given the relationship between corruption and the nature of governance, it can be argued that unsanctioned corruption in Nigeria had its origins in the emergence of colonization. The fact that the British colonial rule essentially provided arbitrary powers to their African collaborators, which has already been discussed, was no doubt a contributory factor to the above problem. Colonization, which essentially ensured that some groups that had dissimilar cultures and religion were brought together under a central government also ensured the emergence of ethnic divide and rivalries even in post independence Nigeria.²³ This, till date, has remained a major impediment in the fight against corruption. The oil boom, which led to the over expansion of the public sector and elevated the struggle for the control of its vast revenue to a national sport also complicated the ‘corruption complex’ of the country.²⁴ The result of all the above influences is that what should normally be a straight forward agency agreement has been extensively muddled up. Corruption has therefore remained an intractable problem. It is therefore not surprising that since Independence, most military change of government (and in one occasion, refusal to hand over power to civilians) have been based on the need to eradicate corruption.

In the January 1966 military coup, for instance, the Coup leader, Major Chukwuma Nzeogwu made it explicit that the “aim of the Revolutionary Council is to establish a strong united and prosperous nation, free from corruption and internal strife .“²⁵ The Nzeogwu group was unable to consolidate power and the military high command under General Aguiyi Ironsi, was invited to form the Government. Corruption was again at the centre of his maiden address to the nation on January 28, 1966.²⁶ This Government was overthrown six months later and Yakubu Gowon became the new Head of State. The ethnic rivalries that played out in the January and July 1966 military coups culminated in the Nigerian Civil War (1967-1970).²⁷ Gowon also

²³ Dagne (2006, p.1).

²⁴ See Herbst (1993, pp.157-8).

²⁵ Nzeogwu (1966).

²⁶ See Agedah (1993, pp.13-14).

²⁷ For a recent analysis of the factors that led to the war and its eventual outcome see Uche (2008).

admitted the prevalence of corruption during his regime and ironically listed its elimination as a condition to be achieved before handing over power to the civilians.²⁸ Gowon was overthrown by General Murtala Muhammed in July 1975. The Government of Murtala Muhammed which came to power in July 1975 found all but two of the twelve state governors under the Gowon regime to have illegally exploited their offices and amassed personal wealth.²⁹ General Obasabjo, who took over after the assassination of Muhammed in an unsuccessful military coup in February 1976, subsequently handed over power to a Civilian Government led by Shehu Shagari in October 1979.

When the Shagari Government was overthrown on December 31, 1983, Corruption was again identified as the main causative factor.³⁰ When General Babangida overthrew Buhari in August 1985, in a palace coup, he again frowned at the corruption record of Shagari asserting that the “history of our nation had never recorded the degree of indiscipline and corruption as in the period between October 1979 and December 1983.”³¹ Ironically, Babangida went ahead to preside over an arguably more corrupt government than Shagari.³² It has for instance been suggested that his regime “marked a transformation in Nigeria’s already notorious corruption, turning it into a generalised instrument of government.”³³ The weak budgeting structure in the country no doubt facilitated corruption. A World Bank report, for instance, noted that “significant domestic currency spending appears to have occurred without any apparent budgetary authorisation.” More serious was the fact that “some \$1 billion equivalent of revenues was allocated under ill defined and poorly documented procedures outside the usual accounting framework.”³⁴

²⁸ See Forrest (1993, p.55).

²⁹ See Forrest (1993, p.56).

³⁰ See Agedah (1993, p.23).

³¹ Babangida (1985).

³² See, for instance, Peters (1997, pp. 213-4) and Oko-osi (2007, p.8).

³³ Ellis (2009, p.179).

³⁴ Quoted in Oko-osi, 2007, p.19

General Babangida, after annulling the 1993 Presidential elections, was forced to hand over power to an interim National Government headed by Chief Ernest Shonekan. In his three months reign, Shonekan also acknowledged the hydra headed nature of corruption in the country.³⁵

He was succeeded by General Sani Abacha who also ran a very corrupt Government. Evidence of the acquiescence of Nigerian Government to corruption was perhaps best demonstrated by the agreement the subsequent democratic government president, Olusegun Obasanjo signed with the family of General Sani Abacha with respect to the billions of dollars Abacha looted. According to the New York Times of April 18, 2002:

The family of the late Nigerian dictator Sani Abacha, who has been accused of looting national assets during his military rule, will return \$1 billion to Nigeria, the Swiss government said today. The out-of-court arrangement allows the family to keep \$100 million, which the Swiss Federal Office of Justice described as funds "acquired prior to Abacha's term in office and which, according to Nigerian authorities, demonstrably do not derive from criminal acts." The settlement also requires the Nigerian government to drop some criminal charges against Mr. Abacha's son, Muhammad Sani Abacha, and an associate, Bagudu Abubakar. Nigeria had been seeking to recover as much as \$4 billion from Abacha accounts in various European banks. Part of the settlement money will come from Switzerland, which said it would turn over \$535 million to the Bank for International Settlements in Basel for Nigeria's use. Other banks that have Abacha accounts -- in Britain, Luxembourg, Liechtenstein and Jersey, in the Channel Islands -- are expected to detail their shares of the settlement soon.³⁶

Given the fact that Nigeria has witnessed only military regimes and partial democracies since independence, it is not surprising that the country has consistently experienced very high levels of corruption. The rentier nature of the Nigerian state, facilitated mainly by its oil wealth, has increased the desperation by various stakeholders to control the machinery of the state.³⁷ Arguably because of the above, the pressures for change in the 'corruption complex' of the country have come mostly from the outside. This is mainly because of two interrelated reasons. First, it is

³⁵ See Herbst (1996, p.158).

³⁶ The New York Times, April 18, 2002. See also (Dagne, 2006, p.6). It was later reported that the Abacha family subsequently reneged and refused to sign the agreement (GTZ, 2007). In recent times, it has been widely reported that the son of the late dictator: Mohammed Abacha will run for the governorship position in his native Kano State (see Leadership Newspaper, August 23, 2010).

³⁷ For a detailed analysis of this point see Uche and Uche (2004).

generally believed that corruption is negatively correlated with the level of integration of a country with the international community. In other words, the more a country is entwined with the international economy, the less corrupt it will be.³⁸ While this may be true, it is important to note that this has not always been so. This is because the efficacy of the above theory is correlated with the rise in strict governance and ethical standards which has a recent origin. In fact, and this is the second point, it was not until recently that international agencies like the World Bank began to insist on increasingly strict international business and ethical standards across the world.³⁹ With multinational corporations coming under pressure from their home states, the power of local beneficiaries of corruption to control the evidence of their corruption has been greatly whittled down. In recent times, for instance, corrupt practices in Nigeria has been exposed not so much because of the efficiency of law enforcements officers in Nigeria but because their bribers are increasingly being nabbed in their home countries. Most high profile Nigerian bribery scandals like those relating to Halliburton, Jefferson, Daimler and Siemens fit this bill.⁴⁰

Based on the above, it is clear that change is imminent. Unfortunately, the very people called upon to make the structural changes necessary to limit opportunities for corruption are the very actors who benefit most from the status quo.⁴¹ The consequence of this is that such officials are now tinkering with local rules and regulations to see the possibility of still accommodating their individual interests at the expense of the state, but in a way that will be less entwined with the international community. One way corruption has been legitimized in the past in Nigeria is by systematically legalizing bribery. This is the case with section 287(3) of the Nigerian Companies and Allied Matters Act of 1990 which allows directors to receive and keep “unsolicited gift” from beneficiaries of the company “as a sign of gratitude” so long as he/ she declares it to the board.⁴² This, interestingly, can be ‘justified’ on grounds

³⁸ See Sandholtz and Gray (2003, p. 761).

