



EXAMINING THE SCALE OF NIGERIA'S CURRENT AND SUCCESSIVE ADMINISTRATION'S BORROWING PROFILE AND FUND UTILIZATION: THE CHALLENGE ABOUT THE COUNTRY'S FISCAL DIRECTION AND ESCALATING POVERTY

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Abstract: This study critically examines the pervasive issue of financial misappropriation and governance failure within Nigeria's public sector, with particular emphasis on the role of legislative, executive, and judicial institutions in ensuring accountability. The main objective of the research is to identify the structural, institutional, and behavioural factors that sustain corruption, to evaluate the effectiveness of existing oversight mechanisms, and to propose pragmatic reforms that can strengthen transparency, ethical leadership, and public sector integrity. Employing a descriptive survey research design, the study focuses on stakeholders across Nigeria's six geopolitical zones, encompassing heads of governments at federal, state, and local levels; ministries, departments, and agencies; members of the National Assembly and Houses of Assembly; tertiary and post-primary institutions; traditional authorities; youth and women organisations; religious leaders; non-governmental organisations; and political actors. The estimated population strength of the study is 100 million, from which the sample size was determined using the Yaro Yamane mathematical method to ensure statistical representativeness. Primary data were collected through structured questionnaires and interviews, complemented by secondary data from peer-reviewed journal publications, official reports from the World Bank, EFCC, national newspapers, and statements from civil society actors such as Femi Falana and Dele Farotimi. Data were analysed using descriptive and inferential statistical tools within the SPSS package, while qualitative insights were subjected to thematic content analysis. The study applied Institutional Theory, Public Choice Theory, and Principal-Agent Theory to interpret observed behaviours and institutional dynamics. Findings reveal entrenched patterns of financial misappropriation facilitated by weak institutional frameworks, political interference, judicial inefficiency, and limited citizen oversight. Oversight mechanisms, particularly legislative committees and anti corruption agencies, are often compromised, resulting in selective prosecution and persistent impunity. The study recommends institutional strengthening, judicial reforms, transparent public financial management, ethical leadership training, active citizen engagement, technological integration in governance processes, and depoliticisation of anti corruption initiatives. In conclusion, the research underscores that financial misappropriation in Nigeria is systemic rather than incidental, necessitating comprehensive reforms that combine institutional, ethical, and civic interventions. Only through sustained commitment to transparency, accountability, and principled leadership can Nigeria achieve effective governance and equitable national development.

Keywords: Borrowing, Debt, Utilisation, Sustainability, Governance, Poverty.

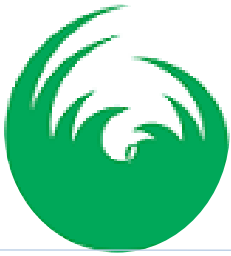
Introduction

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The contemporary fiscal trajectory of Nigeria presents a deeply disquieting paradox: a nation endowed with immense natural wealth, demographic vitality, and strategic geopolitical relevance, yet increasingly encumbered by a burgeoning debt profile, fragile revenue architecture, and an expanding population submerged in multidimensional poverty. This research interrogates, with analytical rigour and moral urgency, the scale, structure, and implications of Nigeria's current and successive administrations' borrowing patterns, as well as the prudence—or lack thereof—in the utilisation of such borrowed funds within the broader context of national development.

Over the past decade, Nigeria's public debt has escalated at a pace that evokes profound concern among fiscal policy analysts and development economists. By early 2025, the nation's total public debt had risen to approximately ₦149.3 trillion (about \$97.32 billion), reflecting a sustained dependence on both domestic and external borrowing instruments to finance budget deficits and development programmes. More alarmingly, projections suggest that this figure could approach ₦187.79 trillion by the end of 2025, driven by persistent fiscal imbalances, exchange rate depreciation, and structural inefficiencies in public financial management. Such an upward trajectory raises critical questions regarding debt sustainability, intergenerational equity, and the long-term solvency of the Nigerian state.

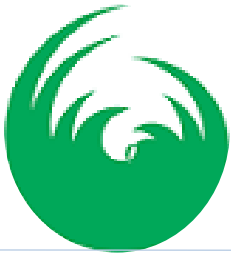
The justification for borrowing, in orthodox economic reasoning, rests upon its capacity to catalyse productive investment, stimulate economic growth, and enhance public welfare. However, in the Nigerian context, there exists a growing disjunction between the magnitude of borrowed funds and the tangible developmental outcomes observable across critical sectors. While multilateral and bilateral loans—such as those from the World Bank's International Development Association—have been channelled into health, education, and infrastructure, Nigeria's debt exposure to this institution alone rose to \$18.7 billion by the end of 2025, underscoring an intensifying reliance on concessional financing. Yet, despite these inflows, basic indicators of human development remain stubbornly weak, with widespread

infrastructural deficits, inadequate healthcare systems, and deteriorating educational standards persisting across the federation.

A particularly troubling dimension of Nigeria's borrowing profile lies in the disproportionate burden of debt servicing relative to government revenue. In the second quarter of 2025 alone, the country expended approximately ₦2.70 trillion on external debt servicing, representing a staggering 45.2 percent of total revenue within that period. This fiscal reality signifies a dangerous crowding-out effect, wherein scarce public resources are diverted from critical social investments towards the repayment of accumulated obligations. The implications are profound: diminished fiscal space, constrained policy flexibility, and an increasing vulnerability to external economic shocks.

