The Impact of Corruption on Sustainable Economic Growth and Development in Nigeria

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ABSTRACT
The continuous outcry of the citizens on the evils of corruption and its consequences on national development motivated this study. The major objective of this study was to examine the impact of corruption on sustainable economic growth and development of Nigeria. Data were drawn chiefly from secondary sources and subjected to econometrics tool of ordinary least square techniques. The major finding among others are weak institution of government; dysfunctional legal system; lack of transparency, high poverty/unemployment rate and political interference on the operations of anti-corruption agencies constitute the major causes of systemic corruption in Nigeria. This study therefore advanced among other propositions restoration of the lost social value system through the family unit, religion and schools; as well as entrench good governance.

Keywords: Corruption, Economic Growth, Development, sustainability.

INTRODUCTION
Over the last three decades the most single cankerworm that has eaten deep into the fabrics of our society is corruption. This has so deep-rooted and pervaded the nation that it has now appeared to have become a permanent characteristic of the Nigerian polity. It has become completely institutionalized, entered into the realm of culture and the value-system; it is now a norm and no longer an eccentricity. Our children are born into it, fed with it, grew up in it, socialize with it, live with it, and possibly die in it. This is substantiated in the many corruption cases being investigated by the EFCC and ICPC on high ranking government officials - former governors, cronies of the party in power, politicians, representatives of corporate organization as well as top business tycoons. Corruption has coexisted with human society for a long-time and remains as one of the problems confronting and starring both developed and developing economies with varying degrees in different countries and with overwhelming consequences on political and socio-economic development.

In Nigeria, it surprises many as to why a country so endowed, both in human and mineral resources, is as well ridden and riddled with underdevelopment in perpetuity. Yet, in any analysis of why Nigeria's greatness is being delayed or slowed down, and why majority of her people have failed to see democracy as a means to development, corruption has remained a chief variable (Tunde, 2008). Corruption is endemic and one of the many unresolved problems that have critically skewed and hobbled growth and development. It remains a long-time major political and economic challenge for Nigerians (Sachs, 2007).
It is the cankerworm that has eaten deep into the fabrics of the country and had stunted growth in all sectors (EFCC, 2005). It ranges from petty corruption to political/bureaucratic corruption or systemic corruption (International Centre for Economic Growth, 1999). World Bank studies put corruption at over $1 trillion per year accounting for up to 12% of the Gross Domestic Product of nations like Nigeria, Kenya and Venezuela (Nwabuzor, 2005). This is evident in Transparency International's consistent rating of Nigeria as one of the top three most corrupt countries in the world (Ribadu, 2003).

Without doubt, corruption has pervaded the Nigerian society and in the words of Achebe any one who can say that corruption in Nigeria has not yet been alarming is either a fool; a crook or else does not live in this country. The situation has become bad to the extent that as far back 1993, keeping an average Nigerian from being corrupt is like keeping a goat from eating yam (Achebe, 1988). It is not exaggeration of the tragic events of the country since independence, to say that all efforts to establish a just and efficient administration have been frustrated by corruption. The evil exists in every facet of our society. You bribe to get your child into a school, you pay to secure a job and you also continue to pay in some cases to retain it. You pay 10 percent of every contract obtained, you dash the tax officer to avoid paying taxes, you pay the hospital doctor and nurse to get proper attention, and you pay the policemen to evade arrest, this catalogue of shame can continue without an end (Tokunbo, 1992) if not tackled with utmost sincerity.

The prevalence of these activities in various aspects of our lives has a tremendous adverse effect on the quality of life of this country, our living standards and national psyche. Corruption brings a nation no good. The resources meant for water supply, roads, education, health and other basic and social services that are captured and stolen by a handful of Nigerians through corrupt acts stultify economic and social development hence creeping poverty all over the place (Keeper, 2010). Strategies to limit corruption have to be realistic and achievable and tailored to the needs of particular countries. In order words, policies intended to address corruption have to be consistently implemented over the long term. Corruption is essentially a governance issue. Increased governmental accountability and transparency, enhanced public participation in decision making, strengthened public sector and civil society institutions and greater adherence to the rule of law will not only improve governance but will help counter corruption. Free and open competition is ultimately the greatest weapon against corrupt practices - whether political, economic or bureaucratic (Policy Forum - Document on Corruption and Development in Africa, 1997).

Though corruption was not given an explicit recognition in the traditional economic growth theories, it has now become a globally recognized policy variable especially in less developed countries where it is considered more critical for the attainment of long-term economic growth and sustainable development. Over the years, several studies including Mauro (1997), Akkial, Smith and Adkins (1997) and Voskanyan (2000) have shown that corruption is capable of generating undesirable results even from excellent economic policies and development plans. World Bank (2000) identifies corruption as the single greatest obstacle to economic and social development as it distorts the rule of law and weakens the institutional foundations which economic growth depends. Corruption has
also been described as a deadly virus that attacks the vital structures that makes for a society's progressive functioning. Corrupt practices span a wide spectrum, ranging from petty corruption whereby bribes are required before normal bureaucratic procedures are accomplished to large scale corruption whereby considerable sums of money are paid in return for preferential treatment or access. Corruption occurs in the political, economic and administrative spheres. Corruption is worse in countries where institutions, such as the legislature and the judiciary are weak, where rule of law and adherence to formal rules are not rigorously observed, where political patronage is standard practice, where the independence and professionalism of the public sector has been eroded and where civil society lacks the means to bring public pressure to bear (Lawal, 2007). Obviously, in the case of developing country like Nigeria, where limited resources that are initially allocated for industries, hospitals, road construction, schools and other infrastructure are either out rightly siphoned, embezzled, misappropriated, or otherwise severely depleted through kickbacks and over invoicing by government officials. Sadly, Nigeria has consistently been classified as a leading icon among the most corrupt nations of the world based on the assessment of the annual Corruption Perception Index (CPI) of the Transparency International (TI). Hence, the pressing need for the government, policy makers, academicians and religious leaders to pay enthusiastic attention to the issue of corruption and its attendant effects in Nigeria.

Once corruption becomes deep-rooted and institutionalized in a society it penetrates into the value-system, it becomes an acceptable norm and culture of the people and subsequently goes into the realm of behaviour, its harmful effects multiply. It induces cynicism, because people begin to regard it as the norm. It undermines social value system because people find it easier and more lucrative and attractive to engage in corruption than to seek legitimate employment and genuine productive efforts. It corrodes governmental legitimacy because it hampers the effective delivery of public goods and services. It slows output growth because it reduces the amount of public resources, discourages private investment and savings and hampers the efficient use of government revenue and development assistance funds. This is the true extent of corruption level in Nigeria. It has permeated into the fabrics of Nigerian society and now seen as an acceptable norm and culture. Our children grow and fed with it. A few people who are transparent and incorruptible are despised by their communities. As part of effort to fight corruption in order to strengthen the economy, Nigeria embarked on an aggressive pursuit of economic reforms through privatization, banking sector reforms, anti-corruption campaigns, poverty alleviation and eradication programmes/strategies and establishment of clear and transparent fiscal standard since 1999.

