ACCOUNTABILITY AND ECONOMIC DEVELOPMENT IN NIGERIA

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ABSTRACT: *This study sought to examine the accountability and economic development in Nigeria. Specifically, the study determined the effect of accountability on the level of gross domestic product in Nigeria and evaluated the effect of accountability on the level of public capital expenditure in Nigeria. Ex-post facto research design was employed, and data was gathered from the World Development Index (WDI) and Central Bank of Nigeria (2014-2023). In order to evaluate the analysis, two hypotheses were tested using an auto-regressive distributed lag approach. The findings revealed that there is a significant negative correlation between accountability and GDP growth as well as public capital expenditures in Nigeria. The study therefore concluded that the only hope for economic development in Nigeria is the complete eradication of corruption at all levels. It was recommended that the immunity clause in the Nigerian constitution should be removed as ICPC and EFCC have become toothless bulldogs to bring to the public notice the financial crimes in the public offices. Similarly, strict policies are needed to curtail corruption practices in public offices. Corruption has denied the huge investments (GCF) and there is no corresponding positive effect on the Nigerian economic development.*

KEYWORDS: Accountability; Economic development; Public capital expenditure; Gross capital formation; Control of corruption.

INTRODUCTION

Nigerian democracy has an established system that is said to be built using the principle of public accountability, as stated by (Ezika & Okpata, 2018); Government officials, whether elected or elected, are responsible for their decisions. Unfortunately, the system is affected by some failures that have made the state of public accountability in Nigeria undemocratic and inadequate (Ezika & Okpata, 2018).

The impact of poor financial management in the public sector in Nigeria since the oil boom has weakened the structure of the governance system, creating a negative environment that facilitates and encourages bad behavior. However, the definition and ethics of social responsibility in the country's civil society are almost complete (Bello, 2001). Madumere and Okegbe (2015) considered reporting, standards, strategies, procedures and practices that will help ensure accountability and fulfillment of responsibilities under the law in order to improve them. Self-efficacy and the impact of analysis. The root of the irregularities in the system stems from corruption.

Corruption in the public financial system has weakened the structure of the regulatory system, creating many unsustainable conditions that are often supported and encouraged. However, the definition and ethics of social responsibility in the country's civil society are almost complete (Bello, 2001). Madumere and Okegbe (2015) considered reporting, standards, strategies, procedures and practices that will help ensure accountability and fulfillment of responsibilities under the law. to improve them. Self-efficacy and the impact of analysis. The main reason for irregularities in the organization is corruption. Although corruption affects Nigeria's institutions, it has been a very pressing problem in Nigeria from the colonial period to the present day (Oluwatoyin, et al., 2019).

The negative effects of corruption continue to hinder economic growth and development, endangering the lives and properties of citizens, and Boko Haram's onslaught has led to more unemployment and poverty (Oghuvbu, 2021). Infrastructural destruction is common due to widespread corruption reaching unprecedented levels (Rotimi e. al., 2013). A 2019 report by the UNODC and the National Intelligence Office revealed that bribes paid to public officials amounted to an estimated $675 billion. However, 60% of all bribes in 2019 were due to direct demands from public officials. In 60 percent of cases, public officials directly demand bribes. 93% of bribes were in cash, averaging US$5,754 ($52) (UNODC, 2019; Office for National Statistics, 2019). Therefore, it is necessary to find a solution now and we cannot leave it to another day. This is because many countries have developed completely different systems to prevent the spread of corruption.

Statement of the Problem

Nigeria has long struggled with the scourge of corruption at the expense of good governance, infrastructure, and security, among others. To put it bluntly, corruption includes roads, water, electricity, school papers, housing, food, hospitals, etc. It does not cover the rights and resources allocated to the production of electronic goods and basic goods. Given the failure of public institutions to deliver services, Nigerians mostly provide basic amenities such as security, education, electricity, water and roads privately. When public institutions fail, it creates conflict, distrust, conflict, mistrust, and impunity for theft (Owoeye & Ayodeji, 2020).

Ezika and Okpata (2018) also argue that accountability in Nigerian society, as noted above, has been criticized for its poor performance. Fraud, scams and misuse of funds, overspending, attempts to burn important documents, bribery, forgery, misappropriation of public funds from greedy people and other conflicts that eventually lead to corruption are now everywhere in our society. Further, corruption, as stated by Owoeye and Ayodeji (2020), leads to inequality, causes extreme poverty, hinders effective resource planning and allocation, causes economic growth to fail to attract investment and causes economic damage. The deficiencies in the country's socio-economy and limited government resources due to fraud and corruption in the public sector have become a source of concern for the government and the people, especially in the light of recent globalization (Haru & Babagana, 2020). By identifying these issues and exploring possible solutions, this study aims to improve accountability and economic development in Nigeria by eliminating corruption of public officials.

