CEDTECH International Journal of Management Studies & Entrepreneurial Development
Volume 2, Number 2, June 2021
http://www.cedtechjournals.org
ISSN: 2756-4576

MODERATING EFFECT OF CORRUPTION AND EASE OF DOING BUSINESS ON THE RELATIONSHIP BETWEEN DEFENCE EXPENDITURE AND ECONOMIC GROWTH IN NIGERIA

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ABSTRACT

This study examines the moderating effect of corruption and the ease of doing business on the relationship between defence expenditure and economic growth in Nigeria. The study adopted the ex-post facto research design with times series data collected from the Stockholm International Peace Research Institute (SIPRI) and the Nigerian Code of Conduct Bureau from 1989-2019. Ordinary least square regression analysis was used as the major technique of data analysis. The result indicated that, the interactive effect of corruption with defence expenditure had negative and significant effect on economic growth in Nigeria. In addition, the moderating effect of the ease of doing business with defence expenditure had insignificant positive effect on economic growth. The study recommended that the anti corruption fight should be strengthened in the defence sector by creating an oversight board to monitor the defence expenditure and ensure that such expenditures are tailored towards the interest of the general public. Also, government should look at improving the ease of doing business parameters by implementing the amended Companies and Allied Matters Act and making simpler business regulations for small and medium scale enterprises to ensuring strong protections for business growth.

Key words: *Defence Expenditure, Economic Growth, Corruption, Ease of doing Business, Recurrent Expenditure and Capital Expenditure.*

INTRODUCTION

The global economy has witnessed terrific increase in security challenges in recent years; this has informed a green-eyed attention on the defence expenditure of many nations across the globe with the view of mitigating the challenges. Defense is an important territorial guard that ensures the safety of lives and properties of any economy against internal and external threats that could cause harm to the smooth operation of the activities of an economy. A well-defended economy creates a level plain field for economic activities such as foreign direct investment and the production of goods and services to strive within the economy. This is obviously one of the reasons why developed and developing nations budget huge sums of money for expenditure on defence (Ologbenla, 2020). Defense expenditure could be seen as the quantity of society's resources that is allocated for the acquisition and management of military capability which are classified into recurrent and capital expenditures of the Armed Forces namely: The Army, Navy and the Air Force (Saba, 2019). It involves the running expenses of the defense departments and other governmental agencies engaged in defense projects. The defense expenditure is a major concern of many countries today because of the increasing security challenges faced by different countries which Nigeria is not an exception. The challenges have hitherto made the nation's economic environment unfavorable for foreign and domestic investors with negative impact on economic growth.

The problem of this study is that under normal circumstances, the consistent increase in defense expenditure is supposed to provide the needed logistics and manpower needed to curb external and internal threats that would create security challenges against economic growth in an economy. On the contrary, the Nigerian situation seems to be at variance with the ideal because the defense expenditure has been on a steady increase but more security challenges are witnessed on daily basis. The area of defense and economic development has been researched by several scholars like Fatih and Esra 2016; Jelivo and Musa 2016; Kurt and Karagoil 2015 and Saroja and Eliyathamby 2014. These researchers have found that defense expenditure has positive and significant effect on economic growth. However, this does not seem to be the case in the Nigerian context where defense expenditure is rising with increase in security challenges. A critical review of literature indicates that the varying situation between extant literature and this study is the fact that previous studies did not factor in the fact that corruption could be a factor that may affect the effect of defense expenditure on economic growth but corruption is a dangerous menace that if allowed to interact with the defense expenditure may dissuade the aim of the expenditure leading to spurious results.

Corruption has been alleged to be inherent with defense expenditure in Nigeria as alleged by the case of the arms deal in Nigeria by Dasuki in 2014. The ease of doing business is another variable gap in literature. However, the ease of doing business is a major factor in determining the conducive operation of business organizations because when business organizations have a conducive environment, the business booms otherwise, the business suffer retardation at the expense of economic growth. The motivation of this study therefore, is to examine the interactive effect of corruption, the ease of doing business and the defense expenditure to see how the variables in their interactive form could affect the GDP of the Nigerian economy. Thus, the study formed the following hypotheses: plagiarism

Ho$_{1:}$ Moderating effect of corruption has no significant effect on the relationship between defense expenditure and gross domestic product in Nigeria.

Ho$_{2:}$ moderating effect of the ease of doing business has no significant effect on the relationship between defense expenditure and gross domestic product in Nigeria.

