# CORRUPTION AND SELF-INTEREST IN IGBO LEADERSHIP

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**ABSTRACT:** *Corruption is an ancient practice that has been traced back to pre-biblical time and made itself known in the ancient civilizations of developed and developing countries. Self-interest affect both the old and the young, man and woman. It is the problem that strata the socio-political and economic structure of any region especially in Igbo land. The aim of this paper is to empirically investigate the relationship between corruption and self-interest in Igbo leadership using SPSS and correlation test. The study also anchored on two theories: the idealistic theory and the anomie theory. The study revealed that the level of corruption and self-interest among Igbo leaders over the years has become a source of embarrassment to Igbos living outside the country and that corruption and self-interest among Igbo leaders has seriously had significant negative affect on the development and services delivery in Igbo land especially in rural areas. The implication of this study is that economy of Igbos cannot grow fast without zero tolerance in corruption and self-interest. The study recommended that the policies that will enhance economic development and reduce the level of corruption and self-interest are expected to be encouraged so that the level of economic growth can be improved in Igbo land. The study also suggests that there should be free and fair election in Igbo land and stops the issue of selection so that the issue of corruption and self-interest will reduce drastically. And that the activities or programmes of the anti-corruption agencies in Nigeria such as the Economic and Financial Crime Commission (EFCC) and the Independent Corrupt Practices and related Offences Commission (ICPC) should be strengthened.*

**KEYWORDS:** Corruption, self-interest, leadership, correlation, SPSS, EFCC, ICPC

## INTRODUCTION

Public debates recently in Nigeria have centred on the increasing rate of corruption resulting from inappropriate public finance planning and implementation mostly in some of the developing countries, Nigeria inclusive which in turn reduce the level of economic growth in the country. Corruption made itself visible in Igbo land when the institution of the government was founded due the behaviour of people appoint or elect to manage the government institutions (Anyanwu, 2002; Idomeh, 2006). Corruption has recently become a major issue in foreign aid and Nigeria nation especially in Igbo leadership. Corruption is an ancient practice that has been traced back to pre-biblical time and made itself known in the

ancient civilizations of developed and developing countries. Political and social corruption is not a recent phenomenon that pervades the Igbo states in Nigeria. Corruption is a social problem that has interested many scholars. Ruzindana (1999) sees corruption in Africa as a problem of routine deviation from affordable standards and norms by public officials and parties with whom they interact. The major concern for inter-nation aid policy during the last five decades has been to improve the living condition for the poor in the poorest countries of the world. But governments in poor countries are also the most corrupt country due to high level of poverty. Treisman (2000) and Paldam (1999) cited in Jens and Odd-Helge (2001) states that the level of GDP per capital holds most of the explanatory power of the various corruption indicators.

Corruption is a disease, which eats into the cultural, political and economic growth of any country and as well destroys the functioning of various organs of the government. Transparently international (2005) opine that "corruption is one of the greatest challenges of the contemporary world which undermines good government, fundamentally distorts public policy, leads to the misallocation of resources harms the private sector development and as well hurts the poor".

Corruption, self-interest and Leadership have been one of the greatest concerns to all observers of the country's socio development. It was Achebe who says that anyone who can say that corruption has not yet reached alarming proportion is either a fool, a crook, or else does not live in Nigeria, Igbo land inclusive. The menace of corruption by Nigerian leaders has certainly emerged as one of the main impediments to national development. Corruption by Igbo leaders has caused the zone severe losses economically, politically and socially, and these facts are responsible for decayed infrastructure, downturn of indicators of national development. To the leaders the national objective is very secondary; more considerations are given to self-interest than the interest of the society without minding the disruptive impact, (Eulou 1963, in Dike, 2006).

