

## IMPACT OF CORRUPTION TO DEVELOPMENT AND PROGRESS IN NIGERIA

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### Abstract

*The meaning of corruption include dishonest or illegality especially of people in authority and sometimes it goes with its twin brother bribery. Corruption is an act done with an intent to give some advantage inconsistent with official duty and the rights of others. Development is an event, constituting a new stage in a changing situation. Development is a process that creates growth, progress, positive change or the addition of physical, economic, environmental, social and demographic components. Impacts is a marked effect or influence. The concern of this work therefore is to discuss how corruption especially in the government has impacted negatively on development and progress in Nigeria. This work will discuss inter-alia: history of corruption, theories of corruption, causes of corruption, impacts of corruption on development, corruption and governance in Nigeria and importance of development. Finally a recommendation will be made on how corruption can be combated for development and progress in Nigeria. The research methods to be applied will include; historical, analytical, doctrinal and comparative.*

### 1.0: Introduction

Corruption is a form of dishonesty especially of people in authority and sometimes it is associated or combined with bribery<sup>1</sup>. It is about officials who are open to corruption and can

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be bribed<sup>2</sup>. It is also an act done with the intent to give some advantage inconsistent with official duty and the rights of others corruption is the act of an official or judiciary person who unlawfully and wrongfully uses his station or character to procure some benefits for himself or for another person, contrary to duty and the rights of others<sup>3</sup>. Corruption also means the act of corrupting, or the state of being corrupted. It is equally a corrupting influence<sup>4</sup> on the other hand development is gradual evolution or completion of a process<sup>5</sup>. It is a series of changes by which a project or structure are brought to a definite and permanent completion or state development is also a new stage or event<sup>6</sup> leading to the completion of a process. It is a gradual growth of something so that it becomes more advanced, stronger<sup>7</sup>, etc. development is a process of producing or creating something new or more advanced.

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<sup>1</sup> A.S. Horby, (Oxford Advanced Learner's Dictionary of Current English, Oxford University Press, Oxford, 1994) p. 329

<sup>2</sup> A.S. Horby, (Oxford Advanced Learner's Dictionary of Current English (4<sup>th</sup> edition) Oxford University Press Oxford) P. 267.

<sup>3</sup> H.C. Black (Black's Law Dictionary (6<sup>th</sup> edition), West Publishing Co. Minnesto, 1990) P. 345.

<sup>4</sup> The new international Webster's Comprehensive Dictionary of the English language in Encyclopedic Edition, printed United of America, USA 2013 ) p. 293

<sup>5</sup> The new international Webster's Comprehensive Dictionary of the English language in Encyclopedic Edition, printed United of America, USA 2013 ) p. 350

<sup>6</sup> A.S. Horby, (Oxford Advanced Learner's Dictionary of Current English, Oxford University Press, Oxford, 1994) p. 329

<sup>7</sup> The new international Webster's Comprehensive Dictionary of the English language in Encyclopedic Edition, printed United of America, USA 2013 ) p. 632.

Having known the meaning of corruption and development it will also be appropriate to know what impact is all about. However, impact is the powerful effect that something has on somebody or something. It is also hitting of one object against another. It is a force with which one object hits another<sup>8</sup> Having known the meaning of the key words namely; corruption, development and impact, it is obvious and imperative that corruption has a negative impact and influence to development. Corruption is among the things that is so slowing the development and progress of Nigeria. Though the Nigerian government has at different times tried to check corruption but they have been exercise in futility. For example the introduction of ICPC, EFCC etc in order to check corruption. they did not work and cannot work because everybody is cut in the act. Nobody has the moral courage to prose cute an offender because we all have skeleton in our cupboard.

The United Nations regard corruption as a complex social, cultural and economic phenomenon effecting all countries, though without giving definite explanation to the concept. This is due to the fact that the phenomenon of corruption is too complex and multifaceted for a comprehensive and at the same time sufficient detailed definition to be proved.

