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Financial Crimes, Primitive Accumulation and the Development of Capitalism in Nigeria

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Abstract: The development of capitalism in Europe and America was preceded and instigated by the imperatives of primitive accumulation in which criminal, bloody, unethical and inhuman methods were adopted to accumulate wealth the investment of which stimulated the Industrial Revolution. This paper presents the thesis that the pervasive elite disposition towards financial crimes in Nigeria constitutes a form of primitive accumulation for investment in the transformation of a pre-capitalist social formation into a capitalist society, effectively utilizing legislations such as the Land Use Act and the financial institutions as the drivers of the processes of dispossession of peasant land and legitimization or laundering of illicit funds. Marxist Political economy is the preferred theoretical and analytical framework for the study. Data gathering was derived mainly from secondary sources and personal observations and the method of data analysis qualitative and historical. The objective of the paper was to critically analyze the implications of financial crimes for economic transformation in Nigeria. It concludes that the upsurge of financial crimes is attributable to the inordinate drive for capital accumulation for the development of capitalism in Nigeria. The significance of the paper lies in its reconceptualisation of financial crimes for a better comprehension of the dynamics of an underdeveloped capitalist society.

Keywords: Financial crimes; Corruption; Capitalism; Accumulation; Investment; Development.

1. Introduction

Scholarly exertion to explore and explicate the dynamics of underdevelopment in the Third World countries in terms of their exploitative ties to the advanced capitalist economies at the metropolis, the resultant effect of which has been the massive transfer of resources out of this variegated ensemble of dependent economies, is not particularly novel. Neither are efforts to associate this phenomenon with the period generally referred to as primitive accumulation of capital that instigated the process of capitalist development in Europe (Baran, 1957; Frank, 1967; Rodney, 1972; Sweezy, 1962). Iyayi (1986) has undertaken to expand the classic understanding of the concept of primitive accumulation for applicability to the neo-colonial economies, focusing on corruption as a means of amassing monetary wealth by an emerging indigenous capitalist class, a process activated by the colonial administration. The contradictions between the indigenous and foreign capitalists, and that between these and the exploited classes as well as the difficulties involved in generating capitalist development in neo-colonies under dependent relations, also engaged his attention. The literature on the subject also broadly covers several other strands such as the effects of corruption on the domestic economy, the challenges confronting the anti-corruption agencies, the rising culture of impunity among political office holders with respect to treasury-looting, judicial compromise, etc. (Ake, 1981; Onimode, 1983; Panter-Brick, 1978; Williams G., 1980).

However, this paper commences with an emphasis on capitalism's criminal beginning as an objective phenomenon in all social contexts and deploys that qualification as an explanatory model for the high level of financial criminality in Nigeria and elsewhere in the post-colonial states struggling to transform pre-capitalist societies into modern social formations dominated by the capitalist mode of production. Financial criminality as an objective and indispensable component of the process of capital accumulation driven by some legitimizing instruments constitute the major focus of this paper. The dispossession of rural cultivators of their land may be necessary but certainly not a sufficient condition for the development of capitalism and in seeking the complementary part of primitive accumulation this paper expands the scope of the search beyond corruption to include the whole gamut of economic and financial crimes (both violent and subtle) through which funds are garnered and then invested in capitalistic enterprise.

Essentially therefore this paper would explore the roles of legislation, in the context of Nigeria the Land Use Act and financial institutions, both as drivers of the process of capital accumulation and as agents of legitimization of the dispossession and investment of illicit funds. The paper also brings into the discussion the role of the perpetrators and beneficiaries themselves in the fight against financial crimes, termed here as the Wilberforce syndrome.

2. Theoretical Framework

For effective theoretical and analytical guidance this study is built on the Marxist political economy framework in recognition of the inseparability of the economic and the political, the interface between which produces the objective as well as subjective social phenomena under investigation. Political economy is not about the relations between commodities, prices, supply and demand but rather primarily about people and the social relations between them (Ake, 1981). Class analysis is therefore a major component of this study. Also to feature prominently are related concepts such as exploitation, surplus production and accumulation, dispossession, social misery, oppression and social resistance, a by-product of the political reactions to the socio-economic contradictions associated with financial crimes and primitive accumulation.

Capitalism in Nigeria has been accompanied by a very high level of corruption. There is nothing peculiar about Nigerian capitalism in this regard, though it may be worrisome that for quite a few years running, Nigeria has performed persistently badly based on the indices used by Transparency International (TI). There is hardly any capitalist economy that is free of corruption. Corruption in Nigerian capitalist development has taken many forms . . . bribery, kick-backs and the ten percent syndrome (Ekekwe, 2009).

Firmly established here is the analytical nexus between Marxist political economy as the theoretical framework and primitive accumulation as the subject matter of this paper. Behind most financial crimes are politicians either as direct perpetrators or clandestine sponsors. Financial crimes, though a source of capital accumulation and wealth for the perpetrators, constitute a huge loss to the society in terms of diverting funds that could be deployed to provide infrastructure and social facilities to citizens, including the lower classes who are the ultimate victims.

