

POLITICAL ENVIRONMENT AND CORRUPTION PERCEPTION IN NIGERIA: AN EMPIRICAL ASSESSMENT

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ABSTRACT : The study investigates the relationship between Nigeria political environment and corruption perception. The study covers the period from 1999 to 2019 using five indicators of political environment namely, government effectiveness index, rule of law index, voice accountability index, political stability index and political rights index. Corruption perception index is used as the dependent variable. The study uses Auto-regressive Distributed Lags to analyse the relationship and the results show that out of the five indicators of political environment, only political stability has significant impact on corruption perception in Nigeria. This underscores the importance of the uninterrupted democracy being witness in Nigeria since 1999 in corruption perception of the country. On the contrary, government effectiveness index, rule of law index, voice accountability index and political rights index failed to have significant impacts on corruption perception and control in Nigeria. The implication is that, with the current political environment in Nigeria, corruption perception index of the country has continued to rise hence it means that the Nigeria political environment is weak to have any significant effect on corruption control.

KEY WORDS: *Political environment, Corruption perception, Empirical assessment*

I. INTRODUCTION

All over the World there are continuous debates on the relationship between a country's political set up and corruption (Agbibo, 2012). No country is an exception when it comes to the issue of corruption but the severity and the structure differ from country to country. The structure in most cases depends on institutions. The existence of political leaders primarily is to bring about effective institution that will be able to provide basic needs of life for the society, these basic needs range from security to management of economic conditions, redistribute income and resources, provision of public goods among others (Elbasani&Šabić, 2018). In the process of carrying out all these basic functions by the government as an institution, it is believed that it should be done in a way that it will not make at least one person in the society worse of (Hossain&Kryzanowski 2020). To achieve this, two of the functions itemized earlier are very germane and that is management of economic conditions and redistribution of income and resources. According to Agbibo (2012) a political environment that will lead to the emergence of political leaders that will be able to effectively manage a county's economic conditions and redistribute income and resources efficiently is important. Whenever these two functions are not done effectively and efficiently then there is corruption.

Nigeria as a country enthroned democracy in the year 2000 and this period marked the inception of a new political dispensation in the history of the country. Precisely, military dictatorship which has been the hallmark of the political environment in the country then changed to democracy and thus marked the beginning of another political environment that is believed will be liberal and provide enabling environment for government to perform its functions more effectively. However, despite the enthronement of democracy, Nigeria has been witnessing rising cases of corruption which is a reflection of failure of political institution to manage the economic conditions and redistribute income and resources efficiently (Transition Monitoring Group TMG, 2007).

Currently Nigeria is ranked 144 on the corruption index among 180 sampled counties by the TMG, (2019). This rank is seen as too alarming for a leading country in the Sub Sahara Africa SSA sub-region in terms of economy. The global corruption index also ranked SSA as the second most corrupt regions in the World. According to Park & Lee (2006), Nigeria is among the top countries where corruption is endemic among the SSA countries and this has taken its toll on the economy in the SSA. The recent report of IMF reduced the projected economic growth for the SSA citing the slow pace of economic growth in Nigeria and South Africa as the major reason (IMF, 2020)

Although, several efforts have been made to tackle the problem of corruption in the country over the years but it appears that these efforts are far from achieving their set objectives. From the perspective of Fagbadebo (2007), the political environment in Nigeria produces political leaders with different ideas to manage the economy of the country and these ideas are manifested in their policies and party manifestos. Since the re-enthronement of democratic rule in Nigeria, different administrations have been coming with various ideas to tackle corruption. These ideas have culminated in the establishment of various anti-graft agencies such as Economic and Financial Crimes Commission (EFCC), Independent Corrupt Practices Commission (ICPC), Special Anti-Fraud Unit of the Nigeria Police (SAFU) among others, yet the problem of corruption persists.

