

# Dubai Properties: An Oasis for Nigeria's Corrupt Elite: A Review

Babayo Sule<sup>1</sup> and Usman Sambo<sup>2</sup>

<sup>1</sup>Department of Political Science, Faculty of Humanities Management and Social Sciences, Federal University Kashere  
Gombe, Gombe State, Nigeria.

<sup>2</sup>Department of Public Administration, Faculty of Social and Management Sciences, Yobe State University Damaturu, Nigeria  
Email: [babayosule@gmail.com](mailto:babayosule@gmail.com) and [ussambo2@gmail.com](mailto:ussambo2@gmail.com)

**Abstract**— Corruption is one of the social issues that affects the Nigerian state culturally, economically, politically and socially leading to myriads of averted problems. The Nigerian ruling class found it escapable to loot and rape the national treasury with impunity. The looting was followed with the effrontery of money laundering and acquiring of assets abroad in exotic destination such as US, UK, Dubai and other places. This work is a critical review of a research conducted by Matthew Page under the support of Carnegie Endowment for International Peace which investigated the ownership of properties worth millions of US Dollars in Dubai by Nigerian Politically Exposed Persons (PEPs). This study utilised a methodology of comparison and textual analysis of the findings of the report critically by identifying the strengths and weaknesses of the report and a suggestion for future research work. The study concludes that the report in Dubai Properties is just a tip of an iceberg if other countries such as US, UK and other favourable destination of Nigeria's corrupt elites are reviewed in a study of the same nature. The study recommends that researchers on corruption in Nigeria should seek for an international grant to expand the study of this nature into other countries of suspicion to enable for the furnishing of the citizenry with the treachery of the ruling class for a quick demand of accountability and transparency in governance.

**Keywords**— Corruption, Dubai Properties, Elite, Nigeria, Oasis, Review.

## INTRODUCTION

An interesting Working Paper titled "Dubai Properties: An Oasis for Nigeria's Corrupt Elite" was published in March, 2020 by a researcher, Matthew Page under the auspice of Carnegie Endowment for International Peace. The work discussed one of the most interesting areas of the Nigerian political economy; corruption and elites' misrepresentation and squander of the nation's resources amidst the massive poverty and impoverishment in the country. The work is timely and has significant policy implications, academic pedigree

for future researches in the area and the need for exposure to involve the stakeholders locally and internationally for an action oriented measures. This review is necessary and the author felt that the shocking revelation unveiled in the research undertaken by Page (2020) should not just end there with his findings. Several issues that occurred before his discovery, numerous points raised in his work uninvestigated and the aftermath of his investigation all call for a more elaborate but succinct analysis of the work. The work is expedient because it has to do with the political and economic aspects of the largest black nation on earth and the seventh (7) most populous country on earth. Nigeria has developed a notorious reputation in corruption globally due to the habit of its ruling elite who were reported to have been enriching themselves by looting the public treasury and investing abroad. What made the subject matter important and necessary for review is the magnitude of revelation in terms of the brazen opulence displayed by the 'Politically Exposed Persons' (PEPs) who constitute the ruling class and their front men despite the country being the poorest in the world in 2019 according to World Poverty Clock Report. The objective of this review is to identify the contributions made by the discovery, the strengths of the work, its weakness and neglected area, comparative analysis of the subject matter with previous and future issues and to make the findings more solid while opening up more room for debate in the area covered.

## *Dubai Properties: An Oasis for Nigeria's Corrupt Elite: A Review of the Working Paper*

The Working Paper, which is forty-two (42) pages used a methodology of data gathering compiled from a private data in UAE-based real estate and property professionals and provided to C4ADS by confidential sources. The data according to the Report was complemented with other verifiable personal sources and corporate records hold by the Corporate Affairs Commission in Nigeria. The Report further stresses that the mention of any individuals or organisations does not violate any law or an international agreement. The Report further emphasises that it was not meant to

ridicule or expose any PEPs in Nigeria but as a policy implication oriented approach to curb corruption, illegal wealth possession and money laundering. The Report identified Dubai as a safe haven for ill-gotten wealth by politicians of various countries including Nigeria, the biggest African economy and the 7th most populous country in the world.