3. Conceptual Clarifications

The United Nations Office on Drugs and Crime (UNODC) defines economic and financial crime as “*any non-violent crime that results in a financial loss*”. Accordingly listed are computer crime, fraudulent practices, cartel offences, unfair competition and fiscal offences. Similarly, section 46 of the Nigerian Economic and Financial Crimes (Establishment) [Federal Government of Nigeria \(2002\)](#), defines economic crimes as “*those acts which include the non-violent criminal and illicit activities committed with the objective of earning wealth illegally, any form of fraud, money laundering, illegal oil bunkering, tax evasion, dumping toxic waste, etc.*” Generally speaking, economic and financial crimes refer to money-making activities that are illegal and criminal and which impact negatively on a nation’s economy. But economic and financial criminality could very well combine with violence in the business of money-making, such as forced prostitution, forced child labour, land grabbing, etc. Violence could either be physical, emotional, psychological, spiritual or cultural. Land grabbing without adequate compensation could be identified as economic violence and forced prostitution, apart from being physical is also psychologically and emotionally violent. Consequently, economic and financial crimes may not necessarily be defined as non-violent, in our view.

Liberal theoretical literature tends to explain away the era of primitive accumulation as merchant capital derived from mercantilist commerce. [Smith \(1776\)](#) attributed the rise of capitalism to the increasing division of labour and specialization in making a particular part or component of an industrial product or engaging in particular trades or occupations or businesses while exchanging the products with each other. By each dedicating himself to a particular product or “*to truck, barter, and exchange*” every man’s requirements are supplied and needs met. “*It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves not to their humanity, but to their self-love, and never talk to them of our own necessities, but of their advantages*” (Smith, 1776). This, to Smith, is the driving spirit behind capitalism. Maintaining a similar line of thought [Weber \(1930\)](#) attributed the spirit behind capitalism to an ascetic life-style defined in terms of thriftiness, modesty, avoidance of ostentation and unnecessary expenditure, and embarrassed by public recognition, strict economy, self-control and frugality. He distinguished between capitalism characterized by commerce which existed in antiquity and the spirit of modern capitalism.

The capitalistic economy of the present day is an immense cosmos into which the individual is born, and which presents itself to him, at least as an individual, as an unalterable order of things in which he must live. It forces the individual, in so far as he is involved in the system of market relationships, to conform to capitalistic rules of action. The manufacturer, who in the long run acts counter to these norms, will just as inevitably be eliminated from the economic scene (Weber, 1930).

Modern man is born into a capitalist world which imbues him from birth with a dynamic, acquisitive, individualistic and rational spirit towards amassing property as his primary and most propelling motivation, “*in a process of economic survival of the fittest*”. Weber identified the uniqueness of the “*modern spirit of capitalism*” or acquisitive economy in terms of the Protestant asceticism from the earlier “*economic traditionalism*” or economy of needs in which “*capitalistic acquisition as an adventure has been at home in all forms of economic society which have known trade with the use of money*” (Weber, 1930). Modern capitalism, according to him, seeks profit rationally and systematically in capitalistic enterprise as opposed to the traditional methods of seeking wealth through foreign commerce.

Crucially he denied any relationship between the era of primitive accumulation and what he termed 'modern capitalism'. *"The question of the motive forces in the expansion of modern capitalism is not in the first instance a question of the origin of the capital sums which were available for capitalistic uses, but, above all, of the development of the spirit of capitalism. Where it appears and is able to work itself out it produces its own capital and monetary supplies as the means to its ends"* (Weber, 1930). But capital is not produced from nothing, neither is it possible for capitalism to take off without prior capital formation on a large scale. Though capital accumulation is a continuous process for the sustainability of capitalism there was a prior historical period when wealth grabbing was a major national and individual preoccupation and which made possible the initial investment in capitalistic enterprise. In this paper we take our point of departure from Marx and establish an organic relationship between primitive accumulation and the competitive stage of the development of capitalist society as well as the current scourge of financial crimes which serve as an unbroken, continuous process of capital accumulation for the development of capitalism in Nigeria.

4. Objectives of Study

The objectives of the paper are:-

1. To provide a comparative analysis of the period of primitive accumulation in Europe and the process of building a capitalist-dominated social formation in Nigeria,
2. To critically examine the relationship between financial crimes and the development of capitalism in Nigeria,
3. To establish a link between earlier financial crimes and the business establishments of political office holders, both military and civilian, in Nigeria and
4. To show why anti-financial crimes efforts of the Nigerian government have been rendered ineffective.

5. Research Questions

The following research questions have been formulated to guide this paper:

1. What is the relationship between the pattern of primitive accumulation in Europe and the process of building a capitalist-dominated social formation in Nigeria?
2. What is the relationship between financial crimes and the development of capitalism in Nigeria?
3. Are the business establishments of political office holders, both military and civilian, in Nigeria related to previous financial crimes of the owners?
4. Why have anti-financial crimes efforts of the Nigerian government been rendered ineffective?

6. Research Propositions

This paper shall be guided by the following research propositions:-

1. The prior accumulation of capital through unethical, criminal, violent and inhuman methods is a necessary condition for the take-off, sustenance and development of a capitalist social formation.
2. The need for capital accumulation is the compelling force behind the private enclosure of public wealth or resources for further capital investment and expansion.
3. There is a positive relationship between earlier financial crimes and the current business establishments of Nigerian political leaders, both civilian and military.
4. The more the ruling class in a society sets itself on a path of desperation for capital accumulation the more financial crimes would be committed and anti-crime efforts rendered ineffective.

