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Nigeria Corruption Perception Index: The future of Nigeria Capital Market using three market indicators

Okoye Nonso John [1]*, Akunna Rachael Chika [2], Nwosu Ngozi Lorretta [3], Ezeala George [4]

[1,2] *Department of Banking and Finance, Nnamdi Azikiwe University, Awka*

[3] *Department of Technology and Vocational Education, Nnamdi Azikiwe University, Awka*

[4] *Department of Accountancy, Nnamdi Azikiwe University, Awka.*

ABSTRACT

This study was primarily to ascertain the impact of Nigeria's Corruption perception index on the three sensitive performance indicators in the Nigeria capital market such as market capitalisation, stock value traded and turnover ratio. The input of Nigeria's capital market to the growth of the Nigerian economy cannot be taken for granted, and as such, corruption is a strong factor that will limit the contribution of Nigeria's capital market to the growth of Nigeria's economy. This research work was anchored on social disorganisation theory which assumes that one's environment primarily influences behavior. The study was analysed using least squares. The study found that the Corruption Perception Index significantly affected market capitalisation and stock value traded in Nigeria. In contrast, the corruption perception index had no significant effect on the turnover ratio in the Nigeria capital market. The main recommendation to this study is that government agencies such as the EFCC and ICPC should do everything possible to reduce the rate of corruption in Nigeria.

Keywords: Nigeria Capital Market, Corruption Perception Index, Market Capitalization, Stock Value Traded, Turnover Ratio

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INTRODUCTION

Irrespective of the legal provisions available, the anti-corruption agencies like the State Security Service (SSS), Independent Corrupt Practices 'Commission (ICPC), Economic and Financial Crime Commission (EFCC), and even the Nigerian Police, despite individual and government efforts to reduce corruption perhaps to a controllable level, there is still the height of corrupt practices in NIGERIA. Ugorji (2013) argues that corruption continues to be nurtured by the Nigeria political class, whose concept of governance is typified by the "it is our turn to eat" perception; this self-centered ruling class has normalised corruption as part of our political culture, and this has affected Nigeria's economic growth. Odemba (2010) affirmed that in many African countries, including Nigeria, corruption is outlawed. Obasanjo (2014) noted that corruption remains a major bane of Nigeria society, and even though it is present in every society, attempts should be made not to condone it as it carries with it the threat to annihilate a country that is ingrained with corruption. Similarly, Aluko (2002) noted that societies ridden with corruption will not survive or develop in an orderly fashion. Gbadamosi (2006) noted that Nigeria has been consistently rated one of the most corrupt nations in the world since 2001 by the Transparency International Corruption Perception Index (TICPI). In a World Bank International Monetary Fund (IMF) report, 35 countries, including Nigeria, were listed as corrupt or politically tenuous (as cited in Collier, 2009). Madeley (2003), states that the Corruption Perceptions Index indicates that Nigeria is among the worst eight countries in the world for corruption in government and public administration. Kaufmann et al. (2010) reported that fewer than 10% of African countries rate worse than Nigeria in controlling corruption. Aluko (2002) charged that corruption has become embedded in Nigerian politics. Its residents see it as an inevitable part of the social system. Alutu (2007) called corruption a ―cankerworm that has eaten into the fabric of (Nigerian) society and predicted that if the war against corruption is not won, sustainable technological development and social- political stability will be impossible.

