The Impact of Corruption on Economic Growth and Cultural Values in Nigeria: A Need for Value Re-orientation

Jorji A Nwogu* and Victor Ushahemba Ijirshar

1Department of Economics, School of Business Education, Federal College of Education (Technical) Gusau, Zamfara State, Nigeria
2Department of Economics, Benue State University, Makurdi, Nigeria

Abstract

Corruption in Nigeria has deeply entrenched/ingrained in the national ethics, politics, civil society, public and private sectors and has been deeply permeated by a pervasive and debilitating culture so much that it is best regarded as been institutionalized, until the recent fight against it. The longtime reign of corruption in the country has impacted negatively on economic growth and has decayed or deteriorated our cultural values in the state. This study examined the impact of corruption on economic growth and cultural values in Nigeria situating the need for value re-orientation. The negative impact of corruption on economic growth and the decaying standard of Nigerian cultural values have necessitated the need for value re-orientation in order to bring redemption to the country's national character and image. The study recommends the effective use of anti-corruption agencies. In the same vein, there should be re-orientation process in the education system of the country while the government should adequately fund the system.

Keywords: Corruption; Corruption control; Corruption rank; Orientation; Re-orientation and values

Introduction

Corruption is a global problem and no country of the world is totally free of its menacing grip [1]. It has been seen as a structural problem of political, economic, cultural and an individual’s malaise [2]. Although corruption remains a global challenge to the quest for development and welfare, it is a recurring theme in the African discourse. It has affected many countries all over the world especially the developing countries [3]. The Nigerian scenario and experience provides a useful or global illustration of the nuances surrounding corruption and how it interfaces with the state and the struggle for development and value re-orientation.

Nigeria is the most populous country in Africa and a very important oil producer. However, it has been struggling to decrease unemployment, income inequality and its dependence on oil [4]. Therefore, an axiom that Nigeria is richly endowed by providence with human and material resources critical for national development and advancement is toothless. This is because, it is widely accepted that the misappropriation of public funds and asset by corrupt elites has been a major cause of Nigeria’s underdevelopment [5]. Nigeria scores poorly on Transparency International’s Corruption Perception Index as it gained two points in 2014 as compared to 2013 receiving a score of 27 on a scale from 0 (most corrupt) to 100 (least corrupt). The country was therefore, ranked the 38th most corrupt country in the world (that is, 136th out of 175 countries assessed) [6].

Nigeria is often classified as a neo-patrimonial prebendalism state [7,8] and these particular characteristics have serious implications on the social mechanisms enabling corruption in the country [9]. Patrimonialism is defined as a social and political order where patrons secure the loyalty and support of clients by granting benefits from their own or state resources while neo-patrimonialism gives rise to a ‘hybrid’ state which often fails to guarantee the universal and fair distribution of public resources [10]. Corruption in Nigeria manifest itself in different ways, both on a micro and macro level, and it occurs at all levels of society [11]. According to the report by Amundsen [12], the types of corruption in Nigeria are; rent-seeking, embezzlement, conflict of interest, bribes and kickbacks, nepotism and cronyism, corruption in provision of services, political patronage, and electoral corruption, among others.

The 1999 constitution of the Federal Republic of Nigeria provides the motto of the country which is Unity and Faith, Peace and Progress. This is because, every society needs to define its values and engage in activities that will sustain those set of values [13]. However, there has been a lot of indiscipline in every face of life in Nigeria. Among them are; lack of integrity, corruption, the get-rich-quick syndrome and pursuit of easy money which has reduced the dignity of labour, religious intolerance, none respect for the country in terms of our institutions and national symbols. This necessitated the great need for value re-orientation. As quoted by Okoroafo and Njoku [14], value re-orientation is aimed at inculcating good values that can help Nigeria out of her numerous predicaments which can refocus the nation toward greatness. The Nigerian government has therefore put in place several efforts to orientate Nigerians to imbibe and instill the culture of virtue and to shorn immoral acts. The government has made some efforts and different strategies to curb corruption in the country. For instance, the introduction of War Against Indiscipline (WAI) by Buhari to change the immoral attitude of Nigerians for better, the introduction of Economic and Financial Crime commission (EFCC) to check corruption in the country, and other agencies such as Independent Corrupt Practices and Other Related Offences Commission (ICPC) to ensure ethical and moral values by restoring the good moral values inherent in the traditional society. But Odey and Ashupin [15] noted...
that most of these policies made by the Nigerian government are still altered by the custodian of power and authorities in the state. In the vein, Ughorojeh [16] lamented that while all successive governments have been time and care to identify and condemn the evil corruption plaguing the Nigerian economy, not much efforts has been made to combat it. Similarly, Onoge [17] noted that corruption has persisted in the country despite efforts to rout it out, noting that its rate and scale increased enormously in the oil boom days.