³⁹ See, for instance, Tavits (2007, p.73).

⁴⁰ See Elombah (2010b).

⁴¹ Lawson (2009, p. 74).

⁴² See Ogowewo (2009, p.6).

of our cultural heritage. Another veritable vehicle for doing this is by creating a black box around the concept of security votes on the pretense that absolute secrecy is required in the allocation and spending of such votes for security reasons. The origins and meaning of security votes and how it has been used in Nigeria will be explored in the subsequent sections.

the Idea of Security Votes

A convenient starting point for our understanding of the concept of security vote, which encompasses the process for setting aside money for national security and operationalising such expenses, will be to define the concept of national security. Unfortunately, this is not an easy concept to define. This is because the overriding objective of any state is to ensure its survival and achieving this sometimes requires behavior that goes against the interest of other legitimate entities. National interest is in most cases the guiding principle in determining the security needs of any state.⁴³

It is on the basis of the above that an important security study commissioned by the Canadian Police made explicit the amorphous nature of the concept of national security thus:

I do not know what national security means. But then, neither does the government. The Solicitor General stated in early June, 1978, before the House of Commons Standing Committee on Justice and Legal Affairs: "There is no definition of the term 'national security' because in effect national security is basically a term that refers to protection of sovereignty, and activities related to the protection of sovereignty." It is one of those terms after which one should add the phrase "whatever that means." Some view the concept as one that they cannot define, but, like obscenity, they know it when they see it. This was the view of the U.K. Committee of Privy Counselors on Ministerial Memoirs, which in 1976 stated: "National security is a vague enough idea in the conditions of the modern world and its subjects range much further afield than the simpler categories of earlier days, such as the plans of fortresses or the designs of warships or aeroplanes. Nevertheless, experience has shown that, when it comes to a practical issue turning on a particular set of facts, it is not usually difficult to agree whether they fall within or without the security net."⁴⁴

⁴³ It has, for instance, been argued that national interest: "is not a detached interest in our international environment pursued for its own sake, independent of our aspirations and problems here at home. It does not signify things we would like to see happen in the outside world primarily for the sake of the outside world.... It is a function of our duty to ourselves in our democratic problems... to assure that we should be permitted, as a people, to continue our Pilgrim's progress toward a better America under the most favourable conditions" (Quoted in Nincic, 1999, p.37).

Based on the above, it is not surprising that the funding of security matters also exhibit some of the characteristics of national security itself. Given the sometimes sensitive nature of security, nation states have historically considered it undesirable to debate and agree security matters (and its funding) in the global public space. The usual argument for toeing this line is that such disclosures may endanger national security.⁴⁵

The essence of secrecy in security matters including its design, funding and implementation have been defended on the basis of the following needs:

- To accommodate “plausible deniability”
- To provide “cover” for operations
- To elicit cooperation from national intelligence agencies in other countries
- To facilitate counterintelligence and counterespionage activities.⁴⁶

Historically, secrecy in dealing with national security issues dates back to the emergence of the modern nation state. In the United States, for instance, there is evidence of such practices in the nineteenth century. Interestingly Congress participated in the design, funding and operationalisation of some of these national security issues at the time. It has, for instance, been asserted that:

Congress is not without some past experience in clandestine legislative performance and lawmaking. In 1811, during the third session of the 11th Congress, two statutes and a joint resolution pertaining to Florida, which was then under Spanish rule, were enacted by both Houses in secret session, approved covertly by President Madison, and not published until 1818. Congress also has a long history of confidential funding-burying lump sums of money in an appropriation and allowing agencies to use certificates rather than vouchers for the expenditure of such funds. A memorable example of this kind of financial arrangement is the Manhattan Project, which developed and produced the atomic bomb.⁴⁷

⁴⁴ Quoted in Relyea (1987, p.12)

⁴⁵ See, Goldberg (1987, p.44).

⁴⁶ Gibson (1987, p.29).

⁴⁷ Relyea (1988, p.111).

The Second World War and the emergence of the cold war, however took state covert security operations to a new level. In the United States for instance, the enactment of the National Security Act of 1947, whose principal mission was the preservation and perpetuation of the nation by any and all means... [and] its primary characteristic was secrecy” set the stage for the rise of the national security state.⁴⁸ This became the basis for the subsequent establishment of the various security apparatus including the Central Intelligence Agency (CIA), the National Security Agency (NSA) and the Defense Intelligence Agency (DIA).⁴⁹ The functions of some of these agencies and their funding mechanism were also as secretive as their existence. This also created the enabling environment for American Presidents to acquire enormous presidential powers and discretion in issues of national security. It was under these circumstances that President Truman, in 1951 issued Executive Order 10290 which introduced sweeping changes that further enhanced the secretive nature of state security and the powers of the presidency therein. Along these lines, it has been asserted that:

E.O. 10290 of September 24, 1951, introduced three sweeping innovations in security classification policy. First, the order indicated [that] the Chief Executive was relying upon “the authority vested in me by the Constitution and statutes, and as President of the United States” in issuing the directive. This formula appeared to strengthen the President’s discretion to make official secrecy policy: it intertwined his responsibility as Commander in Chief with the constitutional obligation to “take care that the laws be faithfully executed.” Second, information was now classified in the interest of “national security,” a somewhat new, but nebulous, concept, which, in the view of some, conveyed more latitude for the creation of official secrets. It replaced the heretofore relied upon “national defense” standard for classification. Third, the order extended classification authority to nonmilitary entities, to be exercised by, presumably, but not explicitly limited to, those having some role in “national security” policy.⁵⁰

Over time, however, evidence of abuse and concerns about the utility value of the covert operations of the various agencies led Congress to increasingly demand that its oversight function be enforced.⁵¹ The consequence of the above was the establishment in both houses of congress of an Intelligence Committee with the responsibility to:

⁴⁸ Relyea (1988, p.106).

⁴⁹ Deutch and Smith (2002, p.64).

⁵⁰ Relyea (2003, p.399).