Aim and Objectives of the Study

The aim of the study is to evaluate the impact of accountability on economic development in Nigeria. While the specific objectives of the study are:

i. To determine the effect of accountability on the level of gross domestic product in Nigeria; and

ii. To evaluate the effect of accountability on the level of public capital expenditure in Nigeria.

Research Questions

i. To what extent does accountability affect the level of GDP in Nigeria?

ii. To what extent does accountability influence the level of public capital expenditures in Nigeria?

Research Hypotheses

H01:   There is no significant correlation between accountability and GDP growth in Nigeria.

H02:   There is no significant correlation between accountability and public capital expenditures in Nigeria.

LITERATURE REVIEW

Accountability

Public accountability refers to the responsibility of public officials to regularly report on operating budgets and/or activities and be accountable for their actions (Ezika & Okpata, 2018). Accountability refers to the need for the government and government officials or leaders to explain and justify their actions to the public (Olatunji & Bin-Yauri, 2014). Boncodin (2007) defines public accountability as the responsibility of individuals or organizations tasked with public resources to delegate financial, administrative, and accountability to themselves and report to those tasked with these duties. The implicit assumption in this context is that those tasked with public funds have the legal responsibility to account for and report on the resources allocated, used, and obtained (Ezika & Okpata, 2018).

Investigations conducted by the Commission on Corruption and Other Crimes (ICPC, 2020) revealed that about N457,650,000 was wrongfully claimed, granted and paid as bribes to the Nigerian judiciary between 2018 and 2020. There are 901 participants from the judiciary; among them, 638 were lawyers (70.81%) (UNODC, 2019; United Nations, 2020). Wealth is also a result of corruption; it eliminates and degrades national resources and hinders development efforts (World Bank, 2021). Any income from the government does not give the poor an equal opportunity to live and prevents the government from investing in their development (World Bank, 2021).

Economic Development

The concept of growth is controversial. Because it is comparative and multidimensional, it can be used in context. In terms of contemporary culture, the concept of design is often ambivalent (Oghuvbu, 2021). Some countries are classified as developing countries, while others are classified as developing countries. Chêne (2014) tends to emphasize physical reforms as the key to development, arguing that changes in inequality, poverty, unemployment and access to services in society must be part of this progress. Abuiyada (2018) views development as "the conditions for realizing the human personality". As a result, three linked criteria must be considered in its evaluation: where there has been a reduction in unemployment, inequality and poverty.

Ettah (2012), on the other hand, defines development as "the continuous development of communities and social structures towards a "higher" or "dependent" point. Pearson (1992), on the other hand, believes that growth is "an increase in quantity, quality in the use of resources" or in terms of both.

Accountability in Nation Building

Public institutions are important carriers and channels through which the government provides policies and services to the public. When such public institutions are runned by incompetent and corrupt leaders, the principles of governance are violated. Good governance is a measure of how public companies serve the public, manage public resources, and maximize the benefits and well-being of people and the country in accordance with the law (OECD, 2015). Good governance in the public sector is essential for public institutions to achieve their goals and always serve the public interest. Civil society cannot be built without good governance. Effective institutions have a strong legal framework; and free and independent media etc.

Causes of Corruption

Although corruption has been highlighted in the domestic market, many have observed that bribery from foreign companies plays a significant role. Corruption is a symptom of underlying economic, political and social conditions. Therefore, effectively solving corruption means solving the root causes, which include:

1. Most people do not have many different risk factors (such as the insurance and manufacturing industries found in rich countries such as the United Kingdom, the United States, France and Japan);

2. The incentive to earn money increases due to reduced poverty and the low cost of public sector wages;

3. Risk factors (such as disease, accidents and unemployment) are very high in developing countries like Nigeria.

The Need for Accountability in the Public Service

There is a growing debate on controlling corruption in the Nigerian public service. Tahir (2006) suggests the following reasons for the need for accountability in the Nigerian public service.

1. There are increasing revelations of fraud and corruption by public officials.

2. It is increasingly recognised that corruption is causing financial distress in many parts of Nigeria.

3. Citizens are more informed about the activities of the government and public officials.

4. External donors strive for good governance and accountability in public institutions.

5. There is a need to reduce waste in the operation of government projects.

6. It should follow the standards of international evaluation organizations such as Transparency International. Financial discipline needs to be integrated into the civil servant culture.

Commander Theory

Goldberg (1965) in the theory focuses on the owner of resources, who is also the manager of the owners and management have different ideas. Ownership of particular resources is sometimes accompanied by economic control of the resources, and management or control of these resources may be considered distinct from legality or membership in the community. Therefore, financial reporting has been subjected to different processes and working hours due to the role it plays. It should also be noted that the commander theory is a theoretical study that determines the impact of advertising on financial reporting and practice. This theoretical framework will help to investigate and explain some elements that have a significant impact on the development of the integration of financial reporting for both societies. It will also provide space for evaluation and review of principles adopted by senior managers and students to determine the value of financial reporting responsibility.