### **1.1: History of Corruption**

The word corruption is derived from the Latin word “corruptus,” which means “corrupted” and, in legal terms, the abuse of a trusted position in one of the branches of power (executive, legislative and judicial) or in political or other organizations with

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<sup>8</sup> A.S. Horby, (Oxford Advanced Learner’s Dictionary of Current English, Oxford University Press, Oxford, 1994) p. 621

the intention of obtaining material benefit which is not legally justified for itself or for others<sup>9</sup>

Corruption was referred to as a great sin already in the Bible<sup>10</sup> Do not accept a bribe, for a bribe blinds those who see and twist the words of the innocent.” However, the history of corruption is in fact related to the beginning of the creation of law and the state and was already in the antiquity considered an evil, which negatively affects the public administration and the functioning of the political system. The earliest records of corruption date back to the thirteenth century BC, to the time of the Assyrian civilization. From the found plates, written in cuneiform, the archeologists managed to discern how and who accepted bribes. Under the Roman law, the criminal offense of corruption was defined as giving, receiving or claiming benefits in order to influence an official in connection with his work. Due to the prevalence of corruption in the country, this law was supplemented by a new law, which predicted compensation for damage in double value of the damage, and the loss of political rights for the perpetrator of the corruptive act. However, this did not help alleviate corruption, especially due to the fact that corruption was most practiced by the members of the Senate and senior state officials, both in Rome itself and in the remote Roman provinces. The early Christian faith condemned corruption, yet corruption later also developed greatly in ecclesiastical structures, and achieved its peak with the selling of indulgences in the Middle Ages, all until the condemnation of the latter (as well as of other immoral acts of the clergy, with the Pope at the head) by

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<sup>9</sup> <https://www.etmonline.com>>wordcorrupt. Accessed 20 January 2021, at 5pm.

<sup>10</sup> Holy Bible Exodus Chapter 23 verse 8. Good News Bible 2<sup>nd</sup> Edition 1994 p. 83.

Martin Luther. Apart from the condemnation of corruption, the Reformation also led to a break with until then dominant Catholic culture and the emergence of Protestant ethics<sup>11</sup>

As a child (he was a hostage at the Ravenna court), Attila noticed a high level of corruption among the state officials of the Western Roman Empire and how they appropriated the state money (as a consequence, there was less money in the Treasury and therefore the taxes increased). He thus decided that if he would ever to rule, he would do so fairly and by oppressing the corruption in his own country. The early feudalism was familiar with various laws that punished the bribing of courts also with de<sup>11</sup>.oath Later, when the developed feudalism again turned to the Roman law, a number of laws (Dušan's Code, Mirror of the Swabians) discussed the abuse of position. Then, in late Feudalism, countries became virtually helpless in the fight against corruption, as illustrated by the case of France, which in 1716 established a special court which should rule in cases of abuse of royal finances; however, these abuses (embezzlement, extortion, bribery, scams, etc.) were so extensive that the court was abolished and a general amnesty introduced in 1717 made some forms of corruption quite a tradition. The corruption was also widespread during the time of the Spanish Inquisition, where the victim of the accusation could make amends with money, which made the corruption, especially among the inquisitors, extensive.

Throughout the history, many intellectuals dealt with corruption or theorized about it one way or another. Machiavelli had a low opinion on republics, considering them even more corrupt than other regimes, and according to him, corruption leads to moral

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<sup>11</sup> Ibid.

degradation, bad education and bad faith. On the other hand, however, the great philosopher, diplomat and lawyer Sir Francis Bacon was known both for receiving bribes and taking them. When he reached the highest judicial position in England, he was caught in as many as 28 cases of accepting a bribe and defended himself before the parliament by saying that he usually accepted a bribe from both parties involved and that the dirty money therefore did not affect his decisions. The parliament did not accept these arguments and sent him to jail where he spent only a few days as he was able to bribe the judge.<sup>11</sup>

Thus, although the corruption has been occurring in society ever since, it has only been given more attention in the recent period, the researches on the phenomenon and its negative impacts have become more common after 1995, when countries and international institutions began to be aware of this problem. The attitude of the public toward corruption was, until then, neutral. In 1998, Kaufmann and Gray found that:

- Bribery is widespread, especially in the developing and transition countries; there are, however, significant differences between and within regions.
- Bribery increases transaction costs and creates insecurity in the economy.
- Bribery usually leads to ineffective economic results, in the long term impedes foreign and domestic investments, reallocates talents due to income and distorts sectorial priorities and technology choices (for example, it creates incentives for contracting major defense projects or unnecessary infrastructure projects, but does not encourage investments in rural specialist health clinics or in preventive health care). This pushes companies into the “underground” (outside the formal sector), weakens the

state's ability to increase revenue and leads to ever-increasing tax rates (as too little tax is taken), which is levied on less and less taxpayers, consequently diminishing the state's ability to provide enough public goods, including the rule of law.

