

## Okonjo-Iweala's reflections on the challenges of fighting corruption in Nigeria

*Popular abroad but under-appreciated at home, Olu Fasan explores the conundrum that is Dr Ngozi Okonjo-Iweala after her recent public lecture at LSE.*

On 16 May 2018, Dr Ngozi Okonjo-Iweala, former managing director of the World Bank and Nigeria's two-time finance minister, who was also a foreign minister, came to LSE. Her mission was to talk about her latest book, "Fighting Corruption Is Dangerous", an account of her personal travails as the powerful but controversial finance minister under the Goodluck Jonathan administration. It was an evening full of reminiscences. If Okonjo-Iweala is without honour in her native Nigeria, as frequent trenchant criticisms of her at home suggest, she is certainly highly celebrated abroad. Indeed, she is a big global figure. The presence of former British Prime Minister Gordon Brown and his wife, Sarah, at the event attests to this, as was attendance by several notable personalities from the worlds of global finance and public administration.

The event was hosted by the [International Growth Centre](#), a joint LSE-Oxford University policy research centre, and the [Firoz Lalji Centre for Africa](#), both based at the LSE. Introducing Dr Okonjo-Iweala, Professor Jonathan Leape, executive director of the IGC, described her as "an extraordinary individual", and hailed her "personal and political courage" as shown by her determination, amid personal attacks, to undertake "long-term institutional reforms" and "root out corruption" in Nigeria.



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Many Nigerians would, however, balk at those glowing descriptions of Dr Okonjo-Iweala, given her controversial and broadly negative public image in Nigeria, particularly during her second time as finance minister and coordinating minister for the economy when she became Nigeria's de facto prime minister under a weak and rudderless president. But to the international community, her real constituency, Okonjo-Iweala, who is currently chair of the board of [GAVI](#), the global health body, is a hallowed figure. And she was feted as such at the London event.

The talk took the form of a Socratic dialogue, a conversation, rather than a lecture, with Dr Okonjo-Iweala fielding questions. Anchoring the conversation was the Director of the LSE, Dame Minouche Shafik, who has similar career trajectory as Dr Okonjo-Iweala. Dame Minouche was vice president of the World Bank, permanent secretary of the UK Department for International Development, deputy managing director of the IMF and deputy governor of the Bank of England before she became the Director of LSE last year, the first woman to hold that position!

Dame Minouche, who has known Dr Okonjo-Iweala for more than 20 years, since they were colleagues at the World Bank in the early 2000s, started off with an anecdote. "I still remember the day that Ngozi told me she was going to leave the relatively comfortable life of the World Bank to be finance minister of Nigeria", the LSE Director recalled. "I just looked at her and said, 'Ngozi, that's one of the hardest jobs in the world' – and then she did it twice!". This, Dame Minouche said, "a testimony to her courage and determination".

Dr Okonjo-Iweala responded that her decision was driven by a commitment to public service, an ethos she said she imbibed from her father, Professor Chukwuka Okonjo, himself a renowned economist. She recalled how, as a teenager, her father stopped her from going on holiday abroad with friends because the cost of the ticket would have paid for the secondary education of four or five students! "That's the home I came from", she said, before lamenting: "But at home, people have lost that; they've lost faith. They don't believe anyone can serve their country, and it's sad". "So, I went back to show young people that there are people who love their country, who want to serve". That's a passionate protestation of patriotism and altruism. But it's difficult to gainsay her; she is public-spirited.

From personal motivation, the discussion moved on to policy issues. What are the root causes of corruption in Nigeria? She was asked. She said there were many but would focus on two. First is weak institutions, particularly weak financial systems and processes, such as Nigeria's "cash-based system", which led to the phenomenon of ghost workers and fuelled massive corruption. As minister, she had to build, with international support, a government-integrated financial management system to tackle the problem. Second is Nigeria's costly presidential system and its impact on elections. The "dirty little secret", she said, was that "part of the money for the treasury are diverted to finance political campaigns". With that revelation, the Nigerian National Assembly's plan to approve an unprecedented sum of 10 trillion naira for the 2018 budget, in pre-election year, must set the alarm bells ringing! Given Nigeria's very lax campaign finance law, such a bloated budget is an opportunity for the politicians to use public money to fund their election campaigns!