⁵¹ For examples of CIA excesses, see Stockwell (1979).

develop new charter legislation for the intelligence agencies; review their administrative guidelines; study their bids for annual funding; examine the managerial soundness of new structural arrangements; evaluate intelligence results and the integrity of the methods behind them; appraise hardware innovations to determine which machines collect the most intelligence for the least cost; and, serve as an ear for whistleblowers.⁵²

The security impact of the Cold War however extended beyond the two principal players: America and the USSR. This was so because several developing countries emerged as proxy states for the super powers. Such associations no doubt helped promote corruption in these African states.⁵³ For the superpowers, at least during the cold war era, loyalty was prized above prudence in their support for clientelist African leaders. Under the above scenario, heavy investment in arms and security became an important component in the bid by corrupt African governments to retain power. In an ideologically divided world, it was both strategic and prudent for most nation states to maintain high level secrecy in the design and funding of their national security plans. In order to achieve the above, it has been theorized that these nation states have in the past adopted four main strategies which are not necessarily mutually exclusive. These include:

- Double bookkeeping: This involves keeping two sets of accounts. The published accounts and the real accounts. While the published account is for public consumption, the real account, which is more accurate, is purely for internal government consumption.
- Extra budgetary accounts: This involves creating revenue sources for security funding which is not included in the national budget. An example of this kind of arrangement can be found in Indonesia where such security fundings is

⁵² According to the CIA Director at the time: Stansfield Turner, "Oversight can be a bureaucratic impediment and a risk to security. It can also be a tremendous strength and benefit to us. It shares our responsibilities. It ensures against our becoming separated from the legal and ethical standards of our society. It prevents disharmony between our foreign policy and intelligence efforts. It helps us build a solid foundation for the future of our intelligence operations" (See Johnson, 1980, pp. 479 and 494).

⁵³ Ellis (1996, p.15).

financed by a special military fund derived from the earnings of the country's numerous military linked enterprises.

- Highly aggregated budget categories: Under this scenario, countries simply provide a single figure for their entire security budget. Sometimes such security expenditure is disaggregated in a very limited way which is usually not very useful to the general public. Such figures, in reality, normally represent a fraction of their actual security budget.
- Foreign Exchange Manipulation: Under this scenario, part of the foreign exchange earned by the state from the sale of products abroad, usually raw materials, is not recorded in government accounts and is not repatriated. Such funds can then be used to address all manner of security issues including the purchase of military equipments. India, in 1980, used this mechanism to purchase Soviet arms.⁵⁴

In the next two sections, we will explore the practice of security votes in Nigeria under various military and civilian administrations.

Practice of Security Votes in Nigeria Under the Military Dispensation

In the last section, we demonstrated the basis for the general secrecy surrounding the concept of security votes around the world. In the light of the above, it is not surprising that Nigeria, in adopting the security vote concept has also retained some degree of secrecy in its methodology, allocation and use. Because of the secrecy surrounding this expenditure, information about it is hard to come by. The implication of this is that it will be difficult to empirically validate any of the four methodologies used in disguising security expenses as theorized in the preceding section. Despite this, we know that during past military regimes in the country, large scale abuse of the system occurred only at the very top of the leadership hierarchy. This was essentially because of the centralized nature of military governments.

⁵⁴ Ball (1984, pp. 158-161).

Publicly available evidence on this secretive security vote practice suggests that large scale abuse of such security votes commenced under the military regime of General Babangida. Along these lines, it has been asserted that:

Babangida was ruthless in the way he amassed his colossal wealth. First is the illegal self-allocation of free oil, sold on the spot market. Then he initiated the corrupt culture of maintaining a huge monthly security vote virtually as personal pocket money.⁵⁵

The level of corruption in the regime no doubt fuelled insecurity and raised numerous challenges to the legitimacy of the regime.⁵⁶ This in turn encouraged the regime to devise various mechanisms, ranging from disbursing of favours to opponents of the regime to outright repression of opposition all at great costs to the state. Under such circumstances, national security was misconstrued and misdirected to imply the exclusive quest for regime security and the personal security of the regime leadership and their cronies. Along these lines, it has been asserted thus:

Thus central to the vitiation of national security, the economy and resource management during [the] Babangida regime was the widespread use of political manipulation, repressive tactics and the disbursing of favours and public patronage... There was increasing civil strife, anti government protests and public disaffection within the country, most of which could be linked to the effects of economic hardship on the citizens. Babangida exhibited a high level of obsession with wealth and power and he sought to manipulate political forces in order to perpetuate himself in office. He practiced a cynical and corrupt style of governance and also concentrated so much authoritarian power in his own hands. He used the State Security Service (SSS) as a tool of terror. In addition, he created a national guard that would operate independently of the Nigerian armed forces and answerable only to himself.⁵⁷

The financial recklessness of the Babangida administration was not in doubt. The Okigbo Panel set up to investigate the activities of the Central bank of Nigeria in 1994 reported that during his regime, 12.2 billion dollars was diverted to off budget accounts thus making proper accountability almost impossible.⁵⁸ During the period, there was also little respect for the budget. Olashore, a one time Secretary of Finance

⁵⁵ Osahon (2010).

⁵⁶ Arinze (2008, p.72).

⁵⁷ Ujomu (2000, p.91).

⁵⁸ Ujomu (2000, p.91).

and Economic Development under Babangida, once asserted that during his tenure, he experienced a never ending pressure from a variety of interest groups, who tried to intimidate and blackmail the controlling agencies to release funds. Such persons carried on as if the budget document was irrelevant to what they were doing.⁵⁹

Despite the widespread corruption under the Babangida regime, the centralized nature of military administrations ensured that the abuse of security votes was limited to the top hierarchy of the administration. Another explanation for this was that given the centralized structure of military administrations, local specificities about security were limited. Arguably because of the above reasons, state governors under the Babangida regime were therefore subjected to a strict regime in their use of security votes. In this direction Ebitu Ukiwe recently asserted that as Chief of General Staff, he was in charge of what the state governors did with their security votes which was limited to N10,000.00 per month. This was the money they used to monitor the security situation in their states. They were not expected to account for it. "In exceptional cases, they could spend N15,000[.00], but must account for it."⁶⁰

In 1993, General Abacha overthrew the Shonekan interim government and continued with the Babangida legacy in the abuse of security votes. Understandably, General Abacha who was the Chief of Army Staff under General Babangida, had acquired considerable experience in the abuse of security votes during that dispensation. Under Babangida, for instance, it was reported that it was not unusual for government cheques, running into tens of millions of dollars, for the purchase of arms and ammunition for the armed forces to be written in his (Abacha's) personal name. One cheque "said to have been for \$75 million, was intended to fund weapons procurement for Nigerian troops stationed in Liberia with little or nothing ever arriving."⁶¹ When he became President therefore, it was business as usual. Given the secretive nature of security votes, very little was known about his escapades in this

⁵⁹ Quoted in Herbst (1996, p.161). It was therefore not surprising that for the 1991 fiscal year, during the Bababguida regime, the Government intended a modest N100 million budget surplus. Half way through the fiscal year however, the Government had incurred a deficit of N19 billion (Olaloku, 1994, p.183). This poor budget implementation record has remained till date.

⁶⁰ Vanguard, June 8, 2006.

⁶¹ Baker (2005, p.60)

arena until after his death in 1998. In one of the posthumous probe panels set up to investigate the activities of his administration, it was noted that:

Peter Gana, an Assistant Commissioner of the Nigerian Police, for example, was able to point to some of the methods used by Abacha to extract cash from the Government. In particular, he cited what has become known as the Security Vote Monies method. It was used by Abacha together with Alhaji Ismaila Gwarzo, his former National Security Adviser. Gwarzo would write letters to Abacha requesting payment of sums of money to meet “urgent” national security needs. Around 30 of these letters were written over a three-year period from 1995 to 1998. The sums requested started at around \$0.8 million and progressively increased – the highest was around \$200 million. The Central Bank was then constrained by order of the Head of State to make available huge sums in cash or by way of transfer through the banking system. The monies extracted from the Central Bank amounted to nearly \$2 billion.⁶²

His successor, General Abdulsalami Abubakar whose rule lasted for less than one year focused mainly on transiting the country to a civilian regime. There is little available information about his security vote practices. What is however known is that his regime was blighted by the speed with which it depleted the country’s national reserves from \$7.1 billion to \$3.1 billion within the short period he was in office without any infrastructural development to show for it.⁶³

In the next section, we will explore the law and practice of security votes in the current fourth republic which commenced on May 29, 1999.