However, despite all these frantic efforts of the government, observers have unanimously agreed that these programmes have failed to achieve the aims and objectives for which they were established (Ovwasa, 2000; Adesopo, 2008; Omotola, 2008). Afolayan (2011) notes that corruption is still a menace, thereby bringing untold hardship, misery, distortion and strangulation of growth and development. So many Nigerians, have already given up hope, to the extent that some have even resigned to faith, looking up to
God for survival. However the case God would not come down from heaven and purge us of our greed and insatiable appetite for looting the nation's treasury. Though, empirical evidence between investment and economic growth in Nigeria exist yet such on the relationship between corruption and economic growth and development is lacking hence the choice of this topic. The main objective of this study is to examine the impact of corruption on sustainable economic growth and development in Nigeria. Specifically, the study will examine the causes and effect of corruption in Nigeria; the factors impeding the efforts of government in fighting corruption; and the strategies/policies to be adopted to combat corruption and the attendant consequences of systemic corruption on national economy. To aid in achieving the above, it was tentatively assumed that there is no significant relationship between corruption and economic growth and development.

Corruption and its Mechanics

Typical of most social science concepts, corruption does not have a single-all agreeable definition. The concept according to Akindele (1995) has long been ideologically, morally, culturally, politically and intellectually elusive to the point of losing sight of its detrimental and parasitic influence on people and the society at large. Because it has no uniform definition, what is regarded as corruption depends on the actors, the profiteers, initiators, how and where it takes place. It also depends on the existing laws and regulations guiding certain actions. Some countries define corruption in the broadest form while others legislated on the narrow definition of the term. However, Khan (1996) defines corruption as an act which deviates from the formal rules of conduct governing the actions of someone in a position of public authority because of private - regarding - motive such as wealth, power or status. Otite (2000) on his own, argues that corruption is the perversion of integrity or state of affairs through bribery, favour or moral depravity... It takes place when at least two parties have interacted to change the structure or processes of society or the behaviour of functionaries in order to produce dishonest, unfaithful or defiled situations.

In other words, corruption is a systematic vice in an individual, society or a nation which reflects favouritism, nepotism, tribalism, sectionalism, undue enrichment, amassing of wealth, abuse of office, power, position and derivation of undue gains and benefits. Corruption also includes bribery, smuggling, fraud, illegal payments, money laundering, drug trafficking, falsification of documents and records, window dressing, false declaration, evasion, underpayment, deceit, forgery, concealment, aiding and abetting of any kind to the detriment of another person, community, society or nation (Ojaide, 2000). Again, Ofoeze (2004) sees corruption as any action or inaction of any person, or group (public or private) deliberately perpetrated to secure advantages for oneself, a relation, associate or group(s) in a manner that detract from the accepted regulations, morals, and/or ethical standard or code constituting a travesty of justice, equity and fair play. Lipset and Lenz (2000) viewed corruption as an effort to secure wealth or power through illegal means, private gain at public expense, or misuse of public power for private benefit.

The World Bank (1997) defines corruption as the abuse of public office for private gains. Public office is abused through rent seeking activities for private gain when an official accepts, solicits, or extorts a bribe. Public office is also abused when private agents actively
offer bribes to circumvent public policies and processes for competitive advantage and profit. Public office can also be abused for personal benefits even if no bribery occurs, through patronage and nepotism, the theft of state assets or the diversion of state resources. A public official is corrupt if he accepts money for doing something that he is under duty to do or that he is under duty not to do. Corruption is a betrayal of trust resulting directly or indirectly from the subordination of public goals to those of the individual. Thus a person who engages in nepotism has committed an act of corruption by putting his family interests over those of the larger society (Gire, 1999).

In an elaborate analysis, Alatas (1980) divides corruption into seven distinct types: autogenic, defensive, extortive, inventive, nepotistic, supportive, and transactive. Autogenic corruption is self-generating and typically involves only the perpetrator. A good example would be what happens in cases of insider trading. A person learns of some vital information that may influence stocks in a company and either quickly buys or gets rid of large amounts of stocks before the consequences arising from this information come to pass. Defensive corruption involves situations where a person needing a critical service is compelled to bribe in order to prevent unpleasant consequences being inflicted on his interests.

For instance, a person who wants to travel abroad within a certain time frame needs a passport in order to undertake the journey but is made to pay bribes or forfeit the trip. This personal corruption is in self-defense. Extortive corruption is the behavior of a person demanding personal compensation in exchange for services. Investive corruption entails the offer of goods or services without a direct link to any particular favour at the present, but in anticipation of future situations when the favour may be required. Nepotistic corruption refers to the preferential treatment of, or unjustified appointment of friends or relations to public office, in violation of the accepted guidelines. The supportive type usually does not involve money or immediate gains, but involves actions taken to protect or strengthen the existing corruption. For example, a corrupt regime or official may try to prevent the election or appointment of an honest person or government for fear that the individual or the regime might be probed by the successor(s).

Finally, transactive corruption refers to situations where the two parties are mutual and willing participants in the corrupt practice to the advantage of both parties. For example, a corrupt business person may willingly bribe a corrupt government official in order to win a tender for a certain contract. The focus of this paper is on the extortive, nepotistic, and transactive corruption, not only because they appear to be at the core of the corruption phenomenon, but also because the other forms appear to be the offshoot of these three fundamental types. There would be no defensive corruption in the absence of the extortive type. Corruption is like cancer, retarding economic development. According to Eigen (2001) corruption is seen as a "daunting obstacle to sustainable development", a constraint on education, health care and poverty alleviation, and a great impediment to the Millennium Development Goal of reducing by half the number of people living in extreme poverty by 2015. Some researchers have taken a holistic (broader) approach in the discussion of corruption by dividing it into several forms and sub-divisions. These according to Taylor (2010) include:
Political corruption: It occurs when politicians and political decision-makers, who are entitled to formulate, establish, and implement the laws on behalf of the people, are themselves corrupt. It also takes place when policy formulation and legislation is tailored to benefit politicians and legislators.

Bureaucratic corruption: This occurs in the public administration or the implementation end of politics. It is the kind of corruption the citizens encounter daily at places like the hospitals, schools, local licensing offices, police stations, the various government ministries etc.. Bureaucratic corruption occurs when one obtains a business from public sector through inappropriate procedure.

Electoral corruption: This includes promises of office special favours, coercion, intimidation, and interference with freedom of election, buying of votes, disenfranchisement, snatching of ballot boxes, victimizing and maiming, mutilation of election results in favour of losers and votes turn up in area where votes were not cast.

Bribery: The payment (in money or kind) that is taken or given in a corrupt relationship. These include "kickbacks", "gratuities", "pay off", "sweeteners", "greasing palms" "scratching of back" etc.

Fraud: This involves some kind of trickery, swindle and deceit counterfeiting, racketing, smuggling and forgery.

