Effect of Corruption on Economic Growth in Nigeria

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ABSTRACT

This research is carried out to investigate the "effect of corruption on economic growth" with special emphasis on how corruption affect gross domestic product, and government expenditure in the Nigerian economy, covering a period of twenty seven years (1986-2012). Regression analysis was used to analyze the data and the results show that there is negative relationship between corruption and economic growth in Nigeria. Our findings support the conventional wisdom, which stipulate that corruption is detrimental to economic growth and development. It is a cankerworm that has eaten into the fabric of the Nigeria economy. The research concludes that corruption impact negatively on economy growth and development in Nigeria. It is however recommended that government should intensify its efforts in re-orientating the society against the ills of corruption by establishing high ethical standard to which all and sundry should adhere. Besides, stiffer sanctions should be imposed on those found guilty of corrupt practices including death sentences.

Keywords: *Corruption, Economic Growth, Gross Domestic Product and Government Expenditure*

INTRODUCTION

Corruption is as old as the existence of man. It exist both in the developing and in the developed nations but predominant in the developing countries. Although 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 (Aliyu and Akanni, 2008). Among other variables, corruption remains one of the major factors responsible for underdevelopment in the Nigeria economy. Akindele (2010) notes that where corruption – exist, even a highly endowed nation in terms of natural and human resources, will still fail to develop in a beneficial way to a great majority of the citizens. Highly corrupt nations are always perpetuated with vicious circle of poverty, low incomes and which in turn leads to low investment and productivity (Ribadu, 2004, 2006). According to Lawal (2007), corruption is worse in countries where institutions, such as the legislature 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 sectors has been eroded, where court administrators (high and low) are

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mere buy overs. According to Oyovbire (2007), recent data released by national bureau of statistics shows that the percentage of people living in poverty has increased since the return to democracy to about 70% of the population, underscoring the increase of corruption in the country despite the return civilian rule. Many studies exist that assess the relationship between corruption and economic growth but their findings have not only been diverse but also conflicting. This implies that views on corruption and economic growth nexus remain polarized among economists and policy makers. A school of though made up of proponents like Leff (1964) is of the opinion that corruption is beneficial grease that lubricates the engine of economic growth. They suggest that corruption introduces efficiency in the economy and affects economic growth positively.

On the contrary, the second school of thought contends that corruption exerts adverse effects on long-term economic growth and sustainable development. A host of scholars and international organizations constitute the proponents of this view specifically Mauro (1997), Wei (1997) and United Nations (1990). Mo (2001) holds the opinion that corruption has a corrosive effect on economic growth and development. The transmission mechanism of these adverse effects include declined domestic and foreign investment increased cost production, misallocation of national resources, increased inequality, poverty and uncertainty in decision making among others.

Despite the crusades of anti-corruption in Nigeria, its magnitude appears to be on the high side. It has impaired hard work, diligence and efficiency. It has caused incalculable damages to the social and political development of Nigeria. It subverts honest selection processes and distorts prices. Furthermore, it weakens institutions, hampers investment and retards economic development. Most importantly, the resources that should be used for developmental purposes are being diverted from the society to private use. This accumulation of the nation's economic resources for personal benefits has variously contributed to the leakages of capital from Nigeria for illegal deposits abroad. In other words it has affect on the growth and development of the country.

According to Omotosho (2005), corruption deprives the country of previous resources, increase government yearly expenditure, increases unemployment rate, hampers efforts to alleviate poverty, undermines political and economic stability and diminishes the country attractiveness to investment. Corruption also distribute income in favours of the corrupt class which in most cases are already rich individuals thereby increasing the incidence of poverty and wealth disparities (Aluko, 2008). Furthermore, the contributing effects of corruption on poverty and poor infrastructural development is more worrisome. Nevertheless, the extent of these negative effects are yet to be measured and quantified. It is against this background that this study was inspired. The broad objective of this work is to study the effect of corruption on economic growth in Nigeria. The specific objectives include:

1. To examine the effect of corruption on gross domestic product in Nigeria.
2. To study the effect of corruption on Government Expenditure in Nigeria.