The need to study corruption and self-interest in Igbo Leadership has continued to generate passionate commentaries and academic interest due to the level of corruption in Igbo Land and its effect on economic growth. In Igbo Land particularly and Nigeria in generally, corruption and self-interest is one of the reasons for many unresolved problems that have critically hobbled and reduce development (Ayobolu, 2009). It also remains a long-term major political and economic growth challenge for Nigeria (Sachs, 2007). International centre for economic growth (1999) states that corruption is a canker worm that has eaten deep in the fabric of the nation which ranges from self-interest, petty corruption to political or systematic corruption. Abiodem (2007) in World Bank studies put corruption at over $1 trillion per year accounting for up to 15% of the Gross Domestic Product of nation like Nigeria. This is because Igbo land contribute to the growth of Nigerian economy but the level of Igbo leadership in respect to self-interest is a big treat to the development of the Igbo States economy. Corruption and self-interest in leadership is a canker worm that has reduced development in all sectors of the economy (EFCC, 2005). Corruption has been the primary reason behind the country difficulties in developing fast (ICPC, 2006).

In Igbo land, the level of corruption, self-interest, poor state of our electricity, transport sector, health sector, education sector, road infrastructure and communications is the major problem of economic growth and it is a major handicap for doing business in the zone. As part of fighting corruption/self-interest and strengthening the economy in each of the six geo-political zones, Nigeria government has over the years embark on series of economic growth reform through privatization, banking sector reform, anti-corruption campaigns and establishment of transparent fiscal standards such as ICPC, EFCC etc. The major aim of economic reform and summit in Igbo land is to provide a conducive environment for private investors and FDI to flow (Ade, Babatude and Awoniyi, 2011).

Looking at the above both on the side of corruption and self-interest, Igbo leadership is being hampered due to the level of corruption and self-interest and it comes in different ways such as bribery, embezzlement, fraud, extortion and favouritism. The high level of corruption and self-interest in Igbo leadership poses a problem to the attainment of economic growth in the zone and in Nigeria in general. This is true because it effect the overall development of the economy especially in South East States.

Therefore, the work is meant to examine the level of relationship between corruption, self-interest and Igbo leadership with the view of finding lasting solution that will help to reduce the level of corruption and self-interest in Igbo leadership. This study is grouped into section one: Introduction; section two: Review of related literature; section three: Methodology and section four: Conclusion and Recommendations.

## REVIEW OF RELATED LITERATURE

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

### Empirical Review

A few researchers have discussed the level of corruption on economic growth in both developed and developing countries but none has discussed corruption, self-interest and its relations to Igbo leadership. Such authors that have discuss corruption and economic growth include Abiodum, Elijah and Obayelu (2007) that used descriptive survey and content analysis to investigate the effect of corruption and economic reforms on economic growth and development in Nigeria. It was revealed that there have been significant reductions in the level of corruption in Nigeria through the introduction of the anti-corruption team or instruments. But the study also found negative corruption between the levels of corruption

and economic growth, thereby making it difficult for Nigeria to develop fast. This means that corruption in Nigeria reduces economic growth, efficiency and development despite the huge resources in the country. This is also because the way in which our leaders are involving in corruption is reducing or create negative image in our nation and as well losses much needed revenue especially in Igbo land.

Rotini, Obasaju, Lawal and Ise, (2013) used ordinary least square (OLS) and granger causality method to determine the relationship between corruption and economic growth in Nigeria. The study observed that corruption impairs and impacts economic growth. The study fails to establish the level of impact of corruption on economic growth by stating whether it is positive or negative. Adewale, (2011) investigated the crowding out effects of corruption in Nigeria using parsimonious error correction mechanism and employed experimental research design approach for the data analysis and revealed that there is a negative relationship between corruption and output growth in Nigeria. The implication of this is that Nigeria government should introduce a national re-orientation program to educate people on the crucial need to eradicate corruption in all sectors of Nigeria economy and socio-political system. Akinpelu, Ogunseye, Bada, and Agbayangi (2013) examined the Socio- Economic Determinants of corruption in Nigeria using co-integration test and vector error correction model. The study discovered that there is a long-run relationship between conception and the social economic variables in Nigeria. This study falls to establish the level of relationship like whether significant positive or negative relationship which has policy implication in the short and long run. Mnhuda (2013) investigating the relationship between corruption, poverty and economic growth in Nigeria. The study employed regression analysis and granger causality test, it was discovered that there is an existence of co-integration chance tanging a long run causality relationship between corruption, poverty and economic growth in Nigeria.