Ogundiya (2011) believed that agencies created to improve the quality of life for Nigerian citizens, such as the Niger Delta Development Board (NDDB) and Oil Mineral Producing Areas Development Commission (OMPADEC), failed largely because of corruption and mismanagement. It is a well-known fact that corruption as a major problem facing Nigeria is widespread and hinders the nation’s development by affecting its social and economic institutions. Aluko(2002), percieved that Corruption affects all the institutions in Nigeria from the power sector to the education sector. For example, corruption has been noted to have adverse effects on the educational sector by diminishing academic standards and the quality of research as well as manpower development. Okebukola (2013) argued that widespread corruption in Nigeria has seriously undermined public trust in the Nigerian university system and has resulted in production of unqualified graduates for the employment market.The bases for asserting that Nigeria has continued to breed and nurture corruption is traceable to the fact that Nigeria has always ranked high in the Corruption Perception Index (CPI). The major objective of this study is to ascertain the effect of corruption perception index on the three sensitive performance indicators in the Nigeria capital market.Irrespective of the legal provisions available, the anti-corruption agencies like State Security service (SSS), Independent Corrupt Practices 'Commission (ICPC), Economic and Financial Crime Commission (EFCC), even the Nigerian Police, despite individual and government efforts to reduce corruption perhaps to a controllable level, there is still height of corrupt practices in NIGERIA. Ugorji (2013), argues that corruption continues to be nurtured by the Nigeria political class, whose concept of governance is typified by "it is our-turn to eat" perception, this self centered ruling class has normalized corruption as part of our political culture, and this has affected Nigeria's economic growth.Odemba (2010) affirmed that in many African countries, including Nigeria, corruption is outlawed. Obasanjo (2014) noted that corruption remain a major bane of the Nigeria society and despite the fact that it is present in every societies, attempts should be made not to condone it as it carries with it the threat to annihilate a country that is ingrained with corruption. Similarly, Aluko(2002), noted that societies ridden with corruption will not survive or developed in an orderly fashion. Gbadamosi (2006) noted that Nigeria has been consistently rated one of the most corrupt nations in the world since 2001 by the Transparency International Corruption Perception Index (TICPI). In a World Bank International Monetary Fund (IMF) report, 35 countries, including Nigeria, were listed as corrupt or politically tenuous (as cited in Collier, 2009). Madeley(2003), states that the Corruption Perceptions Index indicates that Nigeria is among the worst eight countries in the world for corruption in government and public administration. Kaufmann et al. (2010) reported that fewer than 10% of African countries rate worse than Nigeria in controlling corruption. Aluko (2002) charged that corruption has become embedded in Nigerian politics. Its residents see it as an inevitable part of the social system. Alutu (2007) called corruption a ―cankerworm that has eaten into the fabric of (Nigerian) society and predicted that if the war against corruption is not won, sustainable technological development and social- political stability will be impossible. Ogundiya (2011) believed that agencies created to improve the quality of life for Nigerian citizens, such as the Niger Delta Development Board (NDDB) and Oil Mineral Producing Areas Development Commission (OMPADEC), failed largely because of corruption and mismanagement. It is a well-known fact that corruption as a major problem facing Nigeria is widespread and hinders the nation’s development by affecting its social and economic institutions. Aluko(2002), percieved that Corruption affects all the institutions in Nigeria from the power sector to the education sector. For example, corruption has been noted to have adverse effects on the educational sector by diminishing academic standards and the quality of research as well as manpower development. Okebukola (2013) argued that widespread corruption in Nigeria has seriously undermined public trust in the Nigerian university system and has resulted in production of unqualified graduates for the employment market.The bases for asserting that Nigeria has continued to breed and nurture corruption is traceable to the fact that Nigeria has always ranked high in the Corruption Perception Index (CPI). The major objective of this study is to ascertain the effect of corruption perception index on the three sensitive performance indicators in the Nigeria capital market

