
Tracing the Origins of Nigerian Organized Crime: Politics, Corruption and the Growth of Criminal Networks

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Introduction

Organized crime – from drug and human trafficking to fraud, financial crime, cyber-crime and other types of criminal activity – undermines Nigeria’s development prospects and its ability to strengthen democratic institutions and accountability. A driver of insecurity, instability and human rights violations, there is growing recognition of the need to implement multifaceted yet cohesive policy solutions to curb the activity of international criminal networks.

Ahead of the UK government’s Anti-Corruption Summit on 12 May, this event launched the late Stephen Ellis’s last book, *This Present Darkness: A History of Nigerian Organised Crime*, which traces the origins of Nigerian organized crime from regional political corruption to internationalized Nigerian criminal networks. The speakers reflected on key themes and findings of Stephen Ellis’s last work, discussing policy implications for effectively tackling international organized crime.

Stephen Ellis was Desmond Tutu Professor at the Faculty of Social Sciences at the VU University, Amsterdam and a senior researcher at the African Studies Centre, Leiden.

The meeting was held on the record. The following summary is intended to serve as an aide-memoire for those who took part and to provide a general summary of discussions for those who did not.

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Dr Leena Koni Hoffmann

The speaker began by noting that, in *This Present Darkness: A History of Nigerian Organised Crime*, Stephen Ellis deconstructs the political system that emerged in postcolonial Nigeria, and explores how practices of fraud and embezzlement were central to its functioning as a state. Dr Ellis’s argument is that most Nigerian criminal practices originated within the evolution of the state itself. Dr Ellis perfectly captures the connection between the spirit world and perceptions of power, wealth and prosperity within Nigerian society. This is critical to understanding the psychology of Nigerian life and how spiritual claims serve to legitimize criminality and even violence.

Dr Hoffmann noted that the book begins by exploring Nigeria’s colonial experience of indirect rule and how local rulers became increasingly unaccountable as they were able to manipulate their twin sources of authority. Regional politics, strongly shaped by ethnic and cultural identity, encouraged leaders to build provincial power bases that undermined the federal structure upon Nigeria gaining independence in 1960. Theft was seen as a serious crime when it came to personal property, but defrauding the state had none of the same social stigma attached. This situation has arguably continued into the present day.

A third of the book discusses the First Nigerian Republic from 1960–66, in which only Nigeria’s federal prime minister, Tafawa Balewa, comes away unscathed in an account of widespread corruption throughout Nigeria’s regional governments. Dr Hoffmann noted that Dr Ellis’s book covers the entire spectrum of organized crime, from drug and human trafficking, to fraud, financial crime, cybercrime, and the specifically Nigerian crime of advanced fee fraud, popularly known as 419 scams. He provides an in-depth analysis of over-invoicing by companies seeking to export their profits abroad, and of how the expanse of the offshore financial system led to wealthy Nigerians moving large wealth reserves to secretive tax havens within just a few years of independence.

According to Dr Ellis's research, Dr Hoffmann noted, the Nigerian Civil War provided significant opportunities for smugglers to expand their operations, as Nigeria's currency was so overvalued as a result of its oil-backed status, it had the effect of sucking in imports. The naira was so overvalued that anyone who knew the right officials could make a 10 per cent profit simply by exchanging the currency for US dollars at the Nigerian Central Bank and then selling off the currency again in London.

While this book makes a hefty intellectual contribution to our understanding of the political roots of corruption in Nigeria, the speaker's view is that in some respects it tells a single story of corruption and could have gone further in analysing the evolution of the state in Nigeria, locating the roots of popular perceptions and expectations of governance and power in this process. This, Dr Hoffmann argued, would have allowed for a useful discussion of the emergence of corruption as both a label for government malpractice and a category of describing governance, particularly in northern Nigeria.

Patrick Smith

The speaker began by stating that he worked with Dr Ellis, and spoke warmly of his ability to write well, both as a journalist and an academic. Mr Smith stated that his view is that the book makes an enormous contribution to understanding corruption in Nigeria, and expressed hope that it is read widely by Nigerian politicians, who he noted are among the most well-paid legislators in the world.

As a reporter for the Associated Press in Lagos, the speaker claimed that he was frequently shocked by the levels of corruption in Nigeria. One of the crucial messages that the book points out is how intrinsic and inextricable organized crime is from the global financial and business systems. This book sheds light on how those practices become ingrained within political and social structures. Many of the greedy banking practices that stunned the world during the recent financial crisis, such as interest rate swaps or deliberate attempts to manipulate the market, were already being carried out in Nigeria in the post-independence period. Nigerian bankers were known for the development and facilitation of far-reaching and world-class fraud.

Professor Christopher Clapham

Professor Clapham noted that the book is reminiscent of Dr Ellis's enormous contribution to the academic study of Africa, particularly regarding the links between spiritual and social practices, and how only by understanding how people think can we seek to understand why they behave in certain ways. The speaker expressed his opinion that the book is a fantastic account of how criminality arises in specific social contexts, and its message is that, however pernicious corruption may be, it is guided by the way people think. Of particular merit is the way in which Dr Ellis manages to focus so specifically on the local and human level, and connects this to global criminal and financial structures.

