EFFECTS OF ECONOMIC GOVERNANCE ON SOCIO ECONOMIC DEVELOPMENT IN NIGERIA

[1]J.C. Ihemeje, Efanga, [2]Udeme Okon & [3]Umoh, Unyime Emmanuel
[1]College of Management Sciences, Michael Okpara University of Agriculture, Umudike
[2&3]Department of Banking and Finance, University of Calabar
Akwaibom State Polytechnic, Ikot Osurua, Nigeria

Abstract: *The study investigated the impact of economic governance on socio economic development of Nigeria for the period 2005-2019. Economic governance was proxied by effective governance index, corruption control index, quality budgetary and financial management index and public administration index. The dependent variable socio economic development was measured by GDP growth rate. Four objectives were developed to pilot the study. Data were generated from secondary source from the World Bank data base. Analysis was carried out with E-view 10 statistical tool and methods of data analysis include: Augmented Dickey Fuller Unit root test, Autoregressive Distributed Lag (ARDL) model. Results of the unit root showed that data used were stationary, the ARDL regression model revealed that economic governance indices proxied by effective governance index, corruption control index, quality budgetary and financial management index and public administration index have not significantly impacted on GDP growth rate to effect socio economic development in Nigeria for the period in view. The study recommends that Good economic governance which will translate to improved formulation and implementation of sound micro and macroeconomic policies is vital for socio economic development.*
Keyword: *Economic Governance, Governance, budgeting, Corruption and socio-economic development.*

Introduction

It is worrisome to note that Nigeria has existed for over fifty years with little or no record of such socio-economic and political development. This ugly trend is connected with the pervasive corruption noted in the country (Lawal & Tobi, 2006). Although there has been various administrative reforms carried out to ensure sustainable good governance, the gains have not materialized due to corruption among other factors. Over the years, billions and now trillions of naira are budgeted yearly with the aim of improving the living standard of the citizenry through increase in output. These dreams were elusive perhaps due to the failure of government to implement the content of the budget to the latter. As noted by Ogujiuba and Elugiamusoe (2013), budget is supposed to be the most important economic policy instrument: unfortunately, it is shrouded with a lot of myths and illusions which is still not contributing to the economic growth and development of the country.

Inefficiency in public administration has been a matter of concern in most developing countries. Despite the fact that Nigeria is a country blessed with enormous material resource like oil, yet their socio-economic development is still very low. One of the major explanations for the failure of all development programmes in Nigeria has been the absence of effective accountability and transparency that would ensure good governance. Indeed, the socio-economic and political development of a country depends on its ability to entrench and sustain good economic governance which is expressed in a committed, patriotic and disciplined leadership with a vision to advance in the quest for national development.

Obviously, the improvement in economic governance indicators in Nigeria, has been slow and below the average level of assessment. Various factors are said to be responsible for this current status, of which lack of good governance is seen to be the most prominent among many others. Many political and economic scholars argue that good governance is one of the main factors, not only for the democratic development of the country, but it is also one of the primary factors in the economic growth and socio economic development.

In the last three years, the Federal Government has budgeted for over 16 trillion naira without much on ground to show for it (CBN, 2016). If we combine the budgets of the 36 states and that of the Central Government in the last 3 years, it amounts to hundreds of trillions of naira. Perhaps such questions as, what have we to show for these trillions of naira budget in terms of critical infrastructure, employment opportunities, poverty reduction, debt reduction amongst others will arise? Weak economic governance especially on area of quality public administration, quality budgetary and financial management, corruption control and overall government effectiveness has continued to be one of the key factors hindering growth and socio-economic development in Nigeria. It is on these notes, that this study was conceived with the following objectives.

1. Impact of quality budgetary and financial management Index on GDP growth rate in Nigeria.
2. Effect of governance effectiveness Index on GDP growth rate in Nigeria.
3. Impact of quality public administration Index on GDP growth rate in Nigeria.
4. Effect of quality corruption control Index on GDP growth rate in Nigeria.

Research Hypotheses

In line with the objectives the following hypotheses were stated to guide the study.

H_{O1}: Quality budgetary and financial management Index have no significant impact on GDP growth rate in Nigeria over the period in view

H_{O2}: Governance effectiveness Index has no significant effect on GDP growth rate in Nigeria over the period in view

H_{O3}: Quality public administration Index has no significant impact on GDP growth rate in Nigeria over the period in view

H_{O4}: Quality corruption control Index has no significant impact on GDP growth rate in Nigeria over the period in view.

