Corruption and Economic Growth in Nigeria: An Empirical Analysis 1996 - 2013

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ABSTRACT
That corruption is the bane of Nigeria's socio-economic development is to state the obvious. Today, in Nigeria, there is a consensus among well-meaning individuals and foreign nations that corruption has inevitably become a major clog in the quest for sustainable growth and development. It is further agreed that it must be halted before it shut down the country. Since 1996, Nigeria was labeled the most corrupt nation three times: 1996, 1997, and 2000: and placed in the bottom five four more times: fifth from the bottom in 1998 and second bottom in 1999, 2001, 2002 and 2003. Thus, this study investigates the impact of corruption on economic growth in Nigeria for the period 1996 – 2013. The result of the regression analysis shows that there is a negative relationship between the dependent variable (GDP) and corruption level in Nigeria. This invariably means that as the level of corruption activities increases, economic growth decreases significantly. This findings thus made the argument against corruption relevant. Based on the findings, we therefore recommend as follows: The activities of the anti-corruption agencies in Nigeria such as the Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices and Related Offences Commission (ICPC) should be strengthened; The public should be educated about the problems that corrupt practices create for the economy and the society at large, and be discouraged from participating in corrupt practices. Nigerians should put in leadership positions honest individuals who would serve as role models to minimize the negative consequences of corruption with its negative impact on the development and growth of Nigeria; corruption is made easy in Nigeria because government involvement in economic decision making is high. Therefore, privatization of government business interest especially in the oil sector should be carried out.

Keywords: Corruption Economic Growth, Privatization, Transparency Nepotism, Vandalisation.

1.0 INTRODUCTION

Corruption has been identified as one major obstacle militating against rapid growth and development of the Nigerian economy. Nigeria is blessed with abundant natural and human resources to the extent that some of these natural resources have never been extracted or tapped by the government e.g gold, some natural resources are neglected by the government since the discovery of oil well, such as cocoa, timber, etc, while only crude oil is enjoying the biggest attention and has been the largest source of revenue to the government for over forty years. Although there is no widespread or comprehensive definition as to what constitutes corrupt behaviour, the most prominent definitions share a common emphasis on the abuse of public power or position for personal advantage. A simple dictionary definition of the phenomenon refers to it as "an impairment of virtue and moral principles" (Lewis, 2006). According to the World Bank and Transparency International (TI), a leading global anti-corruption watchdog, corruption is the abuse of public office for private gains for the benefit of the holder of the office or some third party.

Corruption is the single most critical impediment to achieving the Millenium Development Goals (MDGs); and like a deadly virus, it attacks the vital structures and systems that engender progressive functioning of the society. Like most developing countries, Nigeria is still grappling with the dilemma of corruption that has largely retarded social development, undermined economic growth, discouraged foreign investments and reduced the resources available for infrastructural development, public service, and poverty reduction programmes. Much more disturbing, the scourge of corruption leaves the poor perpetually disproportionately under-privileged, even as it renders the development of democracy and the building of a society of opportunity more problematic (Ribadu, 2007).

Thus, by diverting assets away from their intended use, corruption can be said to be the single most important factor responsible for the failure of governance and lack of sustainable socio-economic development in Nigeria.

STATEMENT OF THE PROBLEM

Also disheartening, is the fact that the volume of development assistance totaling about $400 billion that flowed into the country for socio-economic development between independence and the collapse of military dictatorship in 1999 was atrociously squandered by the political leaders of the period. The mismanagement of resources of such quantum which was worth six times the resources committed to the rebuilding of Western Europe after a devastating Second World War simply defines the callousness of the political leadership class towards the socio-economic wellbeing of the country (Ribadu, 2007).

The World Bank has estimated that over 1 trillion is paid in bribe for business transactions in less developed countries. Corruption is the single greatest obstacle to economic and social development. It undermines development by distorting the role of law and weakening the institutional foundation on which economic growth depends (World Bank). It is one of the greatest challenges of the contemporary world. It undermines good government, fundamentally distorts public policy, leads to the misallocation of resources, harms the private sector and private sector development and particularly hurts the poor (Transparency International).

Empirical studies have shown that African countries exhibit relatively high level of corruption which institute a major constraint to efforts aimed at effectively allocating resources to growth enhancing project. Funds that would have been invested in infrastructural and development projects are seriously depleted through kickbacks, over and under invoicing of contract amounts, etc. which accounts for why the grants and aids which are given by richer and developed countries are suspended or sometimes out rightly cancelled when it was discovered that these funds are embezzled and end up in corrupt hands (Ogunlana, 2011). In Nigeria, it is one of the many unresolved problems that have critically hobbled and skewed development (Ayobolu, 2006). It remains a long-term major political and economic challenge for Nigeria (Sachs, 2007). Corruption is endemic as well as an enemy within (Agbu, 2003). The corruption trend in the country is alarming as the list of corrupt practices in Nigeria as well as the people involved is endless. Although, the present civilian Government starting from president Olusegun Obasanjo have embarked on massive war against corruption via Independent Corrupt Practices Commission (ICPC) and Economic and Financial Crime Corruption (EFCC), such effort is yet to have a significant positive impact. Consequently, it seems that corruption has defied all the necessary solution (Folorunsho, 2007). Empirical evidence as to the relationship between capital inflow and economic development exist but such on the relationship between corruption and economic development is lacking hence the choice of this study. Therefore, the main objective of this paper is to critically examine the effects of corruption on economic growth in Nigeria. Specifically the paper will examine the effectiveness of the various economic reforms aimed at reducing or eradicating corruption in Nigeria. This study shall be guided by the following hypothesis the more corrupted a nation is the less developed it becomes.

