

CORRUPTION, GOVERNANCE AND ENTREPRENEURSHIP IN NIGERIA

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ABSTRACT

It is the fundamental right of every citizen to have a job or be employed by government or be provided job opportunities. In the early '70s in Nigeria, it was white-collar job waiting for graduates to choose among many. Alas! Reverse is the case in the contemporary era. Securing such job nowadays has become competitive, political (slot) and "man knows man" issue. It is in our country that one sees graduates with good grade or class still looking for job, while some without result or good grade have secured job in public service, what should we call this? It is expected of the executives, legislature and Judiciary to lead with the fear of God, promulgate laws in favour of the masses and adjudicate cases in a godly and faithful manner. But, corruptions have blindfolded people at all hems of governance. Economically and employment wise, many people are disappointed in government. As a result of this, citizens have embarked on entrepreneurship as an alternative to their livelihood. So, entrepreneurship has been proven to have a massive impact on Nigeria's economy. It can promote new industries, improve productivity and lead to large –scale job creation. It ought to aid governance in the creation of jobs for the masses. Unfortunately, corruption has wrecked both governance and entrepreneurship. It has become a means for Government officials to impose costs for private benefit. For entrepreneurs, this can result in paying exorbitant bribes or having their activity blocked by officials who have been paid off by competitors. Corruption is a deterrent for both governance and entrepreneurial spirit and activities. Entrepreneurship which ought to alleviate poverty has become a programme for the aristocratic people. Corruption is a cankerworm that devours the effort of Government officials and entrepreneurs. This paper examines the meaning of the key words, the effects of corruption on governance and entrepreneurship, strategic wars against corruption in governance and entrepreneurship and recommends entrepreneurship as a lasting solution to the problem of unemployment or underemployment in our country, Nigeria if well managed.

Keywords: Corruption, governance, entrepreneurship, employment, citizen

Introduction

Corruption is a virus in the society. As virus is an infection agent that replicates itself only within cells of living hosts so does corruption in the society. It is biologically and technologically believed that at a time virus cannot spread to another being or material without human assistance. Likewise, corruption is contagious and basically being spread by human agent. Where do the agents exist? Is it in governance or entrepreneurship? Are they in both? These are the questions to be talked in this paper. It is evident that, there are multitudinous social vices in the contemporary society. Unequivocally, they are bourgeois at our economic, academic and most especially political precincts. In fact, corruption is seen as a habitual practice in the governance. Several governances in Nigeria had put one agent or the other in place to curb this menace and whenever corruption act is found in their government; it becomes a controversial and flabbergasted issue.

This paper intends to reveal that agents of corruption are prevalent in our governing system in Nigeria. All the arms of government, vis-a-vis, Executive, Judiciary, and Legislature are reportedly corrupt¹. Aside, the individual entrepreneurs are also corrupt in their entrepreneurship. Then, it has been discovered that, there is a linking or mixing point between the agents in governance and up to exculpate the problems of the masses instead of solving it. Must this continue in our noble country?

Semantic Concept of the key terms

Obviously, there are three key terms in the title of this paper, namely; Corruption, Governance and Entrepreneurship. *Oxford Advance Learners Dictionary of Current English* defines **corruption** as a “dishonest or illegal behaviour especially of people in authority”². It is the act or effect of making somebody change from moral to immoral standards of behavior³. The first definition specifically views corruption as bad or unlawful habit or attitude of the leaders. While the second sees it as an act of influencing people from moral way of life to immoral way. According to these definitions, the yardstick to judge whether a man is corrupt or not is through his/her behaviour. According to Patrick Enoch Nmah, corruption embraces a broad spectrum of acidities ranging from fraud (theft through mis-present action) embezzlement (misappropriation of corporate or public found) to bribery (payments made in order to gain an advantage or avoid a disadvantages).⁴ Patrick quotes Atlas S.H. who describes the corruption from the sociological point of view as the location of established rules for personal gain and profits⁵. He also refers to the work of Kumhiyop who says, corruption is making someone morally corrupt or becoming morally corrupt by indulging in bribery, extortion, fraud, nepotism, outright theft, match-fixing, examination fraud, kickbacks, illegal awarding of contracts and the like. In the political spectrum, corruption occurs in rigging of election, the pinches and sale of votes and the falsification of elections result. It is the gratification by an official⁶. These definitions align with the aforementioned point that corruption permeates all sectors or works of life, and its role there has always been to the retrogression of the entrepreneurship, society or community even the governance.