The paper is organised as follows' the next section reviews relevant literature with regards to context justification and provide a theoretical background for the study, respectively. Next describes the sample data and empirical methodology. The last section summaries the main results, offers conclusion and recommendations.

Review of related literature

Conceptual Reviews

Economic Governance

Sub-Sahara African countries have had a checkered past when it comes to good governance and institutions. Increasingly, economists and policy makers are recognizing the importance of governance and institutions for economic growth and development. The New Partnership for Africa's Development (NEPAD) has four main goals: eradicating poverty, promoting sustainable growth and development, integrating Africa into the world's economy, and accelerating the empowerment of women. Economic governance means the policy and regulatory settings that governments adopt to manage the economy. It includes the system and procedures established by institutions to achieve union objectives in the economic field, namely the coordination of economic policies to promote economic and social progress for the citizens.

In addition, Economic governance refers to the policy and regulatory settings that governments adopt to manage the economy. Economic governance encompasses two broad areas of public policy: macroeconomic (including aggregate fiscal) management and microeconomic management (relating to the policies that determine the private-sector operating environment, including business licensing procedures and contract enforcement processes).

Government effectiveness includes the quality of government service, competent policy formulation and its ability in implementation of the desired policy (Kaufmann, Kraay and Mastruzzi, 2010). Regulatory quality is also a complementary governance indicator for government effectiveness, describing the capacity of governments to take effective policy decisions to promote private sector growth (Kaufmann, Kraay & Mastruzzi, 2010).

Governance

The concept of governance has been discussed by political science and public administration researcher for years. According to de Ferranti et al. (2009), "governance describes the overall manner in which public officials and institutions acquire and exercise their authority to shape public policy and provide public goods and services". Similarly, governance has also can be seen as the process of decision-making and the process by which decisions are implemented or not implemented. (United Nations Economic and Social Commission for Asia and the Pacific UNESCAP 2009).

Although consensus exists in terms of defining governance, a common theme among scholars is that governance means more participation in the political and decision-making process by nongovernmental institutions (Agere, 2000; de Ferranti, Jacinto, Ody, & Ramshaw, 2009; Lovan, Shaffer, & Murray, 2004). Thus, under governance, there are many stakeholders managing all the needs of the nation which government is one of them.

The United Nations also introduced characteristics of good governance practices as a global standard to be adopted by governments that receive their aid. According to them, "good governance has 8 major characteristics; it is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and follows the rule of law" (UNESCAP, 2009). These criteria are often used by recipient nations to assess how their governments are achieving better governance (Mimicopoulos et al., 2007).

Budgeting and Financial Management

Obviously, government in an attempt to achieve macro-economic goals and objectives of price stability, socio-economic development, stable and full employment, infrastructural development as well as Balance of Payments equilibrium, initiates several types of budget such as Balanced, Surplus, Deficit, development as well as supplementary budget. Meigs and Meigs (2004) defined budget as a comprehensive financial plan, setting forth the expected route for achieving the financial and operational goals of an organization. Budget being an important economic policy instrument for proper financial management of a nation's resources, reflects the government priorities regarding her social and economic policies.

According to Ohanele (2010), a well-functioning budget system is vital for the formulation of sustainable fiscal policy and the acceleration of economic growth. Being a comprehensive income statement of the government, it is arguably a potent tool for the realization of government objectives of achieving economic growth and development. Generally, for a budget to perform its obligation, it must possess some important qualities. Falete and Myrick in Olaoye et al (2017) identified four basic qualities – it should be well designed, effectively and efficiently implemented, adequately monitored and finally its performance should be evaluated. It could therefore be deduced that the essence of budget is not in its formulation or initiation but in its implementation which is aimed at meeting the needs and aspirations of the people.

A well implemented budget helps to translate government campaign promises, policies and programs into outcomes that have a direct bearing on the people such as provision of employment opportunities, poverty reduction as well as development of critical infrastructure such as roads, water, electricity, hospitals, schools etc. for the good of the people (Nwaorgu & Nnubia, 2016).