However, on country base analysis, it has been ascertained that more than 65% of corruption cases in Nigeria are traced to the public sector which is managed mostly by the political leaders (TMG, 2018). Could it have been that the political environment that lead to the emergence of these political leaders encourages corruption? This question has continued to generate debates over the years but there is no consensus yet regarding answers to the question. For instance Egharevba&Chiazor (2013) concluded from their studies that political environment in itself might not encourage corruption but the financial behavior of the public office holders who manage the resources allocation and appropriation funds in various organizations. On the contrary, Arowolo&Olaniyan (2018) believed that the political environment in Nigeria is structurally defective and thus encourages corruption.

The most common thing to all these previous studies is their scope and methodology. In terms of methodology, they are all pure desk research that relied on literature review only to draw their conclusions. None of them was conducted empirically using quantitative data analysis. The only study of Jiménez & Alon, (2018) which used scientific method of analysis was done outside Nigeria. It is believed that conclusions from studies that use literature review as methodology are more subjective than objective consequently, this study apart from focusing on Nigeria as case study, it will employ scientific approach of data analysis to empirically investigate the relationship between Nigeria political environment and corruption.

The remaining segments of the study are divided into, literature review, methodology, results discussion, concussions and recommendations.

II. LITERATURE REVIEW

The literature review is done under two headings that is the theoretical literature and the empirical literature. Starting with the theoretical literature

Theoretical review

Two relevant theories to the study are discussed briefly under this section; the public choice and the bad apple theories of corruption.

Public choice theory of corruption

The public choice theory belongs to the group of causal theories and it was made popular by Rose-Ackerman (2008), who claims that public officials or political office holders are corrupt for a simple reason: they perceive that the potential benefits of corruption exceed the potential costs. Or as Klitgaard (1991) states, if the benefits of corruption minus the probability of being caught times its penalties are greater than the benefits of not being caught, then an individual will rationally choose to be corrupt. The advantage of public choice theory is that it has relatively close focus (Schinkel 2004). Instead of looking for general determining factors, it concentrates on a specific situation of an agent (a corrupt official) who calculates pros and cons. In that sense however, it is insensitive to the larger social context (which is something public choice in general has often been criticized for). It cannot account for triggering causes within the situation. The theory starts from the moment an official calculates whether to become corrupt or not. The question then becomes: why are some officials corrupt in many countries while most are not? If some calculate that corruption is a good deal, then there will be more tendency to be corrupt against the perception that corruption is bad, However, the cost and benefit of corruption which can rather discourage or encourage corruption is determined by the political environment of the country.

Bad Apple theory of corruption

Bad apple theories, like public choice theories, primarily look at the level of the individual corrupt agent for the causes of corruption. These studies seek the cause of corruption in the existence of people with faulty (moral) character, the so called 'bad apples'. There is a causal chain from bad character to corrupt acts; the root cause of corruption is found in defective human character and predisposition toward criminal activity. Causes are rooted in human weaknesses such as greed. When the focus is on the faulty character of an official, morality is assumed to determine behavior (like in the forthcoming clashing moral values theories): people are assumed to act on the basis of moral values. 'Wrong' values are therefore the cause of corruption. Of course, one can question whether people act on the basis of moral values (see de Graaf 2007). But the focus on individual corrupt officials and their motives can also be of a different nature.

Empirical review

This sub-section discusses past empirical literature that are related to the study. It explores both the studies on Nigeria and outside Nigeria.

Fagbadebo (2007) investigated corruption, governance and political instability in Nigeria. The study was pure desk research that reviewed several literature and came up with some inferences and conclusions. According to the study, Nigerian State has been a victim of high-level corruption, bad governance, political instability and a cyclical legitimacy crisis. Consequently, national development is retarded, and the political environment uncertain. The country's authoritarian leadership faced a legitimacy crisis, political intrigues, in an ethnically - differentiated polity, where ethnic competition for resources drove much of the pervasive corruption and profligacy. While the political gladiators constantly manipulated the people and the political processes to advance their own selfish agenda, the society remained pauperized, and the people wallowed in abject poverty. This invariably led to weak legitimacy, as the citizens lacked faith in their political leaders and by extension, the political system. Participation in government was low because citizens perceived it as irrelevant to their lives. In the absence of support from civil society, the effective power of government was eroded. Patron - client relationships took a prime role over the formal aspects of politics, such as the rule of law, well-functioning political parties, and a credible electoral system. The study recommends that In order to break this cycle and ensure good governance, accountability and transparency must be guaranteed.