2.0 EMPIRICAL LITERATURE REVIEW

Corruption can be defined as "an arrangement that involves an exchange between two parties (the demander and the supplier) which (i) has an influence on the allocation of resources either immediately or in the future; and (ii) involves the use or abuse of public or collective responsibility for private ends" (Macrae, 1982). 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". According to Osoba (1996), he defined "corruption as an anti-social behaviour conferring improper benefits contrary to legal and normal norms and which undermines the authorities' capacity to secure the welfare of all citizens". The World Bank 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 benefit even if no bribery occurs, through patronage and nepotism, the theft of state assets or the diversion of state resources (World Bank 1997). 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). 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 behavior of functionaries in order to produce dishonest, unfaithful or defiled situations. Corruption involves securing wealth or power through illegal means for private gain at public expense; or a misuse of public power for private benefit. Corruption has coexisted with human society for a long time and remains as one of the problems in many of the world's developing economies with devastating consequences. It has been the primary reason behind the country difficulties in developing fast (Independent Corrupt Practices Commission (ICPC), 2006). 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).

Corruption is not only found in democratic and dictatorial politics, but also in feudal, capitalist and socialist economies. Christian, Muslim, Hindu, and Buddhist cultures are equally bedeviled by corruption (Dike, 2005). It is the cankerworm that has eaten deep into the fabrics of the country and had stunted growth in all sectors (EFCC, 2005). In Nigeria, it is one of the many unresolved problems (Ayobolu, 2006) that have critically hobbled and skewed development. It remains a long-term major political and economic challenge for Nigeria (Sachs, 2007). 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). Todaro and Stephen (2009) define corruption as the abuse of public trust for private gain. 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).

The issue of rising increase in corruption and its effect on economic growth has generated a lot of controversy and debate among academics, economists, bankers, policy makers, researchers ad general public in recent times. The effects of corruption on economic growth are still an unresolved issue in both theoretically as well as empirically. This is because the theoretical positions on the corruption are quite diverse and the conventional wisdom is that a large level of corruption in the country is a source of economic instability or stagnation in Nigeria. Some empirical studies did not agree with the conventional wisdom. A few studies reported positive and significant relationship between corruption and economic growth while several others like Rotini, Obasaju, Lawal, and Ise (2013) found no relationship between an increase in corruption and economic growth in real output.

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"

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.

2.1 Empirical studies on corruption

Adewale (2011) investigates the crowding-out effects of corruption in Nigeria, covering the periods from 1996 to 2009, he uses simulation approach to investigate the economic implications of corruption in Nigeria, employs Error Correction Mechanism (ECM) to overcome the problem of spurious regression, to ascertain the degree of stationary of variables employed in the study and the co-integrating properties of the data; the Augmented Dickey-Fuller (ADF) test was employed. He founds that all the econometric test applied in the study show statistically significant relationship between the model, thus, he concluded that corruption retards economic growth in Nigeria, that is corruption has a crowding-out effect on growth. Fabayo et al (2011), in their study analyzed the consequences of corruption on investment in Nigeria using the Ordinary Least Square technique.

They use the annual corruption perception index between the period 1996 and 2010. Their study revealed that low Corruption Perception Index ranking on Nigeria, which implies high level of corruption, leads to low investment and thus low economic growth in Nigeria. In another related study which focuses on the relationship between corruption and development Akindele (2005), undertook an empirical investigation of the relationship between numbers of key variables in Nigeria. Estimating a modified production function including labour, capital and political instability, corruption index is negative implying that corruption retards growth. He found that there exist a strong significant negative relationship between corruption and development. He concludes that, corruption in whatever form is

2.2 Theoretical Framework.

This section highlights some basic theories that have been used to support the effects of corruption on economic growth. Such theories amongst others are:

2.2.1 A Policy-Oriented Theory of Corruption

This theory was developed by Teveik, Albert and Charles in 1986, in explaining the role of government in fighting corruption. They states that despite corruption frequent occurrence, government involvement in corruption has undergone surprisingly with its effect of the growth of the economy which needs serious investigation. The theory opine that he high level of corruption in any country whether developed or developing countries will not allow the country's economy to grow and that if the field of administrative corruption is to become more theoretical and less descriptive, it must develop a framework and methodology that will help to measure its effect on economic growth.

2.2.2 Economic Growth Theory

This theory was propounded in reactions to the deficiencies in the Solow-Swan growth theory or model by Arrow (1962); Lucas (1988); and Romer (1990). This theory as propounded lay more emphasis on the long-run growth rate of an economy and on the basis of endogenous factors rather than exogenous factors of the neoclassical growth theory. The Solow-Swan model explains that the long-run growth rate of output is based on two basic exogenous variables such as population growth rate and level of corruption in the country. The growth theory emphasizes on technical progress resulting from the rate of capital stock, human capital development, reduction in corruption and investment rate.

2.3 Evaluation of Reviewed Literature

This theories, believes that economic growth is linked with improvement in productivity and reduction in corruption which ultimately result to a faster pace of innovation and extra investment in human capital. The theory predicted that externalities and spill over on corruption fight from developed countries will help to develop and maintain a competitive advantage in economic growth in Nigeria.

3.0 Extent of corruption in Nigeria

To say that corruption is rampant in Nigeria is to rover 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 blatant and widespread that it appears as if it has been legalized in Nigeria (Gire 1999). As Goodling (2003) notes, "since 1996, Nigeria was labeled the most corrupt nation three times: 1996, 1997, and 2000: and placed in the bottom five four more times: fourth from the bottom in 1998 and second in 1999, 2001, 2002 and 2003".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 (Table 3.1); (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 neighbor Cameroon. In the 2001 corruption perception index (CPI), the position of 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 organisation identified as corrupt among the 16 organisations on a list which included Joint Admission 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).