Recently, the Nigerian government has also set up strategy or fight against corruption under the leadership of Buhari with stringent penalties put in place for offenders. According to Odey and Ashipu, ethics is intrinsically related to morality and it is also related to religion which is a product of people's culture. Thus, considering the intensity of government efforts in instilling discipline and eradicating corruption in Nigeria in order to transform and re-orientate the cultural values in Nigeria has informed this study.

In the similar vein, several studies have also shown the negative effect of corruption on economic growth in Nigeria [18-23]. Thus, the effect of corruption on economic growth in Nigeria cannot be overemphasized. Also, Guru and Abdul noted that corruption has a significant negative effect on economic growth and development. Adewale [24] posits that although corruption is a universal phenomenon, its magnitude and effects are more severe and deep-seated in Nigeria. Tolu and Ogunro argued that the futile attempt by the government to fight the cankerworm stems from the fact that the government itself is greatly infected with the virus and an average Nigerian is seen as corrupt in most part of the world. It appears that corruption has become deep-rooted in Nigeria as a result of the fact that, people from other countries now see it as part of the tradition of their perception of public office [26]. Rotimi, Obasaju, Lawal and Iseolorunkanmi presents kpakpin corruption model comprising trio (Pressure, Opportunity and Action). According to them, the nexus within the trio is the channel through which fraud or corruption practices manifests and that for any form of corruption or corrupt practice to manifest, the trio channel must come to being and be realized (Figure 1).

Control of corruption

Control of corruption reflects perceptions of the extent to which public power is exercised for private gain. This includes both petty and grand forms of corruption, as well as ‘capture’ of the state by elites and private interests. It is one of the six dimensions of the Worldwide Governance Indicators [27].

Economic growth

Ajayi [28] perceived economic growth as the increase overtime, of a country's real output of goods and services. Todaro and Smith [29] viewed economic growth as an expansion of the system in one or more dimensions without a change in its structure. According to Ijirshar [30], economic growth is an increase in the capacity of an economy to produce goods and services, compared from one period of time to another which can be measured in nominal terms (including inflation) or in real terms (adjusted for inflation). In other words, economic growth can be defined as the increase in the monetary or market value of goods and services produced by an economy over time.

Conceptual Clarification

Corruption

Corruption Perception Index (CPI) was adopted or used as a measure for the level of corruption at national level in 2000. It ranks countries/territories based on how corrupt a country’s public sector is perceived to be. Scores range from 0 (highly corrupt) to 100 (very clean). This implies that low scores indicate high level of corruption and high scores mean low level of corruption. In Nigeria, Umar, Samsudin, Mohamed [25] argued that textual evidence reveals the apparent successes in the investigation, prosecution and conviction of corrupt offences in Nigeria but, the context in which the agency exists remains its major obstacle, especially the legal system, government commitment and management issues.

Different arguments have been put forward to explain the pervasiveness of corruption in Africa; these include poverty, the personalization of public office, the political culture and the inability of leaders to overcome their colonial mentality in respect of their perception of public office [26]. Rotimi, Obasaju, Lawal and Iseolorunkanmi presents kpakpin corruption model comprising trio (Pressure, Opportunity and Action). According to them, the nexus within the trio is the channel through which fraud or corruption practices manifests and that for any form of corruption or corrupt practice to manifest, the trio channel must come to being and be realized (Figure 1).