Still fielding questions, Dr Okonjo-Iweala responded to one about why some countries, such as China, develop with corruption while Nigeria was struggling. It's better to develop without corruption, she cautioned, since any corruption diverts away a nation's resources. However, there are many reasons why countries develop faster than others. She gave two. First, countries that have more cohesion, a social contract and common vision for the future are likely to do better. Second, countries where there is policy consistency will perform better than those with policy inconsistency. She regretted that Nigeria failed these tests: it lacked cohesion and a common purpose, and, of course, policy consistency.

Then came a "trick" question: Of the two presidents, Olusegun Obasanjo and Goodluck Jonathan, under whom she served as finance minister, who fought corruption more and who was more relaxed about it? Okonjo-Iweala saw the booby trap and avoided it. "I am not going to enter into a comparison of presidents", she said, adding that both leaders had "very different styles and managed issues vastly differently". But in an apparent indictment of President Jonathan, she said his administration didn't get the communication right. "You need to send the right signals from the top, you need to make it clear to people what you stand for, and, finally, you need to execute". There was indeed the widespread perception that Jonathan was quite blasé about endemic corruption in Nigeria. He once said, for instance, that "There is no corruption but stealing in [Nigeria](#)".

At this point, the conversation shifted back to Dr Okonjo-Iweala's personal travails. How did she sustain the personal attacks? She was asked. She answered, sounding downbeat, "It was hard". Her mother was kidnapped, and she was given an ultimatum to resign and leave the country. But she said: "When I saw that there was such an intense desire for me to resign, I decided that I must be doing the right thing". She said she could have resigned, but didn't because she felt she had important work to do, adding: "At the end of the day, we saved about \$9 billion"! Put counterfactually, had she not stayed put, Nigeria would have lost a whopping \$9 billion! No wonder Dame Minouche jokingly called her "the \$9 billion woman"!

So, then, she was asked: what makes an effective finance minister? She listed four qualities: First, technical skills – knowledge of what policy levers can move an economy. Second, extraordinarily thick skin – "you can't be a finance minister with a thin skin". Third, political skills, but admitted: "I wasn't very good at that". And fourth, trust and respect with the boss. She said she enjoyed this as she was "never stopped" at the top from doing anything, "but things were not going right elsewhere".

For me, her admission of lack of political skills resonated strongly. President Obasanjo said in an interview in 2015: "Ngozi's strong point is technical expertise. But she needs to be led and to be supervised". The truth is that Dr Okonjo-Iweala is an outstanding technocrat, but she came across as politically naïve. She seemed to lack the political savviness that a technocrat needs to operate successfully in the murky environment of domestic politics. What's more, she didn't seem to understand what's at the heart of Nigeria's problems. She saw the solution to Nigeria's acute problems purely through the prisms of economic policy and economic institutions rather than politics.

For instance, despite her views about the unsuitability of the presidential system for Nigeria and the lack of unity and cohesion in the country, she was somewhat dismissive of a question about Nigeria's flawed political structure. Nigeria is not a nation, but a country of nations, yet it has an overcentralised political system. It needs to be decentralised politically and institutionally to engender harmony and be manageable. The problems that Dr Okonjo-Iweala identifies in her books can indeed only seriously be addressed through political restructuring, which is not about breaking up Nigeria, but about giving it a new political settlement and a fit-for-purpose politico-governance structure.

Dr Okonjo-Iweala's two books, "Reforming the Unreformable" (2012) and the latest "Fighting Corruption Is Dangerous", both capturing her experiences as finance minister in Nigeria, are certainly a must-read for anyone who wants to understand the political economy of reform and governance in the country. She is an outstanding technocrat and an intrepid reformer, but, as I said, less adroit in the game of politics. She is underappreciated in her home country Nigeria, but highly celebrated by the international community, and rightly so. As Gordon Brown said powerfully at the event, "You are talking about a finance minister, but more than that someone who's got something to say about the future of the world and the future of Africa". Few will disagree with that!

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