- Bribery is unfair, as it imposes a regressive tax, which heavily burdens in particular commercial and service activities performed by small businesses.
- Corruption destroys the legitimacy of the state<sup>12</sup>.

### **1.3: Theories of corruption**

The desire for personal gain is often understood as the primary cause of public sector corruption, but this is an oversimplification of the complex relationships between individuals and the State. There are several theories that help to deconstruct these relationships. Two of the most popular theories on corruption in the economic literature are the principal-agent model and the related agency problem. The principal-agent model assumes that agents (public officials) serve to protect the interests of the principal (whether the public, parliament, or supervisors). However, in reality, the interests of the agents often diverge from the interests of the principal, and while the former can prescribe the pay-off rules in the principal-agent relationship, there is informational asymmetry to the advantage of the agent, which could be used by him or her for personal benefit. In this context, an agency problem occurs where the agents choose to engage in a corrupt transaction, in furtherance of their own interests and to the detriment of the interests of the principal. To limit the agency problem, the principal can design incentives and schemes (e.g.

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<sup>12</sup> <https://www.intechopen.com/books/trade-and-global-market/corruption-causes-and-consequences>

monitoring, bonding and oversight) to curb the agent's potential abuses<sup>13</sup>

#### **1.4: Causes of corruption**

Regardless of the above, corruption cannot be assessed unambiguously, since there is never only one phenomenon that is responsible for the occurrence and the development of it; corruption always arises from an array of several, interrelated factors, which can differ considerably from one another. Among the most commonly mentioned factors that influence the development of corruption are: political and economic environment, professional ethics and legislation, as well as purely ethnological factors, such as customs, habits and traditions.

#### **1. Political and economic environment**

The phenomenon of corruption is strongly influenced by the political and economic environment. The more is the economic activity in the country regulated and limited, the higher the authority and the power of officials in decision making and the greater the possibility of corruption, since individuals are willing to pay or offer payment in order to avoid restrictions. A great potential for corruption is especially there where the officials are under the regulation given the opportunity to decide on the basis of discretion.

2. The level of corruption is also affected by the monetary policy. Goel and Nelson in their research found a strong link between monetary policy and corruptive activity in the States. The States that have a well-regulated financial sector, not a lot of informal economy or black market are also less corrupt

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<sup>13</sup> <https://www.unodc.org/e4j/en/anti-corruption/module-4/key-issues/theories-that-explain-corruption.html>

than those where the opposite is true. They also find that there is less corruption in the countries with higher economic and political freedom.

Dimant puts it well in his claim that the level of efficiency of public administration determines the extent to which corruption can find fertile soil and sprout. Such efficiency is determined by the quality of the regulations and permits, since ineffective and unclear regulations help to increase the level of corruption in at least two different ways:

- a. The artificially created monopoly of power that enables civil servants to obtain bribes is based on their superior position and embedded in the system.
- b. On the other hand, however, ineffective and unclear regulations cause inhibition and therefore encourage natural persons to pay bribes in order to speed up the bureaucratic procedure.

3. Corruption is also strongly influenced by the low salaries of public administration employees (state officials), who are therefore trying to improve their financial position by receiving bribes, and consequently, the socio-economic situation of the government officials also affects the phenomenon of corruption. This is demonstrated also by Allen et al. in their study where they find that corruption arises because agencies, institutions and the government can no longer control corruption effectively due to underpaid officials, which is a problem especially in the developing countries, where they do not have the sufficient tax revenue to properly reward the local officials. However, low wages are not the only cause of corruption; the poor state of the public administration, which is a consequence of political

“overcrowding” of officials, due to which loyalty usually prevails over professional standards, also strongly affects the corruption.