Practice of Security Votes in Nigeria Under the Civilian Dispensation

As part of the transition to civilian rule, the military administration of General Abubakar promulgated the 1999 Constitution. Section 14 (2b) of the said constitution

⁶² GTZ (2007). See also Ujomu (2000, p, 92). On another occasion, it was reported that: ‘Between November 1993 and June 1998, Abacha directed his National Security Adviser, Alhaji Ismail Gwarzo to withdraw from the Central Bank of Nigeria a total of \$1.6 Billion and £417 million for security purposes. Interestingly, only £250,000 and \$195 million went for that purpose. Sani Abacha with the help of Bagudu diverted the rest to foreign accounts. On Wednesday September 20 2000, Ismail Gwarzo, appearing before a Swiss investigative panel, at one of the offices of the National Security Adviser, on 24 Mambilla Street, Aso Drive, Abuja offered to release to the government the sum of \$500 million. Before the September 20, 2000 promise, Gwarzo had refunded \$250 million and \$135 million to the Abdusalami Abubakar government. Abacha's former Minister, Anthony Ani also claimed that Abacha gave him a gift of DM 30 million for being a loyal Minister, "I accepted the gift in accordance with my wife's advice," Chief Ani said’ (Oduyela, 2004).

⁶³ Newswatch Magazine, 29 September 2010.

makes it explicit that the security and welfare of the people shall be the primary purpose of government.” The second schedule of the constitution also makes the federal government to be exclusively responsible for the security of the country. The police, armed forces and border control are exclusively the responsibility of the Federal Government. Within the Federal Government, the Constitution conveys on the President (executive) the powers to “cause to be prepared and laid before each House of the National Assembly at any time in each financial year estimates of the revenues and expenditure of the Federation for the next following financial year.”⁶⁴ Section 85 of the Constitution also requires that the accounts of all offices of the Federation shall be audited by the Auditor-General who shall submit his reports to the National Assembly. The implication of the above provisions is that the legislative arm of government has been given oversight function over the entire process of budgeting and its implementation. This has sometimes become an area of dispute between the executive and the legislature.⁶⁵ It has, as will be argued later, also given the legislature a major bargaining chip in the politics of revenue allocation in Nigeria at all levels of government.

As has already been noted, the issue of national security is exclusively the responsibility of the Federal Government under the current political dispensation. In undertaking the above function, the government routinely allocates funds to all the relevant security agencies under its control. Aside from the above, it, like the military administrations before it, also set aside substantial sums yearly as security vote. Although the allocation and expenditure under this heading is usually shrouded in

⁶⁴ Section 81.

⁶⁵ It has, for instance, been asserted that: “Soon after the new constitutional framework came into effect, it was thrown into the spotlight during a dispute between the president and the National Assembly that caused a four-month delay in the passing of the federal budget for the 2000 fiscal year. The conflict revealed that the executive and legislative branches of government were actively engaging with, and testing, their respective powers and roles in budgetary matters under the new constitution. As President Olusegun Obasanjo remarked: “It was perhaps to be expected that at the beginning of our search for the meaning and form of a true republican democracy, mistakes would be made, and extreme positions would be taken by those involved in this search”. [1] The National Assembly, on the other hand, has insisted that its input is desirable to match the budget more closely with developmental needs. [2] Moreover, the National Assembly claimed that the executive implemented a mere 30 per cent of the 2000 budget, a figure the federal government put at 64 per cent. [3] Despite hopes that the executive and legislative branches would be able to restore a cordial relationship, the budget process continues to attract controversy” (Wehner, 2002, p.216).

secrecy, the public sometimes get a rare glimpse into the mechanics of this fund when there is a dispute within the ruling class.

During the regime of President Olusegun Obasanjo (1999-2007), it was speculated that he was likely to try to force through the constitutional amendment that would allow him contest for the presidency a third time with the aid of the security vote.⁶⁶ It was only recently, after Obasanjo stirred the hornets nest by publicly asserting that legislators are corrupt and overpaid that some of the secrets regarding some of his dealings with the legislature during his administration were made available to the public.⁶⁷

Obasanjo's public comments instantly ignited angry responses from legislators who accused him of bribing them to actualise his botched third term bid. The interesting position of Mohammed Ndume, the Minority Leader of the House of Representatives on this matter was reported in a national daily thus:

In a rare display of frankness..., [he] acknowledged former president, Olusegun Obasanjo's charge that lawmakers are corrupt, but questioned Mr Obasanjo's basis for blaming legislators, who often have "justified" reasons to pilfer.... [H]e rebuked the former president's claim that federal lawmakers maintain questionable earnings and frequently pad national budgets sent to them for approval. He said while he does not totally disagree with Mr Obasanjo, he would have favoured such allegations to be extended to "Nigeria or politicians" in general. "To single the legislature out," he said, "I think he is not being fair." Again, even where the lawmakers are corrupt, Mr Ndume said, they have more "legitimate reasons", and Mr Obasanjo is least qualified to question that. "Is it not Obasanjo who bred corruption in this country? It was during his tenure that corruption moved from low level to high level. It was during his tenure that he gave N50 million each to members of this House to extend his tenure," he said.

⁶⁶ See Akinnaso (2006).

⁶⁷ Specifically, Obasanjo stated thus: "We should look closely at the legislature so that they can be more open and transparent in the way they do their work. Nobody knows in detail how much it costs us to maintain a senator. I believe it is more than N250 Million. Compare what it cost in 1999 and 2000, it cost about \$1.7 Million. "Compare to a quarter of a million in America. You must understand the power of each of us have, they came up and say something is constituency project, what is this constituency project? "They insert it in the budget, they would find the contractor and the contractor would work for them, that is constituency project? They then accuse some people of corruption, who are not corrupt. "Now let us talk truly to ourselves seriously. We can't continue to have a National Assembly that is consuming a disproportional part of our resources and then expect that we would be able to make progress. They pass budget that can't be implemented, because it has to be beefed up to satisfy their whims and caprices. Even what the ministries did not ask for they put it" (quoted in The Nigerian Inquirer, August 6, 2010).