7. Methodology

The method of data collection adopted for this study was mainly secondary, from sources such as historical and archival records, internet materials, academic journals, newspaper reports, news magazines, annual surveys of political rights and civil liberties organisations like Human Rights Watch, Amnesty International, etc. It is therefore essentially a qualitative study, though personal observations also provided a veritable complimentary source of data.

7.1. Primitive Accumulation and Capitalism in Europe

Against Smith's concept of "original accumulation", Marx argued that the division of labor and saving (hoarding) money alone also would not necessarily result in capitalism. Rather, he defined primitive accumulation as *"the historical process of divorcing the producer from the means of production. It appears as primitive, because it forms the prehistoric stage of capital and of the mode of production corresponding with it"* (Marx, 1996). It was a process that involved the forceful and violent enclosure of common lands cultivated by peasants, rather than the bloodless version presented by classical political economists.

This internal process of dispossession of the peasantry of their money and property in land was designed both to transfer investable resources to an emerging capitalist class and to create an agrarian capitalist base that would reabsorb the landless peasantry in a process of proletarianization. The peasants' need for cash was accompanied by a parallel growth in the need for money by their exploiters – the feudal nobility and aristocracy – their natural services having been transformed into money payments which prompted an increased peasants' need for money to meet their

obligations (Kautsky, 1988). In other words peasants were first dispossessed of their money, then property in land and transformed into vagabonds before being proletarianized through state laws which criminalized vagrancy. Poor tenants becoming vagabonds and wandering the roads for bread were ordered, through legislation, to be branded. As Marx put it; *"The fathers of the present working-class were chastised for their enforced transformation into vagabonds and paupers. Legislation treated them as 'voluntary' criminals"* (quoted in Hill (1940)). While some became agricultural labourers working on the large estates others served as a source of supply of cheap labour for expanding industries.

Based on his theory of internal class struggles or contradictions as the fundamental basis for the transformation of one mode of production to another, Marx's focus was primarily on the internal dispossession of the peasantry as the germ of capitalism. The *"capitalist system pre-supposes the complete separation of the labourers from all means by which they can realise their labour. As soon as capitalism is once on its own legs, it not only maintains this separation, but reproduces it on a continually expanding scale"* (Marx, 1996). He also showed how the conquest of North and South America and the Caribbean, was strategic to the development of world capitalism. A key element of this was the dispossession of the indigenous population, a dispossession that was extremely violent and genocidal. Unlike the congenial history of the natural evolution of capitalism from feudalism based on Smith's division of labour or Weber's driving spirit of frugality and asceticism, Marx argues that capitalism's birth was brutal, bloody, oppressive and exploitative:

Hence, the historical movement which changes the producers into wage-workers, appears, on the one hand, as their emancipation from serfdom and from the fetters of the guilds, and this side alone exists for our bourgeois historians. But, on the other hand, these new freedmen became sellers of themselves only after they had been robbed of all their own means of production, and of all the guarantees of existence afforded by the old feudal arrangements. And the history of this, their expropriation, is written in the annals of mankind in letters of blood and fire (Marx, 1996).

However, Harman (2004) argues that separating the producers from the means of production was not by itself sufficient to bring about the development of capitalism, citing historical instances in which such separation did not lead to capitalism such as *"Italy under the Roman Republic after the Punic Wars (the 2nd century BC) the peasants were driven from the land by indebtedness. What replaced them, however, was not wage labour but large-scale slavery."* However, Marx appears to be misunderstood on the issue of separation of the producer from the means of production as the basis for the development of capitalism. Key to his theoretical formulation is a sturdy relationship between merchant capital and industrial capital, the former being converted into the latter. The role of capital accumulation in the development of capitalism is not lost to him, rather he insists that the *"real science of modern economy only begins when the theoretical analysis passes from the process of circulation to the process of production"* (Marx and Engels, 1977). Both internal dispossession or expropriation and external imperialistic pillaging were identified as the major sources of capital accumulation for the construction of a capitalist mode of production in Europe. Emphasis on either side has generated an acerbic debate on the primary source of wealth generation and investment that resulted in the transformation of the feudal mode of production to capitalism (Brenner, 1977; Dobb, 1964; Hilton, 1976; Sweezy, 1962).

A fundamental causal nexus has however been established between British, American and European capitalism and the trans-Atlantic Slave Trade, involving an estimated 11,000,000 black Africans between 1600 and the 1860s at an economic value in the United States alone of about \$60 billion, more than the combined value of all the factories, railroads and banks in the country (Blackburn, 1997; Braudel, 1982; Klein, 1999; Singer, 2005; Williams E., 1944). Plantation agriculture, with the use of slave labour, he argued, provided the resources that built European capitalism. *"[I]t provided the sugar for the tea and the coffee cups of the Western world. It produced the cotton to serve as a base for modern capitalism"* (Williams E., 1944). He established a robust and direct connection between slave trade or colonial trade or the triangular trade and the development of industry in Britain. In the same vein Singer's view that colonisation and slave labour had instigated a concentration of wealth previously unknown in the world is very germane to this paper.