Two hypotheses were formulated in null forms for the study. They are:

$H_0$1: Corruption has no effect on gross domestic product in Nigeria.

$H_0$2: There is no significant relationship between corruption and Government expenditure in Nigeria.

Corruption and Economic Growth in Nigeria

Cultural differences make it difficult to find consistent global definition of corruption. Some cultures think of bribery as corruptions while others consider it as gifts. In this respect, Wei (1997) provides lengthy discussion on the various types and ratings of corruption across countries. He argues that corruption and economic growth have been inversely relating with each other, causing undue arousal or doom among the people. Corruption gives room for diversion of the limited public funds, undermines economic progress and impedes policy changes required for development. On the whole, corruption impedes growth and also erodes the already established economic value systems in Nigeria. This devastated effect of continuous corrupt practices in Nigeria has gone so bad and it is worrisome as several but unsuccessful measures have been put in place to halt the menace.

Aidt (2009) validates the fact that the drive to a perfect solution to corruption is still ongoing bearing in mind that previous effort to curb it is unsuccessful. It is a re-occurring issue and it impedes growth without clear solution. As efforts are put in place to eradicate it, it keeps multiplying and spreading like wild fire. To buttress the doubt and widespread of the phenomenon, Adewale (2011) asserts that the issue of corruption keeps reoccurring in every academic and formal discussion in Nigeria simply because of its danger towards meaningful development and it seems there is no way to this ugly phenomenon. Corruption has received significant attention among economists and international financial institutions during the last few decades, given its implications for economic growth. There are two schools of thought relative to corruption and economic growth nexus.

The Greasers View on Corruption

This school of thought holds the view that corruption has beneficial effect on economic growth. The supporters of this view argue that corruption (payment of bribe to bureaucrats in many forms) acts like oil that greases and facilitates the engine of economic growth as it helps government officials to make the process of project approval more efficient. The proponents of this view include Leff (1964), who suggests that corruption introduces efficiency in the economy and affects economic growth positively.

The general idea is that corruption facilitates beneficial trades that would otherwise not have taken place. In doing so, it promotes efficiency by allowing individuals in the private sector to correct pre-existing government failures of various sorts. Leff (1964) uses the following example to set the stage. Back in the early 1960s, the relevant government agencies in Chile and Brazil were charged with the task of enforcing price controls for food products.

The Sanders View on Corruption

This school of thought maintains, that corruption negates economic growth as it adds to the cost of business and introduces significant uncertainty in the decision making process. The proponents of this view including United Nations (1990), Mauro (1997) and Mo (2001) suggest that corruption is disadvantageous to businesses and innovators, especially those that lack the necessary cash flows and established lobbying power to either bribe or lobby the bureaucrats.

Studies on Corruption and Economic Growth

A number of studies have shown that corruption affects economic growth through both domestic and foreign investments. Leff (1964) suggests that corruption increases economic growth for a number of reasons including helping entrepreneurs to avoid bureaucratic delay by bribing officials. Lui (1965) suggests corruption minimizes waiting costs thus reducing inefficiency in economic activity. Beck and Maher (1986) maintain that allocative efficiency can exist even where corrupt officials grant bids to the highest bidder. Andvig and Barro (1991) investigated the relationship between economic growth and investment, and find that corruption negates economic growth through investment. Mauro (1995) using econometrics analysis finds significant negative relationship between economic growth and corruption over the period 1960-1985. Mauro (1997) concludes that corruption reduces expenditures on health and education. Similarly, Tanzi and Davoodi (1997) examine the effects of corruption on public finances and found that corruption increases public investment at the expense of private investment. Wei (2001) maintains that corruption, acting like a tax, negates foreign direct investment. Gupta (2002) argues that corruption leads to inequality and poverty through its negative influence on economic growth.

Aidt (2003) examines the determinants of corruption. They investigate the extent to which education, political regimes, and the type of the state, ethnicity, judicial efficiency; political freedom and the size of government explain differences in corruption across countries. They contend that knowledge of the determinants of corruption would help authorities to design and implement measures to curb and control its harmful effects. Acemoglu and Verdier (1998) examine the effects of corruption on economic growth and gross domestic investment for Bangladesh. This study extended the earlier studies by Andvig and Barro (1991). Unlike the previous studies, the authors modified Mauro's model by including two regional dummy variables. They find that corruption is significantly and negatively associated with cross-country differences in economic growth and gross domestic investment. In addition, they suggest that corruption retards economic growth by reducing foreign direct investment. They caution that endogenous must be looked at more seriously in investing the relationship between corruption and economic growth.