Agbibo (2012) examined the hypothesis that there is a link between corruption and underdevelopment and that corruption is responsible for the shortcomings and poor performance of the Nigerian political economy. In addition to examining the historical trajectory of corruption in Nigeria, this paper delves into the underlying causes of corruption as well as its cumulative impact on national development in the country. Lastly, the paper assesses some public and private sector initiatives that have been taken and that might stem the tide of corruption. All these formed the basis of the study and were investigated via both theoretical, conceptual and empirical reviews. The study concluded that corruption is the major problem of underdevelopment in Nigeria and the political class are the tools that made this happen.

Egharevba & Chiazor (2013) interrogates the subject of political corruption and national development in Nigeria through the prism of clientelism, prebendalism and patrimonialism, in espousing the bane of continuing underdevelopment in the Nigerian society. The study made use of desk research approach and concludes on the premise that political corruption will be fought headlong when we create political structures where the economic and political rights of the people are justiceable; create an environment where the citizenry can define the kind and type of political change they really desire rather than the one that are foisted on them. Keywords: Political Corrupt

Ogbeidi (2012) investigated Political leadership and corruption in Nigeria since 1960. The crux of the study rests on the fact that political leadership and corruption were interwoven and it is against this background that it explored the corrupt tendencies of the political leadership class in Nigeria since 1960 and its implication for socioeconomic development. After review of past literature which includes both theoretical and conceptual literature as well as some empirical evidences, the study concludes that for Nigeria to experience sustainable social-economic development, responsible and credible leaders must emerge to implant the act of good and selfless governance in the country.

Arowolo & Olaniyan (2018) conducted a desk research on the efforts of federal government of Nigeria as an institution to combat corruption in the country. Various agencies and policies were set up such as the Presidential Advisory Committee on Anti Corruption (PACAC), National Prosecution Coordination Committee (NPCC), Administration of Criminal Justice Act (ACJA), Treasury Single Account (TSA), Freedom of Information Bill (FoIB) and Whistle-blower policy. . Using qualitative method, this article finds evidence that sustainability and per-durability of anti-corruption fight remain a challenge as the fight is built around and personified by individuals occupying the office at one time or the other.

Jiménez & Alon (2018) verifies whether corruption has a "grease" or "sand" effect on the wheels of entrepreneurial rates and under which conditions corruption will have stronger or weaker effects. Using institutional theory as the basis for the hypotheses, generalized least squares estimation is conducted to empirically examine the role of corruption and political discretion in entrepreneurship in a sample of 93 countries. Findings from the analysis show that countries with higher levels of corruption are associated with lower levels of firm creation. However, this negative effect of corruption is weaker when there are higher levels of political discretion.

Sidorkin & Vorobyev (2018) Investigated political cycles and corruption in Russia. Based on BEEPS data, exploiting variation in the dates of surveys and in the starting dates of Russian regional governors' terms of office, The study finds that corruption levels, as perceived by firms operating in different regions of Russia, are higher closer to the end of a regional governor's term. The authors argue that such a pattern cannot be explained by standard political budget cycle reasoning, but rather that the observed pattern may be generated by governors' accumulation of private information about their likelihood of remaining in office for another term. When a governor gradually learns that he will not be re-appointed once his current term has expired, he has increasing incentives to engage in corrupt activities in order to accumulate wealth before his departure. Alternatively, when

a governor becomes more certain that he will remain in office, he may have higher incentives to smooth rent extraction over time and thus not to increase it. The study tests this explanation in several ways and consistently find supporting evidence.