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Value re-orientation

Value re-orientation is the ability to bring back, the good values of old, back into existence. It can also be defined as the efforts made towards re-enacting the good values and the ability to inculcate these values on the individuals or members of a society. It is conscious development of human resources through ideological appeals, planning, training, productivity and efficiency in achievements through corporate culture [31]. These can be done through formal and informal approaches. The formal approaches involve the use of school subjects in educating learners on civic matters in the state. This is also stipulated in the National Policy on Education (NPE) which is meant for training of citizens and the inculcation of civic values at the different levels of schools setting. The informal approaches involve folklorics, ridicule, proverbs, praises and corrections, among others. Olisa [32] noted the important role of religious groups in rescuing the decaying standards in the country.

Corruption and value re-orientation in Nigeria

Corruption constitutes a cankerworm that has eaten deep into the very fabric of the Nigeria’s social system. It has assumed a monumental height as the nation is ranked as one of the most corrupt nations in the world. These corrupt practices stem from the various callous, greedy, self-motivated and self-seeking attitudes of our leaders who are only interested in serving their pockets rather than serving the people [33]. Thus, the negative perception of Nigeria persists in spite of the several emphases on anti-corruption and integrity promotion policies and strategies by successive governments. It has therefore deteriorated the cherished and acceptable standards of behaviors (values) and cultural values in the state. The policies and programmes such as, Federal Character, National Youth Service Corps (NYSC), Unity secondary schools, National sports, National symbols, Festivals, National ethical re-orientation, War Against Indiscipline (WAI), Directorate of Social Administration, Self Reliance, Economic Recovery and Social Justice (MAMSER), National Economic Empowerment and Development Strategy (NEEDS), Youth Enterprise with Innovation in Nigeria and N-Power Programme. The numerous efforts by the government towards value orientation and national integration however, failed partially or totally. This is partly as a result of corruption as noted by Njoku that the malady of corruption has polluted the character and personality of every Nigerian, doubt why, seemingly responsible Nigerians within the corridor of powers gather around themselves sycophants and praise singers. According to him, everybody has become a suspect of misplaced values.

These necessitate the need for value re-orientation in Nigeria which can only be effectively attained when corruption is reduced to bearst minimum. As lamented by Soyinka [34] that some of the value orientation programmes are often characterized by political propaganda, victimization and coercion. Therefore, the role or influence of government through establishing and financing schools for moral education, and religious groups through their teachings, sanctions, and admonitions cannot be doubted. According to Darting and Steinberg [35], failed moral training of children gave birth to corruption in our society. Thus, prevailing high level of corruption in the country calls for stringent or war against it.

Implications of corruption on economic growth

According to Ibrahim, Umar and Ajoke, corruption has various implications for both the developed and developing economies. It hampers development and thus raises the level of poverty in any economy that finds itself entrenched in corrupt practices. It therefore contributes to uncertainty and risk in the growth process and development potentials of any economy. This is because; high level of morals and discipline is a sine-qua-non for the overall development of the country. Thus, a corrupt nation needs to employ strict anti-corruption codes as stipulated in the legislations that created anti-corruption agency without prejudice or double standards irrespective of the culprit’s stature or position in the society.

According to Rotimi, Obasaju, Lawal and Isolorunkanmi, corruption and economic growth have been inversely relating with each other, causing undue arousal or doom among the people. It impedes growth and also erodes the already established economic value systems in Nigeria. It is therefore not an understatement as concluded by Achebe [36] that corruption has permeated the African society and anyone who can say that corruption in Africa has not yet become alarming is either a fool, a crook or else does not live in this continent. Adewale in examining the crowding-out effects of corruption in Nigeria noted that corruption retards economic growth in the country. Similarly, Fabayo, Posu, and Obisanya revealed that high level of corruption leads to low investment and economic growth in Nigeria. The folds of corruption such as; bribery, fraudulent acts, embezzlement of funds and property (public and/or private), ball of stiffing and election rigging, money laundering, examination malpractices in public and private schools are some of the corrupt practices perpetrated in Nigeria which have contributed to the decaying cultural values in the country. These have further caused social odds in the state among which are lack of public infrastructures for easy economic and business activities, increased level of poverty in the state despite the enormous natural and human resources, less respect for fundamental human rights, and so on. Corruption has therefore retarded the efforts of both the private and the government to improve the well-being of the people and the whole economy. It is harmful and unhealthy to the whole economic system which leads to misallocation of resources, inefficiency and decay of cherished and acceptable standards of behaviors (values) and cultural values.