METHOD

This study aims at investigating the effect of corruption on economic growth in Nigeria. The study regress data on gross domestic product, and Government expenditure to

see the effect of corruption on these variables. The study covered the effect of corruption on the growth of the Nigeria economy from 1986-2012 which is a period of 27 years. The choice of 1986 as the base year was based on the fact that Nigeria has a turning point in 1986 when it adopted its Structural Adjustment Programme (SAP) and the limitation year 2012 was because data to be assessed are available up to that year. Our mode of analysis follows a linear combination of explanatory time series variables. Our structural model to estimate the relationship between corruption and economic growth was adopted from the work of Mauro (1997) on "the effects of corruption on growth investment and Government Expenditure" and modified for the purpose of our study as follows:

GDPGR and *GOVEXP* = *F*(*CPI*) .....(1)

Where

GDPGR = Used as a proxy to economic growth
GOVEXP = Used as proxy to government expenditure
CPI = Used as proxy to corruption.

The empirical forms of equation 1 that will be used to analyze each of our stated hypotheses are stated as:

GDPGR = ¶o + $¶_1$, *CPI* + *U* .....(2)

Where

GDPGR = Gross domestic product Growth Rate.
CPI = Corruption perception index
¶o = The *y* – intercept
¶o = The coefficient of the independent variable.
U = The error term to capture variables not explicitly stated in the model.

For Hypothesis 2

GOVEXP = ¶o + ¶*CPI* + *U* .....(4)

Where

GOVEXP = Government expenditure while other variables are as explained above.

The model for this study was carefully chosen to capture all the objectives of the study. The major characteristics of an econometric analysis were incorporated in the model specification in a systematic manner. The study exclusively used secondary sources of data and they were obtained from the publications of the Central Bank of Nigeria, Nigeria Stock Exchange, Websites, journals and newspapers. The data collected are Gross Domestic Product (GDP), Government Expenditure (GOVEXP) and Corruption Perception Index (CPI). This study presents, analyzes and interprets the data obtained using Analysis of Variance (ANOVA).

RESULTS AND DISCUSSION

From equation 1, the coefficient of the constant term is 5.349, which is positive and statistically significant with value of *t* = 29.606. The value of 5.349 is the intercept of

the regression line indicating that the gross domestic product growth rate (GDPGR) will be 5.349 if other variables are zeros. The coefficient of corruption perception index (CPI) is positive and it is also statistically significant with value of $t = 5.048$. This implies that for every unit increase in the value of corruption perception index (CPI), holding other variables constant, the gross domestic product growth rate (GDPGR) will increase by 0.558. In interpreting the regression results, the Analysis of Variance (ANOVA) table should be looked at first (Gupta, 2002). The ANOVA table tests the acceptability of our model from a statistical perspective. The last column of the ANOVA table shows the goodness of fit of the model. If the significance value of the F-statistic is small (less than 0.05), then the independent variables did a good job explaining the variation in the dependent variable. The significance value from the ANOVA table in Appendix I is 0.000 which is less than 0.05 indicating that the model is significant even at 99%, 95% and 90% degree of confidence. Significance implies that we can accept our model. That is to say that the independent variable did a good job in explaining the variation in the dependent variable.

The correlations table of hypothesis 1 shows the Pearson Correlation Coefficient between the gross domestic product growth rate (GDPGR) and corruption perception index (CPI). The correlation coefficient between GDPGR and CPI is 0.718 indicating a positive relationship existing between the gross domestic product growth rate (GDPGR) and corruption perception index (CPI). Also, the correlation coefficient value of 0.718 is statistically significant at 0.01, 0.05 and 0.10 level that is at 99%, 95% and 90% degree of confidence since it has a p-value of 0.000. The regression equation for hypothesis 1 from the Coefficients' table in Appendix I is given as:

$$GDPGR = 5.349 + 0.558CPI + U \quad \ldots\ldots(1)$$

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.718[a]	.515	.495	.45824	.519

The multiple correlation coefficients (R) is the correlation between the observed and predicted values of the dependent variable. The values of R for models produced by the regression procedure range from 0 to 1. Larger values of R indicate stronger relationships. From our model summary table in Appendix I, the value of R is 0.718, indicating a strong relationship between the observed and predicted values of the dependent variable, the gross domestic product growth rate (GDPGR).