4. As an important factor influencing corruption, some authors also indicate satisfaction with the work done by officials—the more they are dissatisfied with their work or place of work, the higher the degree of corruption, which is confirmed by Sardžoska and Tang in their studies. The mentioned authors find that the private sector has higher ethical values, in particular those that affect satisfaction with work, then the public sector and is therefore less unethical (especially regarding thefts and corruption). Indirectly, Svenson also affirms this and states that in principle, the salary level of civil servants affects the receipt of a bribe (the higher it is, the smaller the chance that the person will act corruptly). However, he continues on that a higher salary also strengthens the negotiating power of the official, which leads to higher bribes and he also states that, on the basis of existing research, it is very difficult to determine whether a higher salary causes less corruption, which means that the level of salary is not a decisive factor, but merely one of many.

The economy is unfortunately largely dependent on politics and often does not reflect the rule of law; various options for eliminating competition are exploited, and bribery is just one of the possible weapons in the struggle to gain a job. At the same time is the mentality of the economy sometimes: “The cost of a bribe is only a substantial business cost, an integral part of the contract,” or “Even if we stop the bribery, our rivals will not, so we must bribe in order to remain competitive, “or” bribery and misleading behaviour are not really crimes, they are just part of the old business practice. They are part of the game and everyone does it.” On the other hand is the point sometimes simply the

“lubricating” of the bureaucratic wheel by the private sector to do certain things faster or easier.

The political influence of corruption is also manifested through the proverb: examples are attractive! If the top of the politics (government, parties and leading politicians) is corrupt, then corruption shows at all levels, and this evil at the same time spreads among the ordinary population, as nobody trusts the institutions or the rule of law. Johnston thus points out useful thinking in terms of two types of equilibrium—the balance between the openness and the autonomy of the institutions and elites it leads and the balance between political and economic power and opportunities for cooperation. Ideally, the institutions should be open to influences and feedback from different sources, yet at the same time sufficiently independent to effectively carry out their work. Where the openness and independence of the institutions are in balance, the officials are accessible, but not excessively exposed to private influences; if they can make authoritative decisions, while not using their power to arbitrate, the corruption is relatively low. But where the official power is poorly institutionalized, too exposed to private influence, and the officials’ independence is reflected in excessive exploitation of their power—they can do as they please—the possibility for extreme corruption is again high.

### **1.5: Professional ethics and legislation**

Lack of professional ethics and deficient laws regulating corruption as a criminal offense, and the prosecution and sanctioning of it are also an important cause for the emergence and spread of corruption. A great influence comes also from the ineffective sanctioning of corruption, which only increases the possibility of continuing the corruptive actions of those involved,

creating at the same time a strong likelihood that others will join in the corruption due to this inefficient sanctioning.<sup>14</sup>

The sole lack of professional ethics is a particular issue, as the administration requires different amounts of time to develop or change its ethics and professional standards, which is well known in transition countries (in some, ethics and professional standards changed overnight and approached the equivalents in the developed democracies, and in some, they remained the same as in socialism). It is precisely in the transition countries that the “softer” acts of corruption are often considered to be acceptable and justifiable. Therefore, due to lack of professional ethics in some countries that otherwise manage illegal corruption well, there is nevertheless a widespread form of legal corruption.

Corruption also generates a lack of transparency and a lack of control by supervisory institutions. Therefore, where there is insufficient legal basis or sufficient political will to control, which enables a non-transparent functioning of both politics and the economy, corruption flourishes. Corruption is also affected by the extensive, non-transparent or incomplete legislation, where laws can be interpreted in different ways (for the benefit of the one who pays).