Gaps in the literature

Considering all the empirical studies, it is obvious that most of them are based on theoretical literature and conceptual reviews using pure desk research method. In other words, few of them made use of scientific methodology approach to achieve their objectives. The few studies such as Jiménez & Alon (2018) are outside Nigeria. In addition none of the study really investigated Nigeria political environment and corruption precisely. These, among other are the focus of this study.

III. METHODOLOGY

This aspect of the paper discusses the research method adopted for the study. Precisely, it explains the method of analysis embraced to achieve the objective of the study.

Research Design

This study is an explanatory one that uses secondary data and applies quantitative method of analysis to achieve the objectives the study. The research philosophy for this study revolves around positivist which is a research philosophy that believes that research operates with objectivity in the execution of their research work. In other words there are no predetermined outcomes expected by the researcher.

Theoretical framework and model

Leveraging on the public choice theory of corruption where the causative factors of corruption are identified as the cost and benefit accruing to the individual that have the intention to perpetrate corruption. According to Rose-Ackerman, S. (2008), these cost and benefits are products of the political environment prevailing in that particular country at a certain period of time.

Model Specification

Based on these chains of relationship, corruption can be described as depending on political environment. This is stated thus;

$$Corruptn_t = f(Polenv_t) \dots \dots \dots (1)$$

Where, $Corruptn_t$ is corruption perception index in Nigeria at period t and $Polenv_t$ is the political environment at period t. from the studies of Elbasani&Šabić, (2018) the political environment is proxy using the following variables; political right index, corruption control index, rule of law index, government effectiveness index and political instability index. More explicitly the model is expressed as follows;

$$Corper_t = \beta_0 + \beta_1 rule + \beta_2 polstab + \beta_3 govef + \beta_4 poright + \beta_5 voice + \mu_i \dots \dots \dots (2)$$

All variables are as defined below.

Definition of variables

The index for Rule of Law(rule) (-2.5 weak; 2.5 strong) captures perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.

The index of Government Effectiveness (govef)(-2.5 weak; 2.5 strong) captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.

The index of Political Stability and Absence of Violence/Terrorism (postab) (-2.5 weak; 2.5 strong) measures perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism. The index is an average of several other indexes from the Economist Intelligence Unit, the World Economic Forum, and the Political Risk Services, among others.

The Corruption Perceptions Index (corper)(100 = no corruption) is an indicator of perceptions of public sector corruption, i.e. administrative and political corruption. The indicator values are determined by using information from surveys and assessments of corruption, collected by a variety of reputable institutions.

The Political Rights ratings (poright) from the Freedom House 7 (weak) - 1 (strong) evaluate three categories: electoral process, political pluralism and participation, and the functioning of government. The index ranges from 1 (strong rights) to 7 (weak rights).

Sources of data

Data on all the variables are sourced via the global economics data from the World Bank, 2019 edition.

Estimating Technique

The approach to the analysis of data is based on the objective of the study which is about the impacts of political environment on corruption in Nigeria. The impact analysis is done using cointegration analysis and estimation of the regression model. The idea of cointegration is to enable the study investigate both the short and long run impacts. The Auto-Regressive Distributed Lag (ARDL) approach is adopted for the study. This is because of its

convenience in usage. For instance, ARDL relaxes the stringent assumption that all variables in the model should be integrated of order one that is $I(1)$. This is one of the shortcomings of the Johansen approach to cointegration analysis (Okunade & Karakus, 2001). ARDL accommodates $I(0)$ variables and the cointegration test is done through the bound testing. The following are steps to be followed in ARDL estimation.

Unit root test

As a pre-condition for cointegration analysis, this study carries out a unit root testing for the time series data. A unit root indicates that the time series under investigation is non-stationary while the absence of a unit root means that the time series data is stationary. To determine the order of series, this study uses the unit root test known as the Augmented Dickey-Fuller (ADF).

ARDL cointegration bound testing

The ARDL bound test involves computation of the F statistics and the critical values for the distribution. The critical values are computed for both lower and upper bounds. However, these critical values also appear for 1%, 5%, and 10% statistical levels of significance. Conventionally, the 5% statistical significance shall be the guide for decision - making on the existence of cointegration in the model. The computed F statistics value is compared to the critical values. The null hypothesis of no cointegration is accepted if the F statistics value is less than critical values at both upper and lower bound for 5% statistical level of significance and otherwise it is rejected.