The *R* square (R^2) which is the coefficient of determination is the proportion of variation in the dependent variable explained by the regression model. The values of R^2 range from 0 to 1. Small values indicate that the model does not fit the data well. The value of R square of 0.515 from the model summary table in Appendix I indicates that 51.5% of the variation in the dependent variable, the gross domestic product growth rate (GDPGR) was explained by variations in the independent variables while the remaining 48.5% is due to other factors not accounted for in the model. The Adjusted

R squared attempts to correct *R* squared to more closely reflect the goodness of fit of the model in the population. It is superior to *R*-square because it is sensitive to the addition of irrelevant variables (Gupta, 2002). From the model summary table in Appendix I, the Adjusted R square is 0.495. This implies that only 49.5% of the variation in the dependent variable, the gross domestic product growth rate (GDPGR) was explained by variations in the independent variable while the remaining 50.5% is due to other factors not accounted for in the model. The Durbin-Watson test is a test of serial dependence or auto correlation among the residuals of a regression model. It tests for auto-corregressive scheme, also known as the first order process. The Durbin-Watson value of 0.536 from Appendix I indicates the presence of positive serial correlation in the estimated equation.

The decision is the f-statistic and the t-statistic were used in validating the stated hypothesis. The critical value of the f-statistic from the statistical table at 95% confidence interval is 4.2417. Since the calculated f-statistic from our results in Appendix I is 25.485, which is higher than that from the statistical table, we reject the null hypothesis. Also, the calculated t-statistics for the parameter estimate of corruption perception index (CPI) is 5.048 from the coefficients table in Appendix I. The tabulated t-statistics is 2.060 at the 0.05 level of significance for a two-tailed test. The value of the calculated t-statistics 5.048 is higher than that of the tabulated t-statistics of 2.060; we therefore reject the null hypothesis and accept the alternate hypothesis which states that corruption has a significant positive impact on the gross domestic product in Nigeria. The regression equation for hypothesis 3 from the Coefficients' table in Appendix IV is given as:

$$GOVEXP = 32.018 - 5.637CPI + U \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots(3)$$

From equation 3, the coefficient of the constant term is 32.018, which is positive and statistically significant with value of t = 5.104. The value of 32.018 is the intercept of the regression line indicating that government expenditure (GOVEXP) will be 32.018 if other variables are zeros. The coefficient of corruption perception index (CPI) is negative and is statistically insignificant with value of t = -1.468. This implies that for every unit increase in the value of corruption perception index (CPI), holding other variables constant, government expenditure (GOVEXP) will decrease by 5.637.

The significance value from the ANOVA table in Appendix III is 0.155 which is more than 0.05 indicating that the model is insignificant even at 95% and 90% degree of confidence. Insignificance implies that we cannot accept our model. That is to say that the independent variable did not do a good job in explaining the variation in the dependent variable. The correlations table of hypothesis 3 from Appendix III shows the Pearson Correlation Coefficient between government expenditure (GOVEXP) and corruption perception index (CPI). The correlation coefficient between GOVEXP and CPI is -0.287 indicating a weak negative relationship existing between government expenditure (GOVEXP) and corruption perception index (CPI). Also, the correlation coefficient value of -0.287 is statistically insignificant at the 0.05 and 0.10 level – i.e. at 95% and 90% degree of confidence since it has a p-value of 0.155.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.287[a]	.082	.044	15.90928	1.103

a Predictors: (Constant), CPI

The multiple correlation coefficients (R) are the correlation between the observed and predicted values of the dependent variable. The values of R for models produced by the regression procedure range from 0 to 1. Larger values of R indicate stronger relationships. From our model summary table in Appendix III, the value of R is 0.287, indicating a weak relationship between the observed and predicted values of the dependent variable, government expenditure (GOVEXP).