The second key term in this paper is **governance**. *Cambridge Dictionary* online defines governance as “the way that organization of countries are managed at the highest level, and the system for doing this”⁷. There is a need to emphasize that the concept of governance is not new. However, it means different things to different people. It has been in existence in both political and academic discourse for a long time; governance is a synonym for government. It is the act or process of governing, specifically authoritative direction and control. Governance involves interaction between the formal institutions and those in civil society. It refers to a process whereby element in society wield power, authority and influence and enact policies and decisions concerning public life and social upliftment.⁸ Governance depicts the management or controlling of all the resources in a society. The basic resources in any society include human resources (man), financial resources (money) and material resources. It deals with the promulgation of laws and policies with the adjudging of them coupled with their implementation. It focuses on the interaction between the people in the helm of authority and other citizens on the usage of goods and services for the betterment of the people.

Thirdly, **entrepreneurship** is another significant word which meaning must be explained. In defining entrepreneurship, one cannot do without knowing what enterprise and entrepreneur mean. Therefore, an enterprise is a business organization that is formed and which provides goods and services, creates jobs, contributes to national income, imports, exports and above all, sustainable economic development. In a more concise or synthetic way, an enterprise is a business venture⁹.

Entrepreneur is nothing else than the person who starts an enterprise (a business venture). The process of creation, including originality, capabilities, skills and difficulties is called entrepreneurship. The entrepreneur is the actor and entrepreneurship is the act, and the economic world is the scene¹⁰. Thokozani Patmond Mbhele defines entrepreneurship as an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, way of organizing, markets, processes and raw materials through organizing effort that previously had not existed¹¹.

In nutshell, having defined these three terms, it's expedient to marry the three terms together in the context of the title of this paper. In summary, corruption could be said to be bad or unlawful habit of people most especially in the helm of leadership. Governance is the act of managing or controlling the resources of an organization, whether public or private. Entrepreneurship is the creation of business venture which provides job opportunity for the masses. It also serves the purpose of assistance for government in the alleviation of poverty and curbing the problem of unemployment in the society. However, at the cause of provision of goods and services by the entrepreneur, corruption has been seen as a cankerworm that eats up the fabric of entrepreneurship. The prevalence of the corruption at the entrepreneurship cannot be far from governance whether internal or external.

Nigeria Governance and Corruption

Nigeria has been observed as one of the blessed countries in the whole world. Before the discovery of crude oil and its processing, each region of the country had one particular goods or the other. The maintenance of these goods and services determined the developments witnessed at each region. For instance, in the Western region, Chief Obafemi Awolowo was able to manage cocoa products and other agricultural products for the development of his region. While talking on governance in Nigeria, it is synonymous to political or democratic power or authority, Ugwu Collins Ikenne opines that, those who hold political authorities are those who are empowered by law or the governed to exercise official authority over them or the society especially in democratic setting. They include those who hold administrative authorities, legislative authorities, judicial authority or executive authority or parliamentary authorities¹². Ugwu quotes Onimhwo and Ottuh to discuss their view on political authorities (governance) by saying, political authority is rooted in democracy. Its impacts include good governance, justice, security and equity among other. ¹³ Regrettably, political authority has been abused so much that the expectation of such authority in the society is marginally seen and fact. Instead, what has overtaken the ground is corruption. ¹⁴ This is shown because, the authority or governing power that has been granted to certain individuals (leaders) through the electoral power of the citizens to provide security, employment opportunities for the citizens, justices, power, water, good roads, boost agriculture, sound education and other amenities has been misused or abused. M.O. Gbadero and C.A. Adeleye in their paper state that, as at today, corruption has eaten deep into our system politically, socially, economically, and regrettably into the religious sector. It is cosmic, complex and monumental¹⁵. Nigeria governance has attracted global attention and it has been rightly christened, "corruption in its highest order." In Nigeria, corruption most especially bribery and embezzlement has become the option of the leaders. This cannot but show because most of our leaders did not get to the position through the right channels. It is in Nigeria that the political candidates would have to bribe their god father and the party electorates before primary elections.