LITERATURE REVIEW

Concept framework

Defence Expenditure

International Monetary Fund (IMF) (1974) defines defence expenditure as all costs incured by defence or other departments, for the maintenance of military forces, including the purchase of military supplies and equipment (including the stockpiling of finished items but not the industrial raw materials required for their production), military construction, recruiting, training, equipping, moving, feeding, clothing and housing members of the armed forces, and providing remuneration, medical care and other services for them. The North Atlantic Treaty Organization (NATO) (1976) defines defence expenditure as the entire current and capital expenditure on the armed forces, in the running of defence departments and other government agencies engaged in defence projects as well as space projects, the cost of paramilitary forces and police when judge to be trained and equipped for military operations, military R&D, tests and evaluation costs, and costs of retirement, pensions of service personnel, including pensions of civilian employees. Military aid is included in the expenditure of the donor countries. Excluded are items on civil defence, interest on war debts and veterans' payment.

However, the definition given by IMF appears to more explicitly provide a description of what defence covers. The definitions given by IMF and NATO clearly shows that in an economy like that of the developing world, defence expenditure data will be difficult to capture especially by institutions or by the sub-units of the defence sector. This inadequacy is made realistic following the loopholes in statistical data. However, the need for disaggregation to understand the defence sector is very important.

Furthermore, The United Nations Organization (UNO) (1986) gave the most comprehensive aggregated classification in terms of three major groups namely: operating costs, procurement and construction and research and development. From the categorization of the UNO, the operation costs which harbours military personnel, operations and maintenance including civilian pay is concern with operating or consumption expenditure, whereas procurement and construction and research and development is associated with investment expenditure. Of the three definitions given, that of UNO stands out since it clearly distinguishes among the three functional categories that have specific opportunity costs: man power and operational items, investment in weapons and current assets, and investment for the future. The categorization suggests the structure of defence expenditure.

In the Nigerian context, there have been several modifications in the presentation of the Ministry of Defence's breakdown of expenditure. For example; the departments that makes up defence sector includes ministry of defence, defence headquarters, Nigerian army, Nigerian navy, the Nigerian air force, Nigerian defence academy, national defence college, armed forces staff college, Nigerian armed forces rehabilitation centre, defence intelligence agency, military pension board, defence intelligence military school and defence industry corporation of Nigeria (Federal Ministry of Finance (FMF), 1996). The breakdown of the Nigerian defence sector shows that both IMF and NATO definitions of defence expenditure exclude some unique features. While defence in IMF excludes military pension personnel, that of NATO excluded civilian personnel on pension. These exclusions are taken into consideration for the defence sector in Nigeria. The definition of what constitute military expenditure is unique and relative from one country to another. For the purpose of this study, the United Nations Organization (1986) definition is adopted.

Concept of Corruption

The definition of corruption used in this paper is, as put forward by Transparency International (TI) (2002), as the abuse of entrusted power for private gain. As a consequence, actions are assumed to be corrupted if they entail the misuse of some aspect of entrusted, public power for private gain. According to Ngouo (2000) corruption is the exploitation of public positions for private benefits. She also, stated that the lack of any civil spirit among any categories of civil servants leads to corruption and misappropriation of public funds. Gray and Kaufmann (1998) define acts of corruption to include bribery and extortion which necessarily involves at least two parties and other malfeasances that a public official can carry out alone including fraud and embezzlement. In Asian Development Bank perspective of corruption as cited by Agbu (2001), corruption in defined as the behavior of public and private officers who improperly and unlawfully enrich themselves and/or those closely related to them, or induces others to do so, by measuring the position in which they are placed.

Concept of Easy of Doing Business

Ease of doing business was created by Simeon Djankov at the World Bank group in 2001. The academic research for the report was jointly done with professors Oliver Hart and Andrel Shieifer. Ease of doing business is an aggregate index published by the World Bank. Ease of doing business is an index published by the World Bank which aggregates figures that includes different parameters which define the ease of doing business in a country (World Bank Group, 2000). The index aggregates scores country by country which become the ease of doing business index (Djankov, Hart &Shieeifer, 2001). This study conceptualizes the ease of doing business as the measurable factors that are put in place by an economy to make business opportunities effective and efficient. Indicators such as distance to frontier, construction permits, registration, getting credit, tax payment mechanism, infrastructure are computed. Thus, higher rankings (a low numerical value) indicate better position usually indicating simpler regulation for business and stronger protection of property rights, whereas a high numerical value indicate deteriorating conditions (Ani, 2015). Ease of business has been critiqued for lack of generally accepted methodologies for determining in the indices used and peculiarities of each country (Ashraf, 2015).