In Nigeria, the reality on ground is that there have been many cases depicting the lack of accountability and barefaced corruption in the conduct of public fiscal affairs. Funds meant for development and good governance are diverted to personal accounts via corruption in high places. According to Waziri (2009), revelations in the past, as given by the EFCC in the war against corruption pointed to the fact that Nigeria is faced with a major crisis of transparency and accountability. Sadly, the entrenched culture of corruption in the financial management is being enhanced by bureaucratic secrecy, which encourages the management of public funds by public officials and cronies that account to no one but himself or herself.

Corruption

Nigeria as a country is still battling with the problem of good governance, despite her long years of independence. Above all, the leadership of the country is known with gross lack of vision, gross corruption among many others which has become a threat to the nation's survival (Kuffuor, 2009; Nwaorgu & Nnubia, 2016). Obviously, corruption has eaten deep into every segment of the Nigerian society. This is why Ogundiya (2009), in his opinion said that corruption is a huge challenge in the Nigerian public administration. This statement can be confirmed from the revelations of many probe panels that have been set up at different regimes in the country. Corruption has indeed robbed Nigerians of the benefit of good governance. Ogundiya, (2008) asserted that Nigeria had lost some US$380 billion to corruption between independence in 1960 and the end of military rule in 1999. In addition, some western diplomats estimated that Nigeria has lost a minimum average of "$4 billion to $8 billion per year to corruption over the eight years of the Obasanjo administration". That figure would equal between 4.2% and 9.5% of Nigeria's total GDP in 2006 (HRH, 2007). This reckless drainage of common wealth has been responsible for the socio-economic stagnation and bad governance witnessed in all the sectors of the national life.

Indeed, Corruption is the major reason for the insolvable problems of hunger, poverty, diseases the general acute development tragedy in Nigeria (Ogundiya, 2009). Seriously, corruption has hindered the growth and effective budgeting, control and utilization of resources to ensure good public administration in the country.

Furthermore, the CLEEN Foundation (2010) gave other effects of corruption as lack of development, infrastructural decay, and mediocrity in leadership. Other visible signs are; fuel scarcity in an oil-producing nation, then fallen standards of education and work output, high rates of unemployment and the ever widening gaps between the rich and poor among other factors. At the international level, corruption manifests in tarnishing the image of the country and the caution exercised by foreign nationals in business transactions with Nigerians, thereby weakening the economic sector. Bureaucratic corruption in particular has been responsible for the mismanagement of public resources, economic setback as a national heritage etc (Imokhuede, Lawal & Johnson, 2012). Corruption, which was compounded during the several years of military misrule, has become institutionalized thereby obstructing progress in every facet of the country's political and socio-economic life. The result has been the paradox of mass poverty amidst rich natural resources (CLEEN Foundation, 2010).

Socio-Economic Development

Socio-economic development is a product of development and can be defined as the process of social and economic transformation in a society (Okoye et al 2022; Nnubia & Obiora, 2018). Socio-economic development embraces changes taking place in the social sphere mostly of an economic nature (Nnubia Egbunike Akaegbobi & Okoye, 2021). Thus, socio-economic development is made up of processes caused by exogenous and endogenous factors which determine the course and direction of the development. Socio-economic development is measured with indicators, such as gross domestic product (GDP) which is the sum total of all the goods and services produced in the country within a specific period of time usually one year, by both citizens and foreigners in the country alike, life expectancy, literacy and levels of employment. Changes in less-tangible factors are also considered, such as personal dignity, freedom of association, personal safety and freedom from fear of physical harm, and the extent of participation in civil society. Moreover, Causes of socio-economic impacts are, for example, new technologies, changes in laws, changes in the physical environment and ecological changes. Scholars have identified strong links between security and development since the cold war ended (Nwanegbo & Odigbo, 2013; Chandler, 2007).

However, Lower development indicators, such as corruption, poor budgetary and financial management, weak state institutions and limited regulatory capacity among others, have impaired the rule of law, allowed resources to be diverted and illegal acts to thrive thereby undermining the integrity of institutions (Nnubia, et al., 2022).

Theoretical Framework

The study on impact of economic governance on socio-economic development is hinged on the theory of social contract.