Empirical Review

Several studies have established the relationship between accountability and economic development. These include Ezika and Okpata (2019), who conducted a study on Public Enterprises in Nigeria: Issues and Challenges. The study explored observational and historical perspectives and identified quality information from secondary sources. The findings revealed that Nigerian public officials are responsible for good governance in terms of public accountability. This is because the availability, understanding, significance, reliability and timeliness of financial information on public expenditures are not always publicly available to evaluate the performance of public officials. For accountability to be an effective tool in public finance management in Nigeria, there must be a change in values that will restore freedom, thereby stopping corruption and other bad practices.

In a study by Oluwatoyin et al. (2019), the challenges of social responsibility and development in Nigeria were examined. This study elucidated accountability and development issues in Nigeria using secondary data and then used autoregressive distributed lag econometrics techniques to analyze the data. The findings revealed that increment in total government expenditure will reduce Nigeria's economic growth in the long run, while corruption and political control (a different organization) have a direct and significant impact on Nigeria's economic development.

Oghuvbu (2021) examined the research on corruption and economic development in Nigeria. Therefore, in this study, the causes and effects of corruption, which is seen to have significant effects on the political, social and business world in the country are investigated. Literature is often written and elite theory is utilized to explain corruption and its impact on the economic development of Nigeria. The findings showed that corruption drains much-needed revenue and slows the economy by discouraging foreign investment. Corruption weakens the domestic economy, tarnishes the country's reputation, reduces savings and investment, and harms people's health. In another study, Adewale (2011) used different measures such as Gross Domestic Product (GDP) and public investment (PINV), finance (MS), total capital formation (CAPL), observed inflation (CPI), unemployment rate (UNEMPL) and external debt (EXTD) as independent variables. A negative relationship was observed between the growth of major commodities in Nigeria and corruption.

Starting from the assumption that corruption hinders growth, this study revealed that economic growth in Nigeria is affected by corruption. Imoukhuede (2016) also used narrative to explore issues of corruption, political accountability and governance. It focused on Nigeria's Fourth Republic from 1999 to 2016. The study revealed that accountability eliminates waste and includes efficiency, effectiveness, openness, discipline, integrity, fairness, transparency and good governance. The study blamed this on the officers' lack of responsibility. He asserted that Nigeria needs a dedicated, disciplined and visionary leader to reduce corruption. The judicial system must be transparent enough to deliver justice to the people, it will have little or no impact and corruption will not decrease but will worsen. Additionally, Nigeria's desire for economic growth will combat the lizard's desire for hair.

METHODOLOGY

To examine the relationship between accountability and economic development in Nigeria, the regression model of Oluwatoyin et al. (2019) was adopted. The regression model's implicit form is provided as follows:

$$GDPt = e^{\beta_0} + GCF e^{\beta_1} \, TGE e^{\beta_2 + \beta_3 e e} + \varepsilon \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \text{(1)}$$

Where e denotes the exponential symbol, the dependent variable is GDPC serving as a proxy for economic development, while the main explanatory variable in the model is control of corruption (CC) which is used to capture government accountability. The other control variables are gross capital formation (GCF) representing domestic investment into the economy and total government expenditure (TGE) reflecting public investment. The equation (1) is linearized when equation (1) takes a natural Log of it.

$$\text{Log GDP}_t = \beta_0 + \beta_1 GCF + \beta_2 \text{LogCC} + \varepsilon \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\text{(3)}$$

where e is an exponential, $\log GDPC_t$, is the logarithmic functions of GDP per capita (LogGDPC); CC is the institutional variable used in this study to capture the political role of the Nigerian government. Oluwatoyin et al., (2019) posit that there should be a relationship between corruption control and economic development. This is because government policies aimed at improving the level of corruption control will lead to an increase in per capita income in the long run, which will lead to economic development (Oluwatoyin et al., 2019). This study also predicts that there should be a direct relationship with different variables. The positive impact of domestic investment (GCF) is present in the literature because investment should have a direct impact on development (Romer, 1986).

Based on the stated hypotheses, total government expenditure takes a natural log and expresses gross capital formation and control of corruption as model 4:

$$\text{LogTGE} = \beta_0 + \beta_1 GCF + \beta_2 \text{LogCC} + \varepsilon$$

Eltimi et al. (2016) note that public investment is good when it focuses on infrastructure, but can hinder growth when it generates more taxes.