Embezzlement: This is seen as the theft of public resources by public officials. It is when an official of the state steals from the public institution in which he/she is employed. In Nigeria the embezzlement of public fund is one of the most common ways of wealth accumulation, perhaps, due to lack of strict regulatory systems.

Extortion: This is money and other resources extracted by the use of coercion, violence, or threats to use force. It is often seen as extraction from below.

Favoritism: This is mechanism of power abuse implying a highly biased of state resources. However, many see this as a natural human proclivity to favour friends, family, and anybody close and trusted.

Nepotism: This is a special sort of favoritism in which a public office holder prefers his/her kinfolk and family members. Nepotism occurs when one is exempted from the application of certain laws or regulations or given undue preference in the allocation of scarce resources (Amundsen, 1997; and Girling, 1997). These types of corrupt practices are very common and widespread, to the fact that it is now seen as an acceptable norms and culture in the present day society.

The Causes of Corruption in Nigeria
A number of factors have been identified as instrumental to enthroning corrupt practices especially in developing countries. Some evidence substantiate that they have the following link: political and cultural variables, social diversity, ethno-linguistic fractionalization, and the proportion of a country's population adhering to different religious traditions. Thus, the socio-political economy system and the culture of a society could make the citizens more prone to corrupt activities. However, the fundamental factors that have engender and sustained corrupt practices in Nigeria include:
(i) The weak institutions of government;
(ii) Political office as the primary means of gaining access to wealth;
(iii) Conflict between changing moral codes;
(iv) The weakness of social and governmental enforcement mechanism;
(v) The absence of a strong sense of national community;
(vi) Dysfunctional legal system;
(vii) Less effective government works with slow budget procedures;
(viii) Lack of transparency;
(ix) The great inequality in the distribution of wealth;
(x) Low salaries and poor working conditions, with few incentives and rewards for efficient and effective performance;
(xi) According to Dike (2003), the influence or pressure of 'polygamous household' and extended family system, and pressure to meet family obligations, which are more in Less Developed Countries;
(xii) The culture and weird value systems of the Nigerian society. Becoming corrupt is almost unavoidable, because morality is relaxed in the society, and many people struggle for survival without assistance from the state;
(xiii) Widespread poverty.

Because of the persistent nature of corruption, Nigerians have instituted the culture of affluent and ostentatious living that expects much from "big men," extended family pressures (Maduagwe, 1996), village/ethnic loyalties, and competitive ethnicity. The country is one of the very few countries in the world where a man's source of wealth is of no concern to his neighbours, the public or the government. Once a man is able to dole out money, the Churches, and the Mosques pray for him, he collects chieftaincy titles and hobnobs with those who govern. The message to those who have not made it is clear: just be rich, the ways and means are irrelevant (Ubeku, 1991). The causes of corruption in Nigeria cannot deviate significantly, if at all, from the above factors. However, obsession with materialism, compulsion for a shortcut to affluence, glorification, and approbation (of ill-gotten wealth) by the general public are among the reasons for the persistence of corruption in Nigeria. (Ndiulor, 1999).

The Effect of Corruption on National Development

The consequences of corruption on a nation's socio-political and economic development are myriad. The foremost effect of corruption is that it leads to a reduction in economic growth and development by lowering incentives to invest, it also leads to a divestment in such economies. Serious investors are always wary of offering bribes before being allowed investment rights or operational licenses. This is due to the fact that there is no guarantee that greased officials may keep their side of the agreement, and with no official cover they address in case of contract breach, the fleeced investor is on his own (Eppele, 2006). To the above is the fact that foreign investors are also prone to withdraw their capital from a country with high incidence of corruption because the risk involved in doing business in such nations sometimes outweighs the benefits. Granted that it has been argued that
Corruption provides both local and foreign investors the leverage to surmount bureaucratic impediments, yet the number of such successful deals is a far cry from the avalanche of investors that have stripped off their hard earned money (Keeper, 2010). Corruption also alters the pattern of government expenditure. Experience has shown that in highly corrupt countries, officials throw government funds more into large and hard-to-manage projects, such as airports or highways than on social services like health and education. It has been a stumbling block to people enjoying the social fruits of good governance (Ibrahim, 2003).

Corruption contributes immensely to inhibition of economic performance; it negatively affects investment and economic growth, which is detrimental to national development. If corruption discourages investment, limits economic growth and alters the composition of government spending, it automatically hinders future economic growth and sustainable development. Corruption tarnishes the image of a nation; perhaps, Nigeria suffers more than most societies from an appalling international image created by its inability to deal with bribery and corruption. For instance, the 1996 study of corruption by the Transparency International and Goettingen University ranked Nigeria as the most corrupt nation among the 54 nations on the study, with Pakistan as the second highest (Moore, 1997). In the 1998 Transparency International Corruption Perception Index (CPI) survey of 85 countries, Nigeria was ranked 81 (Lipset and Lenz 2000). Worse still, in the 2001 Corruption Perception Index (CPI) survey of 85 countries, the image of Nigeria slipped further south, as The Transparency International Corruption Index, 2001 ranked Nigeria 90 out of the 91 countries studied (second most corrupt nation in the world) with Bangladesh coming first.

Corruption contributes to the problem of mass poverty and rendered millions of Nigerian citizens unemployed and uneducated. The poverty profile of Nigerians appears to be worsening. The UNDP Development Report 2001 places Nigeria at 148 out of 173 countries surveyed. The situation worsens in 2003 report, which put Nigeria at 152 among the 175 countries covered in the survey. It is truism that mass poverty has been a breeding ground for all forms of extremism in the frequent outbreak of ethno religious violence in some parts of Nigeria (FRN, 2001 and Obadan, 2001). In Nigeria, corruption led to decaying infrastructure, inadequate medical services, falling educational standards, mismanagement of foreign loans, bloated imported bills and public expenditure, reduces production capacity, distortion of the economy through waste and misallocation of resources. In 2001, Nigeria lost more than N23billion to corruption (Salu and Aremu, 2004).

**Dimension of Corruption in Nigeria**

According to Abayelu (2007) to say that corruption is rampant in Nigeria is to over flog the obvious. Corruption in Nigeria, as it presently manifests can be appropriately termed endemic or systemic. What is unique about Nigeria is her persistence in corruption, though statistically non-significant position within the bottom five surveyed nations every year since 1996. Corruption has not only permeated the government and oil fields of Nigeria, it has attacked the entire nation (Hadi, 1999). Corruption and inefficiency are characteristics of service delivery in Nigeria, although private companies seem to perform more efficiently and less corruptly than public enterprises (Amadi, 2004). Corruption has become so
The 1996 Study of Corruption by Transparency International and Goettingen University ranked Nigeria as the most corrupt nation, among 54 nations listed in the study, with Pakistan as the second highest (Moore 1997). As this was not too bad enough, the 1998 Transparency International corruption perception index (CPI) of 85 countries, Nigeria was 81 out of the 85 countries pooled; (Lipset and Lenz, 2000). In 1999 Transparency International (TI) released its annual Corruption Perceptions Index (CPI) ranking 99 countries in order of their perceived levels of corruption with number one being the least corrupt, Nigeria at number 98, was only one rank above its neighbour Cameroon. In the 2001 corruption perception index (CPI), the position remained unchanged as the second corrupt nation in the World (ranked 90, out of 91 countries pooled) with Bangladesh coming first. In October 2003 reports released in London, Nigeria at number 132 was still only one rank above Bangladesh - even though the number of countries in the latter poll had increased to 133 countries.