"Go and look at his account when he came out the prison to become the president and look at his account now. That will answer who is corrupt."⁶⁸

It is no doubt such impunity that keeps Nigeria's status as one of the most corrupt countries in the world alive. "The country's image as a bastion for bribery, venality and deceit has [no doubt] remained consistent over the years."⁶⁹

Under the late President Yar'Adua, the abuse of security votes also continued unabated. Again, it was the difficult transition from the then ill President to his deputy: Goodluck Jonathan that brought such abuses to the public domain. In March 2010, for instance, shortly after President Jonathan was confirmed as Acting President by the National Assembly, a national newspaper reported that his administration may have commenced a discreet investigation into how billions of Naira earmarked as "security vote" disappeared without proper authorization and under questionable circumstances between November 2009 and February 2010. This was the period when the then President was receiving treatment in Saudi Arabia. Specifically, it was alleged that a few individuals within the President's inner circle were responsible for this security vote malpractice. The money was feared to have been stashed away in foreign bank accounts in Mauritius, Saudi Arabia and Isle of Man.⁷⁰

The exact amount involved in this security vote malpractice was later revealed by another national daily to be N70 billion. The paper further disclosed that "when the arrowheads of the cabal were interrogated, they confessed to spending the money but disclosed that most of ... [it] was used for lobbying prominent Nigerians." The investigation was however mellowed due to the intervention of "powerful forces who told Jonathan that his becoming President was made possible because of the cooperation of some of the persons he was investigating."⁷¹

At the state level, although governors have no responsibility over the security apparatus of the country, the Constitution recognises the State Governors as Chief Security Officers of their respective states. This has no doubt sometimes led to crisis

⁶⁸ Next Newspaper, August 6, 2010.

⁶⁹ Smith (2007, p.1).

⁷⁰ The Punch newspaper, March 27, 2010.

⁷¹ See Vanguard Newspaper, July 16, 2010.

in apportioning both responsibility and blame in the event of security breaches. During a recent sectarian crisis in Jos, Plateau State for instance, the Governor of the State publicly claimed that he could do little to intervene since he was not in control of the security apparatus. It is based on the above that he demanded that the Constitution be amended to give governors more powers over security matters. According to him:

The fundamental issue of security, as I have always said, is the responsibility of the Federal Government. I am now advocating that the National Assembly, now that they are reviewing the constitution, should see how state governors, the chief security officers of their states, can be given such powers that they can use the police to immediately stop certain things that could escalate, if not nipped in the bud. I believe that we should discuss with the Federal Government to ensure that the police is properly used in situations like this... The fear always is that the governors will misuse security. Governors are trusted by their people, that is why they are elected as chief executives of their states, if the people don't trust them, they won't elect them.⁷²

Despite the above, various state governments have reacted in different manner to the increasing insecurity in their states and its attendant problems. Lagos State, for instance, has in collaboration with the big businesses in its territory set up a security trust fund. An example of the activities of this trust fund was aptly summarised by the State Governor in his recent budget speech thus:

The Lagos State Security Trust Fund continued to wax stronger as we donated 10 armoured personnel carriers, 1000 AK 47 rifles and 2 million rounds of ammunition to enhance the crime-fighting capacity of the rapid response squad in addition to financially rewarding police officers who demonstrated uncommon courage on duty. In the same vein, we donated twelve operational vehicles to the Nigerian Prison Service to assist in the speedy dispensation of justice in Lagos State.⁷³

Most other states have also donated equipments to the Police Force. The implication of the above is that many state governments are actually performing security operations despite the fact that this is constitutionally a federal responsibility.

⁷² Quoted in the Punch Newspaper, March 31, 2010.

⁷³ Fashola (2009).

It is under this cover that some state governors and their associates may have been hiding to steal huge sums of money from their states. Given that their budgets are also required to go to their various state houses of assembly for ratification, it can be logically assumed that such approvals are almost always given in horse trading sessions in which the executive may also be required to allocate generous allowances to the legislature in order to make the approval of such huge and indefensible security votes worth their while. This may, at least in part, explain why Nigerian legislators are among the best paid in the world.⁷⁴

The secrecy surrounding issues of national security and the nature of security votes normally provide an alibi for state administrators in their attempt to evade allegations of corruption. A recent case is that of Bayelsa State which has come under investigative scrutiny for all manner of fraud and embezzlement by top Government officials in the state. One example within the state has aptly been documented thus:

The use of security votes offers a virtual carte blanche to the country's President as well as state governors to squander billions of naira in state allocations without scrutiny, accountability and without providing 'security' for anyone save the executive's pockets and/or their bank accounts. Just last week, The Economic and Financial Crimes Commission EFCC filed a charge against Bayelsa State's Commissioner for Finance, Dr. Charles Osuala, the state's Accountant General, Mr. Francis Okokuro, the state's Director of Treasury, Abot Clinton and the Director of Finance, Anthony Howells for allegedly stealing N2 billion belonging to the state and over an alleged N500million bribe. The Commissioner for Finance managed to escape arrest by the whiskers when operatives of the Economic and Financial Crimes Commission (EFCC) arrested the others. In an interview with the AIT from his hideout, The Bayelsa State's Commissioner for Finance, said the N500 million naira said to be misappropriated is part of the Security vote spent on security in the Niger Delta. The Security vote has thus become an omnibus heading under which state money is siphoned with no questions asked.⁷⁵

Despite the fact that there is no clear basis for allocating such huge sums as security votes, the tendency seems to be that such security votes are constantly on the increase. The extent of the security vote abuse in Abia State was played out recently on national media. Abia State is arguably the most insecure state in the country. Kidnapping and lawlessness thrive in the state. Its commercial nerve centre, Aba, has been described

⁷⁴ See Nigerian Compass Newspaper, July 28, 2010.

⁷⁵ Elombah, (2010a).

publicly by the President of the Federal Republic of Nigeria as a “no go area”. This is so despite the huge amounts of money set aside in the state budget yearly as security vote. Recently, for instance, the Abia Elders Forum, a political pressure group alleged that the Governor was planning to increase his security vote from N400 million to N700 million through the State House of Assembly. The group further asserted that at N700 million per month, the Governor would be pocketing a princely N8.4 billion per annum as security vote for which he is not accountable to anyone. The Group further asserted that: “It was scandalous enough that he has been taking out N400 million per month since he came into office as security vote. Raising the vote to N700 million at a time the state’s economy has completely collapsed.... indicates a tragic intention to destroy the state’s economic base.”⁷⁶

The Deputy Speaker and House Committee Chairman on Information, Hon. Chinedum Elechi however swiftly denied the claim and clarified the position in a press conference. According to him:

the total sum of N8 billion was appropriated for this purpose in the 2010 budget which is still undergoing public hearing. He explained that contrary to rumours the House has not approved N700 million per month as governor's security vote but N667 million assuming the 2010 budget estimate was to be passed without any alteration representing a monthly increment of N113 million above N554 million per month the governor received in 2009 fiscal year. "This House has not approved the 2010 budget estimate as public hearing is still going on. We need to put paid to the rumour that the House has passed N700 million for the governor. Assuming it is passed the way it is in the budget estimate, it is only going to be N667 million and not N700 million," he explained.⁷⁷

Assuming that the Deputy Speaker is correct, the magnitude of this amount is perhaps best brought out in comparative perspective. The total amount budgeted for recurrent expenditure for the 2010 fiscal year was N31.1 billion while N30 billion was budgeted for capital expenditure.⁷⁸ In other words, the N6.65 billion security vote (2009 figures) constituted more than 10 percent of the entire budget for the state.

⁷⁶ Quoted in Vanguard, January 19, 2010.

⁷⁷ Quoted in Daily Champion, January 28, 2010.

⁷⁸ See Vanguard Newspaper, December 11, 2008.