### **1.6 Habits, customs, tradition and demography**

Different countries have different attitudes to corruption. In Europe alone, we can find two extremes; from completely corruption intolerant North to the warm South, where corruption is an almost normal, socially acceptable phenomenon. Or the difference between countries with a democratic past, which

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<sup>14</sup> [http://www.Fordham.edu>info>corruption\\_and\\_ethical](http://www.Fordham.edu>info>corruption_and_ethical). Accessed Tuesday 25 March, 2021, by 10am.

traditionally prosecute corruption, and former socialist countries, where the corruption in the state apparatus was a part of folklore tradition. Then, there are also different customs; in some cases, a “thank you” in the form of a gift for a service (for which this person has already been paid with a salary) is an expression of courtesy, and elsewhere it is considered corruption. Everything is only a matter of ethics and morality; however, they can be very different in different areas and different countries.

Some forms of corruption also relate to an informal form of social security, where the family or the immediate community takes care of its members. Such forms of informal social security prevail in less developed countries, where there is no legal regulation of formal social security and in the countries of Southern Europe where the influence of the broader family (patriarchate [5](#)) is still very strong, like for example in Italy, Greece, Albania, Bosnia, etc. These countries are known for nepotism, cronyism and patronage, since the family as well as the wider community provide social security. The family or community takes care of their members, who, in return, must be loyal and in a way also repay the benefits they receive from it. The same is true of faith. While the southern, predominantly Catholic, very hierarchically organized part of Europe, encourages the cult of the family (also joint and several community) and several liability, the northern, mainly Protestant part, emphasizes individualism and individual responsibility (which means less forms of corruption). The corruption also prospers better in countries where Islam and Orthodoxy are the main religion. The influence of the dominant religion in the country is thus important.

The influence of majority Protestantism has been tested several times and has proven to be an important factor for the low level

of corruption in a country. However, the relationship between Protestantism and good governance is probably rooted more in history than in today's practice. Today, there are many nominally Protestant countries that are de facto secular, while also many non-Protestant countries fight effectively against corruption. Thus, the influence of Protestantism appears to emerge from its egalitarian ethos, which could indirectly function as a support to the general orientation toward ethical universalism, literacy and the promotion of individualism. Its role is therefore important, as it at certain stages of the development explains why the first countries that were well managed were predominantly Protestant. This does not mean that other religious traditions are incompatible with good governance, but only that they have not succeeded in compiling this particular array of factors at the right moment.

Similarly, the research by North et al. showed that, according to the authors, the least corrupt countries or those countries where the rule of law is the strongest were predominantly Protestant in 1900 and those who are most corrupt were predominantly Orthodox in the same year. The results of their research have shown that there is a link between religion and corruption on one hand, and respect for the rule of law on the other, but not that the link is causative. The questions therefore arise: Why do some religions respect the rule of law more than others and control corruption? Do the characteristics of a particular religion themselves lead to the results? Are there any differences in religious doctrines, practices or cultures that lead to such results? Are there other links that are not rooted in the religious culture, but are related to religious affiliation?

A study titled *Perception of corruption* by authors Melgar et al. tried to find out which groups of people are more likely to pay for corruption. They found that those who think that there is a lot of corruption also perceive it so and are consequently more willing to pay for it (as they think or expect the society to function that way). By using a wide and very heterogeneous set of data and econometrics, it has been shown that the social status and personal characteristics also play an important role in the shaping of corruption perception at the micro level. While divorced women, unemployed persons, persons working in the private sector or the self-employed are considered to be in positive correlation with the perception of corruption (corruption is perceived more and they are more willing to pay bribes), the opposite applies to married persons, full-time employees, people who frequently attend religious ceremonies and people with at least secondary education (they perceive less corruption and are also unwilling to pay). According to the classification of countries, they find that it can be proved that all African and Asian countries are in the upper half of the table, and the same applies to the former socialist countries and most of the East Asian countries. People living in these countries perceive more corruption than others. On the contrary, most European countries and some of the former English colonies show lower perceptions than the average (there are also exceptions) and rank in the lower half, the same as half of the richest countries. They also added that the geographical classification of countries has been strongly correlated with the corruption perception index (CPI), which shows that individual characteristics and social conditions are specific factors that influence the perception of corruption. However, they have also found that better economic results reduce the perception of corruption, while the macroeconomic instability and income inequalities have precisely the opposite

effect. With Mahič, we also found a similar influence on the perception of corruption; in the economic crisis (high unemployment and low purchasing power), the perception of corruption is rising.