Social Contract Theory

Social contract theory was introduced by early modern thinkers Hugo Grotius, Thomas Hobbes, Samuel Pufendorf, and John Locke the most well-known among them as an account of two things: the historical origins of sovereign power and the moral origins of the principles that makes sovereign power just and/or legitimate. It is often associated with the liberal tradition in political theory, because it presupposes the fundamental freedom and equality of all those entering into a political arrangement and the associated rights that follow from the principles of basic freedom and equality. Basically, social contract theory talks about the imperative of surrendering people's power over their lives and properties, to others in the same society who in turn are responsible for providing for, and protecting the people and the society at large.

Thus, relating this theory to this study, government should be concerned with the provisions of most general and fundamental needs of the people, and likewise the dynamics of political, economic and security needs of the society. Most scholars are optimistic that good governance gives better future for development. Those optimistic about the profits of good governance argue, for instance, that quality in the area of budgetary and financial management, corruption control and effective public administration offers better prospects to actualize the developmental aspirations of the citizenry.

Empirical Review

Some studies related and relevant to the research work have been reviewed. Such studies include: Nnubia, Okafor, Chukwunwike, Asogwa and Ogan (2020) analyzed the impact of e-tax assessment on income generation in Nigeria. The examination applied secondary data gotten from Federal Inland Revenue Service tax report and CBN Statistical release and Quarterly Economic Reports. These information were time arrangement information covers the period from first quarter of 2012 to second quarter of 2018. The information gathered were broke down utilizing Ordinary Least Square Method. The outcomes show an idealistic huge impact of pre (before the starter of e-tax assessment) company income tax and value added tax on income generation in Nigeria and a contrary immaterial impact of post organization annual duty income and value added assessment income on revenue generation in Nigeria (after the appearance of e-tax collection) at 5% level of critical. This implies E-tax collection has not contributed decidedly to both company income tax revenue and value added tax revenue generation in Nigeria; though there is an unwanted immaterial impact of pre and post capital gain charge income on income generation in Nigeria at 5% level of noteworthy. This implies E-tax collection has not contributed decidedly to capital gain charge generation in Nigeria.

Jiandang, Jie, Zhou and Zhijun (2018) in their paper investigated the impact of governance quality economic growth in China. After developing a theoretical framework for the effect of governance quality on local economic growth, this article studies the panel data in provincial governance, and checks the robustness of the empirical findings from four aspects. The results show that governance quality has a positive effect on economic growth, due to good governance strengthening the helping hand or weakening the grabbing hand of power. Governance quality presents diminishing marginal returns, which means that the high-speed economic growth effect becomes less and less, while the high-speed economic development effect becomes more and more. Higher governance quality could bring a high-speed economic growth effect in the western region, while higher governance quality could bring a high-quality economic development effect in the eastern region. Compared with fixed-asset investment, human capital has played a more important role in economic growth. In order to promote the sustainable development of China's economy, policy makers should improve local governance quality, strengthen the capacity of independent innovation, and promote the accumulation of high-quality human capital.

Adefeso and Tunde (2016) examined the impact of governance administration on economic development in a relative opened economy, Nigeria. The study employed cointegration approach on the secondary data which were obtained from Statistical Bulletin published by Central Bank of Nigeria and World Development Indicator (WDI) from 1970-2014. The result showed that there is a long-run relationship among the variables employed. The statistical significant of the positive coefficients of governance administration index (GI) indicated that its previous year has positive and significant impact on economic development in the current year of the Nigerian economy with relative small magnitude of less than 0.05% impact on economic development compared with the developed economies of the world. Also, contrary to our expectation, the result revealed that tax revenue (LTAX) is negatively related with economic development indicating that its previous year has negative and significant impact on economic development in the current year of the Nigerian economy. The study therefore, concluded that the cost of governance administration and the nature and quality of service delivery needed to be examined for meaningful economic progress in Nigeria.

Engjell Pere (2015) investigates the impact of good governance in the rates of economic growth of GDP. The article adopts a quantitative methodology approach, i.e. an econometric model based on the examination of a panel – data of good governance indicators for Western Balkan countries for the period 1996 – 2012. The analysis concentrates on Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro and Serbia.

Bichaka and Christain (2013) investigates the role of governance in explaining the sub-optimal economic growth performance of African economies. Our results suggest that good governance or lack thereof, contributes to the differences in growth of African countries. Furthermore, our results indicate that the role of governance on economic growth depends on the level of income. In a nutshell, our results demonstrate that without the establishment and maintenance of good governance, achieving the goals of NEPAD will be hampered in Africa.