Estimation Technique

This study uses the autoregressive distribution lag (ARDL) bounds test to gain insight from the empirical work of Osabuohien et al. (2018a) and Matthew et al. (2019). This research is based on the special feature of ARDL, which is the ability to fit the integral of a zero-order [I(0)] or first-order variable [I(1)]. However, the ARDL model is not suitable for the integration of second-order macroeconomic variables [I(2)]. Convergence is determined by bounds testing by fitting the calculated F to a critical value (Osabohien et al., 2018b). Okodua and Ewetan (2013) argued that there is no relationship if the calculated F statistic is less than the lower value [I(0)]. However, if the F statistic is greater than the upper value of I(1), convergence occurs. The conditional error correction ARDL model to be estimated from equation (3) is given as follows:

$$\triangle \text{LogGDP} = \beta_0 + \sum_{i=1}^{j} \eta \Delta log GDP_{t\text{-}j} + \sum_{i=0}^{j} \varphi \Delta GCF_{t\text{-}j} + \sum_{i=0}^{j} \tau \Delta TGE_{t\text{-}j} + \sum_{i=0}^{j} \theta \Delta log CC_{t\text{-}j} +$$

$$\delta_1 log GDP_{t\text{-}j} + \delta_2 GCF_{t\text{-}j} + \delta_3 TGE_{t\text{-}j} + \delta_4 log CC_{t\text{-}j} + \varepsilon$$

Table 4.1: Descriptive Statistics

	LogGDPC	GCF	TGE	Log CC
Mean	0.027567	25.55402	9594.741	11.37435
Median	0.024306	17.05096	7135.220	12.61905
Maximum	0.080369	51.23245	23412.00	14.62264
Minimum	-0.017943	14.16873	4587.390	0.000000
Std. Dev.	0.032129	14.58343	6163.268	4.434296
Skewness	0.088430	0.804040	1.335643	-1.926589
Kurtosis	2.080277	1.917330	3.545084	5.480335
Jarque-Bera	0.365488	1.565874	3.097034	8.749603
Probability	0.832981	0.457062	0.212563	0.012591
Sum	0.275668	255.5402	95947.41	113.7435
Sum Sq. Dev.	0.009291	1914.087	3.42E+08	176.9668
Observations	10	10	10	10

Source: *Researcher's Computation, 2024*
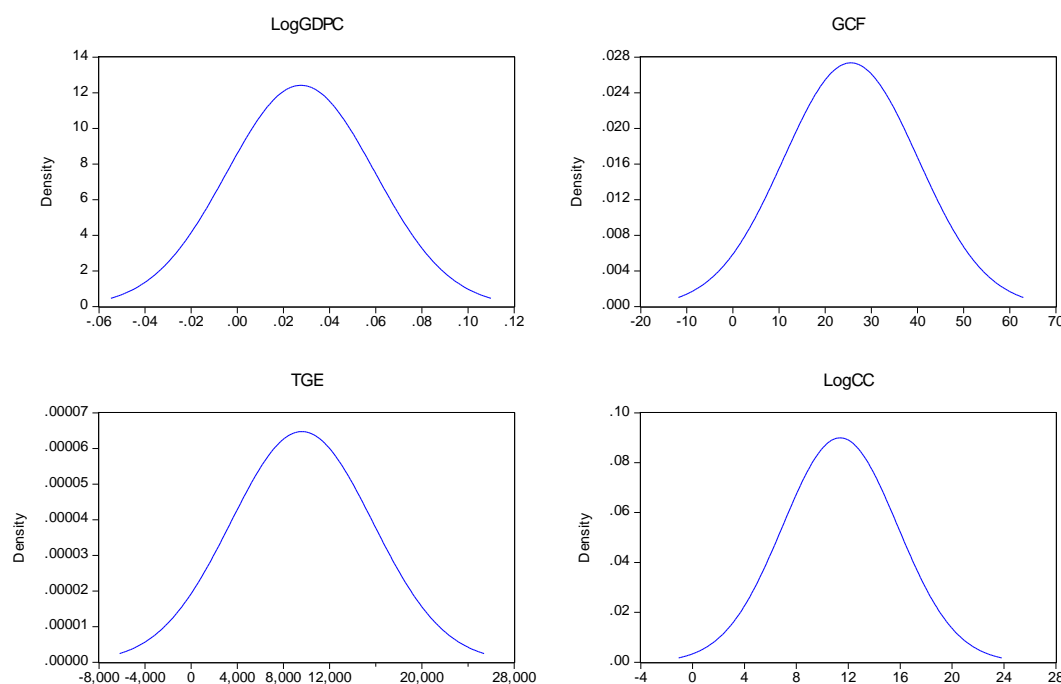
The descriptive analysis in the table above showed the relationship between accountability and economic development in Nigeria from the periods of 2014 – 2023. At first, the table depicted statistical properties on gross domestic product per capita which was naturally logged to have a mean value of ₦0.027567 billion with the minimum and maximum deficit values of ₦0.017943 billion and ₦ 0.080369 billion respectively. The variable deviated with ₦0.032129 billion from its mean, and was positively skewed with the value of ₦0.088430 billion which showed that the economic development has a moderate right-tail and the kurtosis is mesokurtic in nature, simply because the economic development exhibited the value of 2.080277< 3. However, the value of Jarque-Bera was 0.365488. This implied that the variable had a moderate

good fit in the distribution but statically insignificant as the p-value > the table value (i.e, 0.832981> 0.05).