The 2004 Corruption Perceptions Index, released by Transparency International (TI), the watchdog on global corruption again ranks Nigeria as the third most corrupt country in the world. Up till June 2007 Nigeria has not been exonerated from the list of the top ten leading countries on corruption. On sectoral distribution, the nationwide corruption survey in the Nigeria Corruption Index (NCI) 2007 identified the Nigerian Police as the most corrupt organization in the country, closely followed by the Power Holding Company of Nigeria (PHCN). Corruption in the Education Ministry was found to have increased from 63 per cent in 2005 to 74 per cent in 2007, as against 96 per cent to 99 per cent for the Police in the corresponding period. The Independent National Electoral Commission (INEC), was the only new organization identified as corrupt among the 16 organizations on a list which included Joint Admission and Matriculation Board, the Presidency, and the Nigerian National Petroleum Commission (NNPC). While the Federal Road Safety Commission (FRSC) and the Nigerian Railway Corporation (NRC) have been identified as the least corrupt organizations with respect to bribe taking from the populace as at June 2007 (Abimbola, 2007). Another area in which corruption has manifested itself in Nigeria is in the area of project execution. For instance, Ajaokuta, a steel mill in Nigeria, has been under construction for the past seventeen years and throughout that period of time has consumed seven billion dollars. It has produced no steel. The mill is a white monolith of steel and concrete, epitomizing corruption in display. Another example is Alscon upper block (an aluminum plant in Nigeria) which has consumed three billion dollars over the past five years. The project was to produce 190,000 tons of aluminum, but, like its predecessor, Ajaokuta, has not produced any aluminum to date Abayelu (2007).

Government Efforts at Combating Corruption in Nigeria
Nigeria remains mired in corruption, crime, poverty, and violence despite the promulgation of several laws like in other countries as the principal mechanism for curbing corruption. The legal instruments used to fight corruption in Nigeria include the Criminal Code, Code of Conduct Bureau, the Recovery of Public Property Act of 1984 and the newly formed commissions (the EFCC and the ICPC). Prior to 1966, the Criminal Code was the primary
source of law dealing with corruption in Nigeria. But due to the narrow nature in dealing with corruption such as only criminalizing the conduct of bribe-taking public servants leaving the private, it was replaced by Criminal Justice (Miscellaneous provision) Decree in 1966. This however failed to stem the tide of corruption. The rules were confusing, thus leaving open the livelihood that guilty persons might escape punishment on technical grounds, Obayelu (2007). The code of Conduct was thereafter formed in the 1979 Nigeria constitution where complaints on corrupt practices are referred to Code of Conduct Bureau Tribunal. The Bureau forbids public officers from simultaneously receiving remuneration of two public offices and from engaging in private practices while in the employment of government, the code bar public servants from accepting gifts or benefits in kind for themselves or any other person on account of anything done or omitted to be done in the discharge of their duties. It prohibits public officers from maintaining or operating foreign bank accounts.

Public officers are required to declare their assets and those of their families immediately after taking oath of office, at the end of every four years in office, and at the end of their terms. Due to the non inclusion of the private sector which are also corrupt in all these laws, in year 2000, the Independent Corrupt Practices and Other related Offences Act was promulgated which eventually gave birth to the ICPC and the EFCC charged with the responsibility of investigating, arresting and charging any offender with corrupt practices either economic or financial crimes in Nigeria to court, Obayelu (2007). The introduction of EFCC and ICPC to tackle corruption has yielded slight positive results in curbing corruption in Nigeria. There have been a number of high profile convictions since its inception. Many advance fee fraud, “419” kingpins have been detained, two judges have been sacked and two others suspended, several legislators (including a past Senate president) have lost their legislative posts and are being prosecuted, three ministers have been dismissed, a former Inspector General of Police, the top law enforcement official in the country has been tried, convicted and jailed for corruption with some State governors impeached by their State assemblies for corruption (Okonjo-Iweala and Osafo-Kwaako, 2007). To its credit, EFCC has succeeded in creating fear in the hearts of many corrupt government and business officials who before the birth of EFCC would not have smelled the jail. Examples of high profile corruption cases of EFCC are listed in the table below.

Table 1: Some High Profile Corruption Cases of the Economic and Financial Crimes Commission (EFCC) 2007-2011

<table>
<thead>
<tr>
<th>Name</th>
<th>Trial Court</th>
<th>Amount Involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ayo Fayose (Former Governor of Ekiti State)</td>
<td>Fed. High Court, Lagos.</td>
<td>N1.2 Billion</td>
</tr>
<tr>
<td>Adenike Grange (Former Minister of Health)</td>
<td>FCT. High Court Maitama</td>
<td>N300 million</td>
</tr>
<tr>
<td>Joshua Dariye (Former Governor Plateau State)</td>
<td>FCT High Court Gudu</td>
<td>N700 million</td>
</tr>
<tr>
<td>Saminu Turaki (Former Governor, Jigawa State)</td>
<td>FCT. High Court Maitama</td>
<td>N36 Billion</td>
</tr>
<tr>
<td>Orji Uzor Kala (Former Governor, Abia State)</td>
<td>Fed. High Court Maitama</td>
<td>N5 Billion</td>
</tr>
<tr>
<td>James Ibori (Former Governor, Delta State)</td>
<td>Federal High Court Asaba</td>
<td>N9.2 Billion</td>
</tr>
<tr>
<td>Iyabo Obasanjo-Bello (Serving Senator)</td>
<td>FCT High Court, Maitama</td>
<td>N10 Million</td>
</tr>
<tr>
<td>Lucky Ighemedum (Former Governor of Edo State)</td>
<td>Fed. High Court, Enugu</td>
<td>N4.3 Billion</td>
</tr>
<tr>
<td>Gabriel Aduku (Former Minister of Health)</td>
<td>FCT. High Court, Maitama</td>
<td>N300 Million</td>
</tr>
<tr>
<td>Jolly Nyaame (Former Governor of Taraba State)</td>
<td>Fed. High Court, Abuja</td>
<td>N1.3 billion</td>
</tr>
<tr>
<td>Chimaroke Nnamani (Former Governor of Enugu State)</td>
<td>Fed. High Court, Lagos</td>
<td>N5.3 Billion</td>
</tr>
<tr>
<td>Michael Bomiang (Former Governor of Plateau State)</td>
<td>FCT High Court, Maitama</td>
<td>N1.5 Billion</td>
</tr>
<tr>
<td>Roland Iyai (Former Managing Director of FAAN)</td>
<td>FCT High Court, Maitama</td>
<td>N5.6 Billion</td>
</tr>
<tr>
<td>Kenny Martins (Police Equipment Fund)</td>
<td>FCT High Court, Maitama</td>
<td>N774 Million</td>
</tr>
</tbody>
</table>
13 Filipinos (Charged for Oil Bunkering) Fed. High Court, Benin N300 Million
6 Ghanaians (Charged for Oil Bunkering) and Nigerian accomplice. Fed. High Court, Lagos N250 Million
Patrick Fernandez (Indian Businessman) Fed. High Court, Lagos N32 Billion
Prof. Babulola Borisade (Former Minister of Aviation) FCT High Court, Maitama N5.6 Billion
Bonj Haruna (Former Governor, Adamawa State) Fed. High Court, Lagos N254 Million
Femi Fani-Kayode (Former Minister of Aviation) FCT High Court, Maitama N974 Million
Prince Ibrahim Dunju (Police Equipment Fund) FCT High Court, Abuja N100 Billion
Bode George (Chieffun of the ruling party, PDP) Fed. High Court, Lagos N6 Billion
Rasheed Ladoja (Former Governor of Oyo State) Fed. High Court, Lagos N3.6 Billion
Four Snr Zenith Bank Managers Fed. High Court, Port Harcourt (charged for corruption and abuse of office)
Mallam Nasir El-Rufai (Former Minister of Federal Capital Territory) Fed. High Court, Abuja N2.5 Billion