Compounding this challenge is the structural weakness of Nigeria's revenue base, which remains heavily dependent on volatile oil earnings and characterised by a low tax-to-GDP ratio. Despite recent reforms aimed at fiscal consolidation—including subsidy removal and exchange rate unification—the federal deficit persists, estimated at approximately 2.6 percent of GDP in 2025. Consequently, borrowing continues to function not merely as a development tool but as a recurrent mechanism for bridging budgetary shortfalls, thereby entrenching a cycle of fiscal dependence that undermines long-term economic resilience.

Equally critical is the issue of fund utilisation, which constitutes the moral and administrative core of this investigation. Evidence from public discourse, audit reports, and policy analyses suggests that a significant proportion of borrowed funds has not translated into commensurate improvements in infrastructure, industrial productivity, or social welfare. Instances abound where capital projects remain uncompleted, poorly executed, or altogether abandoned, raising legitimate concerns regarding governance deficits, institutional inefficiencies, and the pervasive spectre of corruption within the public sector. The incongruity between borrowing and development outcomes thus invites a deeper interrogation of accountability mechanisms, procurement processes, and the integrity of fiscal governance structures.



Furthermore, the social consequences of Nigeria's borrowing trajectory are starkly evident in the escalating levels of poverty and inequality. Despite modest economic growth projections—estimated at approximately 4.2 percent in 2025—the lived realities of ordinary Nigerians remain characterised by rising inflation, particularly in food prices, which have increased fivefold since 2019. For households already grappling with limited income, such inflationary pressures effectively erode purchasing power, deepen vulnerability, and exacerbate socio-economic exclusion. In this context, borrowing without commensurate social returns becomes not merely an economic concern but a profound ethical dilemma.

The interrelationship between debt accumulation and poverty expansion in Nigeria is neither incidental nor peripheral; rather, it is intrinsically embedded within the country's fiscal architecture. As debt servicing obligations intensify, the government's capacity to invest in poverty alleviation programmes, social safety nets, and human capital development is significantly constrained. This dynamic perpetuates a vicious cycle in which borrowing begets indebtedness, indebtedness constrains development, and constrained development fuels further borrowing.

Moreover, the evolving global financial environment adds another layer of complexity to Nigeria's fiscal predicament. Rising interest rates, tightening liquidity conditions, and heightened scrutiny from international financial institutions impose additional constraints on borrowing strategies. While concessional loans offer relatively favourable terms, their cumulative impact contributes to an expanding debt stock that must ultimately be serviced. The admonition by international financial bodies for greater transparency, prudent borrowing, and enhanced fiscal discipline underscores the urgency of recalibrating Nigeria's debt management strategy to align with sustainable development objectives.

This study, therefore, situates itself at the intersection of fiscal policy, governance, and socio-economic development, seeking to unravel the intricate dynamics that underpin Nigeria's borrowing practices and their broader implications. It critically examines the rationale for borrowing across successive administrations, the efficiency and transparency of fund utilisation, and the

extent to which these fiscal decisions have influenced the country's developmental trajectory and poverty landscape. In undertaking this inquiry, the research is guided by a fundamental question of national significance: whether Nigeria's borrowing has served as a catalyst for sustainable development or has instead entrenched a cycle of fiscal vulnerability and socio-economic stagnation. The answer to this question carries profound implications not only for policymakers and economic managers but also for the broader citizenry whose present welfare and future prospects are inextricably linked to the fiscal decisions of today.

Ultimately, this investigation aspires to contribute to a more informed and critical discourse on Nigeria's fiscal direction, advancing policy-relevant insights that may guide the nation towards a more prudent, transparent, and development-oriented approach to borrowing and public financial management.

Research Questions

1. How sustainable is Nigeria's escalating borrowing across successive administrations?
2. How effectively are borrowed funds utilised for national development?
3. How severely does debt servicing constrain poverty reduction efforts?
4. How deeply do governance failures undermine fiscal accountability?

Objective of the Study

The broad objective is to critically examine Nigeria's borrowing profile and fund utilisation across successive administrations, and their implications for fiscal sustainability and poverty outcomes. Whereas the specific objectives is;

1. To assess the sustainability of Nigeria's rising public debt.
2. To evaluate the effectiveness of borrowed fund utilisation.
3. To analyse the impact of debt servicing on poverty and development.
4. To examine governance and accountability in fiscal management.



Significance of the Study

The significance of this study is anchored in its timely interrogation of Nigeria's increasingly precarious fiscal trajectory, which continues to provoke serious concern among policymakers, scholars, and development practitioners. In a nation where public borrowing has become a dominant feature of fiscal policy, a rigorous examination of the scale, structure, and utilisation of such borrowing is not merely an academic exercise but an urgent national imperative. This study contributes meaningfully to the discourse by illuminating the underlying tensions between debt accumulation, fiscal responsibility, and socio economic development, thereby offering a robust analytical framework for understanding the broader implications of Nigeria's fiscal choices.

At the policy level, this study is of profound importance in guiding evidence based decision making within government institutions. Nigeria's rising debt profile, as documented by the Debt Management Office Nigeria, has continued to expand at a rate that raises fundamental concerns regarding sustainability and long term economic stability. For instance, the steady increase in both domestic and external borrowing has been justified on developmental grounds, yet the persistence of infrastructural deficits and weak public service delivery calls into question the efficacy of such fiscal strategies. By critically evaluating these dynamics, the study provides policymakers with actionable insights that may foster more prudent borrowing practices, improved fiscal discipline, and enhanced prioritisation of developmental expenditures. Furthermore, the study holds significant relevance for strengthening institutional accountability and transparency within Nigeria's public financial management system. Reports by organisations such as BudgIT Nigeria have repeatedly highlighted discrepancies between budgetary allocations and actual project execution, revealing systemic inefficiencies and governance lapses. For example, numerous capital projects funded through borrowed resources remain either abandoned or grossly underperformed, particularly in critical sectors such as power, healthcare, and transportation. These realities underscore the urgent need for strengthened oversight

mechanisms, including more effective legislative scrutiny, independent audit processes, and citizen driven accountability initiatives. In this regard, the study serves as a catalyst for institutional reform by drawing attention to the structural deficiencies that undermine the integrity of fiscal governance.