The R square (R^2) which is the coefficient of determination is the proportion of variation in the dependent variable explained by the regression model. The values of R^2 range from 0 to 1. Small values indicate that the model does not fit the data well. The value of R square of 0.082 from the model summary table in Appendix III indicates that 8.2% of the variation in the dependent variable, government expenditure (GOVEXP) was explained by variations in the independent variable while the remaining 91.8% is due to other factors not accounted for in the model.

The adjusted R square attempts to correct R square to more closely reflect the goodness of fit of the model in the population. It is superior to R-square because it is sensitive to the addition of irrelevant variables (Gupta, 2002). From the model summary table in Appendix III, the Adjusted R square is 0.044. This implies that only 4.4% of the variation in the dependent variable, government expenditure (GOVEXP) was explained by variations in the independent variable while the remaining 95.6% is due to other factors not accounted for in the model. The Durbin-Watson value of 1.372 from Appendix III indicates the presence of positive serial correlation in the estimated equation.

The decision is the f-statistic and the t-statistic were used in validating the stated hypothesis. The critical value of the f-statistic from the statistical table at 95% confidence interval is 4.2417. Since the calculated f-statistic from our results in Appendix III is 2.156 which is lower than that from the statistical table, we accept the null hypothesis. Also, the calculated t-statistics for the parameter estimate of corruption perception index (CPI) is -1.468 from the coefficients table in Appendix III. The tabulated t-statistics is 2.060 at the 0.05 level of significance for a two-tailed test. The value of the calculated t-statistics -1.468 is lower than that of the tabulated t-statistics of 2.060; we therefore accept the null hypothesis which states that there is no significant relationship between corruption and government expenditure in Nigeria.

This study examined the effects of corruption on economic growth in Nigeria. From the previous arguments in this study and from the empirical investigations, it is clear that corruption is a cankerworm that has eaten deeply into the fabrics of the Nigerian economy. The Findings from the regression result suggest that corruption has both direct and indirect implications for economic growth. The study makes several

important findings. First the results reveal that a one unit increase in corruption retards economic growth by roughly 0.558 percentage for the period under consideration. The finding that corruption has negative influence on economic growth is consistent with Nweze (2010). Second, the result reveal that a one unit increase in corruption, holding other variable constant, account for decrease in government expenditure by 5. 637. The finding that government expenditure is significantly affected by corruption is consistent with Mauro (1997). Third, the study equally found that all forms of corruption is manifested and noticeable in the Nigeria economic. Finally, our result discovered that corruption directly negates economic growth. Hence, we support the conventional wisdom, which stipulated that corruption is detrimental to economic growth and development.

Regression Result for hypothesis 1

Descriptive Statistics

	N	Mean	Std. Error	Std. Dev.	Variance	Skewness	Std. Error
GDPGR	26	6.1408	.12644	.64471	.416	-.424	.456
CPI	26	1.4177	.16255	.82887	.687	.121	.456
Valid N (listwise)	26						

Correlations

		GDPGR	CPI
GDPGR	Pearson Correlation	1	.718(**)
	Sig. (2-tailed)		.000
	N	26	26
CPI	Pearson Correlation	.718(**)	1
	Sig. (2-tailed)	.000	
	N	26	26

** Correlation is significant at the 0.01 level (2-tailed).

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	CPI[a]	.	Enter

a All requested variables entered. b Dependent Variable: GDPGR

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.718[a]	.515	.495	.45824	.519

a Predictors: (Constant), CPI b Dependent Variable: GDPGR

ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.352	1	5.352	25.485	.000[a]
	Residual	5.040	24	.210		
	Total	10.391	25			

a Predictors: (Constant), CPI b Dependent Variable: GDPGR

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	*t*	Std. Error
1	(Constant)	5.349	.181	29.606		.000
	CPI	.558	.111	.718	5.048	.000

a Dependent Variable: GDPGR

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	5.4052	7.0017	6.1408	.46267	26
Std. Predicted Value	-1.590	1.861	.000	1.000	26
Standard Error of Predicted Value	.090	.193	.124	.031	26