Summary of question and answer session

Questions

What advice would the speaker have for the current government of Nigeria, which is working tirelessly to fight corruption?

Does the speaker agree that the title of the book has a stigmatizing effect on Nigerians and that the activities the book recounts are not organized crime, but the actions of greedy individuals?

What do the recent revelations contained in the Panama Papers contribute to this book, or vice versa?

Patrick Smith

Dr Ellis refers to the financial losses Nigeria makes every year as being over \$16 billion. We must make no mistake that this action is highly organized between people living offshore and Nigerians, which is why it is so successful and why it is so rare that anyone gets caught for it. That is why the actions of companies like Mossack Fonseca are so successful and secretive. The current Senate president and his wife, as well as a prominent Nigerian general, have been named in the Panama Papers; these people have to answer these accusations. This corruption is highly organized.

It is clear that the only way to deal with corruption is through serious international cooperation and willpower. These chains cross national borders and pursuing these chains must do the same. \$20 billion went missing between the state oil company and the Central Bank of Nigeria; these are enormous crimes that will take huge resources to investigate, prosecute and, in the future, prevent.

Dr Leena Koni Hoffmann

A good point of advice for governments in dealing with corruption would be to read this book. Nigeria's constitution and its federalist system are deeply flawed. It is impossible to have a conversation about the North–South divide, educational disparities and development problems without coming back to the complexities of the federal system and corruption. The patronage system ensures that whenever a president attempts to hold a conference about constitutional reform, the conversation gets railroaded by the very corrupt influences it is attempting to prevent. What Dr Ellis's book also highlights is how Nigeria's political coups have also captured the dialogue of anti-corruption. One only has to look at all of the criminal proceedings being brought against former government officials to know that the label of corruption has become so political that one cannot attach it to anyone without questions of ethnicity and motive being raised.

Professor Christopher Clapham

There should be no question of whether the crimes described in this book constitute organized crime. These activities do not happen by accident; they incorporate networks of people across the world and operate in a highly systematic way. A very high proportion of this crime is laundered through the Nigerian state; it is either state money, such as proceeds from the oil industry, or the abuse of state power in order to facilitate criminality.

Questions

Sixty-three per cent of the Nigerian population is under the age of 25 and significant socio-economic tension exists in the country. How does the speaker think this generation will be able to tackle corruption, given that it is clearly so endemic?

Why is it that African governments are consistently labelled as corrupt, yet Western countries like Switzerland and the UK, who receive a huge proportion of the proceeds of African corruption and turn a blind eye, are never stigmatized in the same way?

Patrick Smith

Organized crime is a joint venture that destroys the economies of developing countries, and foreign governments are equally to blame. The proceeds of corruption fuel their economies, their protected tax havens and their financial sectors.

Dr Leena Koni Hoffmann

Realistically, it will take a generation to begin to tackle this enormous problem. Young Nigerians are beginning to use technology to hold governments accountable, with varying degrees of success. There have been some positive steps in Kaduna State, where the government is working with third sector organizations to prove their accountability by showing breakdowns of state budgets and where money is being spent. Nigerians do not expect much, but as Nigeria democratises, people must demand more from government. An increasing number of Nigerians are finding their voice to challenge governments, but the improvement in the response from government will take time.

Questions

There has been a lack of historical convictions for corruption in Nigeria because leaders have used the findings of investigations to politically neutralize enemies rather than bring criminal proceedings. Should we anticipate more convictions for corruption under President Buhari, who seems to be taking a different approach?

Corruption is a culture that exists at all levels of Nigerian society, and unfortunately, given the opportunity to personally benefit, many Nigerians would acquiesce to corrupt practices. As such, how should we seek to reorient the minds of Nigerians so that they start to appreciate that corruption is not the only road to success?

One of the key points of the book is that corruption begins in the mind. When people think of Africa, often their knowledge of the continent's history begins with the slave trade. How should we recapture the mind-set of Africans who were there before this happened, which is the key to unlocking Africa's potential?

Patrick Smith

The best policies for tackling corruption would be to train and provide research equipment so that journalists have the power to expose corrupt officials. Other important measures include the implementation of a strong freedom of information act and better regulation of financial industries, both in Nigeria and internationally.

Dr Leena Koni Hoffmann

In terms of prosecutions, there is probably a greater chance of money being repatriated to Nigeria than people going to jail. Corrupt officials are powerful and very well resourced and they can tangle up their cases in courts for many years. The anti-corruption agencies do not have the resources or the skills to get themselves out of these situations.

Professor Christopher Clapham

The answer lies in transforming the way that people think, but there is no singular way in which Nigerians think, let alone a way in which all Africans think, and Dr Ellis is very much aware of the differences between societies within Nigeria in this book. However, the worrying thing about tracing things so far back in history, as Dr Ellis does, is making recommendations for change when problems seem so pernicious and backwards-reaching.