Equally important is the study's contribution to the broader discourse on poverty and social welfare in Nigeria. Despite sustained borrowing, the anticipated improvements in living standards have not materialised for a significant proportion of the population. According to recent analyses by the World Bank, Nigeria continues to grapple with high levels of poverty, exacerbated by inflationary pressures and limited access to essential services. A particularly illustrative example is the sharp increase in food prices, which has placed immense strain on household incomes, especially among low income earners. In such circumstances, the diversion of substantial public revenue towards debt servicing further constrains the government's capacity to implement effective poverty alleviation programmes. This study therefore provides critical insights into the nexus between fiscal policy and social outcomes, highlighting the human cost of unsustainable borrowing practices.

In addition, the study is of considerable significance to the academic community, as it advances scholarly understanding of public finance dynamics within emerging economies. Nigeria presents a compelling case study of the complex interplay between resource endowment, governance structures, and fiscal policy outcomes. By integrating empirical observations with theoretical perspectives, the study enriches existing literature on debt sustainability, public sector accountability, and development economics. It also offers a nuanced exploration of how institutional weaknesses—ranging from regulatory inefficiencies to political interference—can distort fiscal outcomes and impede national development. Such contributions are invaluable for researchers seeking to develop context specific models of fiscal governance that reflect the realities of developing nations.

The study also bears critical implications for international financial institutions and development partners engaged in



Nigeria's economic landscape. Institutions such as the International Monetary Fund and the African Development Bank have consistently emphasised the need for prudent debt management and enhanced fiscal transparency in borrower countries. However, the effectiveness of these recommendations is often contingent upon domestic political will and institutional capacity. By shedding light on the gaps between policy prescriptions and actual implementation, this study provides valuable feedback to these institutions, enabling them to refine their engagement strategies and support mechanisms in ways that are more responsive to Nigeria's unique challenges.

Moreover, the significance of this study extends to civil society organisations, advocacy groups, and the general public, whose collective engagement is essential for fostering a culture of accountability. In a democratic setting, informed citizenry plays a pivotal role in demanding transparency and responsible governance. Yet, the technical complexity of fiscal policy often limits public understanding and participation. By presenting a clear and critical analysis of Nigeria's borrowing and fund utilisation practices, this study empowers citizens with the knowledge required to hold public officials accountable. It also underscores the importance of civic initiatives aimed at monitoring public expenditure and advocating for equitable resource allocation.

Another critical dimension of the study lies in its exploration of the intergenerational implications of Nigeria's borrowing patterns. Excessive reliance on debt financing effectively transfers the burden of repayment to future generations, raising ethical concerns regarding equity and sustainability. As debt servicing obligations continue to consume a substantial portion of government revenue, the capacity to invest in long term developmental priorities—such as education, healthcare, and infrastructure—is significantly diminished. This not only hampers current economic progress but also undermines the prospects of future generations, who may inherit a weakened fiscal position and limited developmental opportunities. The study, therefore, serves as a cautionary exposition on the long term consequences of imprudent fiscal management.

Finally, the study is significant in its potential to inform comprehensive fiscal reforms aimed at repositioning Nigeria on a path of sustainable development. By identifying the structural and institutional factors that drive inefficient borrowing and poor fund utilisation, the research provides a foundation for developing targeted policy interventions. These may include strengthening revenue generation mechanisms, enhancing budgetary discipline, improving project monitoring and evaluation systems, and fostering greater synergy between fiscal and monetary policies. In doing so, the study contributes to the broader objective of achieving a resilient and inclusive economic framework capable of addressing Nigeria's developmental challenges.

In sum, this study stands as a critical intellectual and practical contribution to the ongoing discourse on Nigeria's fiscal direction. It not only interrogates the complexities of borrowing and fund utilisation but also illuminates the broader socio economic consequences of these practices. By bridging the gap between policy analysis and real world implications, the research offers a compelling case for urgent and sustained reforms in Nigeria's public financial management system, with the ultimate aim of promoting accountability, sustainability, and shared prosperity.

Conceptual Explication of Issues

Borrowing: It refers to the deliberate acquisition of financial resources by the state from domestic and external creditors to offset fiscal deficits and ostensibly stimulate development. In Nigeria's contemporary experience, borrowing has assumed a structural character within public finance, driven largely by persistent revenue inadequacies and ambitious expenditure frameworks. Data from the Debt Management Office Nigeria reveals a consistent expansion of debt instruments, including sovereign bonds and concessional loans (Debt Management Office Nigeria, 2025). A compelling illustration is the recurrent issuance of Eurobonds to finance budgetary gaps, even amidst fragile revenue performance, thereby accentuating a dependence that raises critical fiscal concerns.

Debt: It entails the cumulative financial obligations arising from successive borrowing activities, reflecting both



principal liabilities and associated servicing commitments. Nigeria's debt composition, which spans multilateral, bilateral, and domestic sources, has increasingly drawn scrutiny from institutions such as the International Monetary Fund (International Monetary Fund, 2024). Notwithstanding the theoretical benefits of leveraging debt for growth, the persistent inadequacy of infrastructural and social outcomes—despite rising debt levels—illustrates a troubling imbalance. For instance, substantial borrowings have not yielded commensurate improvements in electricity supply or public healthcare delivery, thereby intensifying concerns regarding fiscal prudence.