Sen. Nicholas Upode, Hon. Nnadi Elumelu, Hon. Mohammed Jibo, Hon. Paulinus Igwe, Dr. Aiyi Abdullahi (Fed. Perm. Sec). Mr. Samuel Ibi. Mr. Simon Nnani, Mr. Lawrence Oryeke, Mr. Kayode Oyedeji,
Mr. A. Garba Jahun (Rural Electrification Agency case) FCT High Court Abuja N5.2 Billion
Prof. Bok Sokan, Mokat Muftiwang, Michael Aule, Andrew Ekpobon, (All Directors) Alexander Cozman (MD, Intermarket Ltd). (This is the UBEC case where high profile public servants connived with an American, Alexander Cozman) to defraud the Government. Federal High Court, Abuja N636 Million
Dr. Ransome Owu, Mr. Abdulrahman Ado, Mr. Adura Asari Alimi, Mr. Onwuamaebe Ibeho, Mrs. Grace Eyoma, Mr. Mohammed Bunu,
Mr. Ahiboibe Obuhibi Federal High Court, Abuja N1.5 Billion
Tom Ishehihi, Muhammad Buba, Mike Okoli, (GM & Managers of Transcorp Group PLC) Chief Joe Musa, DG National Gallery of Art, Olusegun Ogumba, Chinedu Obi
Oparagai Elizathet, Kweku Tando, (All Directors of NGA). Dr. Dayo Olagunju, Ex. Sec., National Commission for Mass Literacy, Adult & Non-Formal Education. FCT High Court, Abuja N1.012 Billion
Joshua Alao, Alice Abah, Jibrin Wagina, Ahmed Abubakar, Shuha Abdullahi, Dr. Victoria King-Nwachukwu, Adamu Khalid, Moses Oseni, Francis Awelewa, Bashir Suleiman
Hamam Bello Hammer, Ex-CG Customs, Fed. High Court, Abuja N479 Million
Hannah Sulaibain, Taideden Olayere, Lukman Hussain, Poplar Foods Ltd & Silver Maritime shipping coy Ltd
Professor Innocent Chuka Okonkwo fmr VC Imo state Univ, Uchechi Nwogu & Wilfred Uwakwe
Dr. (Mrs.) Cecilia Ihun (Former CEO, Oceanic Bank, PLC)
Dr Albert Ikimi, Rid perm sec, his firm, Satellite town Dev co Ltd
Dr. Bartholomew Ebone (Former CEO Union Bank, PLC) and Co. Raymond Obierie, (Fmr. Chairman)
Sebastian Adewge, Peter Ololo, Falcom Securities Ltd.
Okey Nwosu
Alex Nkenchor, Ex-Bank Manager, Ebi Odeigha & GMT Securities & Assets Nig Ltd.
Attahiru Bazafawawa, former governor of Sokoto state. Raymond Obierie, (Fmr. Chairman)
Francis Atuche, Former CEO, Bank PHB
Francis Okokuro, Bayelsa State Accountant General
Chief Osa Ounde (For Chairman, Afribank)
and 4 directors: Jibrin Isah, Isa Zailani, Chinedu Onyia and Henry Arogundade
Dr Erastus Akingbola, fmr MD/CEO, IB plc Fed. High Court, Ikyi, Lagos N277.3 Billion
Dr Charles Silva-Oyigbana (Former CEO of Credence Investment) Fed. High Court, Lagos N4.4 billion
Mr Oladele Shittu, CEO of Credence Investment Fed. High Court, Ikyi, Lagos N186 Million
Mr Sunday Akinyemi, fmr CEO Texas Connection Ferries Fed. High Court, Ikyi, Lagos N90 Million
Hon. T Faniyi, Albert Soje & others Fed. High Court, Ikyi, Lagos N3 Billion
Sanu Lawa & 3 other sacked NFF board members Fed. High Court, Ikyi, Lagos N1.5 Billion
Adesiyi Elumaro, Rakiya Mamman, Fed. High Court, Abuja N405 Million
Timiree Syla (former Bayelsa State Governor) Fed. High Court, Abuja N2 Billion

Before EFCC came on board, no governor or inspector general of police ever was put in the jail for bribery and corruption related offences. Many "big" fishes have been caught, tried, and their assets confiscated. A good example is the former Inspector General of Police, Tafa Adebayo Balogun in 2005. Once all elected officials like the governors and the president are stripped of the immunity that protects them from being arraigned while in office, the road to the success of EFCC will widen and become shorter, (Mez, 2010).

Through the government anti-corruption crusade, about N84 billion was recovered from the family of the late Head of State, Sani Abacha as at 2001. Between May 2003 and June 2004, the EFCC in Nigeria recovered money and assets from crime of over $700 million, as well as recovering of £3 million through the British Government. The commission prosecuted a fraud case involving $242 million arising from a bank fraud in Brazil in 2005. Overall, about 350 EFCC cases are at an advanced stage of prosecution. About 5,000 people have been arrested over the past three years. There have been about 91 convictions for various corruption crimes and assets worth over $55 billion have been seized, confiscated and refunded to the state and various victims of crime (EFCC Report 2006). The body has increased the revenue profile of the nation by about 20% due to its activities in the Federal Inland Revenue Service and the seaports recovered billions in respect of failed government contracts, curbed oil bunkering in the Niger Delta, from about 300,000-500,000 daily to less than 50,000 barrels with the Prosecution of over 20 persons involved in the vandalisation of oil pipelines (Imohe, 2005). For instance, whenever any driver was pulled over at a checkpoint for any reason whatsoever, he or she would be expected to shell out N50.00 as bribe. This amounts to a hundred and fifty percent increases from the amount that was recently paid as bribes to the "Nigerian department of police roadblock". This ritual is repeated at every ten or twenty miles when a commercial vehicle driver confronts a different squad of police, Abayelu (2007).