It is not news that the candidate that won the primary election is asked to step down for the choice of party leaders. It is also evident that electorates are bribed and paid before casting their vote. They do not see it as their franchise. So the writers observe the prevalent of corruption before, during and after the election.

Therefore, if the system that installs the people in governance is corrupt, corruption would be rampant in the governance. Many Nigerians are regretting for being born in Nigeria. In his observation, Chinua Achebe as quoted by Gbadero and Adeleye opine that, the problem with Nigeria is simply and squarely a failure of leadership. There is nothing wrong with the Nigerian land, climate, water, air or anything else¹⁶. We still need to re-emphasize it, Nigeria governance has allowed corruption to creep into her system and the outcome is what we are seeing today. The love for masses is low or absent in the hearts of our leaders. Individuals are pursuing their gain. One cannot begin to itemize different kinds of corruption due to the limitation of this paper, but, it is glaring, every sector is corrupt.

Entrepreneurship in Nigeria Context and Corruption

Though this paper is more economical than historical, yet, there is a need to make an allusion to the brief background of entrepreneurship in Nigeria. In Nigeria, entrepreneurship started when People produced more products than they needed as such, they had to exchange these surpluses. For instance, if a blacksmith produced more hoes than he needed, he exchanges the surplus he had with someone who needed his product in exchanges of his product in exchange or goods. Early entrepreneurship started with trade by barter even before the advent of any form of money. When the colonial masters came, they brought their goods (wears) and made Nigerians their middle men.¹⁷

However, the inception of formal education offered the opportunity of being employed in the civil service, because in those days the economy was large enough to absorb into the prestigious occupation all Nigerians to be dependent on the Colonial master. Then, with more people being educated and the fact that government could no longer employ most school leavers, economic programs to encourage individuals to go into private business and be self-reliant and initiated.¹⁸This is just to establish that entrepreneurship is not a new phenomenon in Nigeria. It has been in existence since the time immemorial. Entrepreneurship is one of the economic variables that attract the attention of the governments and researcher both in the developed and developing countries in the last two decades as rightly put by Abdul-Kemi, Idris Zubair. Several efforts and initiatives are being made by governments and Non-Government organization (NGOS) to promote entrepreneurship and contribute to the overall economic growth and development. In Nigeria, private sector has dominated the entrepreneurship policies and other parts of the world¹⁹. Idam, linus Egwu submits that, in Nigeria, studies have been carried out on the effect of entrepreneurship development on the problem of high unemployment on the problem of high unemployment rate, high level of poverty and slow economic growth rate. It is generally held that entrepreneurship development is the key to poverty eradication, employment generation and rapid economic development. In spite of all the efforts of entrepreneurship development, all the problems still persist²⁰. The reasons behind this is what this paper intends to unveil and provide solutions to in Nigeria. Nigeria Government and NGOs are becoming more sensitive to the need to create a friendly business climate, supportive of the needs of the SMES. In view of this several schemes and institutions have been established in Nigeria since independence to finance and extend credit to SMES. These include the direct financing and establishment of Agricultural Development programmes such as Farm settlement scheme (FSS) and River Basin Development Authorities, (RBDA) between 1950-1960 the establishment of Nigerian Industrial Development Bank (NIDB) in 1964 and the Nigerian Agricultural and Cooperation Bank (NACB) in 1973 to provide soft credit facilities to the farmers, small and medium scale industries, the establishment of Peoples Bank of Nigeria (PBN), Community Banking scheme in 1990 and the establishment of the Family Economic Advancement programme (FEAP) in 1997. The establishment of the Nigeria Agricultural cooperation and rural Development Bank (NACRDB) by the merger Of FEAP, NACB and PBN in 2000 ;and more recently the establishment of the micro finance bank (MFB) scheme on 16th December 2005²¹