It is often reiterated that one of the necessary drivers to bring about human development is good governance, and controlling corruption is an important element of this.The assumptions are straightforward. Corruption can result in resources being diverted from the public good to private consumption with the result that the impacts intended to be of wider benefit are lost. Travits (2010) believed that Corruption may also drive up the costs of doing business with the result that investment is deterred and national development will suffer. But the very nature of corruption makes it difficult to gauge.After all, those benefiting from corruption are unlikely to say so and openly declare how much they receive. Payers may be less reticent to talk about the extent of corruption as they are one of the losers, but there may be a danger of them exaggerating their problems and evidence may become somewhat anecdotal.The Corruption Perceptions Index (CPI), created by the Berlin-based Transparency International (TI; a non-governmental organization) and first released in 1995, has been designed to provide a more systematic snapshot of corruption. The CPI is homogenous index in the sense that all the components upon which it is based, seek to measure the same thing.The CPI is based on data collected over a number of years prior to release of the index. The surveys evaluate the extent of corruption as perceived by country experts, non-residents and residents (not necessarily nationals) of the countries included, and are:Country Policy and Institutional Assessment by the IDA and IBRD (World Bank, 2005)Economist Intelligence Unit, (2006).Freedom House Nations in Transit, (2006).International Institute for Management Development, Lausanne, (2005) and (2006).Grey Area Dynamics Ratings by the Merchant International Group, (2006).Political and Economic Risk Consultancy, Hong Kong (2005) and (2006).United Nations Economic Commission for Africa, African Governance Report, (2005).World Economic Forum, (2005) and (2006).World Markets Research Centre, (2006).Corruption is a variable that is complex to measure statistically. Therefore, Transparency International in collaboration with some organizations provided corruption indices that could help assess the level of corruption around the world.These organizations include European Bank for Reconstruction and Development (EBRD), World Bank Business Environment and Enterprise Performance Survey and Freedom House's Nations in Transit (Natalia, 2016). Transparency International (TI) Corruption perception index (CPI) is a collective pointer that positions nations in relation to the level of corruption that is observed to occur among public officials and politicians. It is a compound index portraying all corruption-related data from a variety of reputable institutions based on surveys of domestic and international business executives, financial journalists, and risk analysts who are experts and business elites. Data captured for CPI usage does not include views of the general public (Transparency International, 2011). CPI scale measurement is between 0–100.The score scale of 0 means that the level of corruption in that country is very high while 100 is used to depict a country that is very clean. TI is an International Nongovernmental Organization established in 1993 with the aim of bringing together business, civil society, and government structures to fight graft. Natalia (2016) affirmed that the CPI first publication by TI was in 1995 and it covered quite a number of countries.

The Capital Market is part of a financial system, which deals with raising funds, which could be in the form of Shares, Bonds and other long-term instruments (Oxford Dictionary). Also stated by a Popular Magazine, Economic Times, it is a market consisting of buyers and sellers, engaging in the trade of Financial Securities like Bonds, and Stocks. Mostly individuals and Institutions are participants in this trade. Capital Market activities in Nigeria started in 1946, with the first stock of £300,000. (Three hundred thousand pounds), issued during the Colonial Administration. This was until the Central Bank of Nigeria (CBN) was established in 1958. The Ministry of Finance and CBN soon established the Securities and Exchange Commission (SEC), and other instruments that operate in the Nigeria capital market. The Nigerian Capital Market is an important part of the Nigerian Financial System. Other Sectors within the system, include the money market, insurance and Pension. The Money market which consists of deposit money banks, and other financial institutions, like Macro-Financial Banks (MFB), and Purchasing Managers Index (PMI), is being regulated by CBN. The Nigeria Insurance Commission regulates Insurance Companies, Pension Committee regulates Pension Fund administrators and Pension and Custodians. Securities and Exchange Commission regulates the Nigerian Capital Market. The Commission helps the capital market to protect investors from any form of shady dealings arising during trade. Insurance and Securities Act 2007 (ISA) states that the functions of the Securities and Exchange Commission is to be in charge of Registration, Market Development, Investigations of any kind, Complaints Management, monitoring and ensuring effective compliance, for smooth operation in the Nigeria Capital Market. Nigeria's capital market needs to grow by introducing more products, introduction of technological innovations and models to strengthen the financial system. There is a need for the Nigerian public to have more information about the capital market. This can happen if there are better platforms through which educational facilities, seminars, radios, and televisions can be provided to teach the benefits and gains of the capital market. An effective capital market makes it possible to attract investors, who are willing to ensure economic growth and development in the nation's economy.