The Challenges of Fighting Corruption and Implementation of Economic Reforms Programmes in Nigeria

According to Dike (2005), the menace of corruption, which has eaten deep into the fabrics of all sectors of Nigeria projects and programmes, would require all the necessary antidotes to effectively control it. In other words, no single and simple remedy will achieve it. Nigeria has documented the solutions to tackle corruption; but like poverty bedeviling the nation, implementations of the laws are the Achilles heel (a vulnerable point) of the society. In the name of turning Nigeria into a corruption-free society, the nation has experimented with many strategies, programmes and policies. It has tried the judicial commissions of enquiry, the Code of Conduct Bureau. It had wrestled with the Public Complaints Commission to no avail. Also it fiddled with the Mass Mobilization for Social Justice and Economic Recovery (MAMSER), and the National Open Apprenticeship (NOA), War Against Indiscipline and Corruption (WAIC), National Drug Law Enforcement Agency (NDLEA) in 1989, Money Laundering Act of 1995 re-enacted 2004, Advance Fee Fraud (419) and Fraud Related Offences Act of 1995, prosecution and conviction of high ranking administration officials, tracing, seizing and confiscation of all proceeds of crime, privatization of failing public institutions, creation of an enabling environment for effective private-public
partnerships, Failed Banks Act of 1996, Banks and Other Financial Institutions Act of 1991, Foreign Exchange Act of 1995 etc. But to our greatest dismay, corruption instead bloomed amidst all the purported weapons of war against corruption. President Obasanjo in the year 2000 instituted Anti-Corruption Commissions under the Independent Corrupt Practices Related Offences Act of 2000, and the Economic and Financial Crimes Commission Act in 2003 through external pressure from the G8 Financial Action Task Force (FATF). Other institutional approaches includes, the establishment of the Budget Monitoring and Price Intelligence Unit (BMPIU) otherwise known as “Due Process”, monthly publication of distributable revenue from the Federation Account to the different tiers of government, Abayelu (2007). All these on the contrary, play the catalytic role for corruption to thrive. Assessment of corruption in Nigeria indicates some reasons that corruption still thrives in the country. All measures against corruption have not yielded fruit in Nigeria because they have operated at a level of mere symbolism. Those fighting the corruption wars are themselves corrupt. Some of the corrupt leaders still find it difficult to change the moral tone of the country. Government domination of the economic sphere significantly enhances opportunities and ability to seek rents. Civil society also still accepts or tolerates corruption. Other reasons attempts at curbing corruption still failed in Nigeria hinges on the fact that the entrenched and institutionalized phenomenon of the country, the failure of law enforcement agencies/workforce, constitutional constraints (that is, some provisions of our constitution seem to give immunity to some set of people), and attitude of defense lawyers using delay tactics to stall or forestall trials, thus resulting in congestion and slow pace of our court proceedings, Obayelu (2007).

From the analysis so far, it is obvious that corruption has eaten deep into the fabrics of our nation and now can be described as part of our culture and socially normalized. A cursory look at some of the high profile corruption cases of EFCC from the period of 2007 - 2011 (Table 2) show the extent of corruption in Nigeria. Funds meant for national development and well being of the citizen is diverted for personal enrichment and flamboyant life. Funny enough, some political "bigwigs" (the untouchables) who are brought to book as a result of corruption either go scot-free or giving a lighter punishment, while those who are not bigwigs (the touchable, the poor, the deprived, etc.) are often dealt with through the arms of the law. A striking example is James Ibori’s corruption and money laundry case. Cleared of all charges in Nigeria, but outside the shores of Nigeria, Ibori was found guilty of the same charges brought before the UK court and he was imprisoned for 13 years, even his accomplice bringing a question mark on the Nigerian legal system. Although, the effort of ICPC and EFCC has infuse fears on Nigeria thereby reducing corruption to a minimal scale, its operations are still being debated due to the fact that its actions are selective between the bigwigs and none bigwigs and those not in "Good Book" of the ruling government. Hence, corruption is still on high side. The fight against corruption must therefore be intensified and sustained in order to bring budget sums within realistic limits and further ensure that projects (particularly projects that are targeted at the poor) are appropriately and timely completed. This position has been accented to by the Minister of state for Communications Labaran Maku while briefing the media at the end of the Federal
Executive Council (FEC) Meeting of Wednesday, May 26th 2010 where he highlighted that costs for executing projects in Nigeria are 20-30% higher than those of the world and other African countries in the sub-Region and that there was no reason for that (Chiedozie, 2010).

**METHOD**

This study examined the impact of corruption on the economic growth and development of Nigerian economy. The study employs data mainly from the secondary source which are obtained from the CBN publications. The time series data cover the period of 1980 - 2011. In an attempt to estimate the impact of corruption on economic growth in Nigeria, the following were used: corruption (CRPT) as the dependent variable and the gross domestic product (GDP), unemployment rate (UR), debt stock (DS), government expenditure (GE) and political stability (POST) as the explanatory variables. This relationship was estimated with the aid of Microfit 4.1 econometric software package using Ordinary Least Square technique. The model for this study anchors on earlier studies with slight modification. The model is specified in functional form below as:

\[
CRPT = f(GDP, UR, DS, GE, POST)
\]

Where:
- CRPT: Corruption
- GDP: Gross Domestic Product (proxy for economic growth)
- UR: Unemployment Rate
- DS: Debt stock
- GE: Government Expenditure
- POST: Political Stability (dummy variable)

The log linear expression of the above model is presented as:

\[
(CRPT)_t = X_0 + X_1 \log(GDP)_t + X_2 \log(UR)_t + X_3 \log(DS)_t + X_4 \log(GE)_t + X_5 (POST)_t + U_t
\]

Where: \(X_0, X_1, X_2, X_3, X_4, X_5\) = Parameter estimates

The a priori expectations of the parameter estimates
- \(X_1 > 0, X_2 > 0, X_3 > 0, X_4 > 0, X_5 < 0\).

\(U_t\) = Stochastic variable or error term.