The analysis also captured some statistical properties on domestic investment (gross capital formation) over a period of 10 years. It was observed that the capital formation exhibited an average value of ₦ 25.55402 billion with the minimum and maximum values of ₦ 14.16873 billion and ₦51.23245 billion respectively. The variable according to the table deviated with ₦14.58343 billion from the total distribution and positively skewed with the value of ₦ 0.804040 billion which showed that gross capital formation has a moderate right-tail and the kurtosis was mesokurtic distribution in nature, as the value is 1.917330<3. However, the figure depicted the value of gross capital formation on the Jarque-Bera test measured goodness-of-fit test to determine whether or not sample data have skewness and kurtosis that matches the normal distribution. The value of Jarque-Bera: 1.565874 was observed which implied that the variable had a good fit in the distribution but confirmed statically insignificant as the p-value > the table value (i.e, 0.457062> 0.05).

Total government expenditure is one of the significant determinants of economic growth and development. In the table, the variable exhibited a mean value of ₦ 9594.741 billion which indicated the accumulated contribution of the average on TGE on economic development during the period. The table further confirmed that the variable had a median value of N7135.220 billion with the minimum and maximum value of ₦ 4587.390 and ₦ 23412.00 respectively.

The variable according to the table deviated with ₦ 6163.268 billion from its mean value and positively skewed with the value of ₦ 1.335643 billion which showed that TGE had a long right-tail and the kurtosis is leptokurtic in nature, simply because the net claim exhibited the value of 3.545084> 3. This implied that the variable had a flatter shape with fatter tails resulting in a greater chance of extreme positive or negative events. Further, the value of Jarque-Bera of 3.097034 was observed, which implied that the variable had a good fit in the distribution but confirmed statistically insignificant as the p-value > the table value (i.e, 0.212563>0.05).

The level of corruption was measured using corruption control and the table depicted its effect on economic development in Nigeria using some statistical properties. Corruption control over the period exhibited an average value of 11.37435 with minimum and maximum value of the variable at 0.000000 and 14.62264 respectively. The table deviated with 4.434296 from its mean value and negatively skewed with the value of -1.926589 which showed that the variable had a long left-tail and the kurtosis is leptokurtic in nature, as the variable exhibited the value of 5.480335> 3. However, the value of Jarque-Bera of 8.749603 was observed and this implied that the variable had a good fit in the distribution and confirmed statistically significant as the p-value < the table value (i.e, 0.012591< 0.05).

Diagnostic Test

In order to test for the stationarity of the data set gathered, there is a need to employ unit root tests to avoid false and misleading conclusions. Unit root testing informs the researcher what the next line of action is if all variables used are stationary or otherwise. However, a series is said to be stationary if it has a constant mean and a constant finite variance. A non-stationary series, on the other hand, has a clear time trend and a variance that is not constant over time. A non-stationary series will have a high degree of persistence. To solve this issue, the researcher checks the time series for stationarity using Augmented Dickey Fuller (ADF) test to determine whether or not the variables in this study have a unit root. The outcomes of the unit root test are shown below. The assumption of the unit root test is that Null Hypothesis (H0) has a unit root, Alternative Hypothesis (H1) has a unit root.

Table 4.2: Unit Root Test

	At Level (1(2))			Order	At First difference (1(0))			Order
Parameters	ADF test statistic	TCV @ 5%	Prob.*		ADF test statistic	TCV @ 5%	Prob.*	
LOGGDPC	-2.727589	-3.320969	0.1105	I(0)	-2.060402	-3.320969	0.2608	I(0)
GCF	-2.049926	-3.320969	0.2642	I(0)	-2.168505	-3.403313	0.2290	I(0)
TGE	4.544302	-3.320969	1.0000	I(0)	1.137977	-3.403313	0.9913	I(0)
LogCC	-2.048919	-3.259808	0.2647	I(0)	-0.541997	-3.320969	0.8319	I(0)

Source: *Author's Computation, 2024 (Eview-9.0)*

Table 4.2 above showed that the variables (logGDPC, GCF, TGE, and LogCC) are not stationary at level, as their p-value of Augmented Dickey Fuller (ADF) is statistically greater than 0.05. Similarly, the variables of interest also exhibited non-stationary properties at 1st difference in the table. The analysis implied above called for further justification (Cointegration test).

Co-integration Test

In this study, the researchers used Johansen's test of cointegration to estimate the extent of the relationship among the variables of interest in the models. Table 4.3 showed the cointegration results at 5% level of significance; the result indicated the existence of a co-integrating equation.