The following are some of the challenges confronting the Nigerian capital market and the root cause of Nigerian stock exchange crises (http//www.nse.com.ng).

- Bad Policy: Inconsiderate government policy is one major reason potential investors have been deterred from entering the Nigerian capital market. Many policies implemented after the 2009 global financial meltdown were not totally favourable to individual investors.
- Decrease in investor Confidence: based on various factors, investors generally lack confidence in the Nigerian stock market. In 2008, many companies enrolled into the Nigerian stock market to raise money, but up till now, most of these companies have not listed their shares. The implication of this is that people's money is locked up somewhere and they are not having dividends for their money. The instability in the market really affected the performances of most of these companies in terms of giving good returns on investment to the stakeholders. This significantly affected the purchasing power of the investors and secondly the investor's confidence.
- Poor regulation: Most of the listed companies in the Nigerian capital market lack transparency in their methods of operation due to inadequate supervision and regulation by the responsible bodies. This allows some unorganized companies to perpetrate their unruly and unethical practices.

- Unstable Market: - The Nigerian Capital has been facing Fluctuations, for the price of Stocks. This has not proven favourable to investors, in the Market. For example, Nigeria's Capital Market along with others around the World, crashed during the Global Financial Crisis of 2009. In 2017, Nigeria also recorded another Economic recession, making it the worst in the Country's history in 29 years. This has proven that the Markets are largely risky and unpredictable for Investors.
- Limited Knowledge about the Nigerian Capital Market: People in Nigeria find it difficult to understand the Nigerian Capital Market. This is due to a lack of information. Nigerians need to understand the basic knowledge about Shares, Debentures, and bonds to trade or invest in the Capital Market. There is a great misconception that the Capital Market that disadvantaged persons cannot access financial services like the banks and the Capital Market. There is a need for proper education of individuals on how to engage a licensed Stock Broker or investment Adviser on matters of the Capital market.
- Market Size Problem:- According to the Securities and Exchange (SEC)2015-2025 Master Plan Report on Nigeria's Capital Market, the Country has not been well positioned, and has not been equipped to be relevant in some key areas-sectors of the Economy. The Report has also stated that the Nigerian Capital Market is not big enough to source out Funds for elaborate long-term Projects. An example of which not facilitated by the Nigerian Capital Market, is the 2.52 US Billion Project for the Privatisation of Power Sector. Companies that were interested in the Power Sector, were expected to have been in the Capital Market, five years before the acquisition of Shares.
- Lack of Technology: There is a low level of information Technology Assimilation and capacity in the capital Market. There is a need to modernize and transform operative models, ' capacity and encourage smaller operators to limitation for innovation and specified value-added content. Technology brings about a more Productive and Effective Capital Market for Investors.

Capital market performance is the appraisal of an efficient market. Yartey and Adjasi (2007) states that a basic feature of an efficient capital market is constant liquidity, an easy mechanism for entry and exit by investors. This requires sufficient volume and size of transactions in the market The Nigerian Stock Exchange has performed exceptionally well in recent times. Many investors link this to the successful recapitalization of the Nigerian Banks in 2005, which was initiated by the Central Bank of Nigeria. The Exchange now experience border listings and transactions, high influx of foreign investments and investors and is adjudged to be one of or possibly the fastest growing Exchange in the world. It boasts of over 10 million shareholders/investors (www.nigerianstockexchange). There are basic tools that helps to determine the core performance of capital market.Market Capitalization: It represents the aggregate value of stock size (Adewoyin, 2004).

Market capitalization is the measurement of the size of businesses and corporations which are equal to the market share price times the number of shares in this case shares that have been authorized, issued, and purchased by investors of a publicly traded company (Al-Faki, 2006) it is also calculated by multiplying the shares of the company by the price per share. The investment community uses the figure to determine a company's size or worth, as opposed to sales or total asset figures (Olowe, 1997). In summary, market capitalization refers to the number of shares of a company multiplied by the market share price. In other words, it is usually considered as reflecting the worthiness of a company used by the investing public to determine the creditworthiness of a firm in terms of investing in such companies.