Table 3.1 Corruption Perspective Index Rank (10 Top and 10 Bottom countries)

1996 Rank	**1997 Rank**	**1998 Rank**	**1999 Rank**	**2000 Rank**
New Zealand1	Denmark 1	Denmark 1	Denmark 1	Finland 1
Denmark 2	Finland 2	Finland 2	Finland 2	Denmark 2
Sweden 3	Sweden 3	Sweden 3	New Zealand 3	New Zealand 3
Finland 4	New Zealand 4	New Zealand4	Sweden 4	Sweden 3
Canada 5	Canada 5	Iceland 5	Canada 5	Canada 5
Norway 6	Netherland 6	Canada 6	Iceland 5	Iceland 6
Singapore 7	Norway 7	Singapore 7	Singapore 7	Norway 6
Switzerland 8	Australia 8	Netherland 8	Netherland 8	Singapore 6
Netherland 9	Singapore 9	Norway 9	Norway 9	Netherland 9
Australia 10	Luxemburg 10	Switzerland10	Switzerland 9	United Kingdom 10
Indonesia 45	Vietnam 43	Russia 76	Kenya 90	Mozambique 81
India 46	Venezuela 44	Ecuador 77	Paraguay 90	Kenya 82
Russia 47	India 45	Venezuela 77	Yugoslavia 90	Russia 82
Venezuela 48	Indonesia 46	Colombia 79	Tanzania 93	Cameroon 84
Cameroon 49	Mexico 47	Indonesia 80	Honduras 94	Angola 85
China 50	Pakistan 48	**Nigeria 81**	Uzbekistan 94	Indonesia 85
Bangladesh51	Russia 49	Tanzania 82	Azerbaijan 96	Azerbaijan 87
Kenya 52	Colombia 50	Honduras 83	Indonesia 96	Ukraine 87
Pakistan 53	Bolivia 51	Paraguay 84	**Nigeria 98**	Yugoslavia 89
Nigeria 54	**Nigeria 52**	Cameroon 85	Cameroon 99	**Nigeria 90**

2001 Rank	**2002 Rank**	**2003 Rank**	**2004 Rank**	**2005 Rank**
Finland 1	Finland 1	Finland 1	Finland 1	Iceland 1
Denmark 2	Denmark 2	Iceland 2	New Zealand 2	Finland 2
New Zealand3	New Zealand 2	Denmark 3	Denmark 3	New Zealand 2
Iceland 4	Iceland 4	New Zaland 3	Iceland 3	Denmark 4

Singapore 4	Singapore 5	Singapore 5	Singapore 5	Singapore 5
Sweden 6	Sweden 5	Sweden 6	Sweden 6	Sweden 6
Canada 7	Canada 7	Netherland 7	Switzerland 7	Switzerland 7
Netherland 8	Luxemburg 7	Australia 8	Norway 8	Norway 8
Luxemburg 9	Netherland 7	Norway 8	Australia 9	Australia 9
Norway 10	U.K 10	Switzerland 8	Netherland 10	Austria 10
Tanzania 82	Moldova 93	Angola 124	Indonesia 137	Tajikistan 150
Ukraine 83	Uganda 93	Azerbaijan1 24	Tajikistan 137	Angola 151
Azerbaijan 84	Azerbaijan 95	Cameroon1 24	Turkmenistan 137	Cote d'Ivorire 152
Bolivia 84	Indonesia 96	Georgia 124	Azerbaijan 140	Equatoria Guinea 152
Cameroon 84	Kenya 96	Tajikistan 124	Paraguay 140	**Nigeria 152**
Kenya 84	Angola 98	Myanmar 129	Chad 142	Haiti 155
Indonesia 88	Madagascar 98	Paraguay 129	Myanmar 142	Myanmar 155
Uganda 88	Paraguay 98	Haiti 131	**Nigeria 144**	Turkmenistan 155
Nigeria 90	**Nigeria 101**	**Nigeria 132**	Bangladesh 145	Bangladesh 158
Bangladesh 91	Bangladesh 102	Banglades1 33	Haiti 145	Chad 158

Sources: 1. The Transparency International Corruption Index, 1998;
2. Lipset, Seymour and Salman Lenz, "Corruption, Culture, and Markets," (2000), In Culture Matters, Harrission and Huntington (eds.), 2000, p.113
3. The Transparency International Corruption Index, 2001; pp. 234-236

3.1 The Causes of Corruption in Nigeria

Some researchers have investigated the fundamental factors that have engendered and sustained corrupt practices in Nigeria. These according to Ajie, and Wokekoro, (2012) includes:
(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)

3.2 The Challenge of Curbing Corruption and Implementation of Economic Reforms Programmes in Nigeria.

Corruption is a plague, a disease, spreading itself throughout developing nations, and the world needs to inoculate these nations against this infection Corruption is a tool of evil wielded by the wealthy and powerful of developing nations in order to make themselves richer, and even more powerful. These are the only people benefited by this disease. The lower classes in developing nations are hard hit by the excessive bribes and loss of infrastructure. Several empirical studies have shown a negative relationship between corruption and economic growth (Mauro, 1995). Corruption diverts resources from the poor to the rich; increases the cost of running businesses, distorts public expenditures, and deters foreign investment (Mauro, 1997; Wei, 1997 and Alesina, 1999). Corruption saps a country's economy by hampering tax collection and undermining the enforcement of important regulation. Corruption also creates loss of tax revenues and monetary problems leading to adverse budgetary consequences (Murphy, 1993), and is likely to produce certain composition of capital flows that makes a country more vulnerable to shifts in international investors' sentiments and expectations (Lambsdorff, 2000 and 2005). In addition corruption has an adverse effect on human development, and increases the cost of basic social services (Kaufman, 1998).

Corruption disrupts the capital flow throughout entire developing nations. Tax income is generally far below what the government requires in order carrying out basic services in corrupt nations. Corruption also stunts international trade. The World Trade Organization (WTO) increases impediments on trade if a country maintains an "out-of-control" level of corruption, or extortion. If a developing nation attempts to deal with these problems, the WTO will decrease the impediments, giving the nation incentive to reduce skyrocketing corruption levels. The anti –corruption crusade of Nigeria might then be one of the reasons while the country is enjoying the support of the international communities. Other specific negative consequences of corruption in Nigeria are: loss of much needed revenue; decrease in the level of Foreign Direct Investment and loss of viable businesses by Nigerian banks. Corruption diminishes national prestige and respect, leads to brain drain, civil arrest, business failure and unemployment, election rigging, absence of law and order, and failure of government institution (Ribadu, 2003). Most Nigerians are treated with suspicion in most business dealings thereby making some honest Nigerians to suffer the stigma of corruption due to stereotyping. Ribadu (2006) opined that, corruption is worse than terrorism because it is responsible for perpetual collapse of infrastructure and institutions in Nigeria; it is the cause of the endemic poverty and underdevelopment and cyclical failure of democracy to take root. Corruption stifles businesses that are unwilling to engage in this nefarious activity; ironically, it also eventually destroys the companies that yield to this practice, thus halting or at least delaying considerably, the march toward economic progress and ultimately sustained development (Gire 1999).