ARDL Long and Short run Regressions

The ARDL estimation divides the estimated equation into two, namely the long and short run coefficients. The first set of estimated parameters presents the short run relationships among the variables while the second estimated coefficients are the short run relationships among the variables.

Diagnostics

The following diagnostic tests will be carried out, namely; normality test, serial correlation and heteroskedasticity of the model.

Serial correlation and Heteroskedasticity test

The bench mark null hypotheses that are tested for the serial correlation and heteroskedasticity test are:

- $H_0: \alpha = 1$, no serial correlation and heteroskedasticity in the model.
- $H_1: \alpha < 1$, there is serial correlation and heteroskedasticity in the model.

Serial correlation means similarity between observations as a function of the time lag between variables. It is a mathematical tool for finding repeating patterns, such as the presence of a periodic signal obscured by noise, or identifying the missing fundamentals in frequencies. Heteroskedasticity, on the other hand, refers to the circumstance in which the variability of a variable is unequal across the range of values of a second variable that predicts it.

Normality test

This test is necessary to investigate the distribution of the residual of the estimated panel model. For a robust estimated model it is expected that the residual should be normally distributed. This will clear any issues relating to biasedness of the observations used in the model. The JARQUE BERRA statistics is used in the study to test for the normality. A probability value that is greater than 5% indicates that the residual of the estimated panel model is normally distributed and otherwise it is not normally distributed.

IV. RESULTS AND DISCUSSIONS

The discussion of the relationship between corruption and Nigeria political environment begins with the assessment of the time series properties of the variables included in the regression model. The Augmented Dickey Fuller test is adopted for this purpose and the result is presented in table 1

Table 1: Unit root test

Variables	ADF Statistics	Order of Integration
CORPER	-6.154251**	I(1)
GOVEF	-3.643663***	I(0)
POLSTAB	-3.316639**	I(0)
PORIGHT	-4.197402***	I(1)
RULE	-4.639972**	I(1)
VOICE	-5.154961**	I(0)

Source: Authors' computation, 2020

(*) Statistical significance at 10%, (**) Statistical significance at 5%, (***) Statistical significance at 1%

Source: Authors' computation, 2020

The results of the unit root test show that all the variables are integration of order one and zero that is I(1) and I(0). This shows that four of the variables are stationary after the first difference while two are stationary at levels. This is a precondition for the application of ARDL. In addition, the dependent variable is required to be stationary at first difference. The unit root result is a confirmation that ARDL can be used to analyze the data. The next step is the cointegration test

Cointegration test

The next stage of the analysis is the cointegration test. As earlier discussed, the result of the unit root test shows that the bound test approach of the ARDL is suitable for conducting the test for cointegration. The results are presented in Table 2.

Table 2 ARDL bound test for cointegration

Test Statistic	Value	K
F-statistic	5.181957	5
Critical Value Bounds		
Significance	I0 Bound	I1 Bound
10%	2.26	3.35
5%	2.62	3.79
2.5%	2.96	4.18
1%	3.41	4.68

Source: Authors' computation, 2020

The idea behind cointegration is that if a variable is not stationary; a linear combination of the variable can be stationary. Table 2 shows the results of the cointegration test to ascertain if there exists long or short run relationship between corruption and political environment in Nigeria. The null hypothesis is that there is no long run relationship among the variables. However, considering the results as presented in table 2, the F statistics value is 5.181957, which is greater than the critical values at 5% for both lower and upper bound tests. The implication of the result is that the null hypothesis is accepted and hence we conclude that there is a long run relationship between corruption and political environment. However, the ARDL regression is presented next.