While some succeeding governance after 2005 built on these schemes, some abandoned them though, not without the creation of other ones. The names might be different but the aims and objectives seem to be the same. Entrepreneurship ought to aid the development of any country without the exemption of Nigeria. Yet, in the case of Nigeria, the major constraint factors to the development of entrepreneurship relate to

environmental, socio-economic, political and cultural etc. The devastating effect of poor infrastructural facilities, including epileptic power supply, poor condition of road network and inadequate water supply on emerging business.²²Ugochukwu U.Ikeije and Chinwe O.Onuba in their paper quotes Idam's additional factors which includes; the incessant kidnapping and insurgence of Boko Haram sect which create unhealthy and insecure environment for business operation . He also mentioned, the high cost of doing business in Nigeria that is, the weight of high incorporation cost, legal and professional fees, business permits and licenses, the incidence of multiple taxation and series in different forms at federal, state and local government levels and the son-of-the soil syndrome.²³The observation so far in Nigeria is that entrepreneurship would have been successful and yielded positive result. It would have led to the development of Nigeria economy. Alas! reverse is the case. The only reason that led to this and accommodates other vices is corruption. The people that have been shouldered with the responsibilities of different schemes by the government to assist the booming of entrepreneurship embezzled the allocated fund. As a result of this, the effort of the government is proved abortive perpetually. And corruption is a contagious habit whenever it enters a sector, it would spread itself. So pathetic enough, it would not leave until it destroys the system. This is the challenge of Nigeria governance.

Effects of Corruption on Entrepreneurship in Nigeria

It is very obvious that Nigeria governance is corrupt from the federal to the grass root levels. Adversely; the corrupt governance has effects on the entrepreneurship. But before delving into that, we shall examine the problems of Nigerian entrepreneurs and common corruption in the Nigeria entrepreneurial system or practice. Among the major problems of Nigerian entrepreneurs, are; lack of capital, difficulty in securing loans from financial institutions, poor state of infrastructure , unstable state of Nigerian economy, inconsistent government policies inadequate planning and poor execution ²⁴coupled with these are; environmental and religious problems, unstable power supply, taxation, insecurity, illiteracy and corruption. Now, the common corruptions in Nigerian entrepreneurship include; paying bribes and kickbacks before the procurement of licenses, permits, goods and services from government agencies and even the payment of taxes and levies.²⁵It is so alarming. That before an entrepreneur could secure contract from government or individuals in governance he has to pay bribe to the intermediaries or governmental official. While preparing the estimate or quotation he has to bear in mind the share of some selected people. It is no more compensation but compulsion. Embezzlement of funds is another point. This happens when the money or financial assistance (loan) budgeted or schemed to be given to the entrepreneurship are embezzled by the government officials in charge. The chairman of the NCCEC, Justice Kayode Eso a retired justice of the Supreme Court identifies classes of corruption, which includes bribery, economic crime, e.g embezzlement, extortion, false witness, armed robbery and many more. ²⁶ Diversion of fund, this happens when the money meant for private sector (entrepreneurship scheme) is directed to another public sector at the detriment of the entrepreneurs,²⁷Stealing of goods by the citizens or staffs of private business sector, exploitation of workers, production of fake products, element nepotism, self-interest and tribalism are also suggested to be among the corruption in entrepreneurship. ²⁸In Nigeria today, we have many private enterprises, for instance schools, production companies who collect huge amount of money from the customers yet they under pay their staffs who are the human resources.

Having discussed these, one can categorically say the effects of corruption on the entrepreneurship cannot be under estimated. Ugwu in his opinion states, it may sound apparently unbelievable to hear that there are good sides of corruption. It has always been so traditionally believed that corruption is bad and nothing good comes out of it. But here are some acclaimed positive consequences of corruption in a given society like Nigeria. Corruption can be beneficial to political development by contributing to economic development, national integration and government capacity. The champions of this view are of the opinion that corruption brings with it a wider range of economic choices by encouraging investment and strengthening the private vis-à-vis the public sector. In fact, one can use capital accumulated through corruption to invest in business venture and offer employment to people. ²⁹A young student observes that corruption in Nigeria can also be a solution to Nigeria National stability. He cited example of Nigerian

custom service and other Para-military agencies who enable citizens to pay money for smuggle business. Though, this is a corruption, it assists in curbing starvation, lack of job etc.³⁰ Though, this seems not to be commonsensical and ethical, but it is a bitter truth. It reveals to us that poverty and unemployment would unequivocally encourage corruption.