Value orientation in Nigeria and its problems

Value orientation is not a recent phenomenon in the development of Nigeria. It started before westernization, when the traditional education in the country was concerned with teaching or training children for social responsibility and political participation. According to Falade and Falade [37], the main focus of socialization in the African traditional society is character training, and that, all the agents and processes of socialization aimed at providing individual who are truthful, hospitable, respectful, honest, skillful, obedient, and patriotic. Falade [38] noted that there are many indigenous values among the Yorubas that promote social integration and enhance the building of civil society (that is, the supreme importance of man’s character and judgment of God). They adopt strategies like; ridicule, instruction, discipline, proverbs, clubs, folklores, praises and corrections in order to inculcate good character and traits into the young ones.

At the National level, approaches have been adopted to inculcate values in the citizens which can be categorized into: formal and informal approaches, the integration of civic education along with other subjects such as; social studies, religious education, and citizenship helps in providing training and inculcation of civic values as specified by the Nigeria National Policy on Education (NPE). Section 2 (f) of the National Policy on Education (NPE) state that the purpose of pre-primary education should be, to develop a sense of cooperation and team spirit, while section 3(c) states that the goal of primary education


is to give citizenship education as basis for effective participation in and contribution to the life of the society or nation [39].

The civic education and other related subjects are aim at enabling the learners to acquire the skills, knowledge, values and attitudes that would make them to become responsible citizens; creating adequate and fundamental political literates among Nigerians. They noted some informal approaches of value orientation in the country, viz: faji declaration by Major General Olusegun Obasanjo in 1977; National ethical re-orientation by the Alhaji Shehu Shagari administration in 1982, War Against indiscipline by the Buhari/Iiagiobon administration in 1984, Directorate of Social Mobilization, Self-Reliance, Economic Recovery and Social Justice (MAMSER) introduced by the Babangida Administration, National Economic Empowerment and Development Strategy (NEEDS) introduced by Olusegun Obasanjo’s administration in 2004, and Fight Against Corruption introduced recently by Buhari’s administration in 2016.

According to Falade and Falade, the numerous efforts by the government towards value orientation have not yielded much result in Nigeria. Similarly, Ajere and Oyinloye [40] pointed out that Nigeria is heading for a state of anomie considering all forms of dysfunctions in behavior patterns among youths and adults. The former noted some reasons why value orientation programmes in Nigeria have partially or totally failed. Up to mention are:

i. The wrong value system in the Nigerian society as most of Nigerians pursues wealth and material things without giving due attention to national values. Ugwuogu [41] argued that value orientation programmes in Nigeria tend to emphasize more of the negative than positive values.

ii. The abandonment of fundamental role of socialization and child-training by families in pursuit of social, political and economic gains.

iii. The undue emphasis on intellectual ability and certificate as imbedded in the examination structure (cognitive based) at the expense of skills and values.

iv. Corruption practices, ethnic and religious bias, intolerance and bribery evident among Nigerian leaders. Other problems such as; terrorism, armed robbery and ethnic militias which has evidenced by the corruption rank of most corrupt countries. The trends evident by the corruption rank of most corrupt countries. The trends by the corruption rank of most corrupt countries. The trends evidenced by the corruption rank of most corrupt countries.