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Adjusted Predicted Value	5.4937	7.0513	6.1545	.46660	26
Residual	-1.25655	.81747	.00000	.44898	26
Std. Residual	-2.742	1.784	.000	.980	26
Stud. Residual	-2.947	1.821	-.014	1.028	26
Deleted Residual	-1.45131	.85188	-.01371	.49506	26
Stud. Deleted Residual	-3.611	1.920	-.037	1.119	26
Mahal. Distance	.000	3.462	.962	.987	26
Cook's Distance	.000	.673	.053	.131	26
Centered Leverage Value	.000	.138	.038	.039	26

a Dependent Variable: GDPGR

Regression Result For Hypothesis 2

Descriptive Statistics

	N	Mean	Std. Error	Std. Deviation	Variance	Skewness	Std. Error
GOVEXP	26	24.0265	3.19142	16.27309	264.814	1.169	.456
CPI	26	1.4177	.16255	.82887	.687	.121	.456
Valid N (listwise)	26						

Correlations

		GOVEXP	CPI
GOVEXP	Pearson Correlation	1	-.287
	Sig. (2-tailed)		.155
	N	26	26
CPI	Pearson Correlation	-.287	1
	Sig. (2-tailed)	.155	
	N	26	26

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	CPI[a]	.	Enter

a All requested variables entered.
b Dependent Variable: GOVEXP

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.287[a]	.082	.044	15.90928	1.103

a Predictors: (Constant), CPI
b Dependent Variable: GOVEXP

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	545.810	1	545.810	2.156	.155[a]
	Residual	6074.528	24	253.105		
	Total	6620.338	25			

a Predictors: (Constant), CPI
b Dependent Variable: GOVEXP

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	32.018	6.273	5.104	.000	
	CPI	-5.637	3.839	-.287	-1.468	.155

a Dependent Variable: GOVEXP

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	15.3322	31.4547	24.0265	4.67252	26
Std. Predicted Value	-1.861	1.590	.000	1.000	26
Standard Error of Predicted Value	3.121	6.692	4.288	1.061	26
Adjusted Predicted Value	14.9306	35.8913	24.2286	5.09519	26
Residual	-27.35469	40.32862	.00000	15.58785	26

Std. Residual	-1.719	2.535	.000	.980	26
Stud. Residual	-1.854	2.597	-.006	1.018	26
Deleted Residual	-31.79130	42.31627	-.20207	16.84567	26
Stud. Deleted Residual	-1.960	2.998	.016	1.086	26
Mahal. Distance	.000	3.462	.962	.987	26
Cook's Distance	.000	.279	.041	.066	26
Centered Leverage Value	.000	.138	.038	.039	26

a Dependent Variable: GOVEXP

CONCLUSION AND RECOMMENDATIONS

We find that corruption impacts negatively on economic growth as evidenced from our analysis. This may cost the economy so much that development will be slowed down if not restricted. The causal relationship of the variables also shows that corruption prevents economic growth and that its consequences and effects are also on the increase. Therefore, it is obvious that in a bid to minimize corruption in order to restore the fame and dignity of the economy making it an environment for rapid economic growth, the identified issues and problems of corruption setting back the economy over time must be seriously tackled. This study recommends that the government should intensify its effort at re-orientation the society against ills of corruption by establishing high ethical standards to which all and sundry must adhere. More stringent measures should be put in place to reduce the possibility of diverting public funds into private pocket.

For instance, independent auditing and consulting firms can be involved to critically examine the records and projects carried out by government officials to ascertain whether they are executed as planned. Government should introduce transparency devices such as electronic strategies that can detect and prevent corruption in all areas of the economy. The use of cameras in public places will work in this direction. Besides, stiffer sanctions should be imposed on those found guilty of corrupt practices including death sentences. This will serve as deterrent to others. Finally, government should increase its political will to eradicate corruption in the system. Present effort already yielding good result should be strengthened and expanded in scope. The Economic and Financial Crimes Commission (EFCC), for instance should be given more legal backing, manpower and financial resources to improve its performance now and in the future.

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