Economic Growth

The search for a satisfactory definition of economic growth by many scholars of public finance has actually continued without an end. However, it is important to conveniently adhere to the convention that real per capita national income or output represents the most reliable indicator of a system's economic achievement at any point in time and that any change in real per capita income signifies welfare. Economic growth is a sign of society's wellbeing. It imitates the variations in its capability to attain any socially approved upon set of goals, whether consumption, capital formation expenditure or national defence etc. Generally, growth can be defined as sustained increase in macroeconomic aggregates particularly real gross domestic product (RGDP). According to Bello (1995), developing countries resources are entrusted in the hands of a few powerful capitalist and because of this; the success of the above definition must take into cognizance the issue of proper income distribution devoid of all forms of manipulation and exploitations.

Kuznets (1955) posits that a modern economic growth of nations has two distinctive features: in all cases, it includes a sustained and substantial rise in produce per capita and in almost all cases it involves a sustained and sustained rise in population. Economic growth is also, used to imply a movement from a lower equilibrium condition to a higher one. Neo-classical economics however, assumes that economic development could be achieved if a country whose original economic condition is static is able to generate aid sustained an annual increase in its GDP at rates more than 5 percent or at least higher than its population growth rate. Economic development is presumed to have taken place in such a situation since it implies an increase in per capita income. The neoclassical concept relates to economic growth rather than economic development. However, this idea is applied to development, given the experience of developed economies. It is expected that the benefits of growth would spread to all facets of the economy through pecuniary and technological externalities (Krugman, 1992).

The levels and rates of growth of "real" per capita GDP was normally used to measure the overall economic wellbeing of the people as it indicates the amount of goods and services that are available to the average citizen for consumption and investment. The conclusion from the Neo-classical economic growth is that their strategies of development focused on the achievement of economic growth. GDP in itself is not an end but a means to an end. Unlike previous experiences in developed countries, linkages did not develop between the growth centers and the periphery. Instead, dualistic structures emerged. Both agricultural export and import substitution industrialization- led growth did not spread to the periphery. More so, domestic economic structures became dislocated as the fulcrum of growth was moved from the domestic economies to the external sector. Hence, the developing economies became strategically dependent on the external sector. Both employment and consumption were dependent on imported goods like raw materials, capital, spare parts and food stuff. In fact, the agricultural export also relied on demand from the external sector. This process dislocates the resource use pattern. Also, the expected linkage which should create the transmission channel was not established. Developing countries therefore resort to importation of goods that could have been produced domestically. Thus, both taste and production became externally oriented. Therefore, the high rates of growth of GDP achieved by developing nations in the 1960s and 1970s through enclave-based growth did not reverse the miserable conditions of the masses. Large gaps were observed between the haves and the have nots and between the urban and rural sector (Ekpo, 1994). Poverty and unemployment continued unabated.

Theoretical Framework

Keynesian Public Expenditure Hypothesis

This study will be anchored on the Keynesians Theory as it offers the most suitable theoretical explanation of the growth process adopted in this study. Keynesian economics (Keynesianism) are the various theories about how in the short run, and especially during recessions, economic output is strongly influenced by aggregate demand (total spending in the economy). In the Keynesian view, aggregate demand does not necessarily equal the productive capacity of the economy; instead, it is influenced by a host of factors and sometimes behaves erratically, affecting production, employment, and inflation (Hunt, 2004). The theories forming the basis of Keynesian economics were first presented by the British economist John Maynard Keynes during the Great Depression as specified in the General Theory of Employment, Interest and Money (Keynes, 1963 & 2008). He declared that government should increase expenditure (in this study expenditure on defence sector), with a view to stimulating the growth of the economy. Keynes argued that an economy could languish indefinitely with high unemployment if aggregate demand is inadequate. Nelson (2006) noted that increased government expenditure, on the other hand, would not only boost demand directly but would also set off a chain reaction of increased demand from workers and suppliers whose income had been increased by the government's expenditure. Similarly, a tax cut would put more disposable income in the wallets of consumers, and that too would boost demand. Keynes contented, then, that the appropriate fiscal policy during periods of high unemployment was to run a budget deficit. These ideas flew in the face of the conventional wisdom that budget deficits were always bad**.**

Keynesian economists often argue that private sector decisions sometimes lead to inefficient macroeconomic outcomes which require active policy responses by the public sector, in particular, monetary policy actions by the central bank and fiscal policy actions by the government, in order to stabilize output over the business cycle (Fletcher, 1989). Keynesian economics advocates a mixed economy - predominantly private sector, but with a role for government intervention during recessions. This theory is aligned to this study particularly to investigate the extent to which government's expenditure on defence affects economic growth in Nigeria.