In the Report, some major observations raised include the discovery that there are 800 Dubai properties linked to politicians in Nigeria from the obtained data (2006-2016). The properties disclosed that there is a tentative and not a definitive proof that Nigerian PEPs possess unexplained wealth if their salaries and allowances are taken into consideration. Less obstacle is faced by Nigerian elites in transferring large quantities of cash to Dubai because it mostly went unreported by both the Nigerian and Dubai officials. Dubai property ownership cuts across all of Nigeria’s elite political, ethnic, and religious groups. A comparative effort with Kenyan PEPs revealed a lesser ownership than Nigerian elites by the study. The policy implications according to the study is the condition that if the monies are from ill-gotten wealth, it has socioeconomic and political repercussions on the country. Strategic considerations may hinder a global policy towards cutting the illicit financial flow from Nigeria into Dubai because the key global partners of Dubai such as USA and UK may not press hard on Dubai to avoid the illicit flow for their economic and political interest too. While the Nigerian law enforcement can utilise the revelation to block the financial leakage, the Dubai authorities have a greater responsibility in reporting and blocking the financial flows from Nigeria. Factors that facilitate the illicit flows of cash and money laundering from Nigeria to Dubai include accessibility through Emirate Airways, permeability with Dubai as the business hub in the Middle-East, reliability for a guaranteed investment environment and affordability because of the cheaper cost of procurement of properties. The study concludes that Nigeria’s PEPs can be linked to many Dubai properties but not as much as it is reported. Dubai properties is an indicator but not a definitive proof of Nigerian elite unexplained wealth. Many Nigerian elites used proxies to hide wealth but there are many who purchase properties with impunity. Nigerian elites are now facing obstacles in transferring wealth to Dubai and the ownership of properties in Dubai cuts across all ethnic, religious and regional divides in Nigeria even though, Dubai is a Muslim State. The classes of the ownership of Dubai properties by Nigerian elites is summarily presented in the table below.

Table 1: Nigerian PEPs Linked to Dubai Properties

S/No.	Individual Type	Total Individuals	No. of Properties
1.	Suspected PEP Proxy	158	226
2.	Known Nigerian Law Enforcement Agency Suspects	13	216
3.	PEP-Linked Business Person	50	91
4.	Security Sector Leader	14	71
5.	Governor	35	69
6.	Legislator	16	45
7.	Department/Agency Head	16	25
8.	Minister	15	24
9.	Nigerian National Petroleum Corporation Official	11	19
10.	Presidency Staff Member	5	13
11.	Judge	1	1
12.	Total	334	800

Source: Sandcastles Data Last Published 2016 (cited in Page, 2020).

**THE NEED FOR COMPARISON**

The study or findings above are just a tip of an iceberg. If the author expanded comparatively to include two or three more countries that Nigerian PEPs are possessing properties and are laundering money for over the period of study, the revelation would be quiet shocking and unbearable. For instance, in the Halliburton and Siemens scandal, top Nigerian politicians were involved but were not punished or sanction by the authorities in the country. The Halliburton scandal worth \$182 million (N36.4 billion) involving the alleged bribe of some Nigerians such as the former Heads of States Ibrahim Babangida and Abdulsalami Abubakar and Senator Jubril Aminu to win contract by the company to build the Bonny Island Natural Liquefied Gas Project. The Panama Papers, which is a leakage of sensitive documents held by Panama-based Mossack Fonseca detailing how top political world leaders, celebrities, athletes, FIFA officials and other dignitaries in the globe is another viable option for comparison. The involvement of Nigerians in the scandal made one journalist in the country to conclude that “It now seems

certain for Nigerians to make any list of persons connected to an international scandal and the leaked Panama Papers appear to have again confirmed it” (Adeoye, 2016). Some Nigerians that were involved in the Panama Papers include the former 8th Senate President Dr. Bukola Saraki, former 6th Senate and 7th Senate President Mr. David Mark, former Delta State Governor James Ibori, former Army Chief and Minister of Defense Chief Theophilus Danjuma and Africa’s richest man Aliko Dangote. In a post on the Facebook platform of the Voice of America (VOA), some Nigerian politicians including former Ministers, Governors, Senators, Party leaders, business moguls and allies of politicians were reported to have possess properties worth millions of USD in the United States.

Besides, a lot of the former Military President Sani Abacha stashed in the Swiss Account was valued at \$5 billion (N2 trillion) which is being repatriated back to Nigeria for the past twenty (20) years. This is the booty of just one President alone who is dead and who is believed to have been witch hunted by the Western world in collaboration with Nigerian politicians. If the loot of other living Presidents is to be exposed as it is alleged that there is, more will appear. In addition, the Nigerian politicians’ unexplained wealth in UK is another issue of concerned related to this study. The UK in recent years had one of the best performing property markets in the world and this was believed to have been flourished by inflows from Russia, China, Dubai and Nigeria. Transparency International Director, Robert Barrington, in 2015 said, “there is a growing evidence that the UK market property has become a safe haven for corrupt capital stolen from around the world. Various reports cited London as a money laundering haven with over 36, 000 properties owned by offshore companies. Any attempt at taking measures will sharply affect the Nigerian elites because they constitute a large share of the ownership according to the report (Transparency International, 2018).