ARDL regression short and long run estimations

After the establishment of cointegration, the coast is clear to run the short and long run forms of the relationship between corruption and political environment in Nigeria, The result is presented in table 3

Table 3 ARDL estimated regression

ARDL Cointegrating And Long Run Form				
Cointegrating Form				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(RULE)	3.536833	3.909903	0.904583	0.3870
D(POLSTAB)	-2.117373	1.675055	-1.264062	0.2349
D(POLSTAB(-1))	5.233962	1.334186	3.922963	0.0029
D(GOVEF)	-0.325894	4.651065	-0.070069	0.9455
D(PORIGHT)	1.178159	0.870131	1.354003	0.2055
D(VOICE)	5.113873	3.608755	1.417074	0.1869
CointEq(-1)	-0.725579	0.198429	-3.656621	0.0044
Cointeq = CORPER - (4.8745*RULE -10.5483*POLSTAB -0.4491*GOVEF + 1.6237*PORIGHT + 7.0480*VOICE + 7.1951)				
Long Run Coefficients				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
RULE	4.874494	5.086447	0.958330	0.3605
POLSTAB	-10.548288	2.190539	-4.815385	0.0007
GOVEF	-0.449150	6.349015	-0.070743	0.9450
PORIGHT	1.623750	1.189460	1.365115	0.2021
VOICE	7.047985	4.533588	1.554615	0.1511
C	7.195141	10.249246	0.702017	0.4987

Source: Authors' computation, 2020

The results on table 3 explain the short run and the long run impacts of Nigerian political environment on her corruption perception index. The impact analysis is divided into both long run and short run impacts. This enables us to further discuss the sustainability of various political environment indicators regarding their effects on corruption perception of the country.

Out of all the five variable used to proxy political environment in Nigeria only political stability has significant impact on corruption perception index of the country. The coefficients of political stability are -5.233962 and -10.548288 in both short run and long run periods respectively. The implication of this is that political stability in Nigeria has negative and significant relationship with corruption perception index of Nigeria. It implies that the relationship between the two is inverse. Empirically, the result suggests that a unit increase in the level of political stability in Nigeria will reduce corruption perception index by about 5 and 10 units in both short run and long run respectively. The result underscores the importance political stability in the control of corruption in Nigeria. This result is similar to the finding of Perry, (2018) who concluded from their study that the uninterrupted democracy in Nigeria for almost a decade which has been leading to peaceful transition of power from one administration to the other is very important in corruption control effort in Nigeria.

The remaining four variables used as proxy for political environment in the study fail to have significant impact on corruption perception index of the country. These variables are rule of law, voice accountability, political rights and government effectiveness.

For instance the rule of law index describes perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence. The fact that the result from the analysis has shown that this index is not exerting significant influence on corruption perception index, it shows that the rule of law in Nigeria has not been followed effectively. Some authors in the past have also questioned the effectiveness of rule of law in Nigeria especially when it comes to corruption control. These studies concluded that rule of law in Nigeria is just a “paper tiger “and that it is not effective in checkmating corruption. The activities of the law enforcement agencies like police were cited by the studies as cog in the wheel of rule of law (Ogbeidi, 2012). The reckless behaviors of law enforcement agencies in Nigeria disregard the rule of law and hence its impact on corruption can not be significant.

Voice accountability is another variable used to proxy political environment in Nigeria. According to the empirical result, the coefficient is not statistically significant as well. This shows that voice accountability which describes perceptions of the extent to which the citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media is not having significant impact on corruption perception index of Nigeria. According to Egharevba&Chiazor (2013), Nigeria is one of the countries in the world with high disregard for human rights and excessive limitation in press freedom. They emphasized from their findings which are in support of the results from this study that the current state of voice accountability in Nigeria will not assist the government in their anti-corruption crusade. Various policies of the federal government of Nigeria recently go against voice accountability measures. For instance the hate speech and the media control bill are all efforts to gag the press and all these will not allow voice accountability index in Nigeria to assist significantly in corruption control effort of the government.