Empirical Review

Olugbenla (2020) investigated military expenditure and macroeconomic growth and found significant relationships between military expenditure variables and economic growth. Similarly, Saba (2019) studied 35 African countries to examine military expenditure and economic growth using regression technique as a means of data analysis and found that military expenditure influences economic growth of a nation. Ogbonnaya (2018) examined the effect of corruption on Nigeria Economy. A cross survey research design was adopted and secondary data extracted from the World Bank, Transparency International data. The statistical tool used was multi-regression analysis and t-test for the hypotheses testing and data analysis technique was the regression analysis. The result of the study shows that corruption has significant impact on the economy of Nigeria.
Fatih and Esra (2016) analysed the nexus between defense expenditures and economic growth using panel data from sixteen countries spanning from 1991 to 2013. A panel fixed effect model was estimated for the all

countries and the results show a positive effect on economic growth due to military expenditures.

Jelilov and Musa (2016) investigated the reasons why defence spending in Nigeria has failed to generate commensurate growth rate for the economy. Time series data spanning 1981-2012 were analysed using the OLS technique. It was found that government expenditure has a positive and significant impact on economic growth. Government expenditure drives economic growth in Nigeria and the paper recommends that more of government's resources should be directed to especially capital expenditure. Ani (2015) aimed to explain the effect of ease of doing business to economic growth among selected economies in Asia for the year 2014. The study covered 29 economies in East Asia, Southeast Asia, and South Asia. Ease of doing business is determined by the ten Doing Business indicators (DBI) of the World Bank. The study found out that the ease of doing business had no significant effect on economic growth. Nwankwo (2014) empirically investigated the impact of corruption on growth of Nigerian economy using granger causality regression techniques. The study used gross domestic product as proxies for economic growth and corruption index as a proxy of corruption in the analysis. The study revealed that the level of corruption in Nigeria over years has significant negative impact on economic growth in Nigeria.

METHODOLOGY

Research Design

This study is anchored by the descriptive research design. The population of this study is not specific in terms of number but for the purpose of emphasis the population of the study comprises of the entire Nigerian defense budget.

Method of Data Collection

The data for the study was collected via different sources. The dependent variable which is the economic growth was collected using the Central Bank of Nigeria Statistical bulletins for the relevant years investigated (1999-2019). The Nigeria Code of Conduct Bureau was used to collect data on corruption index. The data on defence expenditure was collected using secondary data by an institution whose responsibility is to collect world data on military expenditure known as Stockholm International Peace Research Institute (SIPRI). The data on ease of doing business was gotten from the World Bank ease of doing business index.

Technique of Data Analysis

Several techniques of data analysis are used in this study, these includes descriptive statistics, regression and correlation. Regression technique is used as a major technique of data analysis in this study but regression could be spurious if the stationarity of the data is not tested. To avoid spurious regression, this study carried out unit root test to ascertain the stationarity or otherwise of the variables under consideration. For this reason, the Augmented Dickey Fuller (ADF) test was conducted with the intention to ascertain if the series are stationary. It was observed that all the variables were stationary; this gave room for the simple Ordinary Least Square (OLS) regression to be used as the major technique of data analysis for this study. The data also satisfied other econometric tests like the test of multicollenearity, the test of heteroscedasticity and the test of auto-correlation to give more credence to the results obtained.