Stock value traded: It is the total value of shares traded on the stock market exchange divided by GDP. It measures the trading of equities as a share of national output. Normally, it should positively reflect liquidity on an economy-wide basis. The market has an average of 0.25 per annum for the study period. Turnover ratio: It is the value of total shares divided by capitalization. High turnover reflects low transaction costs. All Share Index:

Bernard et al (2010), states that Social disorganization theory (SDT) originated as part of the Chicago School, a body of work focusing on urban sociology in the 1920s and 30s. Steenbeek and Hipp (2011) believed that the theory is based on the assumption that behaviour is influenced primarily by one's environment and that corruption and other deviant and criminal behaviour are a result of weakened mechanisms of social control. Johnson (1998) observed that the theory has been applied to how antisocial attitudes develop in individuals, families, and communities, and how those attitudes conflict with larger social norms. Akers and Sellers

(2009) believed that dysfunctional behaviour has cultural, political, and economic causes. Established communities experience increases in deviance and crime when their way of life and the established order change. Disorganized communities experience crime because informal social controls break down, resulting in the emergence of deviance and criminal cultures. Such communities lack the collective efficacy to fight crime and disorder. Steenbeek and Hoop (2011) affirmed that more crime will occur in neighbourhoods with fraying social structures, such as failing schools, vacant or vandalized buildings, changing ethnicity, and high unemployment. The sociological perspective out of which social disorganization theory emerged does not consider specific behaviour as a problem of an individual but instead considers individual behavior as reflecting the social order in which an individual lives. This assumption agrees with Durkheim's notion that all behaviour is socially generated. In this view, a particular social problem such as corruption must be addressed by focusing on society, not a particular individual's behavior. Johnson (1998) used social disorganization theory to argue that in many nations' corruption is embedded in the overall society. In these countries, economic and political processes perpetuate corruption rather than resist it. Consistent with the assumptions of social disorganization theory, corruption can be reduced by developing enhanced criminal justice, and political, social, and economic institutions, which will bring about social empowerment.

Abdel-Jalil (2014) examined the influence of corruption on firms' equities by employing multiple regression analysis. The study documented a significant inverse relationship between corruption and the equity value of the firms reviewed.

Edesiri et al (2013) examined problems and prospects of E-transaction (The Nigerian Perspective) and samples of 350 questionnaires were used and two hypotheses were formulated for the study and the chi-square statistical tool was adopted in testing the hypotheses. The result revealed that there is a significant relationship between e-transaction in promoting economic growth but this has not succeeded in the right direction as it is still at its infant stage and the attitude of government, corporate bodies and individuals poses a problem to e-transaction as they are enslaved in fears resulting from insecurity, technical problems, anonymity, cultural problems and so on.

Mary et al (2012) examined the Evaluation of the roles of auditors in fraud detection and investigation in Nigerian industries. The data collection technique used for this study is the questionnaire and oral interview was also supportive. The data was analyzed using chi-square. It was found that the firm produced and published financial statements as well as engaging the services of auditors and that detection of fraud and errors was inevitable. Also, the cases of fraud in these organizations is due to poor management, lack of internal auditors, poor internal control sector and corruption. Based on these findings, it is recommended that firms should ensure continuous policies and strategies aimed at effective and efficient management. Management should continually engage the services of qualified and experienced external auditors which will not only put in place an effective internal control sector but which will equally enhance it.

Owolabi (2010) studied fraud and fraudulent practices in the Nigerian banking industry. Data for the study was collected through various secondary data sources, and a trend analysis and a descriptive analysis were implemented. The findings indicated a very high involvement of employees in fraud between 2004 and 2006 and an increasing trend of fraud amongst employees up to 2010. The major fraudulent employee activities were Granting unauthorized loans, posting fictitious credit, fraudulent withdrawals, and forged cheques.