Bassam (2013) in his work examined whether the strong relationship between governance and growth exists during economic crises or only during non-crisis periods. The results of the current paper demonstrate that the global economic crisis has had an unnoticeable influence on the relationship between governance and economic growth. However, this study found that different levels of development of nations affect the relationship between governance and growth in various ways during times of crisis. Thus, the results of the current paper highlight the instability in the relationship between governance and economic growth during the economic crisis; this unsteadiness is a sign of the need for long-term strategies to promote global and national good governance practices that are not adversely affected by crises.

Methodology

The study adopted the Ex-post facto research design. It is a quasi-experimental study examining how an independent variable affects the dependent variable. The design aimed at investigating the impact of economic governance on socio economic development in Nigerian economic development for the period 2005-2019. Secondary data were used, relevant data were sourced from the world bank data bank. Multiple linear regression analysis was used to analyze the relationship between the dependent variables and the explanatory variables of the study.

Model Specification

A linear relationship is established between socio economic development proxied by Nigerian GDP growth rate the dependent variables, and economic governance were proxied by Quality budgetary and financial management index (BFMI), Quality public administration index (PADMI), Corruption control index (CCI) and Governance effectiveness Index (GEFI) the independent variables. The model is specified thus:

GDPGR = {BFMI, PADMI, CCI, GEFI}

The model is expressed in the econometric form below:

$GDPGR = \beta_0 + \beta_1 BFMI + \beta_2 PADMI + \beta_3 CCI + \beta_4 GEFI + U_t$

β_0 = Intercept of the model.

$\beta_1, \beta_2, \beta_3, \beta_4$ = Parameter Estimates.

GDPGR = Gross domestic product growth rate

BFMI = Quality budgetary and financial management index

PADMI = Quality public administration index

CCI = Corruption control index.

GEFI = Governance effectiveness Index

The following statistical and econometric techniques were employed in the study.

Unit Root Test

The test enables us to verify whether the time series employed in analysis is stationary. The unit root test has to be conducted first because without it, if the regression analysis is conducted in the traditional way and time series variables are found to be non-stationary the result will be spurious. The ADF unit root test will be employed.

Long Run and Short Run Estimation of the ARDL Model

The short run equation in our model is given as follows

$D(GDPGR)_{t-1} = \beta_0 + \beta_1 D(BFMI)_{t-1} + \beta_2 D(PADMI)_{t-1} + \beta_3 D(CCI)_{t-1} + \beta_3 D(GEFI)_{t-1}$ ECM(-1). ‘’D’’ represents the first difference operation of the variables, ECM (-1) is the one period lag of the model residual. The parameters ***β_1 to β_4*** are the short run coefficients of the model while the coefficient of ECM (-1)is the long run speed of adjustment of the model. The sign of the coefficient of ECM (-1)should be negative and significant as well for holding the long run equilibrium.

Data collected is processed and analyzed with E-view 10 analytical tool.

4. Data Presentation, Analysis and Discussion of Results

Table 1.0: Data for Analysis on Social Economic Development and Economic Governance Variables.

Year	GDPGR	BFMI	PADMI	GEFI	CCI
2005	4.282	3.5	2.5	21.81	10.24
2006	4.152	3.5	2.5	13.79	7.31
2007	5.075	3.5	3	15.29	13.1
2008	3.435	3.5	3	18.1	17.21
2009	-3.292	3.5	3	12.57	14.35
2010	4.41	3.5	3	12.44	13.09
2011	6.131	3.5	3	14.21	10.42
2012	6.496	3.5	3	18.25	10.9
2013	4.926	3.5	3	18.24	8.53

Year	GDPGR	BFMI	PADMI	GEFI	CCI
2014	4.786	3.5	2.5	27.85	7.93
2015	4.792	3.5	2.5	22.59	13.46
2016	4.562	3	2.5	10	15.44
2017	4.63	3	2.5	10	13.46
2018	-3.949	3	2.5	15.86	14.18
2019	-3.879	3	2.5	15.86	14.18

Source: World Bank effective governance indicator databank.