Table 4.3: Co-integration Test

| Dependent	tau-statistic	Prob.*	z-statistic	Prob.*
LOGGDPC	-4.054950	0.2230	-16.77145	1.0000
GCF	-2.906983	0.5502	-9.283436	0.5184
TGE	-3.405191	0.3742	-10.59812	0.3033
LOGCC	-3.293207	0.4100	-12.57466	0.0492

*MacKinnon (1996) p-values.
Warning: p-values may not be accurate for fewer than 25 observations.

Intermediate Results:

	LOGGDPC	GCF	TGE	LOGCC
Rho – 1	-1.146715	-1.031493	-1.177569	-1.397184
Rho S.E.	0.282794	0.354833	0.345816	0.424262
Residual variance	0.000230	33.25990	5459734.	10.93490
Long-run residual variance	0.000768	33.25990	5459734.	10.93490
Number of lags	1	0	0	0
Number of observations	8	9	9	9
Number of stochastic trends**	4	4	4	4

**Number of stochastic trends in asymptotic distribution
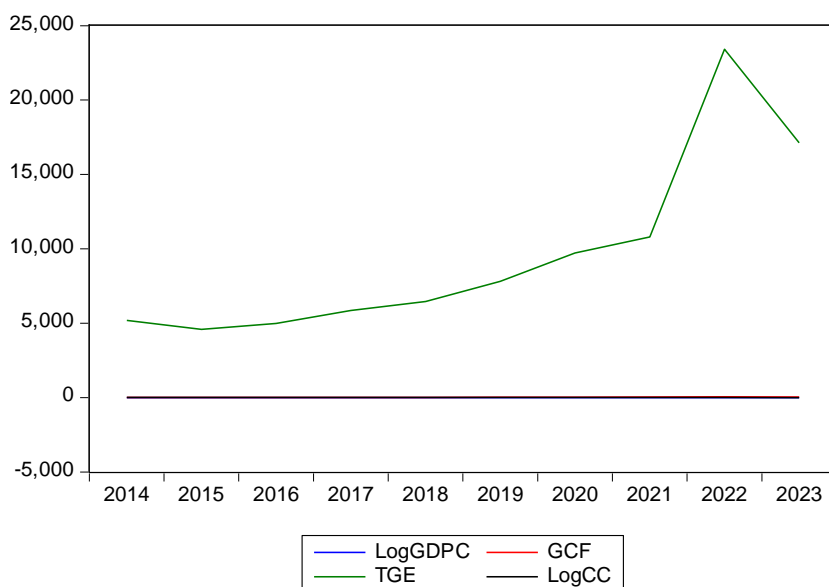
The results in Table 4.3 are considered using two different techniques (i.e, tau-statistic and z-statistic). In both cases, the variable of interest exhibited a short-run relationship as their p-values <0.05. These results indicated that there is no presence of a long run relationship among the variables in the model. That means that the series are not related and cannot be perfectly combined in a linear fashion. As a result, the ARDL bound test is appropriate for the model.

Optimal Lag Selection

The short run level relationship among the variables required the determination of the optimal lag for the cointegrating equation based on the assumption of serially uncorrelated residual. The study employed the popularly used model selection criteria – Akaike Information Criterion (AIC) and Schwarz Bayesian Criterion (SBC). The lag length that minimizes the value of the AIC and SBC and at which the model does not have autocorrelation is the optimal lag. Since the study was dealing with time series data, inclusion of time trend in the equations can produce better approximated results (Pesaran et al., 2001).

Table 4.4: VAR Lag Order Selection Criteria

Model Selection Criteria Table
Dependent Variable: LOGGDPC
Date: 06/19/24   Time: 20:00
Sample: 2014 2023
Included observations: 8

Model	LogL	AIC*	BIC	HQ	Adj. R-sq	Specification
3	144.357645	-34.089411	-34.009970	-34.625212	NA	ARDL(2, 1, 0, 1)
1	144.981818	-33.995455	-33.906083	-34.598231	1.000000	ARDL(2, 1, 1, 1)
2	143.162423	-33.790606	-33.711164	-34.326407	NA	ARDL(2, 1, 1, 0)
9	131.208087	-30.802022	-30.722580	-31.337823	NA	ARDL(1, 1, 1, 1)
5	124.376634	-29.094158	-29.014717	-29.629960	NA	ARDL(2, 0, 1, 1)
4	39.470541	-8.117635	-8.048124	-8.586461	0.975206	ARDL(2, 1, 0, 0)
11	32.086751	-6.271688	-6.202176	-6.740514	0.842954	ARDL(1, 1, 0, 1)
15	29.198886	-5.799722	-5.740140	-6.201572	0.838362	ARDL(1, 0, 0, 1)
13	29.663953	-5.665988	-5.596477	-6.134814	0.712208	ARDL(1, 0, 1, 1)
7	29.357742	-5.589436	-5.519924	-6.058262	0.689312	ARDL(2, 0, 0, 1)
8	26.709441	-5.177360	-5.117779	-5.579211	0.698817	ARDL(2, 0, 0, 0)
6	27.542062	-5.135515	-5.066004	-5.604342	0.510830	ARDL(2, 0, 1, 0)
14	26.094357	-5.023589	-4.964008	-5.425440	0.648753	ARDL(1, 0, 1, 0)
10	26.094381	-4.773595	-4.704084	-5.242421	0.297511	ARDL(1, 1, 1, 0)
16	24.010730	-4.752682	-4.703031	-5.087558	0.605772	ARDL(1, 0, 0, 0)
12	24.214658	-4.553665	-4.494083	-4.955516	0.438050	ARDL(1, 1, 0, 0)