Political right is another variable that failed to have significant impact on corruption perception index of the country in both the long and short run periods. The political right index evaluate three categories namely;electoral process, political pluralism and participation, and the functioning of government. The result indicates that political right in Nigeria is very weak and not enough to influence corruption significantly. For instance Agbiboa,(2012) describes political right in Nigeria as non-existence. He emphasized from his study that a country where electoral process is fraught with a lot of irregularities such as vote buying, ballot box snatching does not epitomize good political right. The implication of this according to him, this is the reason many political leaders elected in Nigeria are corrupt.

The fifth variable used to describe political environment in Nigeria is the government effectiveness index. Results from the study show that government effectiveness in the same vein failed to have significant influence on the corruption perception index of Nigeria. Government effectiveness captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies. The implication of the findings from the study on relationship between government effectiveness and corruption perception is that various government policies especially the ones that have to do with anti-corruption crusade failed to impact significantly on corruption level in Nigeria. From the study of Agbiboa (2012) various agencies and policies instituted by the Nigerian government over the years have failed to effectively control corruption in the country and that instead of the corruption to be abating it has been rising uncontrollably. Results from this study are in tandem with this conclusion. This further indicates that various government efforts to control corruption in Nigeria since the enthronement of democracy has not significantly affected the corruption perception index of the country.

Furthermore, the error correction term in table 3 is -0.725579 and it is statistically significant. The implication is that the adjustment to equilibrium is in the right direction and the feedback is about 72%..the next task is to verify the validity of these results by carrying out some tests

ARDL Diagnostic tests

As robustness tests to our estimations, some diagnostics tests are conducted. The tests are heteroscedasticity and serial correlation tests.

Table 4: ARDL Heteroscedasticity Test

Heteroskedasticity Test: Breusch-Pagan-Godfrey			
F-statistic	0.420193	Prob. F(12,6)	0.9052
Obs*R-squared	8.676077	Prob. Chi-Square(12)	0.7303
Scaled explained SS	0.938480	Prob. Chi-Square(12)	1.0000

Source: Authors' computation, 2020

The result of the heteroscedasticity test is presented in table 4. The null hypothesis is that there is no heteroscedasticity. Using the F statistics, it is discovered that the probability of F is 0.9052 which shows that the null hypothesis is to be accepted. Therefore, we conclude that our model is not having the problem of heteroscedasticity, which may affect the validity of our results.