**RESULTS AND DISCUSSION**

In order to establish the relationship between corruption and economic growth and development in Nigeria, the variables considered in the study as presented on table 1. The table shows corruption index and other economic development indices in Nigeria for the period of 32 years (1980 - 2011) with which the linear equation model was regressed. The table revealed that over the 32 years, Nigeria was totally corrupt for 17 years while slight improvement was recorded between 1997 and 2011. On the other hand, development indices such as gross domestic product, debt stock, government expenditure recorded increase during the period, while unemployment rate dwindled within the same period in comparison with the total population. The results on table 2 show that R-bar-Squared of 0.89, only 89 percent of the systematic variations in CRPT (corruption) were explained by the explanatory variables. This is a high fit further buttressed by an F-Stat of 51.99. On
the test of individual significance, none of the explanatory variables performed well. They all failed the t-test of significance at both 5 and 10 percent levels respectively. In addition, Durbin Watson (DW) Statistic of 1.55 shows the presence of serial correlation though minimal. The poor results now necessitated the use of Cochrane-Orcutt method. The Cochrane-Orcutt AR 4 which converged after 10 iterations produced a better result as reflected on table 3. An R-bar-Squared of 0.91 shows that 90 percent of variations in corruption was attributed to all the explanatory variables. This result is better than the first (Table 3). The Durbin Watson (DW) statistics of 2.07 is an improvement compared to the first. On performance of the determinants, log(GDP), log(UR) and log(DS) passed the t-test at 5 percent significance level except log(GE) and POST. The variables are rightly signed except log(GE) and log(DS). The positive impacts of growth (GDP) and Unemployment (UR) show the importance of income and employment generation in tackling corruption in Nigeria. The result also shows that democratic regime (POST) has an influence in reducing corruption tendency, which should be sustained and improved on in order to realize its full impact in Nigeria. The negative signs of government expenditure (GE) and debt stocks (though not rightly signed) could be due to intensify efforts of anti-graft agencies, whistle blowers (Non-Governmental Organizations) and conviction of high profile politicians. Thus, resources are allocated and channeled to approved projects and, projects that impact meaningfully on the life an average Nigerian executed to a great extent.

Table 1: Corruption Index and other development Indices in Nigeria (N'000)

<table>
<thead>
<tr>
<th>Year</th>
<th>Corruption (CRPT)</th>
<th>GDP</th>
<th>Unemployment Rate (UR)</th>
<th>Debt Stock (DS)</th>
<th>Government Expenditure</th>
<th>Political Stability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>00</td>
<td>49,632.3</td>
<td>7.8</td>
<td>1866.8</td>
<td>14,968.50</td>
<td>1.00</td>
</tr>
<tr>
<td>1981</td>
<td>00</td>
<td>47,619.7</td>
<td>6.5</td>
<td>2331.20</td>
<td>11,413.70</td>
<td>1.00</td>
</tr>
<tr>
<td>1982</td>
<td>00</td>
<td>49,069.3</td>
<td>4.2</td>
<td>8819.40</td>
<td>11,923.20</td>
<td>1.00</td>
</tr>
<tr>
<td>1983</td>
<td>00</td>
<td>53,107.4</td>
<td>3.4</td>
<td>10577.70</td>
<td>9,636.50</td>
<td>1.00</td>
</tr>
<tr>
<td>1984</td>
<td>00</td>
<td>59,622.5</td>
<td>7.3</td>
<td>14808.70</td>
<td>9,927.60</td>
<td>00</td>
</tr>
<tr>
<td>1985</td>
<td>00</td>
<td>67,908.6</td>
<td>6.1</td>
<td>17300.60</td>
<td>13,041.10</td>
<td>00</td>
</tr>
<tr>
<td>1986</td>
<td>00</td>
<td>69,147.0</td>
<td>5.3</td>
<td>51452.40</td>
<td>16,223.70</td>
<td>00</td>
</tr>
<tr>
<td>1987</td>
<td>00</td>
<td>105,222.8</td>
<td>7.0</td>
<td>100789.1</td>
<td>22,018.70</td>
<td>00</td>
</tr>
<tr>
<td>1988</td>
<td>00</td>
<td>139,085.3</td>
<td>5.1</td>
<td>133956.3</td>
<td>41,028.30</td>
<td>00</td>
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<tr>
<td>1989</td>
<td>00</td>
<td>216,797.5</td>
<td>4.5</td>
<td>240339.4</td>
<td>60,268.20</td>
<td>00</td>
</tr>
<tr>
<td>1990</td>
<td>00</td>
<td>267,550.0</td>
<td>3.5</td>
<td>298614.4</td>
<td>66,584.40</td>
<td>00</td>
</tr>
<tr>
<td>1991</td>
<td>00</td>
<td>312,139.7</td>
<td>3.1</td>
<td>328054.3</td>
<td>92,797.40</td>
<td>00</td>
</tr>
<tr>
<td>1992</td>
<td>00</td>
<td>532,613.8</td>
<td>3.5</td>
<td>544264.1</td>
<td>233,806.50</td>
<td>00</td>
</tr>
<tr>
<td>1993</td>
<td>00</td>
<td>683,869.8</td>
<td>3.4</td>
<td>633144.4</td>
<td>160,893.20</td>
<td>00</td>
</tr>
<tr>
<td>1994</td>
<td>00</td>
<td>899,863.2</td>
<td>3.2</td>
<td>648813.0</td>
<td>487,113.40</td>
<td>00</td>
</tr>
<tr>
<td>1995</td>
<td>00</td>
<td>1,393,211.6</td>
<td>1.9</td>
<td>716865.6</td>
<td>428,215.20</td>
<td>00</td>
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<tr>
<td>1996</td>
<td>00</td>
<td>2,072,719.1</td>
<td>2.8</td>
<td>617320.0</td>
<td>337,217.60</td>
<td>00</td>
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<tr>
<td>1997</td>
<td>1.00</td>
<td>2,401,972.6</td>
<td>3.4</td>
<td>595931.4</td>
<td>428,215.20</td>
<td>00</td>
</tr>
<tr>
<td>1998</td>
<td>1.90</td>
<td>2,708,430.9</td>
<td>3.5</td>
<td>63017.0</td>
<td>487,113.40</td>
<td>00</td>
</tr>
<tr>
<td>1999</td>
<td>1.60</td>
<td>3,194,015.0</td>
<td>17.5</td>
<td>257738.3</td>
<td>947,690.00</td>
<td>00</td>
</tr>
<tr>
<td>2000</td>
<td>1.20</td>
<td>4,582,127.3</td>
<td>13.1</td>
<td>312172.6</td>
<td>701,059.40</td>
<td>00</td>
</tr>
<tr>
<td>2001</td>
<td>1.00</td>
<td>4,725,086.0</td>
<td>13.6</td>
<td>317629.1</td>
<td>1,018,155.0</td>
<td>00</td>
</tr>
<tr>
<td>2002</td>
<td>1.60</td>
<td>6,912,381.3</td>
<td>12.6</td>
<td>3932884.8</td>
<td>1,018,155.0</td>
<td>00</td>
</tr>
<tr>
<td>2003</td>
<td>1.40</td>
<td>8,487,031.6</td>
<td>14.8</td>
<td>4478329.3</td>
<td>1,225,965.0</td>
<td>00</td>
</tr>
<tr>
<td>2004</td>
<td>1.60</td>
<td>11,411,066.9</td>
<td>13.4</td>
<td>4890296.6</td>
<td>1,426,201.30</td>
<td>00</td>
</tr>
<tr>
<td>2005</td>
<td>1.90</td>
<td>14,572,239.1</td>
<td>11.9</td>
<td>2695072.2</td>
<td>1,822,100.00</td>
<td>00</td>
</tr>
<tr>
<td>2006</td>
<td>2.20</td>
<td>18,564,594.7</td>
<td>12.3</td>
<td>451461.9</td>
<td>1,938,002.50</td>
<td>1.00</td>
</tr>
<tr>
<td>2007</td>
<td>2.20</td>
<td>20,657,317.7</td>
<td>12.7</td>
<td>431,079.8</td>
<td>2,450,896.70</td>
<td>1.00</td>
</tr>
<tr>
<td>2008</td>
<td>2.70</td>
<td>24,296,329.3</td>
<td>14.9</td>
<td>493,180.2</td>
<td>3,240,818.50</td>
<td>1.00</td>
</tr>
<tr>
<td>2009</td>
<td>2.40</td>
<td>24,712,669.9</td>
<td>19.7</td>
<td>590,441.1</td>
<td>3,456,925.40</td>
<td>1.00</td>
</tr>
<tr>
<td>2010</td>
<td>2.40</td>
<td>25,454,050.0</td>
<td>20.3</td>
<td>608,154.3</td>
<td>3,560,633.16</td>
<td>1.00</td>
</tr>
<tr>
<td>2011</td>
<td>2.50</td>
<td>26,217,671.5</td>
<td>20.9</td>
<td>626398.9</td>
<td>3,667,452.15</td>
<td>1.00</td>
</tr>
</tbody>
</table>