Data Analysis

The trend of corruption in Nigeria

It is not exaggeration of the tragic events of the country since independence, to say that all efforts to establish a just and efficient administration have been frustrated by corruption [42]. Corruption perception index was 0.16 (16%) in 1990. The index increased to 0.19 (19%) in 2005, 0.24 (24%) in 2010 and to 0.26 (26%) in 2015. In terms of relative corruption rank, Nigeria was ranked 98th in 1999, 152nd in 2005, 134th in 2010 and 136th out of 176 countries as least corrupt countries. While in terms of most corrupt economies, Nigeria was ranked 2nd in 1999, 6th in 2005, 37th in 2010 and 33rd most corrupt country in 2015 [43-46]. This implies that Nigeria has been relatively recording higher level of corruption and dwindling towards most corrupt countries as evident by the corruption rank of most corrupt countries. The trends of corruption perception index, relative corruption rank and the corruption rank of most corrupt countries are presented in Figure 2 while the control of corruption is presented in Figure 3. It can observe from Figure 3 that the control of corruption has been decreasing during the study period.
The impact of corruption on economic growth in Nigeria

The result of ARDL model reveals that the best lag selected for optional performance of the model is lag one. The residual tests of the selected lag show the absence of serial correlation and heteroskedasticity in the model [46–49]. This implies that residuals were multi-variate normal and stable.

The result of ARDL Bounds test shows that there is long-run relationship among the variables since the F-Statistic of 9.58891 is greater than the lower bound (I0) critical value of 2.56 and upper bound (I1) critical value of 3.49 at 5% level of significance. The long-run estimates are presented in the equation below:

\[
\text{RGDP} = 7.96 - 0.015\text{RCR} + 0.09\text{CPI} + 0.03\text{CR} + 0.32\text{CC}
\]

Standard Errors (8.6) (0.004) (0.208) (0.055) (1.151)

The result shows that Relative Corruption Rank (RCR) has significant influence on economic growth in Nigeria negatively. Other corruption indices such as corruption perception Index and corruption rank which are presented in an inverse form had positive impact on the growth of the Nigerian economy likewise corruption for corruption. This explains that higher level of corruption in the country retards or impairs economic growth.

The short-run estimates revealed a negative but insignificant speed of adjustment implying that initial deviations (incident by corruption indicators) in RGDP does not significant adjust to the long-run equilibrium in Nigeria at 5% critical level. However, it converges to long run equilibrium by 0.05% yearly.

Conclusion and Recommendations

The study concludes that the longtime reign of corruption in the country has impacted negatively on economic growth in Nigeria. It has also decayed or deteriorated the country’s cultural values. The negative impact of corruption on economic growth and the decaying standard of Nigerian cultural values have necessitated the need for value re-orientation in order to bring redemption to the country’s national character and image. The study therefore recommends the following:

i. The Nigerian government should advance the use of anti-

[Graphs and diagrams are not transcribed but indicated to enhance understanding of the text content.]
corruption agencies such as: Independent Corrupt Practices Commission (EFCC) to properly investigate corrupt practices and to apportion appropriate sanctions. This could positively influence the cultural values and moral character thereby providing redemption for national consciousness, patriotic orientation and manifestation of civilized acts by the citizens.

ii. There should be re-orientation process in education system in Nigeria that would lead to redemption or retrieval and salvaging or restoring of the country’s national character and image. The schooling process instill in the youth, standard and acceptable morals. Therefore, re-orientation of the education process itself would ensure character development and transformation, skill acquisition and even entrepreneurship along with job creation.

iii. Government should adequately fund education to maintain, rehabilitate physical facilities, instructional and living conditions in public schools as well as libraries, classrooms and laboratories. This is applicable to private and corporate organizations through procurement of imported technical and scientific equipment, books, instructional materials and journals in the educational sector.

iv. Religious groups should nurture human soul and make the human person genuinely rich, since religion as a system of belief that exerts strong influence in the daily lives, cultural values and attitudinal re-orientation of members. This is because; religious values have never changed, and reflect the law of nature. Among the values are; integrity, truth, honesty, patience, trust-worthiness, faithfulness, love and kindness, obedience as well as humanity.

v. Parents should endeavour to fulfill their parental roles, goals, values and manners that would influence the children’s moral and social behaviour positively. These can be done through teaching and training of their children and adequate monitoring and guidance of their behavioural patterns at home and developing in them, self-control in absence of external authority.

References