A very important factor that affects corruption is also demographics. A number of studies have shown that patriarchal society is more prone to corruption. This is confirmed by several researches that actually explore to what extent are men women corrupt. Several earlier, especially econometric contributions to the debate on who is more corrupt, men or women, argued that there is a link between a higher representation of women in government and lower levels of corruption. An influential study of 150 countries in Europe, Africa and Asia by the World Bank confirmed this and concluded that women are more reliable and less prone to corruption. The subsequent findings were later reinforced by further research. Rivas also affirms this in his research and notes that, according to the results of the survey, the conclusion could be that women are less corrupt than men and that the increase in the number of women on the labor market and in politics would help fight corruption. Lee and Guven] in the survey: *Engaging in corruption, the influence of cultural values and the contagion effects at the micro-level* also raised the question of whether men are more corrupt than women. The findings of the research support the thesis that women are less susceptible to corruption than men, especially in cultures that require men to be ambitious, competitive and materially successful, as these factors significantly contribute to unethical behavior. This was surprisingly well shown also in practice when, due to gender equality, the Peruvian government a decade ago decided to involve more women in the police units. When the 2,500 female police officers were joined as traffic police officers,

something unexpected happened; bribery was drastically reduced, and people welcomed the female police officers on the streets<sup>15</sup>.

#### **14 types of corruption in Nigeria by the forms**

1. Bribery, receipt of illegal proceeds (extortion, kickbacks).
2. Theft and privatization of public resources and funds.
3. Illegal appropriation (forgery, falsification, embezzlement, misappropriation of money, property).
4. Abuse of state funds, waste.
5. Nepotism, favoritism (appointment to the posts of relatives and friends).
6. Promotion of personal interests.
7. Collusion (granting preferences to individuals, conflict of interests).
8. Taking gifts to speed up problem-solving.
9. Protection and covering up events. Abuse of power (intimidation or torture).
10. Manipulation of regulation (falsification of elections, decision-making in favor of one group or person).
11. Electoral violations (buying votes, rigging election results).
12. Extortion (civil servants illegally set a fee for services or artificially create a deficit).
13. Clientelism and patronage (politicians provide material services in exchange for citizen support).
14. Illegal contributions to election campaigns (transfer of gifts to influence the content of the policy).

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<sup>15</sup> <https://www.intechopen.com/books/trade-and-global-market/corruption-causes-and-consequences>

Corruption is an international problem. It is inherent in all countries, regardless of political structure and level of political development, and differs only in scale

### **Impacts of Corruption to Development in Nigeria**

Corruption increases the volume of public investments (at the expense of private investments), as there are many options that allow for public expenditure manipulation and are carried out by high-level officials so as to get bribes (which means that more general government expenditures or a large budget offer more opportunities for corruption)..Corruption redirects the composition of public expenditure from the expenditure necessary for basic functioning and maintenance to expenditure on new equipment<sup>16</sup>

Corruption tends to pull away the composition of public expenditure from the necessary fixed assets for health and education, as there is less chance of getting commissions than from other, perhaps unnecessary projects. Corruption reduces the effectiveness of public investments and the infrastructure of a country.

Corruption can reduce tax revenues by compromising the ability of the state administration to collect taxes and fees, although the net effect depends on how the nominal tax and other regulatory burdens were selected by the officials, exposed to corruption.

The influence of corruption on the economy was studied by the same authors through several factors:

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<sup>16</sup> <https://www.legit.ng/1136656-20-types-corruption-nigeria.html>. Accessed 12th January, 2021 by 10am.

**Impact of corruption on businesses:**

The impact of corruption on a business is largely depend on the size of the company. Large companies are better protected in an environment that is prone to corruption, they avoid taxes more easily and their size protects them from petty corruption, while they are often also politically protected, which is why the survival of small (especially start-up companies) and middle-sized companies, regardless of their importance for the growth of the economy and the development, is much more difficult than the survival of large companies.

**Impact of corruption on investments:**

Corruption affects (a) total investments, (b) the size and form of investments by foreign direct investors, (c) the size of public investments and (d) the quality of investment decisions and investment projects.