In Edo State, the story is not much different. In 2009, for instance, the Speaker of the State House of Assembly, Hon Zakawanu Garuba, publicly accused the State Governor, Adams Oshimole of exploiting the security vote to fleece the state. According to the speaker, "Between November 12th to 31st December, 2008, the Comrade Governor of Edo State removed N911 million and put it in his pocket." This was made possible by the fact that "in governance, you do not challenge how security vote is spent, the security situation had not improved. In fact, "the killings, kidnappings, cultism are on the increase every day. What did he use the money for? Nothing."⁷⁹

In Oyo State, during the tenure of Governor Ladoja, the security vote was also a major contentious issue that threatened the security of the State. It was, for instance, generally believed that the continuous demand for a share of the security vote by Adedibu, the person widely believed to be behind the emergence of Ladoja as Governor, led to the illegal impeachment of Ladoja by legislators loyal to Adedibu.⁸⁰ It is perhaps in the light of the above episode that Ladoja has called for the entire issue of security vote to be scrapped. Along these lines, it has been reported thus:

Ladoja revealed that he was seriously pressurized by some prominent politicians in the state to share the security votes when he was the governor. He said Peoples Democratic Party (PDP) chieftain and strongman of Ibadan politics, Lamidi Adedibu, was constantly on his neck, demanding their own portion of the vote. "Federal Government should abolish the idea of allocating security votes to state governors. It breeds corruption and put governors under unnecessary pressure from some people. "The people already know that governors are not bound to account for the way they spend the security votes so they are often encouraged to share the money. "Let me tell you, it was not only Adedibu that was harassing me

⁷⁹ The Governor's defence is rather interesting. In a swift reaction, the Special Adviser to the Governor on Public Affairs and Strategy, Mr. Eric Osagie, described the allegations as baseless and unfounded. He asserted that Oshiomhole administration has been very prudent in the management of the state's scarce resources. He further argued that it was strange that no eyebrow was raised when the former administration of Professor Oserheimen Osunbor spent over N1billion as security vote just for one month. He then challenged the Speaker to "provide incontrovertible evidence that money was mismanaged or mis-spent. In the absence of that, the accusation is just another storm in a tea cup" (See ThisDay, March 30, 2009).

⁸⁰ Abdul-Jelil (Undated, p.22). This impeachment was later reversed by a competent court and Ladoja was reinstated as Governor.

over the security money. You may not believe it, some Obas and prominent people do come around and say, please, give us part of the security funds."⁸¹

In Anambra State, the situation is also not much different. Last year, it was reported that Governor Peter Obi was getting N350 million in security vote monthly. This claim was however swiftly dismissed by an aide to the governor who made it explicit that the governor's monthly security vote was N250 million.⁸² Three official vehicles from the Governor's Office were subsequently intercepted by the Nigerian Police Force in Lagos carrying N250 million in cash. It was at the time widely alleged that this was the usual tactics used by Governor Peter Obi to launder his monthly security votes.⁸³ Peter Obi however denied any link to the money and asked the Police to investigate. Up till now, nothing has been heard publicly about the outcome of the investigations. Only the police can therefore tell about the whereabouts of the recovered money.

The abuse of security votes has however not been limited to the state and federal levels. Even chairmen of Local Government Areas, are routinely allocated security votes which they abuse. This is so despite the general belief that Local Government Areas have little independent security needs and the widespread view that it is not really an independent tier of government in the country.⁸⁴ Arguably the best known

⁸¹ Daily Independent, 12 November 2007. In an interview with the Vanguard Newspaper published on November 26, 2006, Ladoja specifically claimed that Adedibu wanted 25% of the N65million monthly security vote. This was corroborated by Adedibu who asserted that: "He (Ladoja) was collecting N65 million as security vote every month. You know that governors don't account for security vote. He was to give me N15 million of that every month. He reneged. Later, it was reduced to N10 million. Yet he did not give me" (quoted in Abdul-Jelil, Undated, p.23). Adedibu later denied that he ever made such demands.

⁸² Elombah (2010a).

⁸³ It was for instance asserted thus: "Governor Peter Obi engages in the monthly act of carting away Anambra's security votes every month.... Governor's cars are always 'serviced' monthly either in Lagos, Abuja or Port Harcourt, only at month-ends, depending on where Ndibe Obi - a relation of the governor, is available to receive the security vote from Awka. On one occasion the driver that led the operation, Peter's own driver, Thompson took \$120,000 in cash on one money laundry trip. Peter could not sack him; rather he dropped Thompson to the pool as sacking Thompson would have led to him squealing on his boss" (Elombah, 2010a). Please note that under section 1 of the Nigerian Money Laundering (Prohibition) Act 2004, no person or corporation or organisation is allowed to make or accept cash payments of a sum in excess of N500,000.00 or its equivalent in the case of an individual, and N2,000,000.00 or its equivalent in the case of a corporation, unless such cash payment or acceptance is undertaken through a financial institution.

⁸⁴ "Bisi Akande, the Former Governor of Osun State has, for instance, argued that: "Local governments are NOT and can NOT be a tier of government in a Federal arrangement. They are under the authority

study of such abuses was that conducted by Human Rights Watch in 2007. This study focused on the Local Government Areas in Rivers State. According to the report:

The security vote is one of the most opaque items in any local government budget, and it is also typically one of the largest single allocations....According to a Commission of Inquiry convened in 2006, Khana local government's chair has received an average of N60 million (\$461,000) annually for his security vote... Tai local government's chair had a security vote of N40 million (\$300,000) in 2006. Opobo/Nkoro local government's security vote was N36 million (\$280,000) in 2006.... In each of these cases, the security votes exceeded the total capital budgets for either health or education.... Human Rights Watch found that in some LGAs much of the total set aside for security votes was stolen outright or channeled into improper forms of patronage.⁸⁵

The report also enhances our appreciation of the lack of oversight by the councillors in the budgeting for such outrageous allocations by the chairmen of local government areas. This is no doubt because such councillors are also allowed generous salaries and allowances of their own. In one of the local government areas investigated by the Human Rights Watch, for instance, "more than 30 percent of the entire local government budget was set aside for salaries and overhead expenses for the offices of the chairman and the legislative council."⁸⁶

Conclusion

There is widespread belief that the appropriation of security votes in Nigeria is unconstitutional and thus illegal.⁸⁷ This is not correct. This is because under the

of the respective states. The Local Government is an administrating unit of the federating units (i.e. the states) mainly to serve as development points between the local people and the federating units. On the other hand, the State is NOT and must NOT be seen as an agent of the Federal Government. It is a co-ordinate government to the Federal Government. Each is superior to the other only in respect of the functions allotted to it by the Constitution" (Akande, 2001, pp. 2-3), For an indepth analysis in support of this position, see Achara (2003).

⁸⁵ Human Rights Watch (2007, pp.32-33).

⁸⁶ Human Rights Watch (2007, p.33).