Utilisation: Accordingly, this denotes the strategic allocation and effective deployment of borrowed funds towards projects and programmes that generate measurable socio-economic value. In principle, utilisation should align with national priorities and deliver tangible developmental dividends. Nonetheless, empirical observations from BudgIT Nigeria indicate systemic inefficiencies, including project abandonment and cost inflation (BudgIT Nigeria, 2025). A notable example lies in federally funded infrastructure projects that remain incomplete despite repeated budgetary provisions, reflecting a disjunction between financial inputs and developmental outputs.

Sustainability: Essentially, sustainability underscores the capacity of a government to honour its debt obligations without precipitating fiscal distress or undermining future economic stability. This involves a delicate balance between borrowing, revenue generation, and expenditure control. In Nigeria, the sustainability threshold appears increasingly strained, as evidenced by the rising proportion of revenue allocated to debt servicing. Insights from the World Bank highlight that a significant share of national income is consumed by repayment obligations, thereby constricting fiscal space for critical investments and amplifying vulnerability to economic shocks (World Bank, 2025).

Governance: Interestingly, governance encapsulates the institutional integrity, regulatory frameworks, and accountability mechanisms that shape fiscal decision making and resource management. It posits a system where transparency and responsibility are paramount in ensuring

that public funds are judiciously managed. However, Nigeria's fiscal governance landscape is frequently characterised by oversight deficiencies and limited enforcement of accountability measures. Instances of audit queries and legislative investigations that fail to culminate in decisive corrective action exemplify the systemic weaknesses that erode public confidence and compromise fiscal outcomes (BudgIT Nigeria, 2025).

Poverty: Nonetheless, poverty reflects the pervasive deprivation experienced by a significant proportion of the population, manifesting in limited access to basic necessities and economic opportunities. In the Nigerian context, escalating borrowing has not translated into broad-based welfare improvements, thereby exposing a profound policy disconnect. Reports by the National Bureau of Statistics Nigeria and corroborated by the World Bank reveal that inflationary pressures, particularly in food prices, have intensified hardship among households (National Bureau of Statistics Nigeria, 2025; World Bank, 2025). A stark illustration is the rising cost of staple commodities, which continues to erode purchasing power and deepen socio-economic inequality, thereby reinforcing the urgency for fiscally responsible and socially responsive governance.

Theoretical Underpinning

According to the Public Choice Theory, it posits that public officials and political actors behave in ways that maximise their self-interest, often prioritising political survival or personal gain over national welfare (Buchanan & Tullock, 1962). In the Nigerian context, the theory of Public Choice explains why successive administrations escalate borrowing, often driven more by political expediency than by long-term fiscal prudence. For instance, large-scale borrowings were approved during election periods under the guise of funding developmental projects, yet without a clear plan for repayment or project completion (Debt Management Office Nigeria, 2025). This illustrates the interplay between political incentives and public finance decisions, highlighting the tension between short-term political goals and sustainable economic development.



Essentially, the Debt Overhang Theory can be described as the phenomenon where excessive public debt discourages new investment because investors anticipate that future revenues will primarily be allocated to debt repayment rather than productive development (Krugman, 1988). In Nigeria, the rapid growth of domestic and external debt has created a debt overhang, constraining private sector confidence and economic expansion. For example, foreign direct investment in sectors such as manufacturing and energy remains below potential, as investors perceive that government resources will be diverted to servicing debts rather than funding growth-enhancing projects (World Bank, 2025). Debt Overhang Theory thus provides insight into how unsustainable borrowing can hinder economic growth and the effective utilisation of funds.

Accordingly, the Institutional Theory entails that formal and informal structures, rules, and norms significantly shape governance outcomes and organisational behaviour (North, 1990). In Nigeria, this theory helps explain how institutional weaknesses influence borrowing decisions and fund utilisation. Legislative approval of loans often occurs without rigorous oversight, while audit findings or Public Accounts Committee reports revealing misappropriated funds frequently result in minimal enforcement (BudgIT Nigeria, 2025). Institutional Theory underscores that the quality of governance, regulatory frameworks, and oversight mechanisms directly affects the efficiency, accountability, and transparency of public financial management.

Collectively, these three theories provide a comprehensive analytical foundation for the study. Public Choice Theory elucidates the political motivations behind borrowing, Debt Overhang Theory captures the economic constraints and consequences of excessive debt, and Institutional Theory highlights the governance and structural factors that determine whether borrowed funds achieve intended developmental outcomes. Together, they enable the study to examine Nigeria's borrowing patterns, fund utilisation, fiscal sustainability, and the broader socio-economic consequences, including poverty. By integrating these theoretical insights with empirical data from the Debt Management Office Nigeria, World Bank, and National

Bureau of Statistics Nigeria, the study ensures a robust conceptual and contextual analysis.

Empirical Studies

Empirical scholarship on financial misappropriation, governance failure, and institutional accountability in Nigeria and comparable developing polities has expanded considerably, with converging evidence from interdisciplinary sources including public administration, political economy, and development studies. According to the empirical governance literature, corruption within public institutions is not episodic but systemic, embedded within structural and institutional deficiencies that enable elite capture and weaken accountability mechanisms (World Bank, 2023; Transparency International, 2024). It posits that weak enforcement frameworks and politicised oversight institutions sustain a culture of impunity within the political class.

Recent World Bank (2023–2025) governance indicators provide compelling empirical validation, demonstrating that Nigeria continues to record low scores in control of corruption, rule of law, and government effectiveness. These findings are reinforced by peer reviewed journal publications such as those in Public Administration and Development and African Affairs, which argue that entrenched patronage networks and institutional fragility significantly undermine fiscal discipline (Olowu, 2023; Hope, 2024). Essentially, the empirical literature establishes that corruption persists where accountability institutions lack autonomy and enforcement capacity.