Ade, Babatude and Awoniyi (2011) in the study of Corruption, foreign direct investment and Economic growth in Nigeria: An empirical investigation employing granger causality test and Ordinary Least Square Method in testing FDI inflow, corruption index, Exchange rate, Inflation rate, GDP for model one. For two, the variables are Gross Domestic Product, Government Expenditure, FDI and Gross fixed capital formation. The OLS result reveals that there is an inverse relationship between FDI inflow and corruption. This means that a large volume of FDI inflow is associated with a low level of corruption in the host countries. Exchange rate depreciation and inflation rate are significant determinations of FDI inflow in Nigeria. Also, there is a significant position. A critique from the above exposition shows that none of the study investigate the relationship between corruption, self-interest and Igbo leadership in Nigeria and it create a research gap.

## THEORETICAL FRAMEWORK

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

**A Policy-Oriented Theory of Corruption**

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

**Leadership Theory**

Arnold and Feldman (1986) defined leadership as an influence process. They opined that leadership is the exercise of influence on the part of the leader over the behaviour of one or more persons. In other words, leadership involves one person trying to get others do something that he wants them to do. Stogdill (1950) agreeing with Anald and Feldman (1986) added the concept of goal attainment, when he contended that "leadership is the process of influencing the activities of an organized group towards goal setting and goal achievement". This implies that a leader must be able to influence the followers towards setting appropriate goals and towards their effective achievement. In this regard, how much do Nigerian leaders influence their followers to set and achieve appropriate goals? Mullins (1999) defines leadership as the relationship through which one person influences the behaviour of other people. This explains that the process of leadership cannot be separated from the activities of groups. In the words of Schien (1980), leadership is a function of the relationship between the leader, the followers and the task-situation.

**The Idealistic theory**

This theory is based on the assumption that the ideas which people have determined the way they live and the way their society is organized, Idealistic theory posits that corruption should be seen in terms of the nature of social and moral values prevailing in the society. This theory therefore explains corruption in terms of some selfish ideas, which are prevalent in the value system of the society, this approach according to Metiboba (2002) is sometimes subdivided into the traditionalist and the modernist. To him, the adoption of Eastern social value and attitude is the determining factor of corruption in Nigeria; the traditionalist idealist advocates a return to the social values of the traditional society.

**The Anomie theory**

This theory sees corruption as emanating from the social structure of the society, which exerts a definite pressure upon certain individuals in the society to engage in non-conforming of conforming conduct. Merton (1957) has succinctly put this in another way when he asserts that a society in which there is an exceptionally strong emphasis upon specific goals without a corresponding institutional means or procedures, will inevitably lead to what Durkheim called "anomie". Metiboba (2012) notes that each culture establishes goals and interests which people are encouraged and expected to pursue and prescribes the method to be followed in seeking these approved objectives. It is when these means fail to match the goal of the individual in question that the individual becomes socially disorganized.

**Policy Implications of the theory**
This theories, believes that good leadership and economic growth is linked with improvement in productivity and reduction in corruption and self-interest which ultimately result to a faster pace of innovation and extra investment in human capital. The theory predicted that externalities and spill over on corruption and self-interest fight from Igbo leadership will help to develop and maintain a competitive advantage in economic growth in South East Zone.