**Influence of corruption on the allocation of talents:**

Indirectly, corruption has a negative impact on economic growth through the allocation of talents, since gifted and prospective students are driven, due to the influence of the environment and the situation in the country, for example, to study law rather than engineering, which would add value to the country.

**Impact of corruption on public spending:**

Corruption has a negative impact on public spending and has an especially strong impact on education and health. There are also indications of the correlation between corruption and military expenditure, which means that high level of corruption reduces economic growth due to high military expenditure.

*Impact of corruption on taxes:* Because of corruption, less taxes are levied than would otherwise be, as some of the taxes end up

in the pockets of corrupt tax officials. There are also frequent tax relieves in the corrupt countries, selective taxes and various progressive taxes; in short, there is much less money than the country could have, and so corruption, through the country's financial deficit, also affects the economic growth; and conclude the findings on the negative impact (both indirect and direct) of corruption on economic growth.

Smarzynska and Wei came to similar conclusions regarding the effects of corruption on the size and composition of investments. Corrupt countries are less attractive for investors, and if they do opt for an investment, due to non-transparent bureaucracy, they often enter the market with a joint venture, as they usually understand or control matters of the home country better. The local partner can also help foreign companies with the acquisition of local licenses and permits or can otherwise negotiate with the bureaucratic labyrinths at lower costs. Generally inclined (as investors) to the joint venture in the corrupt countries are especially the US investors; however, even investors from those European countries, which are among the highest ranked on the CPI, quickly adapt to local conditions.

**Corruption for various reasons also affects the following:**

1. Employment, because the job does not go to the most suitable or qualified person, but the one who is ready to pay for it or in any other way return the favor.
2. Also affects total investments.
3. The size and composition of foreign investments and the size of public investments.
4. The effectiveness of investment decisions and projects. In the presence of corruption, the investments are smaller, as entrepreneurs are aware that they will have to bribe the

officials or even give them a profit share for a successful implementation of a business. Due to these increased costs, the entrepreneurs are not interested in investing.

Wei even made a projection which predicted that in the case of reduction in corruption in Bangladesh to the level of corruption in Singapore, the growth rate of GDP per capita would increase by 1.8% per year between 1960 and 1985 (assuming that the actual average annual growth rate was 4% per year), and the average per capita income could have been more than 50% higher, whereas the Philippines could, if its level of corruption was reduced to that of Singapore (if everything remained unchanged), have raised their investments in relation to GDP by as much as 6.6%, which means a significant increase in the investments. At the same time, he notes that in order to reduce the corruption to the level of Singapore in the countries that he compared (India, Kenya, Sri Lanka, Turkey, Colombia, Mexico and Ghana), the State should raise the salaries of officials by 400—900%. He therefore asks himself whether this would even be possible. However, he notes that in the event of a large increase in salaries, a new form of corruption would likely arise when everyone would be prepared to pay a bribe for a well-paid official job.

Corruption often reduces the effectiveness of various financial assistance programs (both state and international), as money is “lost somewhere along the way” and does not reach those that need it or for whom it is intended, as the financial benefits, deriving from corruption, are not taxable because they are hidden. The state is thus also losing part of the income from the taxes due to corruption, while the public spending, resulting from

corruption (or narrow private interests) leads to negative effects on the budget.

**Conclusion:**

This work has made frantic efforts to x-ray the impact of corruption to development and progress in Nigeria. In the course of the work we discussed among other things; the history of corruption, theories of corruption. Causes of corruption and most importantly the impact of corruption to development. We also discovered the biblical injunction to avoid corruption in exodus chapter 23 verse 8 where it was stated and taking a bribe can easily influence somebody to do the wrong thing. Though corruption is almost as old as man but no generation has been or is comfortable with the cankerworm called corruption. Its negative impact to development and progress in Nigeria can never be overemphasized.

Though it may look difficult and almost impossible to eradicate corruption, but that will not stop or prevent us discussing from recommending it to be abhorred and treated as such. All and sundry should be involved in discussing the ills of corruption especially the power of pulpit by Pastors, Overseers etc. Children and adults should be made to desist from corrupt practices by organizing conferences, seminars and workshop to fight corruption and corrupt practices in Nigeria.