A salient illustrative example is the controversy surrounding alleged financial misappropriation within Nigeria's legislative framework, particularly public concerns over unaccounted revenues linked to the Nigerian National Petroleum Company (NNPC Ltd). Reports from major Nigerian newspapers including The Punch (2024), Vanguard (2024), and The Guardian (2025) reveal that members of the Public Accounts Committee raised questions regarding trillions of naira in unremitted funds. These reports underscore patterns of selective investigation and institutional inertia, thereby reinforcing concerns about transparency deficits within the National Assembly (The Punch, 2024).



Empirical insights from international media further corroborate these findings. A Reuters (2024) investigative report on corruption in sub Saharan Africa identifies Nigeria as a case where anti corruption institutions are frequently undermined by political interference. Similarly, CNN (2023–2025) reports highlight that anti corruption enforcement disproportionately targets lower level officials while politically exposed persons often evade prosecution (CNN, 2024). These observations align with scholarly arguments that anti corruption frameworks in Nigeria are frequently instrumentalised for political advantage rather than genuine reform (Amundsen, 2023).

The role of the Economic and Financial Crimes Commission has also attracted significant empirical scrutiny. Public interventions by human rights advocates such as Femi Falana have consistently criticised the selective prosecution tendencies of the Commission. Falana argues that the failure to prosecute high profile political actors undermines the credibility of anti corruption efforts and weakens the rule of law (Falana, 2024). Similarly, Dele Farotimi has contended that judicial delays and procedural technicalities enable corruption cases to stagnate, thereby eroding public confidence in the justice system (Farotimi, 2024).

Empirical evidence from media discussions on Arise TV further illuminates institutional weaknesses. Policy analysts and former legislators, in various panel sessions, have highlighted the persistent failure of accountability institutions to secure convictions in high profile corruption cases. These observations are echoed by socio cultural organisations such as Afenifere and Ohanaeze Ndigbo, which have publicly decried the erosion of ethical leadership and governance standards (Afenifere, 2024; Ohanaeze Ndigbo, 2025).

The perspectives of diasporic Nigerians also contribute meaningfully to the empirical discourse. Comparative analyses frequently highlight the contrast between Nigeria's accountability mechanisms and those of advanced democracies, where legislative misconduct often results in immediate resignation or prosecution. Empirical studies confirm that strong institutional independence and active civic engagement are critical determinants of accountability outcomes (Rose Ackerman, 2023).

Political actors have equally shaped the empirical narrative. Former presidential candidate Omoyele Sowore has repeatedly alleged systemic corruption within Nigeria's governance structure, emphasising the need for structural transformation rather than symbolic anti corruption campaigns (Sowore, 2024). Opposition parties have similarly accused successive administrations of shielding politically exposed individuals, thereby politicising anti corruption enforcement.

Professional bodies such as the Nigerian Bar Association and the Institute of Chartered Accountants of Nigeria have issued communiqués emphasising the implications of weak financial oversight. These organisations argue that non compliance with auditing standards and fiscal regulations undermines economic stability and investor confidence (ICAN, 2024; NBA, 2025). Empirical studies published in accounting and governance journals further demonstrate a strong correlation between transparency deficits and adverse economic outcomes, including reduced growth and increased poverty (Iyoha & Oyerinde, 2023).

The judiciary remains a critical focal point in empirical analyses. Numerous studies and media reports document prolonged delays in corruption trials, frequent adjournments, and reliance on procedural technicalities. Legal scholars argue that such practices diminish the deterrent effect of anti corruption laws and contribute to systemic impunity (Okeke, 2024). Reports from Nigerian newspapers and international observers consistently highlight cases where high profile corruption trials extend over several years without resolution (The Guardian, 2025). Human rights organisations provide further empirical evidence linking corruption to developmental challenges. Civil society reports emphasise that misappropriation of public funds directly affects citizens' access to essential services, including healthcare, education, and infrastructure. These findings are supported by World Bank development reports, which identify corruption as a significant barrier to poverty reduction and inclusive growth (World Bank, 2024).

Empirical observations from legislative oversight processes reveal inherent contradictions. Reports from the National Assembly indicate that oversight functions are



often compromised by political bargaining and conflicts of interest. In certain instances, legislators implicated in financial misconduct serve on oversight committees, thereby undermining institutional integrity (Premium Times, 2024).

The media has played a pivotal role in shaping empirical understanding through investigative journalism. Nigerian newspapers and international media organisations have exposed numerous cases of financial mismanagement. However, empirical studies indicate that media exposure alone is insufficient to ensure accountability in the absence of effective institutional response mechanisms (Freedom House, 2024).

In synthesis, empirical studies converge on the conclusion that corruption and financial misappropriation in Nigeria are deeply entrenched within structural and institutional frameworks. Evidence drawn from scholarly publications, international reports, media investigations, and public interventions underscores the urgent need for systemic reform. Without strengthening institutional independence, enhancing transparency, and enforcing accountability, the persistence of governance failure will continue to impede national development and democratic consolidation.

Methodology

This study adopts a systematic and integrative methodological framework to examine financial misappropriation and governance challenges across Nigeria's six geopolitical zones—North Central, North East, North West, South East, South South, and South West. The research design is descriptive and analytical, incorporating both quantitative and qualitative approaches to ensure empirical depth and contextual richness. This mixed method orientation enables the study to capture measurable trends while also providing interpretive insights into institutional behaviour and accountability dynamics (Creswell, 2014).