A major factor in the global transformation was the Trans-Atlantic Slave Trade, which was dominated in different periods by Spain, Portugal, the Netherlands, England and North Americans from the United States. Between 1600 and the 1860s, the Trans-Atlantic Slave Trade provided between nine and eleven million . . . enslaved African workers who produced valuable cash crops, principally sugar, but also tobacco, indigo, rice and later cotton, on new world plantations. This vast forced migration changed the demographic and cultural patterns of the world and provided the profits that financed industrial capitalism (Singer, www.google.people.hofstra.edu/...singer . . . n.d. accessed 18/05/2013).

Marx also established a link between slavery and capitalism thus:

Direct slavery is just as much the pivot of bourgeois industry as machinery, credits, etc. Without slavery you have no cotton; without cotton you have no modern industry. It is slavery that has given the colonies their value; it is the colonies that have created world trade, and it is world trade that is the pre-condition of large-scale industry. Thus slavery is an economic category of the greatest importance (Marx, 1885) www.marxists.org/archive/marx/works/.../pdf/Poverty-Philosophy.pdf. accessed 30/05/2013).

On sure historical foundation is the fact that capital accumulation which made capitalism possible has an inextricable link with the pillaging of the resources of foreign territories. Dasgupta (1980), following Dobb (1964) has refuted Weber's claim, affirming rather that "*before the Industrial Revolution Britain had already undergone a long period of 'primitive accumulation' of investible resources, chiefly through trade (including trade in slaves) on favourable terms.*" The capacity of capital accumulation for the contemporary Third World countries presents a crucial challenge to the development of capitalism in the absence of foreign territories to exploit.

The development of capitalism presents an exceptional challenge without the prior massive garnering of resources from various sources for the purpose of capitalist investment. "*Merchant capital can develop within feudalism without changing the mode of production; a challenge to the old ruling class and its state comes only with the development of the capitalist mode of production in industry and agriculture*" (Hill, 1940). The writings of the Spanish priest, Orique (2008) Bartolomé de las Casas ([1484-1566]; www.las.casas.org/maniissues.htm), have revealed the gratuitous violence in Latin America in which about 95 percent of the pre-Colombian indigenous population was exterminated, perhaps 90 million people. The Spanish colonization, which was largely based on extracting gold and silver as well as plantation agriculture, fueled the development not only of Spanish but also of Dutch and English capitalism. Lamenting the ruthless exploitation of slave labour and the expropriation of indigenous land he said:

Tell me by what right of justice do you hold these Indians in such a cruel and horrible servitude? On what authority have you waged such detestable wars against these people who dwelt quietly and peacefully on their own lands? Wars in which you have destroyed such an infinite number of them by homicides and slaughters never heard of before. Why do you keep them so oppressed and exhausted, without giving them enough to eat or curing them of the sicknesses they incur from the excessive labor you give them, and they die, or rather you kill them, in order to extract and acquire gold every day. Orique (2008) (Las Casas, www.las.casas.org/maniissues.htm).

The violent, bloody and ruthless accumulation of resources from other parts of the world had actually played a pivotal role in industrialization or the development of capitalism in Europe. Capital for industrial development was supplied, directly or indirectly, by merchants, slave-traders and pirates, who had amassed fortunes overseas, and by that section of the gentry which had made its fortune in the plunder of the monasteries and in the emerging agrarian transition; as it was also being accumulated by the savings of yeomen and craftsmen (Hill, 1940).

7.2. Capitalist Transformation in Third World Countries

Dasgupta (1980) claim that in developing countries capital accumulation is not important and that "*surplus labour provides an alternative to capital formation*" is clearly inadmissible and misplaced. Surplus labour definitely cannot be a substitute for the accumulation of capital for investment in the development of capitalism. What is rather required is an examination and analysis of the alternative mechanisms for capital accumulation available to a Third World country.

For investible capital many Third World countries look up to foreign investment, but this element of foreign capital investment has, for the most part, and from a radical perspective, rather than generate economic development resulted in their impoverishment, a phenomenon identified as dependency and underdevelopment (Ake, 1981; Baran, 1957; Frank, 1967; Rodney, 1972; Sweezy, 1962). The Third World countries have, "*on pain of extinction*", been compelled to "*adopt the capitalist mode of production, to become bourgeois themselves. In one word, it creates a world after its own image*" (Marx and Engels, 1977). Capitalism has '*drawn into its orbit*' almost all countries of the world, whose resources it continues to transfer, in form of profit from foreign direct investment and interest on loans and aid, for the development of the core western capitalist countries (Lenin, 1975). The effect on the Third World countries is suffocating debt burden, poverty, infrastructural decay, unemployment, illiteracy, disease, hunger, etc., which are exemplifications of the depletion of indigenously generated investible capital. If massive capital accumulation is a universally recognized necessary first stage in the development of capitalism and this process has already failed on account of the negative effects of imperialism there is the necessity to draw a parallel between the period of primitive accumulation in Europe and America and the contemporary mechanisms of capital accumulation in the Third World countries.