(b) Nigeria Corruption Index, Transparency International, range from totally corrupt 0, to a clean 10 various years.  
Table 2: Ordinary Least Squares Estimation

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Explanatory Variable</th>
<th>Coefficients</th>
<th>Standard Error</th>
<th>T-ratio (Prob)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRPT</td>
<td>INPT</td>
<td>-3.960</td>
<td>.417</td>
<td>-9.504(.000)</td>
</tr>
<tr>
<td></td>
<td>LOG(DS)</td>
<td>-.169</td>
<td>.059</td>
<td>-2.833(.009)</td>
</tr>
<tr>
<td></td>
<td>LOG(GDP)</td>
<td>.411</td>
<td>.253</td>
<td>1.622(.117)</td>
</tr>
<tr>
<td></td>
<td>LOG(GE)</td>
<td>.032</td>
<td>.285</td>
<td>.111(.912)</td>
</tr>
<tr>
<td></td>
<td>LOG(UR)</td>
<td>.416</td>
<td>.149</td>
<td>2.787(.010)</td>
</tr>
<tr>
<td></td>
<td>POST</td>
<td>-.078</td>
<td>.203</td>
<td>-.383(.705)</td>
</tr>
</tbody>
</table>

R-Bar-Squared = .89, DW = 1.55, F-Stat = 51.99(.000)  
Source: Microfit 4.1.

Table 3: Cochrane-Orcutt Method AR(4) converged after 10 iterations.

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Explanatory Variables</th>
<th>Coefficients</th>
<th>Standard Error</th>
<th>T-ratio (Prob)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRPT</td>
<td>INPT</td>
<td>-.006</td>
<td>.484</td>
<td>-8.268(.000)</td>
</tr>
<tr>
<td></td>
<td>LOG(GDP)</td>
<td>.645</td>
<td>.217</td>
<td>2.965(.006)</td>
</tr>
<tr>
<td></td>
<td>LOG(GE)</td>
<td>-.209</td>
<td>.242</td>
<td>-863(.396)</td>
</tr>
<tr>
<td></td>
<td>LOG(UR)</td>
<td>.534</td>
<td>.166</td>
<td>3.226(.003)</td>
</tr>
<tr>
<td></td>
<td>LOG(DS)</td>
<td>-.205</td>
<td>.047</td>
<td>-4.376(.000)</td>
</tr>
<tr>
<td></td>
<td>POST</td>
<td>-.174</td>
<td>.264</td>
<td>-.660(.515)</td>
</tr>
</tbody>
</table>

R-Bar-Squared = .914, DW = 2.07, F-Stat = 32.752(.000)  
Source: Microfit 4.1.

CONCLUSION AND RECOMMENDATIONS

Corruption is evil and responsible for the nation's gross underdevelopment. With the high amount of human and material resources abound in the country, it is believed that Nigeria was supposed to be counted among the league of industrialized nations on earth. Despite the deep conviction about the negative effects of corruption in Nigeria, cases of graft have continued to be on the sharp rise. The situation is so bad that corruption has almost turned out to be a national culture. For nearly two decades now, Nigeria has been named among the ten most corrupt nations in the world by internationally recognized anti-corruption organizations. Apart from impacting negatively on the country's image and integrity of her citizens abroad, this negative brand name has also slowed down Foreign Direct Investment (FDI) in Nigeria. There is no doubt about the strong desire of every incoming administration in Nigeria to fight corruption. Somehow, this desire has failed to curb the rise in cases of corruption due to several factors. Chief among them is the crass ignorance of the root causes of corruption in the country. Correct diagnosis is very fundamental in finding cure for an illness. The inability of successive administrations to cure Nigeria of corruption can therefore be rightly attributed to the shallow and narrow nature of the nation's anti-graft protocols. Presently, the war against corruption is mainly anchored on the principles of investigation, arrest, and prosecution of suspected offenders.

Based on the findings of this study, it is therefore recommended that the government in power should develop the political will to prosecute anyone irrespective of tribe, religion or party affiliation found guilty to serve as deterrent to others. There is the need to entrench good governance in every sphere of government activity which is a sine-qua-non for poverty reduction in every Nigerian society. It is not enough for political office holders and other government functionaries to preach that the government has zero tolerance for corruption. They should visibly exhibit accountability, transparency, fiscal responsibility and respect for the rule of law while carrying out their official responsibilities. It is important to note that instituting good governance entails replacing the existing weak institutions in the country.
Positive transformation of Nigeria can only occur through addressing the root causes of corruption and through effectively implementing the legal mechanisms already in place. There is the need to strengthen institutions such as the civil service, parliament and the judiciary, which in turn will create interlocking systems of oversight and self-regulation. All of these institutions have to be free of corruption themselves and active players in the fight against corruption. Rule of law is also important to guarantee protection of human rights, ensure governmental predictability and Court rulings have to be protected from political interference and judicial independence has to be assured. A functioning and professional legal system and access to justice are also necessary. Reward system should be equitable enough where hard work should be adequately compensated and recognized in all facets of our national life. Poverty and unemployment must be seriously tackled. Government must create more equitable income distribution. The anti-corruption agencies such as EFCC and ICPC should be adequately staffed, funded and devoid of political interference.

REFERENCES