Data Analysis

Stationary Test

Table 1.1 Augmented Dickey Fuller Unit Root Test Result

Variable	ADF Statistics	Critical Value	Order of Integration	Remark
GEFI	-3.125126	-3.119910	1(1)	Stationary at 1st difference
BFMI	-3.605515	-3.119910	1(1)	Stationary at 1st difference
PADMI	-3.316625	-3.119910	1(0)	Stationary at level
CCI	-3.328171	-3.119910	1(0)	Stationary at level
GDPGR	-3.426059	-3.212696	1(1)	Stationary at 1st difference

Source: Authors extracted from E-View 10

The ADF unit root test result of the table 1.1 above shows that at level, 1(0), the absolute value of the ADF statistic of Public administration index (PADMI) and Corruption control index are is greater than the reported critical values of thus we conclude that the two variables are stationary at level that is integrated at order I(0). At first difference, 1(1), the absolute values of the ADF statistics of governance effective index (GEFI), Quality budgetary and financial management index (BFMI), Public administration index (PADI) and Gross domestic growth rate (GDGR) are greater than their reported critical values of -3.119910 (in absolute term) at 5% level of significance, thus it is concluded that the three explanatory variables are stationary at first difference.

Autoregressive Distributed Lag (ARDL) Short Run Regression
Table 1.2

Dependent Variable: GDPGR
Method: ARDL
Date: 07/15/21 Time: 13:08
Sample (adjusted): 2006 2019
Included observations: 12 after adjustments
Maximum dependent lags: 1 (Automatic selection)
Model selection method: Akaike info criterion (AIC)
Dynamic regressors (0 lag, automatic): CCI BFMI GEFI PADMI
Fixed regressors: C

Variable	Coefficient	Std. Error	t-Statistic	Prob.*
GDPGR(-1)	0.494266	0.334627	1.477064	0.1901
CCI	-0.010874	0.645032	-0.016858	0.9871
BFMI	7.104650	3.893827	1.824593	0.1179
GEFI	-1.089850	0.648003	-1.681859	0.1436
PADMI	-0.904286	2.175105	-0.415744	0.6921
C	-3.994901	3.725666	-1.072265	0.3248

R-squared	0.719613	Mean dependent var	1.311997
Adjusted R-squared	0.485957	S.D. dependent var	0.634105
S.E. of regression	0.454633	Akaike info criterion	1.568200
Sum squared resid	1.240147	Schwarz criterion	1.810654
Log likelihood	-3.409203	Hannan-Quinn criter.	1.478436
F-statistic	3.079799	Durbin-Watson stat	2.063192
Prob(F-statistic)	0.101697		

Source: E-view 10

Short run estimates of the model on table 1.2 shows that corruption control index is negatively related to GDP growth rate in Nigeria, a unit increase reduces GDP growth.

Test of Significance with Respect to T-Statistics of the Variables in the Regression Model of Table 1.2

Test of significance of the variables are carried out with respect of the stated null hypotheses which are hereby restated.

H_{O1} Quality budgetary and financial management Index have no significant impact on GDP growth rate in Nigeria over the period in view. Results of the regression model reveal that Budgetary and financial management index has probability value of 0.1179 which is greater than 0.05, this lead to the acceptance of the null hypothesis one.

H_{O2} Governance effectiveness Index has no significant effect on GDP growth rate in Nigeria over the period in view. Results of the regression model in table 4.3 shows that Governance effective index has probability value of 0.1436 which is greater than 0.05, null hypothesis two was accepted.

H_{O3} Quality public administration Index has no significant impact on GDP growth rate in Nigeria over the period in view. Analysis of results of the regression model in table 4.3 shows that the probability value of Public administration index is 0.6921 which is greater than 0.05 the stated null hypothesis three was therefore accepted.
H_{O4} Quality corruption control Index has no significant impact on GDP growth rate in Nigeria over the period in view. Results shows that the probability value of quality corruption index in the regression model of table 1.3 is 0.9871 and therefor insignificant since it is higher than 0.05. This therefore led to the acceptance of the null hypothesis.

ARDL Long Run Regression

The ARDL long run Regression was further carried out to express the long run relationship of the specified model.