In the former it was characterized by the adoption of illegal, criminal, immoral, bloody and inhuman methods, including the plunder of foreign territories and alienation of peasant property, to accumulate investible wealth for the Industrial Revolution. The organic economic connection between the triangular trade and the development of capitalism in Europe has already been demonstrated in this paper. What remains is to display comparative criminal economic engagements that have provided critical funds for investment in the development of capitalism in Nigeria.

7.3. Primitive Accumulation in Nigeria

This paper presents the thesis that the pervasive culture of corruption and other financial crimes in Nigeria constitute a form of primitive accumulation for investment in the transformation of various pre-capitalist modes of production in Nigeria into a social formation dominated by capitalism. It is contended that the most prominent and even several lesser businesses, companies and investments in Nigeria are the products of corruption and financial crimes. Let it be noted that no effort is being made here to denigrate all business establishments in Nigeria. Genuine prominent businesses do exist but the vast majority of them are of dubious and criminal origins. This is the reason

efforts to fight corruption are at best feeble and ineffective. In the absence of foreign territories to plunder, financial crimes serve as a conduit for capital accumulation for the development of capitalism in Nigeria.

In contemporary Nigeria primitive accumulation assumes various criminal forms such as treasury looting, corruption, advance fee fraud (419), child trafficking, child slavery, baby factories, drug trafficking, women trafficking for prostitution abroad, kidnapping, armed robbery, militancy and amnesty programme, oil theft, oil bunkering (both legal and illegal), sea piracy, budget padding, subsidy fraud, contract inflation, over-invoicing and under-invoicing, bribery, counterfeiting (such as drugs and currency), currency trafficking, smuggling, tax evasion, gun running, illegal oil refining, illegal gold mining, illegal bank deductions, etc. These are various sources of capital accumulation criminally contrived and are being converted into decent, legal businesses, a phenomenon termed 'money laundering'. Another parallel that could be drawn between Europe and the Third World is the use of legislation to dispossess peasants and other rural dwellers of their land or access to land. In Europe, particularly England, the enclosure system, was a legal means of property dispossession. (Marx, 1996) states clearly that, "*The parliamentary form of the robbery is that of Acts for enclosures of Commons, in other words, decrees by which the landlords grant themselves the people's land as private property, decrees of expropriation of the people.*" Thus the enclosure system over which the poor peasant was powerless and helpless was conducted on purely legal and economic principles.

The Nigerian equivalents are the Land Use Decree (Act) No. 6 of 1978, the Petroleum Act of 1969, etc. (Omorogbe, 2001) all being legal instruments of landed property robbery that have over the years been effectively utilized to dispossess the rural peasants of their land as well as mineral resources in the Niger Delta. General Obasanjo, the chief architect of the Decree effectively utilized it to acquire and expand his Ota Farm, like several others. Politicians, retired military personnel, businessmen/women and bureaucrats are now owners of expansive landed property in various parts of Nigeria through the instrumentality of this obnoxious Decree. The theoretical issue is not just the acquisition of landed property but rather the transformation of peasant agrarian collectively-owned but individually-cultivated land into capital and the continued utilization of that property in the expansion of capitalist production and wealth generation. "*At the time of primitive accumulation . . . dispossessing the peasants in England and on the Continent was the most striking weapon in the large-scale transformation of means of production and labour power into capital* (Luxemburg, 1951). Onimode (1983) identified the purpose of the Land Use Decree as:

simply to cheapen land for capitalist speculators and lay the foundation for incipient latifundia in Nigeria. Both were aided by partisan agricultural incentives in 1978, such as capital allowances, carrying forward of losses, etc. which benefited capitalist farmers only.

But it is not only capitalist agriculture that needs land; the private universities, primary and secondary schools, satellite towns, housing estates, etc. dispossess peasants of vast plots of land. More often than not, to avoid violent peasant reaction legal instruments like the Land Use Act are used to acquire land before being converted into private property. It is generally known that, for fear of possible detection and confiscation, Nigerian politicians and businessmen transfer their looted funds abroad, either invested or just dumped. However, there are still a lot of looted or criminally acquired funds that are being invested within Nigeria. Several Nigerian politicians, including the nationalist leaders have at one time or the other been found guilty of corruption such as Herbert Macauley, Nnamdi Azikiwe by the Foster-Sutton Commission of 1955-56, Obafemi Awolowo by the Coker Commission of 1962, Mbonu Ojike, Adegoke Adelabu (Sklar, 1963), and they were all men of enormous property and investments. Under military rule it was only a change in the pattern or strategy of corruption:

It is significant that the absence of political parties under military rule did not bring about a permanent reduction in the level of corruption. The disappearance of corrupt practices directly connected to political patronage and party finance were replaced by a dramatic increase in the incidence of individual corruption. One version of this consisted of bribery or graft arising from an official abusing his office for personal gain (Adamolekun, 1986).

Another strategy was a bilateral collusion between a public official (usually the military politician and occasionally a civil servant) and a businessman who provided material personal reward for a contract or another important favour obtained from the government through the official (Adamolekun, 1986). The third strategy is what he referred to as "*a triangle of corruption involving political leaders (military as well as civilian), civil servants and businessmen.*" Oil boom in the 1970s and the inability of the government to control and manage the wealth introduced a new dimension to corruption in Nigeria, a situation that was exacerbated by the indigenization of the 'commanding heights' of the economy. "*For example, one military governor under the Gowon administration accumulated at least twenty-one separate properties between 1970 and 1975. Many civil servants were retired in 1975/76 for abuse of office and corruption*" (Adamolekun, 1986).