#### **THE STRENGTHS OF THE STUDY**

The study is concrete in many aspects. It is a single case study of Nigerian property ownership in Dubai. If the report includes other countries, it would be difficult, multi-tasking and cumbersome for generation of data and analysis. However, if other studies separately can be undertaken like this one, it will open up a room for comparison or possible merger of findings in one study because the available data then will make it easier for a broad study. Another area of the strength of the study is its reliability on a source of data that is affordable, valid, direct from the source and legally binding without a

conflict of interest or the much-needed confidentiality in research conduct of this nature in most cases. The research has a strong ground for policy implications towards addressing a serious global issue of corruption. Nigeria has been emerging as one of the most corrupt countries in the world Corruption Perception Index (CPI) 148 in 2017, 144 in 2018 and 146 in 2019. Such activities like money laundering, illicit financial outflows, looting of public treasury and possession of unexplained wealth by Nigerian leaders could be the possible explanation for the low ranking in corruption index. Exposing such illicit financial activities at the global level may help the Nigerian law enforcement agencies to tighten their belt for an international investigation and internal scrutiny of financial activities of the political class. The work also has the basis for questioning the political expediency of Nigerians especially the governed in terms of their response towards corrupt practices and the level of tolerance towards corrupt public officials. Such a revelation will set many countries with a high level of political sensitivity into turmoil but it seems most Nigerians are comfortable and adamant towards taking a serious action in terms of demanding for answers on the illegal wealth of their leaders.

#### **WEAKNESSES OF THE STUDY**

However, despite the strong and concrete position of the study under review, there are many weaknesses or loopholes that the study leaves for future researchers to dwell on. One of the areas is the methodology used. The data were collected from majorly one side which is the Sandcastle data in Dubai. Although the author stated that he contacted some of the individuals involved in the property ownership and the Nigerian authority, it seems the most reliable data of the work is only the Dubai source. Perhaps, if the data were further obtained from the Nigerian side, the discovery may be more than what was reported in the study. Although, it would be more difficult to get a data of such nature from Nigeria because the authorities were involved could block access to such data because of their involvement in the scandal and the academia in the country were starved of funds for undertaking such a gigantic research. Additionally, the study reported a data from 2006 to 2016 and ended there. From 2016 to date, a period of four (4) years, more PEPs may purchase properties in Dubai while many may have lost them because of the deal entered into between the Nigerian Government in 2016 with the Dubai authorities on reporting, preventing and exposing illegal wealth and money laundering. The study under review suggested that there may be dispossession and possession from the date of the data

release to date. Although, the study made some efforts in comparison with Kenyan elites in East Africa to see the level of the ownership, the study failed to expand and look at other destinations of Nigeria's ill-gotten wealth especially USA and UK. Such comparison would have led to a better conclusion and perception of the level of Nigerian elites' squander of national resources.

### **CONCLUSION**

In conclusion, the study remains an important area of interest that the Nigerian academics should venture into. The author had already set the foundation for such a wonderful task and the Nigerian researchers need to join in the debates. If the Nigerian Government may not be willing to provide research grants for doing that, it is believed that the likes of Carnegie Endowment for International Peace and other international organisations and agencies may be willing to do so. Major countries that Nigerians frequently patronise include USA, UK, France, Switzerland, Italy, Germany, China, South Africa, India, Malaysia, Singapore and others. Researchers should focus on these countries for a more comprehensive data and findings. One important area that is vital in this study is its linkage towards the political economy of the Nigerian state. The country is always lagging behind in foreign investment due to inadequate infrastructure among other factors. The Nigerian politicians may do favour to Nigerians by investing the money they possess whether illegal or questionable wealth towards building infrastructure such as roads, electricity, estates, communication, schools, hospitals and other basic infrastructures that are needed for nation-building rather than displaying affluence before the world in a poverty-ridden country. The export of huge wealth by the Nigerian politicians into Dubai and other related destination disclosed how naïve, insensitive and sabotaging the Nigerian political class are. The political economy of corruption is the fact that Nigerian elites engage in corrupt practices such as money laundering and illegal financial flow apart from looting which is difficult to prove (although the report mentioned that many of the owners of the properties in the study were once convicted or investigated for corrupt practices by the Nigerian Government which is enough to justify the allegations of the illegal wealth) means that the Nigerian politicians are enriching and boosting businesses and investments in other parts of the world when common basic infrastructure is lacking in their country which exacerbate poverty, unemployment, insecurity, inequality, deprivation and youth restiveness.

On the part of policymakers, it is essential that the Nigerian Government must take the necessary action in

handling the issue of corruption, money laundering, illicit financial flows decisively with strict measures. Relying on Dubai authorities or world taskforce on illicit financial flow and money laundering may not yield the desired result from the part of Nigeria because the key players in the taskforce committee are beneficiaries of the illicit money. For instance, the Transparency International in its Corruption Perception Index Report of 2017 noted that corruption is higher in developing countries but it urged the developed countries to generously stop exporting their corruption to the developing countries. Furthermore, the TI in its 2019 Report on CPI observed that the reason why corruption is increasing in developing countries like Nigeria is because of illicit financial flows and money laundering into developed countries especially the US. Waiting for such countries who are beneficiaries to take an action will amount to an insurmountable journey towards fighting corruption in Nigeria. The country can best prevent such illegal financial activities from within if it strengthens its institutions and solidify legal enforcement agencies towards the task.

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