Akaike Information Criteria
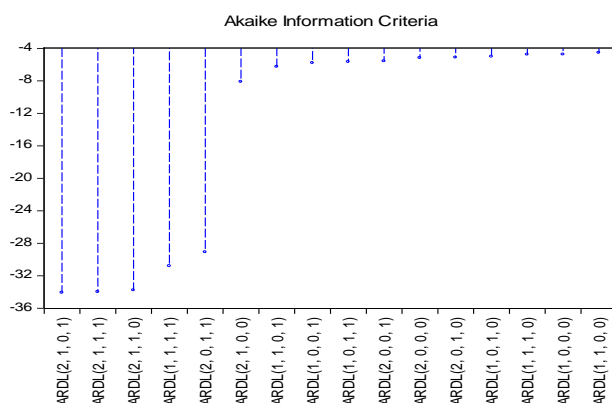
The result in the table 4.4 showed that AIC maximized its value at ARDL (2. 1. 0. 1), (2. 1. 1. 1), and (2. 1. 1. 0), while Loglikehood, SBC, HQ and adj. R-square is less optimized. Though both the lags do not suffer from serial autocorrelation at the different order, the study chooses lag (2. 1. 1. 1), as the optimal lag because as the lag increases from 2, Loglikehood, SBC, HQ and adj. R-square continuously minimizes its value while AIC increases its value. This means that Loglikehood, SBC, HQ and adj. R-square cannot provide a minimum value until more lags are taken which may lead to over parameterization. Hence, we use AIC to choose the optimal lag for equation 4 with trend and without trend.

Bounds Testing for Long Run Level Relationship

Having determined the order of integration of the process and optimal lag for the ARDL cointegrating equation, we estimate Unrestricted Error Correction (UREC) by testing the joint significance of the lagged levels of the variables in first difference regression and compare the F – Statistic with the critical values – lower and upper bounds for I(0) and I(1) respectively - formulated for small sample size by Narayan (2004, 2005). The critical value depends on whether the estimated equation is with intercept and trend or intercept and no trend, number of regressors (K) and the order of integration of the process: I(1), I(0) or mixture of both.

Hypotheses Testing

Hypothesis One

H01:   There is a significant positive correlation between accountability and GDP growth in Nigeria.

Table 4.5: ARDL Bounds Test

Date: 06/22/24   Time: 10:52
Sample: 2016 2023
Included observations: 8
Null Hypothesis: No long-run relationships exist

Test Statistic	Value	k
F-statistic	34.17259	2

Critical Value Bounds

Significance	I0 Bound	I1 Bound
10%	3.17	4.14
5%	3.79	4.85
2.5%	4.41	5.52
1%	5.15	6.36

Note: n is the number of observations while K is the number of regressors. I (0) and I (1) represent the lower and upper boundary respectively.

Decision Criteria: If the value of F-statistics falls above the upper boundary, a long run relationship exists; however, it does not exist if it falls below the lower boundary. If the F-statistic is in between the lower and the upper boundaries, the long run relationship is inconclusive.

Table 4.5(a) showed the F–Statistic at the optimal lag when trend is higher than upper bound of the critical values at 5% level of significance. This indicated the long relationship among the variables measured.

ARDL Cointegrating And Long Run Form

Dependent Variable: LOGGDPC
Selected Model: ARDL(2, 1, 1)
Date: 06/22/24   Time: 10:55
Sample: 2014 2023
Included observations: 8

Cointegrating Form

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(LOGGDPC(-1))	0.344806	0.337629	1.021255	0.4933
D(GCF)	-0.002511	0.001234	-2.034747	0.2908
D(LOGCC)	0.003190	0.002732	1.167578	0.4509
CointEq(-1)	-0.913790	0.330834	-2.762080	0.2211

Cointeq = LOGGDPC - (0.0032*GCF -0.0222*LOGCC + 0.2499)

Long Run Coefficients

Variable	Coefficient	Std. Error	t-Statistic	Prob.
GCF	0.003222	0.002190	1.470678	0.3802
LOGCC	-0.022198	0.028973	-0.766172	0.5838
C	0.249868	0.329749	0.757752	0.5872

Table 4.6(b) of ARDL long run form showed that there is no correlation between accountability and GDP growth in Nigeria, as the p-value of LogCC and GCF are greater than 0.05. The coefficient implied that there is poor corruption control in Nigeria as the value exhibited -0.022198 but huge amounts of domestic investment. This implies that the higher level of corruption and huge amounts of investment do not guarantee economic development. Thus, there is a significant negative correlation between accountability and GDP growth in Nigeria. The null hypothesis was accepted; therefore, it is concurred that there is no significant correlation between accountability and GDP growth in Nigeria.