In Britain and United States the wealth of most early political leaders and their business counterparts was traceable to the trans-Atlantic slave trade whereas in contemporary Nigeria the sources of wealth of political and business personnel are rooted in their political offices and other criminal activities. Political office and wealth accumulation have become essentially synonymous in Nigeria. However, in Europe, America and Nigeria the sources are mutually illicit. (Beckert and Rockman, 2012) www.bloomberg.com/.../how-slavery-led-to-modern-capitalism-echoes, May 23, 2013) have conceded that the 17th and 18th century American political leaders owned slaves whose labour they exploited on their plantations. George Washington (owned 316 slaves), Thomas Jefferson (187 slaves), James Madison (106 slaves), Andrew Jackson (160 slaves), John Tyler (70 slaves), Zachary Taylor

(100 slaves), etc. all exploited slave labour and generated wealth that contributed to the development of capitalism in America. Upon his indictment by the Foster-Sutton Commission in 1955-56 Dr. Azikiwe exposed business connections of several British politicians such as Lord Milverton (Sir Arthur Richards, Governor of Nigeria), Sir Lennox-Boyd, Secretary of State for the Colonies and several others (Sklar, 1963), particularly with the Bank of British West Africa (B.B.W.A.) established with funds generated from imperialist plundering. Accumulating wealth in billions of Naira in Nigeria through honest means without government contracts is more difficult than the proverbial camel passing through the eye of a needle. Bolaji Akinyemi has stated aptly that:

There is no billionaire in Nigeria who made money without evading taxes, inflating contract prices or getting involved in one illegal deal or another. It is sad that most businessmen are not sincere, they get their wealth through illegal means, there is no one that can be a billionaire without being corrupt in Nigeri. (Ayobami, 2013).

Recently the United States-based Global Financial Integrity published a report (Josiah, 2013) (Punch Editorial 2013) indicating that a total of \$182 billion was stolen from Nigeria and laundered offshore between 2000 and 2009. Some of these funds have been invested offshore and some just dumped in foreign banks. What obtains in Nigeria is just outright public resource buccaneering. While defending the 2015 budget on the floor of the Senate, the Chief of Naval Staff squealed the monumental daily loss of 100,000 barrels of crude oil, estimated at N1.18 billion daily (or N433.62 billion annually), to oil thieves (Aborisade, 2015). The Chairman, Senate Committee on Rules and Business, Senator Ita Enang (Josiah, 2013) also recently disclosed how military leaders and their political cohorts, between them shared lucrative oil blocks. The names mentioned are General T. Y. Danjuma (former Chief of Army Staff, owner of South Atlantic Petroleum, SAPETRO, in 2006 sold an oil block worth \$1.7 billion to a consortium of Chinese investors), Alhaji Mai Deribe, Mallam (Prince) Sanusi Lamido, Alhaji (Colonel) Sani Bello of Kontogora, former Petroleum Minister and former OPEC (Organisation of Petroleum Exporting Countries) Chairman, Rilwanu Lukman, Alhaji Indimi, Alhaji W.I. Folawiyo, Emeka Offor (a well known PDP financier and sponsor of presidential candidates and other political aspirants), Mike Adenuga, Alhaji Saleh Mohammed Gambo, Alhaji Aminu Dantata, Atiku Abubakar (former Vice President), Shehu Yar'Adua (Chief of Staff, Supreme Headquarters under General Obasanjo), Prince Nasiru Ado Bayero, Dan Etete, Okey Ezenwa (a front for Peter Odili), Alex Ibru, Lucky Igbinedion, O. B. Lulu-Briggs and Andy Uba.

It should be understood that discretionary allocation of oil blocks is a paternalistic fraudulent practice that empowers the President or Head-of-State to award oil blocks to friends, associates, family members, party chieftains, security chiefs and all categories of bootlickers and secret cult members without following any laid down procedure. Lt. General Jeremiah Useni, former Minister of the Federal Capital Territory and military administrator of former Bendel State, is said to have invested about N2.8 billion in the acquisition of landed property and exquisite mansions. He owns 53 houses in Jos alone. He is reported to have recently bought over a mansion owned by the United Trading Company (UTC) Motor Division in Jos worth over N450 million, among several other properties. His Tim Industries manufactures pins and toilet tissue paper.