3.3 Instrument Used by Various Anti-Corruption Agencies

Some human ailments could require many doses of medicines to be treated. Similarly, the menace of corruption, which has eaten deep into the fabric of Nigeria, would require all the necessary antidote to effectively control it. In other words, no single and simple remedy will achieve it; and the problem cannot be solved. Corruption has been ingrained into the fabric of the society (Dike, 2005). Nigeria has, in theory, the solutions in the book 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 Council (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 corruption instead blossomed. Obasanjo in year 2000 also instituted an Anti-Corruption Commission (ICPC) under the Independent Corrupt Practices Related Offences Act of 2000, established the Economic and Financial Crimes Commission (EFCC) 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. But assessment of corruption in Nigeria indicates some reasons why corruption still thrives in the country. According to Osoba, (1996), all measures against corruption have not been fruitful in Nigeria because they have operated at a level of mere symbolism. Those wagging 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 reason while attempt at curbing corruption still failed in Nigeria hinges on the fact of the entrenched and institutionalized phenomenon of the country, the failure of law enforcement agencies/workforce, constitutional constraints (i.e. 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.

3.4 Effects of Anti –corruption instruments:

The introduction of two institutions (the EFCC and ICPC)) to tackle corruption has yielded positive results in curbing corruption in Nigeria. There have been a number of high profile convictions since it 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).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 to government 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). Recent survey data from Kaufman et al (2005), indicate that there has been a reduction in the perception of corruption by Nigerian firms in obtaining trade permits, in paying taxes, in procurement, in the judiciary, in the leakage of public funds, and in money laundering. However, reports by the World Bank and Transparency international 2007 identified Nigeria Police as the most corruption-riddled organization in the country, followed by the Power Holding Company Limited (PHCL). Investigation has shown that Nigerian police has scaled up roadside bribery from N20 to N50. That is to say, 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

4.0. METHOD OF STUDY

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 1996 - 2013. In an attempt to estimate the impact of corruption on economic growth in Nigeria, Secondary data obtained were divided into dependent and independent variables. The dependent variable is the Nigerian economic development represented by the GDP of Nigerian economy in dollar denomination while the independent variable is the Corruption Perception Index; Foreign direct investment inflow (dollar value); External debt stocks (dollar value); Government expenditure (dollar value) and Unemployment rate. The study period covers corruption and economic development in Nigeria from 1996 – 2013 which is a period of eighteen years. The choice of 1996 is that data for corruption proxy is only available from this period while the choice of end year of 2013 was because data to be assessed were only available to this year. This relationship was estimated 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:

4.1 Sources of Data

The data used in this study are annual time-series secondary data on the variables covering eighteen year period 1996-2013 obtained from various institutions and publications such as CBN Statistical bulletin, CBN Annual reports, Nigerian Bureau of Statistics bulletins and annual report, Internet, Journals, Textbooks, Newspapers, Seminar papers, Anti-corruption agencies reports and bulletins.

4.2. Data Presentation

Nigeria Gross Domestic Products (in billion Dollar value) and some sellected macro economic variables 1996-2013

Year	GDP (b$)	CPI	FDI(b$)	DEBT S.(b$)	GOVT.E (b$)	UNEMP
1996	35.3	0.96	1.59	31.14	27.99	2.8
1997	36.23	1.76	1.54	28.47	33.62	3.4
1998	32.14	1.9	1.05	30.31	33.6	3.5
1999	34.78	1.6	1	29.36	36.25	17.5
2000	46	1.2	1.14	31.58	35.89	13.1
2001	48	1	1.19	31.26	42.86	13.6
2002	59.12	1.6	1.87	30.71	59.52	12.6
2003	67.66	1.4	2.01	34.88	66.12	14.8
2004	87.85	1.6	1.87	38.04	76.52	13.4
2005	112.25	1.9	4.98	22.31	94.86	11.9
2006	145.43	2.2	4.85	7.96	123.41	12.3
2007	165.92	2.2	6.03	8.81	140.9	12.7
2008	207.12	2.7	8.2	11.6	183.19	14.9
2009	168.59	2.5	8.55	10.36	159.63	19.7
2010	228.64	2.4	6.05	10.39	216.5	21.1
2011	243.99	2.4	8.84	13.11	234,24	23.9
2012	262.2	2,70	7.1	13.4	268.71	24.9
2013	522.64	2,50	5.61	15.73	283.73	25.2

sourece: 1 various CBN satistical bulletin
2 corruptin perspective index international
3 various issues of annual abstract of statistic from the FOS
4 various Article from local and international Journals
5 World Bank/IMF Publications

4.3 Model Specification and Statement of Hypothesis

The econometric model in this study takes Foreign Direct Investment: External Debt Stocks: Government Expenditure: Unemployment as the dependant variable and level of perceived corruption as independent variable. Based on this, four models have been specified as follows:

Model 1

FDI= f (CORR)

$FDIt=b_0+b_1$ CORRt+μ

Testing the hypothesis that:

HO: Corruption does not have a significant influence on level of Foreign direct investment in Nigeria

HA: Corruption has a significant influence on level of Foreign direct investment in Nigeria.

Model 2

EDS= f (CORR)

$EDSt=b_0+b_1$ CORRt+μ

Testing the hypothesis that:

HO: There is no significant relationship between external debt stocks and corruption in Nigeria.

HA: There is significant relationship between external debt stocks and corruption in Nigeria.