⁸⁷ This view is no doubt very popular. A prominent national newspaper recently reported thus: "Human rights lawyer, Mr. Bamidele Aturu, described security vote as an illegality and irresponsibility on the part of the country's leaders. He condemned the governors for appropriating security votes to themselves even when they know that it is unconstitutional. He also argued that the governors who indulge in security votes rob the society of essential resources. "Security vote is illegal and the height of irresponsibility on the part of our political elite. There is no part of our laws that allows them to collect security votes. It is armed robbery. I am ashamed to see that governors squander the country's resources in the name of security votes yet the people keep quiet. This shows that they can take

Nigerian Constitution, the executive is entrusted with the responsibility of preparing a budget which is then sent to the legislature for ratification. The fact that large amounts of money are routinely being frivolously budgeted and expended in the name of security vote does not make it an illegal practice. The act of approving any sum allocated to such a heading, covert or overt, legalizes the concept. The Nigerian Constitution also vests in the legislature the powers to oversee the audit of all accounts of government. The fact that the legislature has failed to do this in the past, either because of ignorance or compromise, does not make the concept of security votes illegal. The fundamental problem however is the fact that security votes in Nigeria have little to do with security. It is to a great extent used as an avenue by rulers to legitimize stealing from the public purse. This is simply part of the wider problem of lack of accountability in government at all levels in the country. The reason for this is the warped nature of the agency relationship in the structure of government in the country. Although Nigerian citizens (electorate) are supposed to be the principal in this relationship, widespread abuse of the electoral process has ensured that they have little power over their agents (“elected officials”). Under such scenario, there is enormous incentive for the agents to use their vast wealth, sometimes acquired through security votes, to secure their position.⁸⁸ The new Nigerian President: Goodluck Jonathan has, since assuming office, consistently pledged that his administration will restore the power of the principal in the Nigerian governance process by ensuring that all votes count in the 2011 elections.⁸⁹ Unless this is done, the abuse of power and lack of accountability by both the legislature and

anything." On his part, another lawyer, Mr. Festus Keyamo, said security vote is illegal and unconstitutional. "There is nothing like security vote in our appropriation laws and there is no part of our laws that allows governors to appropriate security votes to themselves. It is simply unconstitutional, armed robbery among the political elite," he said"(Thisday, April 6, 2010). .

⁸⁸ Recently, the former governor of Cross River State, Donald Duke described vividly how the security vote is normally used to subvert free and fair elections in the states (See Guardian Newspaper, July 17, 2010).

⁸⁹ More recently, the President has expressed reservations about the possibility of doing this without reversing the rentier nature of the Nigerian state which has essentially been facilitated by the country's overdependence on its oil revenue. According to the President: "it would be difficult to form a viable citizenry that could call government to account for its stewardship if the economy depends solely on oil revenue." He further stated that "Nigerians must ensure prompt payment of their taxes to be able to stand tall and demand accountability from government in the management of revenues" (Quoted in ThisDay, October 11, 2010).

the executive, which has resulted in this security vote malpractice, will be difficult to curtail.

References

Abdul-Jelil, A (Undated) “*Godfatherism*” and Nigeria’s Fourth Republic: Violence and Political Insecurity in Ibadan, Downloaded from http://www.ifra-nigeria.org/IMG/pdf/Animasawun_Gbemisola_ABDUL-JELIL_-_Godfatherism_and_Nigeria_Fourth_Republic_Violence_and_Political_Insecurity_in_Ibadan.pdf on October 15, 2010.

Achara, R. (2003), Can Nigerian Local Government Councils Autonomously Impose Rates? *Journal of African Law* 47, pp. 221-243.

Agbese, P. (1998), Forward: Africa and the Dilemmas of Corruption in Mbau, J (ed), *Corruption and the Crisis of Institutional Reforms in Africa, African Studies*, Volume 47 (Lewiston, N.Y. ; Queenston : Edwin Mellen Press).

Agedah, D (1993), *Corruption and the Stability of the Third Republic* (Lagos, Perception Communications)

Akande, B (2001), *Moving Osun State to Prosperity: Budget Speech of His Excellency, Chief Adebisi Bamdele Akande on the Policies and Programmes of the Government of Osun State of Nigeria for the Year 2001 Fiscal Year.*

Akinnaso, N (2006) *Obasanjo’s Third Term Dilemma*, Downloaded from <http://www.dawodu.com/akinnaso1.htm>, on October 15, 2010.

Arinze, P. (2008), An Examination of Corruption in Nigerian Economy, *Hemispheres: Studies on Cultures and Societies* 23, pp.61-75.

Babangida, I (1985), Text of General Ibrahim Babangida's Coup Speech (27 August), Downloaded from on October 16, 2010.

Baker, R (2005), *Capitalism’s Achilles Heel: Dirty Money and How to renew the Free-Market System* (New Jersey, John Wiley & Sons Inc).

Ball, N (1984), Measuring Third World Security Expenditure: A Research note, *World Development* 12, pp. 157-164.

Bayart, J, Ellis, S. and Hibou, B (1999), *the Criminalization of the State in Africa* (Oxford, James Currey).

Brownsber, W (1983), Development and Governmental Corruption- Materialism and Political Fragmentation in Nigeria, *The Journal of Modern African Studies* 21, pp.215-233.

Clarno, A and Falola, T (1998), Patriarchy, Patronage and Power: Corruption in Nigeria in Mbau, J (ed), *Corruption and the Crisis of Institutional Reforms in Africa, African Studies*, Volume 47 (Lewiston, N.Y. ; Queenston : Edwin Mellen Press).

Constitution of the Federal Republic of Nigeria (1999).

Daily Champion Newspaper (Various Issues).

Daily Independent Newspaper (Various Issues)

Dagne, T. (2006), Nigeria in Political Transition, *Congressional Research Service (CRS) Report for Congress* ((July 28).

Deutch, J and Smith, J (2002), Smarter Intelligence, *Foreign Policy* 128, pp. 64-69.

Drury, A, Kriekhaus, J. and Lusztig, M. (2006), Corruption, Democracy and Economic Growth, *International Political Science Review*, 27, pp.121-136.

Ellis, S (1996), Africa After the Cold War: the New Patterns of Government and Politics, *Development and Change* 27, pp.1-28.

Ellis, S (2006), The Roots of African Corruption, *Current History* 105, pp.203-208

Ellis, S (2006), Coming Changes to Africa's System of Government, *African Analyst Quarterly* 1, pp.31-42

Ellis, S (2009), West Africa's International Drug Trade, *African Affairs* 108, pp.171-196

Elombah, D. (2010a), Nigeria: How the President and Governors Steal from 'Security Votes, downloaded on September 24, 2010 from http://www.elombah.com/index.php?option=com_content&view=article&id=3225:security-votes-as-veritable-avenues-for-corruption&catid=36:omoba&Itemid=83

Elombah, D (2010b), *Nigeria and International Bribery Scandals*, Downloaded on October 16, 2010 from http://www.elombah.com/index.php?option=com_content&view=article&id=3232:nigeria-and-international-bribery-scandals&catid=48:world-news&Itemid=69

Falola, T (1998), Corruption in the Nigerian Public Service, 1945-1960 in Mbau, J (ed), *Corruption and the Crisis of Institutional Reforms in Africa, African Studies, Volume 47* (Lewiston, N.Y. ; Queenston : Edwin Mellen Press).

Fashola, B., (2009), Budget of Consolidation, Being the Year 2010 Budget Presentation of the Lagos State Governor, His Excellency, Mr. Babatunde Raji Fashola, SAN delivered at the Chambers of the Lagos State House of Assembly, Alausa Ikeja on Tuesday, November 3, 2009.

Federal Republic of Nigeria (2009), *National Assembly Debates (Senate), Fourth Republic, Third Assembly (Sixth Senate) Official Report* (November 25).