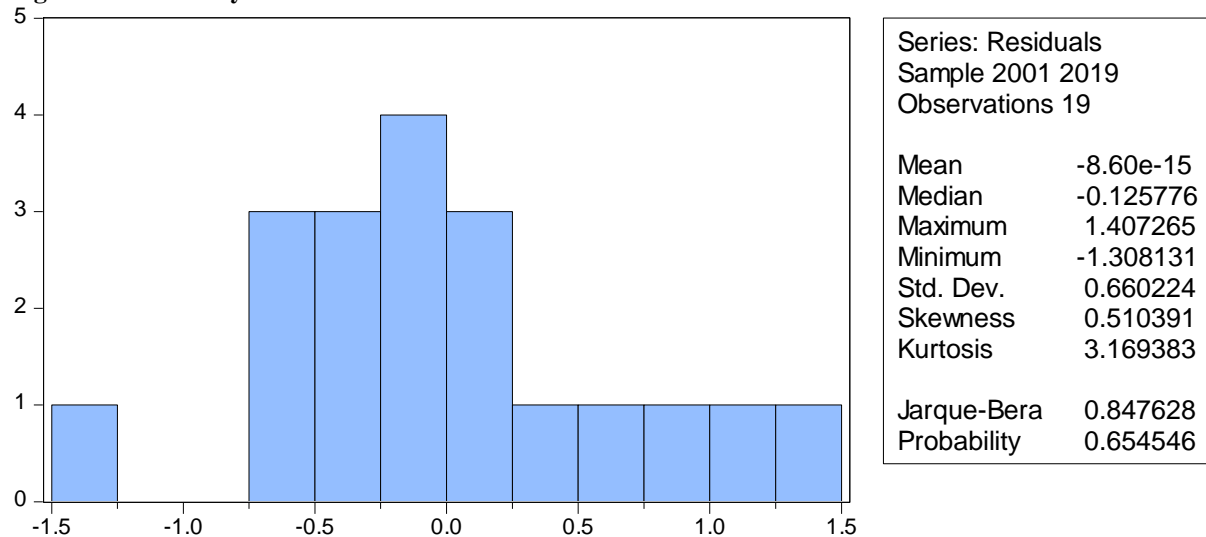
Table 5:ARDL Serial Correlation LM Test

Breusch-Godfrey Serial Correlation LM Test:			
F-statistic	5.890808	Prob. F(2,4)	0.0642
Obs*R-squared	14.18427	Prob. Chi-Square(2)	0.0008

Source: Authors' computation, 2020

The null hypothesis here is that there is no serial correlation. Considering the F statistics which has the probability value of 0.0642, it is obvious that the null hypothesis is to be accepted while we reject the alternative hypothesis that there is serial correlation. Consequently, the estimates from our model are valid and can be used for forecasting.

Figure 1: Normality Test



Source: Authors' computation, 2020

The JARQUE-BERRA statistics' is 0.847628 and the probability is 0.654546. The implication is that the residuals of the estimated ARDL model are normally distributed, therefore, alleviating any fear of bias in the estimated model

V. CONCLUSIONS

Considering the findings from this study some germane conclusions are made regarding the relationship between Nigeria political environment and corruption perception of the country. Firstly, results from the analysis have shown that political stability is very important to checkmating corruption in Nigeria. It is concluded from the study that the smooth transition from one democratic rule to the other being witness in Nigeria since 1999 has assisted in reducing the level of corruption in Nigeria significantly.

Secondly, the study has shown that rule of law which is part of the variables used to proxy Nigeria political environment has not significantly influenced corruption perception of the country. It is confirmed from the analysis that the continuous disregard for the rule of law especially by the law enforcement agencies and the political class has whittled down the effect of rule of law on corruption control in the country. Consequently, this has not allowed rule of law to play significant role in reduction of corruption in Nigeria.

Thirdly, political rights which include the right of the people to elect their political leaders among others failed to have significant impact on corruption control or perception in Nigeria. This conclusion further underscores the importance of free and fair elections in corruption control. This study has shown from the empirical analysis that political rights in Nigeria do not affect corruption perception index of the country significantly. It implies that Nigerian electoral process has not been able to checkmate corruption effectively. The incessant irregularities which have become a common phenomenon in Nigeria electoral process has undermined the political right of people to freely choose their political leaders hence this has led to the emergence of corrupt leaders.

Again, voice accountability is another indicator used to describe Nigeria political environment in this study, freedom of speech, press and media freedom are part of the measures of voice accountability. Findings from the study have shown that the level of voice accountability in Nigeria has not allowed the anti-corruption crusade of the government to be effective. This is evident in the delay in the passage of Freedom of Information Bill, entrenchment of hate speech policy and other actions of the political class to gag the press. All these run contrary to voice accountability requirements. It is concluded from this study that all these actions have not allowed voice accountability index of Nigeria to have significant impact on corruption perception of the country.

In addition, the study also concludes that government effectiveness index as an indicator of Nigeria political environment does not affect corruption perception of the country significantly. Government effectiveness describes the effectiveness of the government in formulation and implementation of policies as well as effectiveness in enactment and enforcement of laws. Results from the study show that government effectiveness in Nigeria is weak and hence it has not been able to checkmate corruption in the country effectively.

Lastly, it is evident from the various conclusions that out of the five indicators of political environment namely, government effectiveness index, rule of law index, voice accountability index, political stability index and political rights index used in the study only political stability has significant impact on corruption perception of the country. This general conclusion speaks volume of the weakness of the political environment in Nigeria to control corruption. The implication is that with the current political environment in Nigeria, corruption perception index of the country has continued to rise hence it means that instead of the political environment in Nigeria to checkmate corruption, it has been enhancing corruption.

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