Model Specification

This study adopts the regression model which is of the form Y = A + BX + C ..... (i)

Where Y = the dependent variable, A = the intercept, B= the coefficient of X, X= the independent variable and C= the error term

The model has been moderated to fit in the variables of the study as follows:

$GDP = \beta 0 - \beta_1 CUI + \beta_2\, TDE + \beta_3\, EDB – \beta_4\, CUI*TDE + \beta_5 EDB*TDE + U$...... (ii)

where,

GDP = Gross domestic product

CUI = Corruption index

TDE = Total defense expenditure

EDB = Ease of doing business

U = Error Terms

β_0 = Constant

β_1, ... β_5, = are the coefficients of the independent variables

Table 3.1: Variables and their Measurements

Variable	Name	Type	Measurement	A priori expectation
GDP	Gross domestic product	Dependent	measured using the values obtained from CBN statistical bulletin	
EDB	Ease of doing business	Independent	measured using the World Bank EDB index	+
TDE	Total defense expenditure	Independent	measured using the total defense expenditure for the period	+
CUI	Corruption index	Independent	measured using dummy variables 1 if corruption cases are reported and 0 otherwise.	-

Source: Author's compilation 2019

DATA ANALYSIS

Descriptive Statistics

This section presents the descriptive statistics of the study where the minimum, maximum, mean, standard deviation, skewedness and kurtosis are described. The summary of the descriptive statistics is shown as follows:

Table 4.1: Summary Descriptive Statistics

Variable	Mean	Max	Min
GDP	13.60017	16.678	10.34
CUI	.516129	1	0
TDE	11.51795	12.50533	9.833491
EDB	.2258065	1	0

Source: STATA Output, 2020

The results for the various descriptive statistic items for gross domestic product (GDP), Corruption index (CUI), Total defense expenditure (TDE) and Ease of doing business (EDB) could be seen from Table 4.1 above. It can be seen that the mean values GDP, CUI, TDE and EDB are approximately 13.60017 (14%), .516129 (52%), 11.51795 (12%) and .2258065 (23%) respectively. In addition, the standard deviation, which measures the dispersion around the mean, stood at 1.249939 for GDP, .5080005 for CUI, .802384 for EDB and .4250237 for TDE. The table equally documented minimum GDP, CUI, TDE and EDB values of

10.34%, 0%, 9.83% and 0% in that order. On the other hand, the maximum value documented for GDP, CUI, TDE and EDB was 16.678 (17%), 1%, 12.50533 (13) and 1% respectively.

Unit root test results

Time series data are generally non-stationary and therefore, running a regression without controlling for stationarity problem will yield spurious regression results, meaning that the results may appear good but do not make economic sense. The argument is that economic time series tend to have a strong trend which causes these series to depict rising or falling patterns. The general practice is to use the Augmented Dickey Fuller (ADF) test developed by Dickey and Fuller (1979) in order to determine the level or degree of integration of the variables and also to correct for higher order serial correlation. Table 4.3 contains the results obtained from the ADF Test.

Table 4.2: Results of unit root test in first order difference

VARIABLE	ADF	P-value	Order of Integration
GDP	**-5.**881	0.0013	I
CUI	-4.405	0.0041	I
DTE	-7.348	0.0030	I
EDB	-6.040	0.0001	I

Source: Stata Output, 2020

The results in table 4.3 above indicate that the series variables are integrated of order one I (1) as well as stationary at first differences given their respective p-values that are all significant at 5%.

Table 4.3: Test of Correlation

Variables	GDP	CUI	DTE	EDB
GDP	1.0000			
CUI	-0.4577	1.0000		
TDE	0.5109	0.4126	1.0000	
EDB	0.1003	0.2141	-0.1698	1.0000

Source: Stata Output, 2020

Table 4.3 above indicated that Corruption index is negatively correlated with GDP in Nigeria this means that CUI and GDP moved in different direction. It can be explained that increased in Corruption index, lesser Gross Domestic Product in Nigeria. Total defense expenditure yielded a positive relationship with Gross Domestic Product by 51%. Total defense expenditure and Gross Domestic Product move in the same direction. It showed that as Gross Domestic Product in Nigeria increased, the Total defense expenditure would as well increase by 51%. Table 4.4 also indicated that ease of doing business is positively correlated with Gross Domestic Product in Nigeria. It showed that ease of doing business and Gross Domestic Product move in the same direction. It can be explained that increased in the ease of doing business, increases the GDP for the period examined.

Multicollinearity Test

Multicollinearity test is conducted to check the presence of harmful correlation between the explanatory variables that could distort the regression result. In this study, Multicollinearity test was conducted using Variance Inflation Factor (VIF) and Tolerance Value (TV) as shown below:

Table 4.4: VIF Test for Multicollinearity

Variable	VIF	1/VIF
CUI	1.34	0.746548
TDE	1.32	0.759861
EDB	1.14	0.873797
Mean VIF	1.27	

Source: STATA Output, 2020

The test for Multicollinearity using the variance inflation factor (VIF) reveals the absence of it as all factors are below 10 and tolerance values are less than 1.0. The mean VIF is 1.27. The result means that there is no evidence of Multicollinearity among the explanatory variables.