ARDL Long Run Regression

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-3.994901	3.725666	-1.072265	0.3248
GDPGR(-1)*	-0.505734	0.334627	-1.511336	0.1815
CCI**	-0.010874	0.645032	-0.016858	0.9871
BFMI**	7.104650	3.893827	1.824593	0.1179
GEFI**	-1.089850	0.648003	-1.681859	0.1436
PADMI**	-0.904286	2.175105	-0.415744	0.6921

Source: E-view 10 (see appendix 8)

Corruption control index

Corruption control index coefficient value of -0.010874 revealed a negative long run relationship between Corruption control index and socio economic development in Nigeria.

Budgetary and Financial Management Index

Budgetary and financial management index has a positive coefficient value of 7.104650 in the long run regression model of table 1.3 Results revealed positive effect Budgetary and financial management index on socio economic development in Nigeria in the long run.

Governance Effective Index

The coefficient of Governance effective index -1.089850 units as displayed in table 1.3 revealed negative long run relationship between Governance effective index and socio economic development in Nigeria.

Public administration index

Public administration index has a negative coefficient of -0.904286 which shows that it is inversely related to socio economic development in Nigeria in the long run.

The Error Correction Model (ECM) Result

Table 1.4

Error Correction Model (ECM) Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CointEq(-1)*	-0.505734	0.138923	-3.640386	0.0108

R-squared	0.502386	Mean dependent var	-0.142023
Adjusted R-squared	0.502386	S.D. dependent var	0.475986
S.E. of regression	0.335769	Akaike info criterion	0.734867
Sum squared resid	1.240147	Schwarz criterion	0.775276
Log likelihood	-3.409203	Hannan-Quinn criter.	0.719906
Durbin-Watson stat	2.063192		

Source E-view 10.

Results of the ECM in table 1.4 shows that the Error Correction Term ECM (-1) is rightly signed with a negative coefficient of -0.505734 with significant T-statistics value of -3.640386 (P-value 0.0108). This explain that about 50.57% of disequilibrium in the short run is corrected every year by changes in Corruption control index, Budgetary and financial management index, Governance effective index and Public administration index in the long run. Results therefor affirm that there is long run causality from the economic governance index to socio economic development.

Summary of Findings

i. Findings revealed that corruption control index has inverse and insignificant impact on Nigeria socio economic development as proxies by the gross domestic growth rate.
ii. It is also observed that quality budgetary and financial management index is positively related to Nigeria socio economic development but has no significant impact for the period in view.
iii. There is indirect relationship and insignificant effect of governance effective index on socio economic development.
iv. Public administration index has no positive relationship with socio economic development, also it has not significantly impacted on socio economic development in Nigeria for the period in view.
v. Results of the Error Correction Model revealed that the speed of adjustment to equilibrium -0.505734. This explain that about 50.57% of disequilibrium in the short run can be corrected every year by changes in corruption control index, quality budgetary and financial management index, Public administration index and governance effective in the long run.

Conclusion

The study concludes that economic governance indices, corruption control index, quality budgetary and financial management index, Public administration index and governance effective has not significantly impacted on Nigerian gross domestic product growth rate to effect socio economic development.

Recommendations

i. Good economic governance which will translate to improved formulation and implementation of sound micro and macroeconomic policies is vital for socio economic development.
ii. Effective budgetary policies and sound financial management strategies should be instituted by all concerned and financial regulatory institutions for socio economic development.
iii. Problem of corruption must be addressed by checkmating the excesses of and enforcing the legal restraints on the authority of government official as well as increase the principle of accountability in governance.
iv. Effective governance index should be carried out by effective governance procedure in both the public and private sector.

References

Adefeso H. A. and Tunde A. (2016) Governance and socio-economic development: Benue Journal of Social Sciences, Vol 4. No.2. Pp12-28.

Agere, A. (2000). Promoting Good Governance: Principles, Practices and Perspectives (Managing the Public Service: Strategies for Improvement Series). London, UK: Commonwealth Secretariat.

Bassam (2013). The Relationship between Governance and Economic Growth During Times of Crisis. European Journal of Sustainable Development 2, 4, 1-18.

Bichaka.F. and Christain. N. (2013) The impact of governance on economic growth in Africa. The Journal of Developing Areas.Volume 47 no 1.

CBN (2016) central bank of Nigeria, http://www.centralbankofnigeria

Chandler, D. (2007). The Security-Development Nexus and the Rise of Anti-Foreign Policy. Journal of International Relations and Development, 10, 362-386.