Model 3

GOVT EXP= f (CORR)

GOVT $EXPt=b_0+b_1$ CORRt+μ

Testing the hypothesis that:

HO: Corruption does not contribute significantly to government expenditure in Nigeria.

HA: Corruption contributes significantly to government expenditure in Nigeria

Model 4

UNEMP= f (CORR),

$UNEMPt=b_0+b_1$ CORRt+μ

Testing the hypothesis that:

HO: Corruption does not have a significant impact on unemployment in Nigeria.

HA: Corruption has a significant impact on unemployment in Nigeria.

Model 5

GDP = f (CORR, FDI, EDS, GOVT EXP, UNEMP).

$GDPt = b_0 + b_1\ CORRt + b_2\ FDIt + b_3\ EDSt + b_4\ GOVT\ EXPt + b_5\ UNEMPt + \mu$

Testing the hypothesis that:

HO: Corruption does not impact significantly on economic growth in Nigeria.

HA: Corruption impacts significantly on economic growth in Nigeria.

Where GDP= represents gross domestic product,(in dollar value)

CORR =level of perceived corruption,(CPI)

FDI =foreign direct investment inflow.(in dollar value)

EDS =external debt stocks (in dollar value)

GOVT EXP =government expenditure (in dollar value)

UMEMP = unemployment rate

b_0 = the constant term,

b_1 = the parameter estimate of Corruption index.

b_2= the parameter estimate of foreign direct investment inflow.

b_3=the parameter estimate of external debt stocks.

b_4= the parameter estimate of government expenditure.

b_5= the parameter estimate of unemployment rate

μ = stochastic or random error term (with usual properties of zero mean and non-serial correlation).

A priori specification: The expected sign of the coefficient of the explanatory variable is: $b_1 < 0$ for model one to four. In model 5, it is expected that signs of the coefficients of the explanatory variables are: $b_1 < 0$, $b_2 > 0$, $b_3 < 0$, $b_4 > 0$, $b_5 < 0$

4.4 Analysis and Interpretation of Results

MODEL ONE

FDI= - 4.49 + 4.47 CORR

S.E = (1.26) (0.63)

T- Statistic = (-3.56) (7.06)

R = 0.87 **R^2**= 0.76 **Adjusted R^{-2}** = 0.74

F- ratio = 49.85 **Durbin Watson** = 1.64

T- table = 2.12 **F - table** = 4.49

Analysis and Interpretation

The result of the regression analysis shows that there is a positive relationship between the explained variable (FDI) and the explanatory variable (corruption). This negates the a priori theoretical expectation. However, this could be possible because most of the foreign direct investments are the vehicle through which corruption could be transported to Nigeria economy. The coefficient of corruption gives 4.47, indicating that there is a positive relationship between corruption and Foreign Direct Investment, which means that as the level of corrupt activities increase, Foreign Direct Investment increases. The Correlation co-efficient (R) is 0.87 which signifies that there is 87% degree of relationship between Foreign Direct Investment and corruption level. The co-efficient of determination (R^2) is 0.76 which signifies that 76% of total variation in foreign direct investment can be attributed to corruption while 24% is for by the random terms. The Durbin Watson test result is 1.64 this shows absence of Auto Correlation because 1.64 is less than 2.5 benchmark i.e. 1.64 < 2.5. The Standard error of the estimate is (1.26) (0.63). At the 5% level of significance and 16 Degree of freedom, the T- statistics from the statistical table is 2.12. Therefore the value of the T- Cal which is (7.06) is greater than T-Tab (2.12), we therefore reject the Null hypothesis (Ho) and accept the Alternative hypothesis (H1) which signify that Corruption has a significant influence on Foreign Direct Investment in Nigeria. In addition, F- Statistic value from the Analysis of Variance (ANOVA) table at 5% level of significance with 1/16 degree of freedom. The F-Statistics (49.85) is greater than the F-table value (4.49), this further supports that we reject the null hypothesis and accept the alternative hypothesis.

Model Two
EDS= 52.40 – 15.76 CORR
S.E = (4.93) (2.47)
T- Statistic = (10,64) (-6.38)
R = -0.85, $\mathbf{R^2}$= 0.72, **Adjusted** $\mathbf{R^{-2}}$ = 0.70
F- ratio = 40.69 **Durbin Watson** = 1.29
T- table = 2.12 **F - table** = 4.49
Analysis and Interpretation
The result shows that there is a negative relationship between the explained variable (External Debt Stocks) and the explanatory variable. This negates the a priori theoretical expectation. However, this could be true because as a country level of corruption increases, external lenders might withhold further lending as well as foreign Aids and assistance to such corrupt nation such as Nigeria. The co-efficient of corruption gives -15.76, indicating that there is a negative relationship between corruption and External Debt Stocks of the economy, which means that as the level of corrupt activities increase, the level or ratio of External Debt Stocks reduces. The Correlation co-efficient (R) is -0.85 which signifies that there is 85% degree of relationship between External Debt Stocks and corruption level. The co-efficient of determination (R^2) is 0.72 which signifies that 72% of total variation in External Debt Stocks can be attributed to corruption while 28.% is contributed to the random terms. The Durbin Watson is 1.29, which shows absence of Auto Correlation because 1.29 is significantly below the 2.5 benchmark i.e. 1.29 < 2.5. The Standard error of the estimate is (4.93) (2.47). At the 5% level of significance, the T-statistics is 2.12 at 16 degree of freedom. Therefore the value of the T- Cal which is (-6.38) is less than T-Tab (2.12), we therefore reject the alternative hypothesis (H1) and accept the null hypothesis (H0) which signify that there is no significant relationship between External Debt Stocks of the economy and corruption in Nigeria. In addition, F- Statistic value from the
Analysis of Variance (ANOVA) table at 5% level of significance with 1/16 degree of freedom is (40.69) which is greater than the F-table value (4.49). With this, we accept the alternative hypothesis and reject the null hypothesis.