## METHODOLOGY

Various definitions of corruption and its relations with leadership and economic growth as seen in section one and two above have shown that corruption does the wrong thing instead of the good thing in Igbo leadership. This is in line with the general saying that wrong thing cannot bring good thing rather it will end up bring bad thing, hence the effect of corruption and self-interest is assumed to be highly negative in most discussion in the literature while some authors are of the opinion that corruption is positively correlated with economic growth and leadership. Based on the above and the nature of this study, the study employs simple econometric models like Augmented Dicker-Fuller test, granger casualty test and co-integration test to investigate the relationship between corruption, self-interest and Igbo leadership.

**Model Specification**
In $Y_t = B_{0t} - B_1$ in COR …1
Considering the functional notation, the models are specified as followed;
$LSP = f(COR)$ ...2
However, the linear function of the above notation is stated as
$LSP = b_0 + b_1 COR + U_t$ …3
While the log function of the above model is written as
$Log(LSP) = b_0 + b_1 Log(COR) + U_t$ …4

## UNIT ROOT TEST

The Augmented Dickey-Fuller (ADF) formulae were employed to test for stationarity or the existence of unit roots in the data. The test results are as presented below:

**Augmented Dickey Fuller Unit Root Test**

| Series | ADF Test Statistic | 5% critical values | 10% critical values | Order | Remarks |
|---|---|---|---|---|---|
| LSP | -1.783871 | -3.0124 | -2.6461 | 1(1) | Stationary |
| COR | -4.680257 | -3.0207 | -2.6504 | 1(1) | Stationary |

E-VIEW 7.0

The empirical tests on unit root test above shows that Igbo leadership proxy by leadership index (LSP) and corruption (COR) are integrated of order one. They are integrated of the same order; 1(1). From the above tables 1, it was found that ADF Test with trend and intercept indicated that time series are integrated of the same order. The linear combination of series integrated of the same order are said to be cointegrated. The level of their

integrations indicates the number of time series have to be differenced before their stationarity is induced. Considering the ADF test statistics at 5% and10% critical values, it is observed that test statistics are greater than the critical values. Thus, the series are said to be stationary at that level.

**3.3 Johansen co-integration** test for the series; LSP and COR

| Eigenvalue | Likelihood Ratio | 5 percent critical value | 1 percent critical value | Hypothesized No. of CE(s) |
|---|---|---|---|---|
| 0.352866 | 10.98154 | 15.49471 | 12.45 | None ** |
| 0.483990 | 5.842291 | 3.841466 | 1.34 | At most 1 ** |

*(**) denotes rejection of the hypothesis at 5% significance Level
L.R test indicates 8 cointegrating equation(s) at 5% significance.
Normalized Cointegrating Coefficients: 1 cointegrating Equation(s)

Judging from the above result, we can agree that there is a long run relationship between the LSP and the explanatory variable; LSP and COR. Firstly, the summary of the Johansen Cointegration Test is shown in the Table above. The model with lag 1 was chosen with the linear deterministic test assumption. Under the Johansen Cointegration Test, there are three cointegrated vectors. In Johansen's Method, the eigenvalue statistic is used to determine whether cointegrated variables exist.

Cointegration is said to exist if the values of computed statistics are significantly different from zero. The Likelihood Ratio is higher than 5% critical value and the eigenvalues are found as (0.352866 and 0.483990). The Likelihood Ratio of LSP and COR are greater than the critical values at both 5% and 1% level of significance. Also, their Eigenvalues are significantly greater than zero. In other words, the null hypothesis of no cointegration among the variables is rejected in at least five equations. The test result shows the existence of a long-run equilibrium relationship in five cointegrating equations at 5% significance level.

In any case, the existence of a long-run cointegrating equilibrium also provides for short-term fluctuations. In order to straighten out or absolve these fluctuations, an attempt was made to apply the Error Correction Mechanism (ECM).