CLEEN Foundation, (2010), "Corruption and Governance Challenges", available at www.cleen.org/Corruption%20and%20Governance%20Challenges%20i... (accessed on 27 July, 2014).

de Ferranti, D. M., Jacinto, J., Ody, A., &Ramshaw, G. (2009). How to Improve Governance: A New Framework for Analysis and Action. Washington, D.C: Brookings Institution Press.

Engjell Pere (2015) The impact of good governance in the economic development of Western Balkan countries. European Journal of Government and Economics. Volume 4, Number 1.

HRW, (2007), "Criminal Politics: Violence, "Godfathers" and Corruption in Nigeria", Human Rights Watch, New York, October 2007.

Imokhuede, K., Lawal, T. and Johnson, I. (2012), "Governance Crisis and the Crisis of Leadership in Nigeria", International Journal of Academic Research in Business and Social Sciences, Vol. 2 No. 7, pp. 22-40.

Jiandang .L. Jie .T, Zhou. B & Zhijun L. (2018)The Effect of Governance Quality on Economic Growth: Based on China's Provincial Panel Data. Economies 6, 56;

Lawal, O.O., Tobi, A.A. (2006), "Bureaucratic Corruption, Good Governance, and Development: The Challenges and prospects of institution Building in Nigeria", a paper presented at the IPSA RC4 mid-term International conference on 3-7 July, Abuja

Meig, W. and Meig, F. (2004).Accounting the Basic Business Decision. New York: U.S.A, McGraw-Hill Book Company, 51-68.

Mimicopoulos, M., Kyj, L., &Sormani, N. (2007).Public Governance Indicators: a Literature Review. New York, NY: United Nations publications

Nnubia, I. C., Egolum, P.U., John-Akamelu, C. R. & Obi, G. U. (2022). External Borrowing, Foreign Aid and Economic Growth in Nigeria. International Journal of Entrepreneurship, 26(2), 1-19.

Nnubia, I.C., Egbunike, P. A. Akaegbobi, T. & Okoye, N. J. (2021) Perceived effect of COVID-19 in Developing Economies: Lessons from Nigeria, South Africa and Kenya. Journal of Global Accounting, Department of Accountancy, 7(1), 60-74.

Nnubia, I.C., Okafor, G. O., Chukwunwike, O. D., Asogwa, O. S. & Ogan, R. J. (2020). Effect Of E-Taxation on Revenue GenerationiIn Nigeria A Pre-Post Analysis. *Academy of Entrepreneurship Journal*, 26 (3), 1-19.

Nnubia, I.C. & Obiora, F.C. (2018). Effect of tax incentives on economic growth in Nigeria. Internatial journal of social sciences and conflict management, 3(2), 142-160.

Nwaorgu, I.A. & Nnubia, I.C. (2016). Effect of Treasury Single Account on Budget Implementation in Nigeria: Content Analysis Perspective. Nigeria Journal of Management Sciences, 5(1), 200-207.

Odeh A. M. (2015) The effects of corruption on good governance in Nigeria. International Journal of Development and Sustainability ISSN: 2186-8662 – www.isdsnet.com/ijds Volume 4 Number 3 (2015): 2

Ogundiya, I.S. (2008), "Political Corruption in Nigeria, Theoretical Perspectives and some Explanations", The Anthropologists, Vol. 11, No. 4, pp. 255-265

Ogundiya, S.I. (2009), "Corruption: The Bane of Democratic Stability in Nigeria", Current Research Journal of Social Sciences, Vol. 2 No. 4, pp. 233-241.

Ohanele, J.C. (2010, April 27). Government Budgets in Nigeria: Who Benefits? The Punch Newspaper, 6-7.

Okoye, N.J., Nnubia, I.C., Nwobia, C.E. & Ibechiole, O. C. (2022). Effect of Pension Contribution on Economic Growth in Nigeria. Unizik Journal of Entrepreneurship, 3(1), 13-38.

Osborne, D. ,&Gaebler, T. (1992). Reinventing Government: How the Entrepreneurial Spirit Is Transforming the Public Sector. New York, NY: Basic Books.

United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP). (2009). What is Governance? Retrieved 02/10/2011 from

Waziri, F. (2009), "Corruption and Governance Challenges in Nigeria", available at

www.cleen.org/ Corruption%20and%20Governance%20Challenges%20i... (accessed on 10 August 2014).