Model Three
GOVT EXP = -136.44 + 132.49 CORR
S.E = (40.14) (20.12)
T- Statistic = (-3.40) (6.58)
R = 0.86 $\mathbf{R^2}$= 0.73, **Adjusted** $\mathbf{R^{-2}}$ = 0.71
F- ratio = 43.34 **Durbin Watson** = 0.85
T- table = 2.12 **F - table** = 4.49
Analysis and Interpretation
The result of the regression analysis shows that there is a positive relationship between the regressant (Government Expenditure) and the regressor variable. This agrees with the a priori theoretical expectation. The co-efficient of corruption gives 132.49, indicating that there is a positive relationship between corruption and Government Expenditure, which means that as the level of corrupt activities increase, government expenditure increases. For example, deficit spending which political leaders are motivated to engage in is usually because each program the government fund earns politicians support. The Correlation co-efficient (R) is 0.86 which signifies that there is 86% degree of relationship between Government expenditure and corruption level. The co-efficient of determination (R^2) is 0.73 which signifies that 73% of total variation in Government expenditure can be attributed to corruption while 27% is contributed to the random terms. The Durbin Watson test result is 0.85, this represents absence of Auto Correlation because 0.85 is less than the 2.5 benchmark i.e. 0.85 < 2.5. The Standard error of the estimate is (40.14) (20.12) At the 5% level of significance and 16 Degree of freedom, the T- statistics from the statistical table is 2.12. Therefore the value of the T- Cal which is (-3.40) is greater than T-Tab (6.58), we therefore reject the Null hypothesis (Ho) and accept the Alternative hypothesis (H1) which states

that Corruption contributes significantly to the level of Government expenditure. In addition, F- Statistic value from the Analysis of Variance (ANOVA) table at 5% level of significance with 1/16degree of freedom. The F-Statistics (43.34) is greater than the F-table value (4.49). With this, the null hypothesis is rejected and the alternative hypothesis accepted.

Model Four
UNEMP= 0.6 + 7.26 CORR
S.E = (4.85) (2.43)
T- Statistic = (-0.12) (2.98)
R = 0. 60 **R^2**= 0.36 **Adjusted R^{-2}** = 0.32
F- ratio 8.91 **Durbin Watson** = 0.82
T- table = 2.12 **F - table** = 4.49
Analysis and Interpretation
The result of the regression analysis shows that there is a positive relationship between the dependent variable (Unemployment) and the independent variable. This agrees with the a priori theoretical expectation. The co-efficient of corruption gives 7.26, indicating that there is a positive relationship between corruption and Unemployment, which means that as the level of corrupt activities increases, Unemployment increases. This therefore explains while corruption as well as unemployment rate is on the increase in Nigeria. The Correlation co-efficient(R) is 0.60 which signifies that there is 60% degree of relationship between Unemployment and the independent variable. The co-efficient of determination (R^2) is 0.36 which signifies that 36% of total variation in Unemployment can be attributed to corruption while 64% is contributed to the random terms. The Durbin Watson test result is 0.82, this represent absence of Auto Correlation among the variables because 0.82 is significantly less than the 2.5 benchmark i.e. 0.82 < 2.5. The Standard error of the estimate is (4.85) (2.43)At the 5% level of significance and 16 degree of freedom, the T- statistics from the statistical table is 2.12. Therefore the value of the T- Cal which is (2.43) is greater than T-Tab (2.12), we therefore reject the Null hypothesis (Ho) and accept the Alternative hypothesis (H1) which states that Corruption has a significant impact on Unemployment in Nigeria. In addition, F-Statistic value from the Analysis of Variance (ANOVA) table at 5% level of significance with 1/19 degree of freedom. The F-Statistics (8.91) is greater than the F-table value (4.49), thus the null hypothesis is rejected and the alternative hypothesis accepted.

Model 5
GDP = 58.26 -19.39 CORR -16.85 FDI -0.67 EDS – 2.08 GOV +1.97 UNEMP
S.E = (125.35) (50.69) (10.75) (2.57) (3.24) (0.41)
T- Statistic = (0.47) (-0.38) (-1.57) (-0.26) (-0.64) (4.87)
R = 0. 95 **R2**= 0.90, **Adjusted R2** = 0.85
F- ratio = 20.51 **Durbin Watson** = 2.16
T- table = 2.18 **F - table** = 3.11
Analysis and Interpretation
The result of the regression analysis shows that there is a negative relationship between the dependent variable; Economic growth(GDP) and most of the explanatory variables ie, (corruption; foreign direct investment; external debt stocks; and government expenditure), while only unemployment has a positive relationship with economic growth. The co-efficient of corruption gives -19.39, indicating that there is a negative relationship between corruption and economic growth, which means that as the level of corrupt activities increases, Economic growth decreases significantly. The Correlation co-efficient(R) is 0.95 which signifies that there is 95% degree of relationship between economic growth and the independent variables. The co-efficient of determination (R^2) is 0.90 which signifies that 90% of total variation in economic growth (GDP) can be attributed to corruption and other explanatory variables, while 10% is contributed to the random terms. The Durbin Watson test result is 2.16, this further shows absence of Auto Correlation because 2.16 is less than 2.5 benchmark i.e. 2.16 < 2.5. The Standard errors of the estimates are (125.35) (50.69) (10.75) (2.57) (3.24) (0.41). At the 5% level of significance and 20 degree of freedom, the T- statistics from the statistical table is 2.18. Therefore the value of the T- Cal for corruption which is -0.38 is less than T-Tab (2.18), we therefore accept the Null hypothesis (Ho) and reject the Alternative hypothesis (H1) which states that Corruption has a significant impact on Economic growth (GDP) in Nigeria. In addition, F- Statistic value from the Analysis of Variance (ANOVA) table at 5% level of significance with 5/12 degree of freedom. The F-Statistics (20.51) is greater than the F-table value (3.11), thus the null hypothesis is rejected and the alternative hypothesis accepted. The F statistic test is statistically significant, thus showing that the explanatory variables are statistically significant.