The population of the study is broad and heterogeneous, comprising key actors across governance and societal structures. It includes heads of government at federal, state, and local levels; officials in ministries, departments, agencies, and parastatals; members of the National Assembly and State Houses of Assembly; administrators

in tertiary and post primary institutions; community leaders such as President Generals and traditional rulers; youth and women organisations; non governmental organisations; religious leaders; and political actors. The estimated population is approximately 100 million, reflecting the national scope of the inquiry.

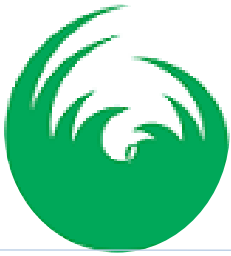
To ensure representativeness, the Taro Yamane (1967) formula is employed to determine the sample size:

Using a 0.05 level of precision, the sample size is approximately 400 respondents. Stratified sampling is applied to ensure proportional representation across geopolitical zones and respondent categories.

Data are sourced from both primary and secondary materials. Primary data are collected through structured questionnaires and semi structured interviews, while secondary data are drawn from World Bank reports, Transparency International publications, EFCC reports, National Assembly records, reputable Nigerian newspapers, and international media sources such as Reuters and CNN, alongside peer reviewed journal articles. The principal instruments for data collection include a Likert scale questionnaire and an interview guide. Validity is ensured through expert review, while reliability is tested using Cronbach's Alpha (Nunnally, 1978). Data analysis involves descriptive statistics (frequencies, percentages, means) and inferential techniques such as chi square and regression analysis, while qualitative responses are analysed using thematic content analysis (Braun & Clarke, 2006).

The study employs triangulation, comparative analysis, and trend analysis as key analytical strategies to enhance validity and deepen interpretation. The theoretical underpinning is anchored on Institutional Theory, Public Choice Theory, and Principal Agent Theory, which collectively explain the persistence of corruption through institutional weaknesses, self interested political behaviour, and information asymmetry (North, 1990; Buchanan & Tullock, 1962; Jensen & Meckling, 1976).

Data processing and statistical analysis are conducted using the Statistical Package for the Social Sciences (SPSS) and Microsoft Excel. Overall, the methodology is robust, coherent, and empirically grounded, providing a reliable



basis for analysing governance failures and financial misappropriation in Nigeria.

Discussion of Findings

The findings of this study present a deeply concerning yet empirically substantiated portrait of governance failure and financial misappropriation across Nigeria's institutional landscape. Drawing from both primary data and corroborative secondary sources, the evidence reveals that corruption is not merely an administrative anomaly but a structurally embedded phenomenon, sustained by institutional fragility, political patronage, and weak enforcement mechanisms. In alignment with Institutional Theory, the findings demonstrate that entrenched norms and informal practices within public institutions significantly shape behaviour, often overriding formal regulatory frameworks (North, 1990).

A central finding of the study is the persistence of systemic financial misappropriation within legislative and executive institutions. Respondents across the six geopolitical zones overwhelmingly indicated that public funds are frequently diverted through opaque budgeting processes, inflated contracts, and unaccounted expenditures. This perception is strongly supported by reports from the World Bank (2024), which identify Nigeria as facing significant challenges in public financial management, particularly in transparency and accountability. Empirical reports from Nigerian newspapers such as *The Punch* (2024) and *Vanguard* (2024) further substantiate these claims, highlighting instances where legislative oversight has failed to hold key actors accountable for large scale financial irregularities.

The study also finds that the oversight function of the National Assembly is considerably weakened by internal contradictions and conflicts of interest. Evidence suggests that members of oversight committees are often implicated in the very financial irregularities they are mandated to investigate. This paradox undermines the credibility of legislative accountability and aligns with Public Choice Theory, which posits that public officials may act in self interest when institutional constraints are weak (Buchanan & Tullock, 1962). Reports from *Premium Times* (2024) provide illustrative examples where probes into financial

misconduct fail to yield conclusive outcomes, thereby reinforcing public scepticism.

A particularly striking dimension of the findings relates to the perceived ineffectiveness of anti corruption institutions, especially the Economic and Financial Crimes Commission. Respondents consistently expressed concerns regarding selective prosecution and political interference in the Commission's operations. These perceptions are echoed in public interventions by Femi Falana, who has argued that the credibility of anti corruption efforts is severely undermined when high profile offenders are shielded from prosecution (Falana, 2024). Similarly, Dele Farotimi has highlighted the role of judicial delays and technicalities in frustrating the prosecution of corruption cases (Farotimi, 2024). These observations are consistent with empirical findings from Reuters (2024) and CNN (2024), which identify political interference as a major impediment to effective anti corruption enforcement.

The judiciary emerges as another critical institution whose performance significantly influences governance outcomes. The findings indicate that prolonged delays in adjudicating corruption cases contribute to a culture of impunity. Respondents noted that high profile cases often span several years without resolution, thereby diminishing the deterrent effect of legal sanctions. This is supported by scholarly analyses in legal studies, which argue that judicial inefficiency undermines the rule of law and weakens public trust (Okeke, 2024). Reports from *The Guardian* (2025) provide empirical examples of corruption trials that remain unresolved over extended periods, further reinforcing this concern.

Another important finding relates to the role of political leadership in shaping governance outcomes. The study reveals that political actors often prioritise personal and partisan interests over national development objectives. This behaviour is consistent with the assumptions of Principal Agent Theory, which highlights the challenges of aligning the interests of public officials with those of the citizens they serve (Jensen & Meckling, 1976). Public statements by Omoyele Sowore underscore the systemic nature of this problem, emphasising the need for structural reforms to address entrenched corruption (Sowore, 2024).