Table 4.5: Regression results of the moderating effect of corruption and ease of doing business on the relationship between defense expenditure and economic growth in Nigeria

GDP	Beta Coefficients	t-values	Sig.
CUI	1.458203	1.05	0.302
TDE	7.84564	9.33	0.000
EDB	0.7896656	0.19	0.847
CUI*TDE	-.2138118	-5.26	0.000
EDB*TDE	0.1330787	0.73	0.470
R2	0.9001		
F. Statistic	45.04		
F-Sig.	0.0000		

Source: STATA Output, 2020

Discussion of Results

The interaction of corruption on the relationship between defence expenditure and GDP in Nigeria

In line with the a priori expectation in the study, experimental evidence has shown that the interaction between corruption and defence expenditure has significant negative effect on the growth of the Nigerian economy. The moderating effect of corruption on the relationship between defense expenditure and gross domestic product shows coefficient value of -.0138118 with t-value of -5.26 and a corresponding p-value of 0.000. Therefore, the study rejects the null hypothesis. The empirical evidence shows that as the interaction between corruption and defence expenditure increases by just one-unit GDP reduces by 21%. The practical effect of this finding could be linked with the alleged Dasuki Arms deal where moneys meant for the procurements of arms was allegedly mismanaged by way of corruption which has hitherto led to the inability of some productive sectors like the Agriculture and Miming Sectors to function properly because of insecurity in Nigeria. This condition could be responsible for the insecurity advantage enjoyed by Boko Haram and other forms of armed banditry causing drastic fall in production and consequently the economy's GDP. The implication of this finding is that corruption has to be avoided when it has to do with military expenditure. This can be achieved by avoiding the channeling of military expenditure of whatever kind in the hands of one or few individuals. Corruption on defence expenditure can also be avoided if defence expenditures are strictly handled by the Central Bank of Nigeria.

The interacting effect of the ease of doing business on the relationship between defence expenditure and GDP in Nigeria

Pragmatic evidence of this study shows that the moderating effect of the ease of doing business with defence expenditure has no significant effect on the GDP of the Nigerian economy. The moderating effect of the ease of doing business on the relationship between defense expenditure and gross domestic product in Nigeria shows coefficient value of 0.1330787 with t-value of 0.73 and a corresponding p-value of 0.470. On the basis of these results, the study accepts the null hypothesis. The inability of the interaction between defence expenditure and the ease of doing business to yield a significant result with GDP may be connected to the fact that, the ease of doing business has not witnessed improvement over time. The implication is that the Nigerian government needs to improve the ease of doing business parameters through stronger protection of property by way of strong security, enforcement of contracts, reducing multiple taxes and making simpler regulations to encourage businesses. The implementation of the amended companies and Allied Matters Act may be the right way to go. If these parameters are put in place it is believed that the ease of doing business may have significant effect on GDP when interacted with adequate defence expenditure.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of findings

(i) The interaction between corruption and defence expenditure has significant negative effect on GDP in Nigeria.

(ii) Moderating effects of ease of doing business exerts no significant influence on the relationship between defence expenditure and economic growth in Nigeria.

CONCLUSION

Based on the findings of the study, it was concluded that 90% of the changes in GDP in Nigeria is a function of the interaction of corruption and the ease of doing business with defence expenditure. It was also concluded that while the moderating effect of corruption and defence expenditure has significant negative effect on GDP, the interaction of the ease of doing business with defence expenditure does not have significant effect with GDP.

RECOMMENDATIONS

1. Policy makers (i.e government) should strengthen the anti-corruption fight in the defence sector since it has been found to have negative effect on the nation's economic growth. The defence sector should be closely monitored on the way it expends money on both capital and recurrent expenditures. This can be achieved by creating an oversight board to monitor the defence expenditure and ensure that such expenditures are tailored towards the best interest of the public.
2. Nigeria should look at improving its ease of doing business parameters by implementing the amended Companies and Allied Matters Act, creating enabling business environment like provision of power and making simpler business regulations for the small and medium scale enterprises to ensuring strong protections for business. These may improve the ease of doing business and its effect on GDP in Nigeria.

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