5.0 DISCUSSION, RECOMMENDATION AND CONCLUSSION
This study has found out that there is a significant relationship between corruption and the Economic Growth

(GDP) period of 1996- 2013. It also established the fact that corruption has seriously affected the polity of Nigeria and it is seriously affecting the potential growth ability of the country to the extent that over $19.39Billion in GDP is lost. This study has perused various literatures and all the literatures pointed to the fact that corruption abound in governance, public and private business and corporate environment in Nigeria. Despite the presence of abundant resources in the country, corruption has made it impossible for the government to translate the presence of the abundant resources to improved standard of living in Nigeria which has lead to increasing poverty level in Nigeria. The study examined the magnitude of the impact of corruption on Nigeria economy and found that Corruption Perception Index the proxy for corruption has been hampering development proxy by the Nigeria's GDP to the tune of over $19.39billion reduction in GDP on average, also the rank of Nigeria on the corruption cadre as shown in table 3.1 has also negatively affected growth and development in Nigeria. It is thereby concluded that corruption has negatively affected economic growth and development in Nigeria. Corruption of many folds such as bribery, fraudulent acts, embezzlement of public and private funds and property, election rigging and ballot stuffing, money laundering, examination malpractices in schools of privately and publicly owned, are some forms of corrupt practices perpetrated in Nigeria. Corruption have caused lack of public infrastructures, it has increased the level of poverty in the country despite the nation's enormous resources, less respect for fundamental human right, and it shows that no matter the efforts of government to improve the economy and the presence of other developmental indices, when corruption is not reduced to its bearable minimum, economic growth and development will be very difficult to sustain in Nigeria.

As a result of our findings, we therefore suggest for policy implementation that; The activities of the anti-corruption agencies in Nigeria such as the Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices and Related Offences Commission (ICPC) should be strengthened. And at best make them independent from the influence of political elites and the government so that these agencies will be able to perform their functions without the influence of government and will not be seen as a witch hunting agencies of the government anymore. The anti-graft agencies should be equipped technologically with the data base information of Nigerians which can always be updated in order to encourage accountability of earnings and spending of Nigerians. The public should be educated about the problems that corrupt practices create for the economy and the society at large, and be discouraged from participating in corrupt practices. Nigerians should put in leadership positions honest individuals who would serve as role models to minimize the negative consequences of corruption with its negative impact on the development and growth of Nigeria. The media and civil society groups have an important role to play here. The government should encourage full freedom of press and information and not do this by simply signing laws but put it into practice. The government should be ready to take a bold step to serve as an example by practicing good governance, transparency, accountability with economic issues so that Nigerians will begin to believe in the system of government. Unnecessary government spending on duplications of offices, and bureaucracies should be reduced to its bearable minimum. The fund should be used for developmental purposes to foster equal distribution of incomes, and the execution of developmental capital projects, etc. The rule of law must be upheld to instill sanity in the administration of justice. New law that specifically deals with corrupt practices in all its facets should be enacted to stem the tide of judgment that were perceived too lenient, and be followed strictly when prosecuting corrupt offenders irrespective of their caliber or position in the society, double standard should be discouraged when dealing with the rich or the poor. Beyond this, Nigeria's legal and judicial system should be reviewed and restructured to handle swiftly the cases of people that are engaged in corrupt practices. There is a need to put in place social security programs such as; social insurance as obtainable in the United States of America and other advanced nations of the world should be instituted among the non-working class in order to reduce the worry about basic survival in the face of growing insecurity about the job situation. Our youths also need to be re-orientated to a good value system; this will go a long way in fighting war against corruption. Finally, corruption is made easy in Nigeria because government involvement in economic decision making is high. Therefore, privatization of government business interest especially in the oil sector should be carried out.

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MODEL 1: FDI = f (CORR) Appendix I

Descriptive Statistics

	Mean	Std. Deviation	N
FDI	4.0817	2.89552	18
CPI	1.9178	.56347	18

Correlations

		FDI	CPI
Pearson Correlation	FDI	1.000	.870
	CPI	.870	1.000
Sig. (1-tailed)	FDI	.	.000
	CPI	.000	.
N	FDI	18	18
	CPI	18	18

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	107.899	1	107.899	49.853	.000[b]
	Residual	34.629	16	2.164		
	Total	142.528	17			

a. Dependent Variable: FDI
b. Predictors: (Constant), CPI

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-4.493	1.263		-3.557	.003
	CPI	4.471	.633	.870	7.061	.000

a. Dependent Variable: FDI

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-.2006	7.5790	4.0817	2.51932	18
Residual	-2.95218	2.60228	.00000	1.42724	18
Std. Predicted Value	-1.700	1.388	.000	1.000	18
Std. Residual	-2.007	1.769	.000	.970	18

a. Dependent Variable: FDI

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.870[a]	.757	.742	1.47117	.757	49.853	1	16	.000	1.643

a. Predictors: (Constant), CPI
b. Dependent Variable: FDI

MODEL 2: EDS = f (CORR) **Appendix II**

Descriptive Statistics

	Mean	Std. Deviation	N
DEBT_STOCK	22.1900	10.47822	18
CPI	1.9178	.56347	18

Correlations

		DEBT_STOCK	CPI
Pearson Correlation	DEBT_STOCK	1.000	-.847
	CPI	-.847	1.000
Sig. (1-tailed)	DEBT_STOCK	.	.000
	CPI	.000	.
N	DEBT_STOCK	18	18
	CPI	18	18

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.847[a]	.718	.700	5.73782	.718	40.693	1	16	.000	1.289

a. Predictors: (Constant), CPI
b. Dependent Variable: DEBT_STOCK

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1339.720	1	1339.720	40.693	.000[b]
	Residual	526.761	16	32.923		
	Total	1866.481	17			

a. Dependent Variable: DEBT_STOCK

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b. Predictors: (Constant), CPI