Hypothesis Two

H02: There is no significant correlation between accountability and public capital expenditures in Nigeria.

Table 4.6: ARDL Bounds Test

Date: 06/22/24   Time: 11:08
Sample: 2015 2023
Included observations: 9
Null Hypothesis: No long-run relationships exist

Test Statistic	Value	k
F-statistic	6.576131	2

Critical Value Bounds

Significance	I0 Bound	I1 Bound
10%	3.17	4.14
5%	3.79	4.85
2.5%	4.41	5.52
1%	5.15	6.36

Table 4.7(a) showed the F–Statistic at the optimal lag when trend is (6.576131) above the upper bound (4.85) and the lower bound (3.79) of the critical values at 5% level of significance, indicating that the variables has a long run relationship with GDPC.

ARDL Cointegrating And Long Run Form

Dependent Variable: LOGGDPC
Selected Model: ARDL(1, 1, 1)
Date: 06/22/24   Time: 11:09
Sample: 2014 2023
Included observations: 9

Cointegrating Form

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(TGE)	0.000006	0.000003	2.210132	0.1141
D(LOGCC)	-0.008100	0.004573	-1.771493	0.1746
CointEq(-1)	-0.656528	0.296784	-2.212142	0.1139

Cointeq = LOGGDPC - (0.0000*TGE -0.0302*LOGCC + 0.3656)

Long Run Coefficients

Variable	Coefficient	Std. Error	t-Statistic	Prob.
TGE	0.000002	0.000004	0.511557	0.6442
LOGCC	-0.030183	0.015687	-1.924032	0.1500
C	0.365552	0.192528	1.898697	0.1538

Table 4.7(b) of ARDL long run form showed that the variables have a coefficient of -0.030183 and 0.000002 and are statistically insignificant (i.e, 0.1500; 0.6442 > 0.05). This implied that for such a huge amount of expenditure, it is enough to pursue economic development to a certain degree but with a higher level of corruption and goal was unattainable. Thus, the null hypothesis was accepted; therefore, it is concurred that there is no significant correlation between accountability and public capital expenditures in Nigeria.

DISCUSSION OF RESULTS

The hypotheses tested implied that lack of accountability in public sectors in Nigeria has been the bedrock of high levels of corruption. Despite the huge amount of domestic investment (GCF) that depicts an increase in gross domestic income, the economy is still crumbly. This is as a result of highly corrupted practices in the public sector in Nigeria. The findings make a trend with Oluwatoyin et al. (2019) positing that increases in total government expenditure will reduce Nigeria's economic growth in the long run, while corruption and political control (a different organization) have a direct and significant impact on Nigeria's economic development. Ezika and Okpata (2019) also argued that Nigerian public officials are responsible for good governance in terms of public accountability. This is because the availability, understanding, significance, reliability and timeliness of financial information on public expenditures are not always publicly available to evaluate the performance of public officials. Oghuvbu (2021) argued that corruption weakens the domestic economy, tarnishes the country's reputation, reduces savings and investment, and harms people's health. Imoukhuede (2016) argued that accountability eliminates waste and includes efficiency, effectiveness, openness, discipline, integrity, fairness, transparency and good governance. The study blamed this on the officers' lack of responsibility. The judicial system must be transparent enough to deliver justice to the people.

CONCLUSION

Based on the findings, with huge amounts of domestic investment (GCF) in recent years and increased total government expenditure, no efforts and impacts could be tracked due to the high rate of corruption practices (i.e, lack of accountability) in the public sector. The study concludes that the only hope for economic development in Nigeria is the complete eradication of corruption at all levels.

RECOMMENDATION

The following recommendations are made based on the study's conclusion:

1. The immunity clause in the Nigerian constitution should be removed as ICPC and EFCC have become toothless bulldogs to bring to the public notice the financial crimes in the public offices.

2. Strict policies are needed to curtail corruption practices in public offices. This has denied the huge investments (GCF) and there is no corresponding positive effect on the Nigerian economic development.

3. The Nigerian government should channel their expenditures on productive activities and viable projects that will be beneficial to the populace so that the level of poverty will decrease if not totally eradicated.

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