More so, it is evident that corruption has negative effects on the entrepreneurship which includes National crisis, poor national development, rise in poverty and poor investment. Corruption is a discouragement to incentives and entrepreneurship and creates unwillingness to make sacrifices such as the payment of taxes or the practice of compulsory savings scheme.³⁰ It is undeniable that, when an entrepreneur has paid huge amount of bribe on the procurement of goods and services, he may not be able to deliver the quality goods and services to the citizen. If he does, inflation is inevitable. That is why today, most business ventures or private sectors' goods and services are more costly than the public services. Take for instance, the private universities who provide job opportunities for people are unaffordable by the poor masses. Embezzlement of funds which ought to be given to the entrepreneurs affects the capital intensive projects embark on by the entrepreneurs. A lot of private companies or entrepreneurship folded up today because of lack of finance. In Nigeria, most of the local or domestic products are not as strong as the foreign ones. So, people prefer to patronize the foreign manufacturers than the local ones. Then exploitation of the workers kills their morale and it affects them in offering the best services. Emphasis needs to be laid on it that corruption in governance in term of given job to the right entrepreneur has effect on entrepreneurship. In Nigeria projects or contracts are given to individuals who do not know about the projects or the entrepreneur who is not an expert on the project. The politicians do this to compensate those who campaigned for them before election. A road project was given to a royal father in Nigeria to supervise. He gave the project to unqualified local construction company, within few years, the road had damaged. It claims the lives of Nigerian citizens on daily basis. Economically and technologically, Nigeria would continue to remain stagnant until government provides fund assistance to all our local producers. On this note, the writers have few suggestions to reduce or minimize corruption in Nigerian governance and entrepreneurship.

Suggestions and recommendations

By and large, this paper has concisely discussed on two broad terms which are governance and entrepreneurship. It also discussed the common practice which links the two together which is corruption. Therefore, for Nigeria's governance to be good and no more to be seen as bad, several structures must be put in place namely:

1. Pre-election exercises; formation of political party, primary election to choose party candidates at all levels must be thoroughly screened.
2. Though this paper does not talk on some of the agents put on ground to control corruption like EFCC, ICPC etc., it suggests that the agencies must be sanitized and legally empowered with all our law enforcement agents to eradicate bribery and corruption.
3. Any project or contract to be given out by the government must not base on nepotism or compensation. It must be given to the expert entrepreneur whether foreign or local.
4. Often, the political leaders should do declaration of their assets. And there should be check and balance based on the legalized income publicly or personally.
5. Law should be made effective over any leader that misbehaved without political party sentiment.
6. Government should make the existing schemes on the assistance for the entrepreneurship to be effective and introduce more. This would encourage the local producers to add more quality to their production.
7. Government should not make difficult policies that would not give room for entrepreneurs to continue operating their companies. Tax and other required levies or duties should be affordable for the local entrepreneurs.
8. There should be patronage on the local products being produced by local entrepreneurs.
9. Every entrepreneur should be very watchful in term of their administration. They should always employ competent staffs and desist from inexperienced ones.

10. The entrepreneurs should be upgrading the production standard. Satisfaction spirit must be inculcated and not greed. It has been discovered that insatiability or greed is the source of corruption.

CONCLUSION

The paper has been able to expound the concept of corruption as an immoral or illegal behavior. Governance as the power or authority vested on people to govern or control their people. It elucidates entrepreneurship as business venture or the act of creating job for the masses. It is viewed as private business created for the sake of the development of a country. The paper has been domiciled to Nigeria. Nigeria has been highly rated as one of the corrupt nations in the whole world. The paper reveals that the governance in Nigeria does not experience corruption suddenly; it starts from system that voted in our leaders. So, if there would be change, it must begin pre-election. Good people must be chosen to power. Then, the relationship between government and entrepreneurs should be cordial, transparent and not conditional. Cumbersome tax or bill being demanded by government from private sectors should be minimized to allow the entrepreneurs giving their best to the masses.

Finally, corruption has been seen as a viral disease that must be controlled lest it destroys both the governance and the entrepreneurship in Nigeria.

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