Nwankwo and Odi (2013), studied the implications of fraud on commercial banks' Performance. The study uses a secondary and quantitative research design where variable banks including cheque clearing fraud, ATM fraud, forged cheques etc. were at the center of the research enquiry. The author used the ordinary Least Square (OLS) estimation techniques from which regression analysis and correlation analysis are conducted. The results of the results showed a significant negative relationship between cheque clearing fraud, ATM fraud and Bank Performance.

Adepoju and Alhassan (2010) examined the Challenges of automated teller machine (ATM) usage and fraud occurrence in Nigeria. The paper carried out empirical research to analyze the cases of ATM usage and fraud occurrences within some banks in Minna. It found that bank customers have come to depend on and trust the Automatic teller machine (ATM) to conveniently meet their banking needs, but that in recent times; there has been a proliferation of ATM frauds in the country. Managing the risks associated with ATM fraud as well as diminishing its effect is an important issue that faces banks as fraud techniques have become more advanced with increased occurrences.

Nageri et al. (2013) examined the impact of corruption and economic development in Nigeria. Time series data spanning from 1996 to 2012 were obtained from the World Bank and Transparency International. The study used GDP as the dependent variable while the independent variables were the Corruption Perception Index (CPI), Corruption Rank and Relative Corruption Rank. Ordinary least squares (OLS) technique was used for the analysis. The result revealed that corruption had a significant negative effect on economic growth and development in Nigeria. The study suggested that corrupt government officials and politicians should be brought to justice if found guilty at any point in time.

Hasan and Nuri (2013) investigated the role of corruption and banking sector development in Stock Market development using panel data from 42 emerging economies from 1996 to 2011. The results revealed, among other things, that corruption had a more devastating effect on these countries' stock market development than the positive effects of banking sector development.

Toole and Tarp (2014) tested the effect of corruption on the efficiency of capital investment using firm-level data from World Bank Enterprise Surveys which covered 90 developing and transition economies. The study's primary objective was to evaluate the extent to which bribery was reducing marginal returns on capital investments. The findings revealed that bribery decreased investment efficiency such that the negative impact was most robust on small and medium sized enterprises.

RESEARCH METHOD

The following stochastic models will be estimated to evaluate the effect of the corruption perception index on sensitive performance indicators in the Nigerian capital market.

MCAP= f(CPI) ……………………………………………………

SVT= f(CPI) …………………………………………………….

TR= f(CPI) …………………………………………………

Where, CPI = Corruption perception

MCAP= Market capitalization

SVT= Stock value traded

TR= Turnover ratio

RESULT AND DISCUSSION

Hypothesis One

Dependent Variable: MCAP

Method: Least Squares

Date: 01/18/23 Time: 13:56

Sample: 1999 2020

Included observations: 22

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-8585235.	4103913.	-2.091963	0.0494
CPI	768476.6	181586.8	4.232006	0.0004

R-squared	0.472433	Mean dependent var	8146596.
Adjusted R-squared	0.446055	S.D. dependent var	6934576.
S.E. of regression	5161232.	Akaike info criterion	33.83776
Sum squared resid	5.33E+14	Schwarz criterion	33.93694
Log likelihood	-370.2153	Hannan-Quinn criter.	33.86112
F-statistic	17.90988	Durbin-Watson stat	1.308558
Prob(F-statistic)	0.000409		

The OLS estimates shown in the Table above, indicated that the model had an R-squared value of .472 and Adjusted R-squared value of 0.446. These values explain the proportion of variance in the dependent variable caused by the explanatory variables. Thus, the explanatory variables explain approximately 47% variation in the dependent variable (MCAP). The F-statistic value is 21.247 which is highly significant (p=0.000). The F statistic checks the overall statistical significance of the model with a p-value less than .05 (the chosen alpha level). Thus, the hypothesis that all the regression coefficients are zero is rejected.

The t-statistic of the variables of interest: CPI was 4.232; the CPI had a p-value less than .05. The study rejects the null hypothesis and accepts the alternate. Thus, CPI had a significant effect on the market capitalization of Nigeria's capital market (based on the p-value of the F-statistic).