**GRANGER CAUSALITY TEST**

| Null Hypothesis: | Obs | F-Statistic | Probability | |
|---|---|---|---|---|
| LSP does not Granger Cause COR | 22 | | 2.74957 | 0.0137 |
| COR does not Granger Cause LSP | | | 0.82907 | 0.3739 |

**Source: Author's calculation 2013 using E-View 7.0**

Considering the output of Granger Causality and using 2 and 22 degree of freedom, the F-tabulated value is 2.65 at 5% level of significance. It is observed from the pair-wise relationship between LSP and COR that the F-statistics is 2.75 while the value for COR and LSP is 0.83. The estimate shows that 2.75 is greater than 2.65 while 0.83 is less than 2.65 hence, the rejection that LSP does not granger cause COR. This implies that there is one-way

causation between LSP and COR because corruption granger cause slow Igbo leadership especially in Igbo presidency.

**Error Correction Model**
Dependent Variable: LOG(LSP)
Method:          Least Squares
Sample:          1999-2012
No of observation    14

| Variable | Coefficient | St.Error | t-Statistic | Prob. |
|----------|-------------|----------|-------------|-------|
| C | 0.773036 | 0.147957 | 5.224729 | 0.0000 |
| D(COR) | 5.80E-08 | 8.49E-09 | 6.832684 | 0.0000 |
| ECM(-1) | -0.365701 | 0.131028 | -2.791024 | 0.0101 |

$R^2$ = 0.689742
Source: E-views 7.0

In order to absolve the short-run dynamics of the relationships, the Error Correction Mechanism holds that a negative error correction coefficient is a necessary condition in the model. In this case, the error correction coefficient is -0.365701. This means that the system corrects its previous period disequilibrium at a speed of 35.57% annually. Moreover, the sign of error correction coefficient is negative and significant indicating the validity of long run equilibrium relationship between LSP and corruption (COR). More so, it is concluded that the Error Correction Model (ECM) is not a spurious model as the computed $R^2$ value of 0.689742 is lower than 1.62 (Durbin Watson Statistics). However, the $R^2$ shows that 68.98% of the total variations in GDP are accounted for, by the corruption. This means that the level of corruption in Nigeria over the years has significant negative impact on Igbo leadership and economic growth of the zone.

**CONCLUSION AND RECOMMENDATIONS**

**Conclusion**
Nigeria has the potential to build a prosperous economy, reduce poverty significantly and provide the health, education, and infrastructure services its population needs. However, available evidence indicates that these resources have not been judiciously used to meet the need of the population in terms of human capital development because of high level of corruption in the country. The aim of this paper is to empirically investigate the relationship between corruption and self-interest in Igbo leadership. The study employed SPSS using o-integration test, granger causality test and ordinary least square (OLS) method. We used Igbo leadership index (LSP) as proxy for Igbo leadership and corruption index as proxy for corruption. The empirical analysis reveals that there is a long run relationship between the level of corruption, self-interest and Igbo leadership and as well affect the level of economic growth in the zone and that the impact of corruption on Igbo leadership is negative from the ECM result. The implication of this finding is that corruption and self-interest of the Igbo leaders has affected seriously the level of infrastructural, educational, economic, health and overall development of the zone and the economy of the zone cannot grow fast without zero tolerance in corruption and self-interest among Igbo leaders. It also shows that service

delivery in all government establishments/institutions especially in the zone are poorly carried out. Corruption and self-interest by Igbo leaders has brought scorn and disgrace to the zone, hence, many Nigerians rank Igbos as the most corrupt zone in the country.

## RECOMMENDATION

Based on the above findings, the following recommendations are presented;

1. That the policies that will enhance economic development and reduce the level of corruption and self-interest are expected to be encouraged so that the level of economic growth can be improved in Igbo land.
2. The study also suggests that there should be free and fair election in Igbo land and stops the issue of selection so that the issue of corruption and self-interest will reduce drastically.
3. That the activities or programmes of the anti-corruption agencies in Nigeria such as the Economic and Financial Crime Commission (EFCC) and the Independent Corrupt Practices and related Offences Commission (ICPC) should be strengthened.
4. Punishment for corruption and self-interest in Igbo leadership should be made to be higher than the gains in all political institutions and other high places.

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