Between 2006 and 2011 the subsidy thieves shared N3.655 trillion fraudulently, sometimes being paid for refined petroleum products that were not delivered. Among the 'oil cabal', as they came to be known were: Oando Nigeria Plc, N228.506 billion; Integrated Oil and Gas Plc, N30 billion; MRS, 224.818 billion; Con Oil, N37.96 billion; Enak Oil & Gas, N19.684 billion; Bovas & Co. Nig Ltd, N5.685 billion; Obat, N85 billion and AP, N104.5 billion. Others included Folawiyo Oil, N113.3 billion; IPMAN Investment Limited, N10.9 billion; ACON, N24.1 billion; Atio Oil, N64.4 billion; AMP, N11.4 billion; Honey Well, N12.2 billion; Emac Oil, N19.2 billion; D. Jones Oil, N14.8 billion and Capital Oil, N22.4 billion; AZ Oil, 18.613 billion. The rest are Eternal oil, N5.57 billion; Dozil oil, N3.375 billion; Fort oil, N8.582 billion. Some construction companies were also on the list, but the committee said the companies had shut down their web sites when the probe began (Emewu, 2012). The Lawan Farouk House of Representatives Committee recommended the refund of N1,067,040,456,171.31 to the Federation Account (Agande, 2012).

The list of Nigerian politicians that have been caught in the web of corruption is almost inexhaustible. Chief Bode George (N81 billion fraud) as Chairman of Nigerian Ports Authority, Senators Ibrahim Mantu and Zwingina (demanding N50 million before clearing Mallam Nasir el-Rufai as a minister). Mantu's Senate Constitution Review Committee spent N456 million on public hearings. Tafa Balogun (stole N17 billion, N4.5 billion of it from the Police Welfare Fund), Senator Adolphus Wabara (over N55 billion scam), Orji Uzor Kalu, Governor of Imo State (alleged by EFCC to have stolen N25 billion belonging to his State and invested in Stoke Airlines), former Vice President Atiku Abubakar (owner of Intels, allegedly looted funds belonging to the Petroleum Development Trust Fund, PTFD). On his part former President Obasanjo, who was said to have only N20,000.00 in his bank account at the time of his release from prison, allegedly shared in the PTFD loot and built a N2 billion Library in addition to his Bell University (from dubious compulsive donations). For these projects and Ota Farm thousands of acres of peasant land was enclosed. His Bell Oil and Gas Company owns oil blocks, markets crude oil and imports refined oil for the NNPC. He was the Petroleum Resources Minister for almost eight years but never gave account of the Ministry under him. He invested N27 billion in the controversial Transnational Corporation of Nigeria Plc (Transcorp) on which Board are names such as Festus Odumegwu, Mrs. Ndidi Okereke-Onyuike, Alikor Dangote and Femi Otedola.

Transcorp, launched on 21st July, 2005 by Obasanjo, was allocated four oil blocs (i.e. OPL 218, 219, 209 and 220). Transcorp bought over the Nicon-Hilton on which it paid US\$105m in

October 2005. Rules were bent also for Transcorp to acquire 75% interest in the government's telecommunications agency, NITEL, valued in total at US\$1.73billion. The US\$1billion offer by International Investments Limited (IIL), for the 75% or US\$1.3billion NITEL deal, was denied on account of delayed payment, for Transcorp's US\$750m offer, trapped in an endless payment delay roulette, from 3rd July 2006, to the end of August 2006, to mid October 2006, followed by another six weeks... (<http://www.nairaland.com/nigeria/topic-823498.0.html>, 19 May, 2013)

Dr. Chimaroke Nnamani of Enugu State, D. S. P. Alamieyeseigha, former Governor of Bayelsa State, Peter Odili, former Governor of Rivers State (linked to Arik Airlines), disgraced Governor James Ibori of Delta State, Chief Tony Anenih (could not account for over N300 billion as Works Minister between 1999 and 2003). To this list could be added several others involved in various types of financial crimes or illicit businesses that generate wealth, which is then invested in legitimate business in the process of development of capitalism in Nigeria. Currently the privatization exercise provides another avenue for the investment of illicit funds in legitimate business. The investments of politicians, military leaders and bureaucrats, both present and retired, actually dominate the Nigerian economy, apart from the funds that have been transferred offshore. This is the political economy of primitive accumulation and once invested capital has a natural propensity to expand continually.

7.4. The War against Corruption

Various reasons may have been advanced to account for the failure of anti-corruption efforts. However, it is contended here that the reason is far more complex and obscure. The war against corruption and criminal wealth accumulation cannot be won now because the same forces benefiting from the process are being called upon to eradicate it. Thus, the President is expected to tackle the menace of corruption against the same kleptomaniacs that are expected to bankroll his re-election. The most conspicuous proof of the expectation of the members of the National Assembly and even the State Houses of Assembly to benefit from corruption is the plan to extend the immunity clause to their members.

Corruption has actually been democratized in Nigeria. Institutional failure is not limited to EFCC and ICPC but also the banks, which facilitate money laundering. The cases of Erastus Akimgbola and Cecilia Ibru readily come to mind.

What fostered this heist is not difficult to fathom. Ours is a government being run by narrow minds, and harder hearts. Mismanagement of oil wealth and illegal oil bunkering have strewn a cobweb of corruption, making slush funds easily available for pillaging. However, the seemingly industrial scale of the looting, despite the operations of the Economic and Financial Crimes Commission and the Independent Corrupt and other Related Offences Commission, should arouse some curiosity. Is it that the anti-graft bodies were deficient, complicit or looked the other way while the looters had a field day? And what role did the banks play? These are genuine concerns (Punch Editorial, March 15, 2013).