Hypothesis Two

Dependent Variable: SVT
Method: Least Squares
Date: 01/18/23 Time: 13:47
Sample: 1999 2020
Included observations: 22

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-632096.5	563806.0	-1.121124	0.2755
CPI	60023.20	24946.86	2.406042	0.0259

R-squared	0.224477	Mean dependent var	674772.2
Adjusted R-squared	0.185701	S.D. dependent var	785765.3
S.E. of regression	709063.1	Akaike info criterion	29.86778
Sum squared resid	1.01E+13	Schwarz criterion	29.96697
Log likelihood	-326.5456	Hannan-Quinn criter.	29.89115
F-statistic	5.789040	Durbin-Watson stat	1.529141
Prob(F-statistic)	0.025917		

The OLS estimates shown in the Table above, indicated that the model had an R-squared value of .224 and an Adjusted R-squared value of 0.186. These values explain the proportion of variance in the dependent variable caused by the explanatory variables. Thus, the explanatory variables explain approximately 22% variation in the dependent variable (SVT). The F-statistic value is 5.789 which is highly significant (p=0.000). The F statistic checks the overall statistical significance of the model with a p-value less than .05 (the chosen alpha level). Thus, the hypothesis that all the regression coefficients are zero is rejected.

The t-statistic of the variables of interest: CPI was 4.609; the CPI had a p-value less than .05. The study rejects the null hypothesis and accepts the alternate. Thus, CPI had a significant effect on the stock value traded in Nigeria's capital market (based on the p-value of the F-statistic).

Hypothesis three

Dependent Variable: TR

Method: Least Squares

Date: 01/18/23 Time: 13:47

Sample: 1999 2020

Included observations: 22

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	7.932425	2.516593	3.152049	0.0050
CPI	-0.046521	0.111352	-0.058558	0.9539

R-squared	0.400171	Mean dependent var	7.790455
Adjusted R-squared	0.389820	S.D. dependent var	3.088949
S.E. of regression	3.164959	Akaike info criterion	5.228665
Sum squared resid	200.3393	Schwarz criterion	5.327851
Log-likelihood	-55.51532	Hannan-Quinn criteria.	5.252031
F-statistic	4.006429	Durbin-Watson stat	1.253971
Prob(F-statistic)	0.003885		

The OLS estimates shown in the Table above, indicated that the model had an R-squared value of .400 and an Adjusted R-squared value of 0.389. These values explain the proportion of variance in the dependent variable caused by the explanatory variables. Thus, the explanatory variables explain approximately 40% variation in the dependent variable (TR). The F-statistic value is 4.006 which is highly significant (p=0.000). The F statistic checks the overall statistical significance of the model with a p-value less than .05 (the chosen alpha level). Thus, the hypothesis that all the regression coefficients are zero is rejected.
The t-statistic of the variables of interest: CPI was -0.059; the CPI had a p-value greater than .05. The study accepts the null hypothesis and rejects the alternate. Thus, CPI had no significant effect on the turnover ratio of Nigeria's capital market (based on the p-value of the F-statistic).

CONCLUSION

- Corruption perception index had a significant effect on market capitalization in the Nigeria capital market.
- Corruption perception index had a significant effect on stock value traded in the Nigeria capital market.
- Corruption perception index had no significant effect on the turnover ratio in the Nigeria capital market

Recommendations

- There should be a steady and consistent war against corruption, which will invariably affect the growth of the Nigerian capital market, especially its market capitalization.
- As corruption decreases in Nigeria, the stock value traded will increase, and also increase in high value. A low rate of corruption will attract foreign and local investors to the Nigerian capital market.
- There should be great involvement of government agencies such as EFCC and ICPC I. Fighting this cankerworm called corruption in Nigeria. Nigeria's capital market needs to grow beyond its current form and performance and all hands must be on deck to achieve this purpose.

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