Forrest, T. (1986), The Political Economy of Civil Rule and the Economic Crisis in Nigeria, *Review of African Political Economy* 35, pp.4-26.

Forrest, T. (1993), *Politics and Economic Development in Nigeria* (Boulder, Westview Press).

Fuglestad, F. (1992), The Trevor-Roper Trap or the Imperialism of History, An Essay, *History in Africa* 19, pp.309-326.

Gibson, D (1987), Secrecy: The communication dilemma of CIA, *Public Relations Review* 13, pp. 27-38

Goldberg, D (1987) Executive Secrecy, National Security and Freedom of Information in the United Kingdom, *Government Information Quarterly* 4, pp.43-61.

Government of Nigeria (1990), Companies and Allied Matters Act, Chapter 59. Laws of the Federal Republic of Nigeria

Government of Nigeria (2004), *Money Laundering (Prohibition) Act*,

GTZ [Deutsche Gesellschaft für Technische Zusammenarbeit GmbH] (2007), Nigerian Efforts in Recovering Assets Looted by the Nation's thief Sanni Abacha (September) Downloaded on October 15, 2010 from <http://www.gtz.de/de/dokumente/en-gtz-asset-recovery-case-of-abacha-2007.pdf>

Guardian [Nigeria] Newspaper (Various Issues)

Herbst, J. (1996), Is Nigeria a Viable State, *Washington Quarterly* 19, pp. 151-172

Human Rights Watch (2007), Chop Fine: The Human Rights Impact of Local Government Corruption and Mismanagement in Rivers State Nigeria, *Human Rights Watch* (Volume 19, No. 2a).

Ibeanu, O and Momoh, A (2008), State Responsiveness to Public Security Needs: The Politics of Security Decision-Making - Nigeria Country Study, *Conflict, Security and Development Group Paper (CSDG) Paper Number 14*

Johnson, L (1980), The U.S Congress and the CIA: Monitoring the Dark Side of Government, *Legislative Studies Quarterly* 5, pp. 477-499.

Lange, M (2003), British Colonial Legacies and Political Development, *World Development* 32, pp.905-922.

Lawson, L (2009), The Politics of Anti Corruption Reform in Africa, *Journal of Modern African Studies* 47, pp. 73-100.

Leadership Newspaper (Various Issues)

Mbaku, J (1998a), Bureaucratic and Political Corruption in Africa in Mbaku, J (ed), *Corruption and the Crisis of Institutional Reforms in Africa*, African Studies, Volume 47 (Lewiston, N.Y. ; Queenston : Edwin Mellen Press).

Mbaku, J (1998b), Corruption as an important Post Independence Institution in Africa in Mbaku, J (ed), *Corruption and the Crisis of Institutional Reforms in Africa*, African Studies, Volume 47 (Lewiston, N.Y. ; Queenston : Edwin Mellen Press).

Montinola, R and Jackman, R. (2002), Sources of Corruption: A Cross Country Study, *British Journal of Political Science* 32, pp.147-170.

Ndibe, O (2008), Nigerian Twin Scandals, downloaded on September 24, 2010 from http://www.nigeriavillagesquare.com/?option=com_content&catid=122&format=pdf&id=8409&view=article&Itemid=55&reset-settings

Newswatch Magazine (Various Issues)

New York Times (Various Issues)

Next Newspaper (Various Issues)

Nigerian Compass Newspaper (Various Issues)

Nigerian Inquirer Newspaper (Various Issues).

Nincic, M (1999), The National Interest and its Interpretation, *The Review of Politics* 61, pp.29-55.

Nzeogwu, C (1966), Declaration of Martial Law (January 15). Downloaded from <http://www.dawodu.com/nzeogwu2.htm> on October 16, 2010.

Oduyela, S (2004), *Owners of Nigeria: Part 7*, Downloaded from <http://www.dawodu.com/oduyela12.htm> on October 15, 2010.

Ogowewo, T. (2009), Wealth (dis)creation through corporate (mis)governance and banking (mis)supervision: the outlines of a reform agenda, *Being a lecture presented at Pound Hall, Harvard Law School on 19 November 2009 and subsequently on 25 November 2009 in honour of Hon. Justice E.O. Ayoola at the Nigerian Institute of International Affairs.*

Oko-osi, A (2007), Corruption and Corrupt Practices: Institutionalization and Legitimization Under the Babangida Administration, *Malthouse Monograph on Africa Series*, Number 7.

Olaloku, F, (1994), Features and Techniques of the Budgeting System in Nigeria, in Obadan, M and Ogiogio, G (eds), *Planning and Budgeting in Nigeria: Institutional and Policy Reforms* (Ibadan, National Centre for Economic Management and Administration).

Osahon, N (2010) General Ibrahim Badamosi Babangida, *The Will*, Downloaded from <http://thewillnigeria.com/opinion/4177-GENERAL-IBRAHIM-BADAMOSI-BABANGIDA-Apart-from-Obasanjo-Babangida-the-greatest-evil-ever-befall-any-country-the-world.html> on 27 September 2010

Peters, J. (1997). *The Nigerian Military and the State* (London: Tauris Academic Studies).

Punch Newspaper (Various Issues)

Relyea, H. (1987), National Security and Information, *Government Information Quarterly* 4, pp. 11-28.

Relyea, H. (1988), The Coming of Secret Law, *Government Information Quarterly* 5, pp.97-116

Relyea, H. (2003), Government Secrecy: Policy Depths and Dimensions, *Government Information Quarterly* 20, pp.395-418.

Sandholtz, W and Gray, M (2003), International Integration and National Corruption, *International Organisation* 57, pp. 761-800.

Sardan, J (1999), A Moral Economy of Corruption in Africa?, *The Journal of Modern African Studies* 37, pp. 25-52.

Shleifer, A and Vishny, R (1993), Corruption, *Quarterly Journal of Economics* 108, pp.599-617.

Smith, T, (1971), Corruption, Tradition and Change, *Indonesia* 11, pp.21-40

Smith, D (2007), *A Culture of Corruption: Everyday Deception and Popular Discontent in Nigeria* (New Jersey, Princeton University Press).

Stockwell, J (1979), the Case Against the C.I.A., *Issue: A Journal of Opinion* 9, pp.21-23.

Tavits, M (2007), Clarity of Responsibility and Corruption, *American Journal of Political Science* 51, pp.218-229

ThisDay Newspaper (Various Issues)

Uche, C and Uche, O (2004), Oil and the Politics of Revenue Allocation in Nigeria, *African Studies Centre Working Paper* Number 54/2004.

Uche, C. (2008), Oil, British Interests and the Nigerian Civil War, *Journal of African History* 49, pp.111-135.

Ujomu, P. (2000), The Economy, Resource Management and the Maintenance of National Security in Nigeria: A Critique of the Shagari, Babangida and Abacha Regimes, *Nigerian Journal of Economic History* 3 (pp. 84-96).

Ujomu, P. (2001), National Security, Social Order and the Quest for Human Dignity in Nigeria: Some Ethical Considerations, *Nordic Journal of African Studies* 10, pp.245-264.

Vanguard [Nigeria] Newspaper (Various)

Wehner, J, (2002), Parliament and the Power of the Purse: The Nigerian Constitution of 1999 in Comparative Perspective, *Journal of African Law* 46, pp.216-231.