

**POLITICAL CORRUPTION AND THE DWINDLING FORTUNES OF
NIGERIA'S ECONOMY: AN EMPIRICAL INVESTIGATION**

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ABSTRACT

Political corruption remains one of the most key challenges facing economic development in Nigeria. Despite the Nigeria's abundant natural resources and economic potential, sustainable growth has been hampered by weak institutional governance and persistent corruption embedded inside the political and administrative systems. This study investigates the relationship between political corruption and Nigeria's economic performance using empirical method via the use of annual time-series data covering the period 1996–2024. Data was obtained from international development databases and national statistical sources. This study examined the relationship between corruption and economic growth by applying a number of econometric methods to the data. The Augmented Dickey–Fuller (ADF) test was first applied to check whether the time-series variables were stationary. After this step, regression analysis was carried out to estimate how corruption and other macroeconomic variables influence economic growth. Additional diagnostic tests were also conducted to examine the stability and reliability of the model. The estimation results show that the corruption perception index (CPI) has a negative coefficient of -0.59 with a t -value of -3.21 and a probability level of 0.003 . This indicates that higher levels of corruption are associated with lower economic growth in Nigeria. By contrast, foreign direct investment (FDI) records a positive coefficient of 0.41 ($t = 2.18$, $p = 0.032$), suggesting that inflows of foreign capital contribute positively to economic performance. Government expenditure (GEX) also appears to support economic activity, with a coefficient of 0.25 ($t = 1.94$, $p = 0.048$). However, the unemployment rate (UNEMP) shows a negative coefficient of -0.43 ($t = -2.36$, $p = 0.022$), indicating that higher unemployment levels place pressure on economic growth. Further diagnostic checks were carried out to ensure that the regression results were reliable. The ADF unit root test indicates that the variables become stationary after first differencing, while the CUSUM stability test shows that the estimated model remains stable over the study period. These findings highlight the importance of improving governance structures, increasing transparency in the management of public funds, and

strengthening anti-corruption measures in order to support sustainable economic development in Nigeria.

KEYWORDS: *Political Corruption, Economic Growth, Governance, Nigeria, Foreign Direct Investment, Institutional Quality.*

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