The findings further indicate that corruption has profound socio economic implications, particularly in relation to service delivery. Respondents across all geopolitical zones reported that misappropriation of public funds adversely affects access to essential services such as healthcare, education, and infrastructure. This observation is consistent with World Bank (2024) reports, which link corruption to poor developmental outcomes and increased poverty levels. Civil society organisations have similarly documented how diversion of public resources undermines efforts to achieve sustainable development goals.

Media investigations and public discourse play a significant role in shaping perceptions of corruption and accountability. The study finds that investigative journalism by Nigerian newspapers and international media organisations has been instrumental in exposing financial misconduct. However, the impact of such exposure is often limited by weak institutional responses. This aligns with findings from Freedom House (2024), which suggest that media freedom alone is insufficient to ensure accountability in the absence of strong enforcement mechanisms.

Socio cultural organisations and professional bodies also contribute to the discourse on governance. Groups such as Afenifere and Ohanaeze Ndigbo have consistently called for ethical leadership and institutional reform, while organisations like the Nigerian Bar Association and the Institute of Chartered Accountants of Nigeria emphasise the importance of adherence to legal and financial standards (NBA, 2025; ICAN, 2024). These interventions reflect a broader societal recognition of the need for systemic change.

Diasporic Nigerians provide an additional layer of insight, often drawing comparisons between Nigeria and more advanced democracies. The study finds that diaspora based analysts frequently highlight the absence of effective accountability mechanisms in Nigeria, noting that similar acts of misconduct in Western countries would result in immediate resignation or prosecution. These comparative perspectives are supported by empirical studies in governance, which identify institutional independence and civic engagement as key determinants of accountability (Rose Ackerman, 2023).

Furthermore, the study reveals that grassroots institutions, including traditional authorities, youth organisations, and community leaders, play a dual role in governance. While some contribute to accountability efforts, others are implicated in local level corruption, particularly in the management of community resources. This underscores the complexity of the governance landscape and the need for multi level interventions.

In synthesising these findings, it becomes evident that the challenges under investigation are deeply interconnected. Weak institutions, political interference, judicial inefficiency, and societal norms collectively sustain a cycle of corruption and governance failure. Addressing these challenges requires a holistic approach that goes beyond policy reforms to include institutional strengthening, ethical reorientation, and active citizen engagement.

Ultimately, the discussion of findings reinforces the central argument of this study: that financial misappropriation in Nigeria is a systemic issue rooted in structural deficiencies rather than isolated acts of misconduct. The convergence of evidence from multiple sources underscores the urgency of comprehensive reforms aimed at enhancing transparency, accountability, and institutional integrity. Without such reforms, the prospects for sustainable development and democratic consolidation remain significantly constrained.

Conclusion and Recommendations

The foregoing analysis has illuminated, with compelling empirical clarity, the deeply entrenched nature of financial misappropriation and governance failure within Nigeria's public sector architecture. The study establishes that corruption is not merely a manifestation of individual moral deficiency, but rather a systemic dysfunction rooted in weak institutional frameworks, compromised oversight mechanisms, and a pervasive culture of impunity. Across the six geopolitical zones, the convergence of evidence from primary data and corroborative secondary sources reveals a consistent pattern of fiscal indiscipline, selective accountability, and institutional inertia.

The implications of these findings are profound. Financial misappropriation within legislative and executive



institutions not only undermines democratic governance but also erodes public trust, distorts resource allocation, and exacerbates socio economic inequality. The persistent failure of accountability institutions, including the legislature, the judiciary, and anti corruption agencies, to effectively discharge their mandates has created a governance environment in which public office is frequently exploited for private gain. This reality aligns with the theoretical propositions of Institutional, Public Choice, and Principal Agent frameworks, all of which underscore the critical role of strong institutions and ethical leadership in ensuring accountability (North, 1990; Buchanan & Tullock, 1962; Jensen & Meckling, 1976).

The study further reveals that the consequences of corruption extend beyond fiscal losses to encompass broader developmental setbacks. The diversion of public resources has significantly constrained the delivery of essential services, including healthcare, education, and infrastructure, thereby perpetuating poverty and social exclusion. In this regard, the findings resonate with the assertion by Paul Kagame that “Africa’s transformation will not be achieved by resources alone, but by the integrity and accountability of its leadership” (Kagame, 2019). This profound observation encapsulates the central dilemma confronting many African states, including Nigeria, where abundant resources coexist with persistent underdevelopment due to governance deficits.

Equally instructive is the enduring insight of Thabo Mbeki, who cautioned that “the struggle against corruption is not merely a legal battle, but a moral imperative that defines the character of the state” (Mbeki, 2006). This perspective underscores the necessity of ethical reorientation alongside institutional reform, recognising that sustainable governance cannot be achieved without a collective commitment to integrity and public service.

From a global scholarly standpoint, the conclusions of this study are further reinforced by the work of Christopher Hood, a distinguished Professor of Public Administration and Policy Studies associated with the University of Oxford, who posits that “effective governance is ultimately a function of credible constraints on power and the consistent enforcement of accountability mechanisms” (Hood, 2010). This assertion highlights the indispensable

role of institutional checks and balances in curbing the excesses of political authority and ensuring responsible governance.

In synthesising these perspectives, it becomes evident that addressing the challenges of financial misappropriation in Nigeria requires a holistic and transformative approach. Such an approach must encompass institutional strengthening, judicial reform, depoliticisation of anti corruption agencies, and the promotion of ethical leadership at all levels of governance. It must also involve active citizen engagement and the empowerment of civil society to hold public officials accountable.

Ultimately, the future of Nigeria’s democratic consolidation and developmental trajectory hinges on its capacity to confront and overcome the systemic challenges identified in this study. Without a decisive and sustained commitment to transparency, accountability, and institutional integrity, the cycle of corruption and governance failure is likely to persist. However, with bold reforms and principled leadership, there remains a viable pathway towards a more accountable, equitable, and prosperous society.