Genuine concerns indeed, but such lamentations do not provide objective analysis or answers to social phenomena. Financial pillaging and buccaneering are the identifying marks of primitive accumulation and in Nigeria even the mass media is involved and the banks, apart from being used as conduits also reap handsomely from the process. "*A disgraced former bank executive reportedly acquired 12 homes in the United States, 28 shops and seven residential houses in Dubai, and four houses in South Africa, all bought with laundered funds. Indeed, the rot in the banks is very deep*" (Punch Editorial, March 15, 2013). This follows the example in Europe where:

William Gregson, a banker, was also a slave trader . . . Jonas Bold combined both slave and West Indian trades . . . Bold was a sugar refiner and became a partner in Ingram's bank . . .

For London only one name need be mentioned, when that name is Barclay. Two members of this Quaker family, David and Alexander, were engaged in slave trade in 1756 . . . From the combination sprang Barclays Bank (Williams E., 1944).

The romance between Nigerian bankers and financial crimes is therefore not a novelty but rather, an objective component of the process of primitive accumulation, a tripartite connection between criminal funds, the banks and legitimate business.

7.5. The Wilberforce Syndrome

What is characterized here as the Wilberforce Syndrome is in reference to a stage in primitive accumulation after capitalism had been firmly established, when people like William Wilberforce, Thomas Clarkson and Joseph Sturge (members of the Anti-Slavery Movement) fought to end slave trade on humanitarian grounds. However, Eric Williams was to show later that it was an effort to save the face of the discredited illicit trade with an ethical garb. Slave trade had actually become unnecessary since enough capital had already been accumulated and capitalism firmly established. In the same vein corruption and other financial crimes in Nigeria may not be eradicated but minimized only when capitalism has been firmly established. Recently "*Justice Akanbi lamented that corrupt public office holders were more powerful than the government, and that they had enough funds to fight anti-graft agencies*" (Reporters, 2013). The persecution of Lawan Farouk and Ndidi Elumelu, in place of the more serious cases against Otedola and Obasanjo, show the capacity of corruption to fight back. The campaign for the eradication of corruption will actually be launched and vigorously pursued by the same people that have benefitted immensely from the

process or their children. Sermonizing against corruption will become more trenchant after capitalism is firmly established in Nigeria.

Former President Olusegun Obasanjo has presented a grim picture of how, in many countries in Africa, including Nigeria, “political and bureaucratic classes are so corrupt that the government is unable to muster the necessary moral courage to push through any policy that may cause any inconvenience to the middle class, no matter how temporary or beneficial the policy may be in the long run...” In the case of Nigeria, the former President had said: “There seems to be an obnoxious solidarity among the middle class that allows the manipulation of available democratic institutions against the enforcement of anti-corruption laws (Reporters, 2013).

One of the most corrupt Nigerian leaders is currently engaged in a campaign to end corruption having firmly invested his capital garnered from corruption but now feeling threatened by the same scourge. Nigerians should be prepared for similar sermons from the Danjumas, the Odilis, the Kalus, the Babangidas, the Iboris, the Anenihs, the Osenis, the Atikus, etc. or their children that will soon take over the management of their parents’ illicit and odious investments. This is the Wilberforce syndrome, a battle against a social phenomenon that has essentially been transcended and therefore become apparently unnecessary and embarrassing. It is only then that a meaningful fight could be waged against financial crimes in Nigeria.

8. Conclusion

In conclusion therefore it is this paper’s contention that corruption and other financial crimes constitute a stage in the development of capitalism in Nigeria. They are the only avenues available for the accumulation of large amounts of capital for investment in the development of capitalism in the absence of opportunities for slave trade and international pillaging. The war against corruption will remain comatose for now until this period is transcended, when the beneficiaries of the process will take over the battle in defense of their investments. Financial crimes actually create and reinforce poverty, unemployment, infrastructural decay, destitution, human degradation, etc. and that is the reason civil society must not relent in the fight against the scourge.

This paper’s contribution to knowledge on the subject-matter include the expansion of the scope of the discourse beyond corruption to include the whole gamut of economic and financial crimes (both violent and subtle) through which funds are garnered and then invested in capitalistic enterprise, highlighting the roles of legislation, in the context of Nigeria the Land Use Act and the banks, both as drivers of the process of capital accumulation and as agents of legitimization of the dispossession and investment of illicit funds. The view expressed on the role of the beneficiaries themselves in the fight against financial crimes, termed the Wilberforce syndrome, is also a peculiar contribution of this paper.

9. Recommendations

Based on the forgoing this paper recommends as follows:

1. Democracy should not be limited to voting during elections but also include accountability, participation, infrastructure distribution, equity, transparency and rule of law.
2. Civil society should be better organized to put the government and its institutions constantly under pressure to end the reign of financial crimes and culture of impunity.
3. Civil society should effectively utilize the extant laws against financial crimes through the courts. Judges that are found to have compromised should be dismissed, tried, jailed and their property confiscated.
4. The mass media should increase the tempo in the war against financial crimes by constantly exposing the undertakers and their strategies.
5. The people of Nigeria should rise in revolutionary action like the “occupy Nigeria” subsidy riots of January 2012 and insist on the conclusive prosecution of those involved in financial crimes through civil disobedience, civil resistance, strike actions, demonstrations, protests and online publications, contacts and activism.

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