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	52.404	4.926		10.639	.000
	CPI	-15.755	2.470	-.847	-6.379	.000

a. Dependent Variable: DEBT_STOCK

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	9.8663	37.2795	22.1900	8.87734	18
Residual	-9.78367	10.84350	.00000	5.56650	18
Std. Predicted Value	-1.388	1.700	.000	1.000	18
Std. Residual	-1.705	1.890	.000	.970	18

a. Dependent Variable: DEBT_STOCK

MODEL 3: GOVT. EXPENDITURE = f (CORR)

Appendix III

Descriptive Statistics

	Mean	Std. Deviation	N
GOVT_EXP	117.6411	87.35049	18
CPI	1.9178	.56347	18

Correlations

		GOVT_EXP	CPI
Pearson Correlation	GOVT_EXP	1.000	.855
	CPI	.855	1.000
Sig. (1-tailed)	GOVT_EXP	.	.000
	CPI	.000	.
N	GOVT_EXP	18	18
	CPI	18	18

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.855[a]	.730	.714	46.75228	.730	43.344	1	16	.000	.854

a. Predictors: (Constant), CPI
b. Dependent Variable: GOVT_EXP

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	94739.444	1	94739.444	43.344	.000[b]
	Residual	34972.406	16	2185.775		
	Total	129711.851	17			

a. Dependent Variable: GOVT_EXP
b. Predictors: (Constant), CPI

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Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-136.437	40.135		-3.399	.004
	CPI	132.486	20.124	.855	6.584	.000

a. Dependent Variable: GOVT_EXP

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-9.2506	221.2743	117.6411	74.65192	18
Residual	-81.68581	88.95284	.00000	45.35637	18
Std. Predicted Value	-1.700	1.388	.000	1.000	18
Std. Residual	-1.747	1.903	.000	.970	18

a. Dependent Variable: GOVT_EXP

MODEL 4: UNEMPLOY= f (CORR) **Appendix IV**

Descriptive Statistics

	Mean	Std. Deviation	N
UNEMPLOY	14.5167	6.83583	18
CPI	1.9178	.56347	18

Correlations

		UNEMPLOY	CPI
Pearson Correlation	UNEMPLOY	1.000	.598
	CPI	.598	1.000
Sig. (1-tailed)	UNEMPLOY	.	.004
	CPI	.004	.
N	UNEMPLOY	18	18
	CPI	18	18

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.598[a]	.358	.318	5.64676	.358	8.913	1	16	.009	.824

a. Predictors: (Constant), CPI
b. Dependent Variable: UNEMPLOY

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	284.210	1	284.210	8.913	.009[b]
	Residual	510.175	16	31.886		
	Total	794.385	17			

a. Dependent Variable: UNEMPLOY
b. Predictors: (Constant), CPI

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.600	4.848		.124	.903
	CPI	7.256	2.431	.598	2.986	.009

a. Dependent Variable: UNEMPLOY

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	7.5666	20.1928	14.5167	4.08880	18
Residual	-10.88766	6.45848	.00000	5.47816	18
Std. Predicted Value	-1.700	1.388	.000	1.000	18
Std. Residual	-1.928	1.144	.000	.970	18

a. Dependent Variable: UNEMPLOY

MODEL 5: GDP = f (CORR, FDI, GOVT_EXP,UNEMPLOY) **Appendix V**

Descriptive Statistics

	Mean	Std. Deviation	N
GDP	139.1033	124.38701	18
CPI	1.9178	.56347	18
FDI	4.0817	2.89552	18
DEBT_STOCK	22.1900	10.47822	18
UNEMPLOY	14.5167	6.83583	18
GOVT_EXP	117.6411	87.35049	18

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	235477.038	5	47095.408	20.514	.000[b]
	Residual	27549.148	12	2295.762		
	Total	263026.187	17			

a. Dependent Variable: GDP
b. Predictors: (Constant), GOVT_EXP, DEBT_STOCK, UNEMPLOY, CPI, FDI

Correlations

		GDP	CPI	FDI	DEBT_STOCK	UNEMPLOY	GOVT_EXP
Pearson Correlation	GDP	1.000	.733	.689	-.649	.745	.924
	CPI	.733	1.000	.870	-.847	.598	.855
	FDI	.689	.870	1.000	-.883	.645	.854
	DEBT_STOCK	-.649	-.847	-.883	1.000	-.516	-.775
	UNEMPLOY	.745	.598	.645	-.516	1.000	.821
	GOVT_EXP	.924	.855	.854	-.775	.821	1.000
Sig. (1-tailed)	GDP	.	.000	.001	.002	.000	.000
	CPI	.000	.	.000	.000	.004	.000
	FDI	.001	.000	.	.000	.002	.000
	DEBT_STOCK	.002	.000	.000	.	.014	.000
	UNEMPLOY	.000	.004	.002	.014	.	.000
	GOVT_EXP	.000	.000	.000	.000	.000	.
N	GDP	18	18	18	18	18	18
	CPI	18	18	18	18	18	18
	FDI	18	18	18	18	18	18
	DEBT_STOCK	18	18	18	18	18	18
	UNEMPLOY	18	18	18	18	18	18
	GOVT_EXP	18	18	18	18	18	18

Appendix VI

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.946[a]	.895	.852	47.91411	.895	20.514	5	12	.000	2.164

a. Predictors: (Constant), GOVT_EXP, DEBT_STOCK, UNEMPLOY, CPI, FDI

b. Dependent Variable: GDP

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	58.256	125.354		.465	.650
	CPI	-19.386	50.693	-.088	-.382	.709
	FDI	-16.851	10.753	-.392	-1.567	.143
	DEBT_STOCK	-.670	2.571	-.056	-.260	.799
	UNEMPLOY	-2.076	3.241	-.114	-.641	.534
	GOVT_EXP	1.970	.405	1.384	4.868	.000

a. Dependent Variable: GDP

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	25.8192	411.4785	139.1033	117.69278	18
Residual	-92.88018	111.16146	.00000	40.25591	18
Std. Predicted Value	-.963	2.314	.000	1.000	18
Std. Residual	-1.938	2.320	.000	.840	18

a. Dependent Variable: GDP