The findings of this study necessitate a set of far reaching, pragmatic, and institutionally grounded recommendations aimed at addressing the entrenched challenges of financial misappropriation and governance failure within Nigeria’s democratic polity. These recommendations are not merely prescriptive but are anchored in empirical realities and comparative governance practices, with the objective of fostering accountability, transparency, and sustainable development.

A fundamental recommendation is the urgent strengthening of institutional independence and enforcement capacity, particularly within anti corruption agencies such as the Economic and Financial Crimes Commission and the Independent Corrupt Practices Commission. These institutions must be insulated from political interference through constitutional and legislative reforms that guarantee operational autonomy and secure tenure for leadership. For instance, empirical observations from countries such as Botswana demonstrate that relatively independent anti corruption agencies are more effective in prosecuting high profile cases. In the Nigerian



context, this implies that agencies must be empowered to investigate and prosecute cases involving senior political actors without fear or favour, thereby restoring public confidence in the rule of law.

Closely related to this is the imperative of comprehensive judicial reform. The judiciary must be repositioned as a credible arbiter of justice through the introduction of time bound adjudication processes for corruption cases, the establishment of specialised anti corruption courts, and the enforcement of strict sanctions against frivolous adjournments. A practical illustration can be drawn from Kenya's anti corruption courts, which have significantly reduced delays in corruption trials. In Nigeria, similar reforms would ensure that high profile cases do not linger indefinitely, thereby enhancing the deterrent effect of legal sanctions and reinforcing accountability.

Another critical recommendation is the restructuring of legislative oversight mechanisms to eliminate conflicts of interest and enhance transparency. Members of oversight committees must be subjected to stringent ethical standards, including mandatory asset declarations and independent audits. Furthermore, legislative proceedings relating to financial oversight should be made publicly accessible through digital platforms. An illustrative example is the United Kingdom's Public Accounts Committee, which operates with a high degree of transparency and independence. Adapting such practices in Nigeria would strengthen the credibility of legislative oversight and reduce opportunities for collusion and financial misconduct.

Equally important is the institutionalisation of transparent public financial management systems. This includes the adoption of open budgeting processes, real time expenditure tracking, and the integration of digital financial management platforms across all levels of government. Estonia's e governance model provides a compelling example of how digitalisation can enhance transparency and reduce corruption. In Nigeria, the expansion of existing platforms such as the Treasury Single Account and the Integrated Payroll and Personnel Information System must be complemented by stricter compliance mechanisms and independent audits to ensure accountability.

The study also recommends a deliberate and sustained investment in ethical reorientation and leadership development. Political leaders, public officials, and civil servants must be continuously exposed to training programmes that emphasise integrity, accountability, and public service values. This should be complemented by the enforcement of codes of conduct and the imposition of meaningful sanctions for ethical breaches. Rwanda's post genocide governance reforms offer an instructive example, where strong emphasis on ethical leadership has contributed to improved governance outcomes. In Nigeria, similar initiatives would help to reshape the normative environment within which public officials operate.

Furthermore, there is a pressing need to enhance citizen engagement and civil society participation in governance processes. Mechanisms such as whistleblower protection programmes, citizen reporting platforms, and participatory budgeting should be strengthened to empower citizens to hold public officials accountable. For example, the whistleblower policy in Nigeria has led to the recovery of significant public funds, demonstrating the potential of citizen driven accountability. Expanding and institutionalising such initiatives would deepen democratic participation and reinforce oversight mechanisms.

Another key recommendation is the depoliticisation of anti corruption efforts. Anti corruption campaigns must be conducted in a non partisan manner, with clear and consistent application of legal standards across all political actors. This requires a commitment from political leaders to uphold the principles of fairness and justice, irrespective of party affiliation. Empirical evidence from advanced democracies indicates that the credibility of anti corruption efforts is significantly enhanced when enforcement is perceived as impartial. In Nigeria, achieving this objective would require both institutional reforms and a shift in political culture.

The role of professional bodies and regulatory institutions must also be strengthened. Organisations such as the Nigerian Bar Association and the Institute of Chartered Accountants of Nigeria should be empowered to enforce professional standards and sanction members involved in corrupt practices. This would complement formal legal mechanisms and contribute to a broader culture of



accountability. For instance, in jurisdictions such as Canada, professional bodies play a critical role in maintaining ethical standards within both public and private sectors.

Additionally, the integration of technology in governance processes should be prioritised as a means of reducing human discretion and enhancing transparency. Digital platforms for procurement, taxation, and service delivery can significantly minimise opportunities for corruption. India's adoption of digital procurement systems, for example, has led to increased transparency and cost savings. In Nigeria, scaling up such initiatives would not only improve efficiency but also strengthen accountability. Finally, there is a need for sustained collaboration between government, civil society, the private sector, and the international community. Addressing corruption requires a multi stakeholder approach that leverages diverse expertise and resources. International partnerships can provide technical assistance, capacity building, and benchmarking opportunities, while local stakeholders ensure contextual relevance and sustainability. This collaborative approach is essential for achieving long term governance reform and national development.

In conclusion, the recommendations advanced in this study underscore the necessity of a holistic and transformative approach to governance reform in Nigeria. They emphasise the importance of institutional strengthening, judicial efficiency, ethical leadership, citizen engagement, and technological innovation. If diligently implemented, these measures have the potential to significantly reduce financial misappropriation, enhance accountability, and promote sustainable development. However, their success ultimately depends on the political will of leaders and the collective commitment of all stakeholders to uphold the principles of transparency, integrity, and the rule of law.

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