

Corruption: The Dark Side of Entrepreneurial Behavior

Nnaoke Ufere*, Bo Carlsson, Ph.D., Richard Boland Jr., Ph.D., Sheri Perelli, D.M.
Case Western Reserve University
nxu14@case.edu

Abstract

We wondered how corruption, an endemic phenomenon in Nigeria is experienced by one specific set of actors - entrepreneurs - and, specifically, how they understand and respond to bribes demanded by government agents. To our surprise, we found entrepreneurs are themselves active *perpetrators* of bribery rather than *victims* of bribe-demanding government agents. Moreover, we discovered their willful bribe-generating behavior, supported by a myriad of other actors including government agents, politicians and technocrats, is governed by an intriguing and well-embedded set of social norms, rules, routines and power relations. Vivid narratives of successful entrepreneurs, both indigenous and diasporic, demonstrate how they deliberately and skillfully create a demand for corruption, subverting formal state budgetary systems and substituting informal “bribery best practices” to capture private gains. Our data revealed that bribery is produced through a complex and recursive interplay between skilled agents and state allocative systems, changing the social order for resource allocation among competing firms.

Key Words: Entrepreneurial agency; corruption; bribery; capture; choice behavior; structuration; resource allocation; institutions, embeddedness.

Introduction

Corruption poses a real and immediate threat to the economic well-being of Nigerians and compromises the legitimacy of the country in the eyes of the international community (Nwabuzor, 2005). Transparency International, an international NGO dedicated to raising public awareness of corruption, ranked Nigeria 130th out of 180 nations on its 2009 Corruption Perception Index (Transparency International CPI, 2009). According to a 2007 World Bank Global Enterprise Survey, 41% of firms expect to make “informal payments” to public officials to get things done in Nigeria and 45% expect to give “gifts” to secure government contracts (World Bank Enterprise Survey - Nigeria, 2007).

Researchers suggest that corruption in Nigeria has its roots in the economic and institutional conditions of the nation: a weak legal system (Rose-Ackerman & Coolidge, 1997), a predominant government role in the economy (Antunes & Cavalcanti, 2007), easy access to petro-rich state coffers (Ades & Di Tella, 1999) by rulers who abuse their positions to self-enrich (Osoba, 1996), and political norms that legitimate such behavior (Herbst, 1996). Smith (2007) describes the debilitating effects of a pervasive “get rich quick” culture and a lack of bureaucratic morality.

While the causes of corruption in Nigeria have been well researched, considerably less attention has been given to its effects on entrepreneurship and how entrepreneurs experience and respond to it. A

few cross-national studies, which included Nigeria, have demonstrated that corruption discourages foreign direct investment (Wei, 2000) and increases venture start-up costs which at 77% of annual GDP per capita (Djankov, La Porta, Lopez-De-Silanes, & Shleifer, 2002) are, in Nigeria, among the highest in the world. In addition, corruption compels businesses to go underground in the informal economy, which accounts for 76% of total output in Nigeria (Schneider & Enste, 2000).

Paradoxically, several scholars have suggested that in highly regulated and bureaucratic environments like Nigeria, corruption may have an upside by allowing business owners to bypass bureaucracy (Leff, 1964). Fadahunsi and Rosa (2002) studied entrepreneurship and illegality in Nigeria and found that entrepreneurs use bribe payments to custom officials to facilitate illegal cross-border trading. Agboli and Ukaegbu (2006) found corruption, among other institutional factors, to be detrimental to entrepreneurship in Nigeria. While useful, these studies have not, however, specifically addressed how quotidian entrepreneurs and business owners experience corruption, and how they respond to it.

To address this gap in the literature, we conducted qualitative research based on semi-structured interviews with 32 founders/CEOs of entrepreneurial firms in three industries strongly associated with high levels of corruption in Nigeria: oil & gas, professional services and construction (Okonjo-Iwela & Osafo-Kwaako, 2007). We aimed to identify factors that affect when, how and to what extent entrepreneurs in Nigeria engage in corruption, how individual characteristics and the structure of incentives, rules and resources influence their behavior.

Theoretical Foundation

The Corruption Phenomenon in Nigeria

This study adopts the general definition of corruption as the misuse of a position of authority for personal and private benefit (Shleifer & Vishny, 1993; Tanzi, 1998). Corruption has many forms – bribery, extortion, patronage, influence buying, favoritism, nepotism, fraud, and embezzlement, among others. Our research focuses on bribery because it is the principal manifestation of corruption in Nigeria (Okonjo-Iwela & Osafo-Kwaako, 2007), often evidenced as the quid pro quo exchange between an entrepreneur and a government official in which cash, favors and gifts are provided by the former to obtain illicit advantage in the allocation of state resources from the latter.

Our study distinguishes between demand-side and supply-side bribery. Demand-side bribery is exemplified at two levels – first, petty, street-level bribery where the police at a road check-point or the customs officer at the airport demand a “dash” or “chop money” and second, at the strategic level where top government officials demand bribes in order to do business with an entrepreneur. Demand-side bribery may involve the tacit use of threats, delay and intimidation (Tanzi, 1998). On the other hand, supply-side bribery is a proactive, strategic choice initiated purposively by the entrepreneur solely to maximize self-interest. Entrepreneurs, in this case, supply bribes without coercion by a government official. Much is already known about the demand-side of corruption, but little attention has been paid to the supply-side and the role of entrepreneurial agency in corruption transactions. Our research illuminates the dark-side of entrepreneurship, focusing intentionally on those who supply bribes in Nigeria.

Bribery is deep-seated in Nigeria and has permeated all facets of the society (World Bank Enterprise Survey - Nigeria, 2007; Transparency International CPI, 2009). Legislators, jurists,

policy makers, military officials and leaders of business enterprises, religious organizations and NGOs all have been found complicit in the bribery exchange (National Integrity System, Transparency International, Nigeria Report, 2004). But less light has been shed on those who pay bribes. According to the World Bank, bribery is the normal way entrepreneurs and business owners do business in Nigeria. The scope of bribery in Nigeria is staggering – in a recent poll, 41% of business executives there admitted that bribe payments are a daily occurrence in their business operations (World Bank Enterprise Survey - Nigeria, 2007). The social costs of bribery have been extensively researched and found to be detrimental to Nigerians personally (Agboli & Ukaegbu, 2006; Okonjo-Iweala & Osafo-Kwaako, 2007), and to threaten the political and economic legitimacy of the country (Nwabuzor, 2005).

Corruption and State Capture

Scholars have long studied the phenomenon of state capture and the motivations and incentives of firms who engage in it (Peltzman, 1976; Grossman & Helpman, 1994). Generally, state capture refers to the illicit strategy enacted by individuals, firms or interest groups to influence or shape institutions (rules of the game that structure behavior) solely for private or collective benefits. They do so by subverting formal institutional processes by means of either influence trafficking or by making bribe payments to public officials (Hellman, Jones, & Kaufman, 2003). Researchers differentiate capture and influence strategies. Capture involves bribery, which is of interest to us, and influence does not. For example, Hellman et al. (2003) found that influence strategy tends to be enacted by large, incumbent firms with legacy ties to state officials. On the contrary, Salimath and Cullen (2008) found that state capture is the strategy-of-choice for young emergent firms trying to gain entry and compete with incumbent firms for lucrative state contracts and services.

Transparency International's Global Corruption Report (2009) found that in countries like Nigeria where institutions are weak and corruption rampant, capture has become the dominant strategy enacted by firms to shape or take control of state institutions in order to gain access to resources. Because of the large payoffs involved in capture behavior and the increasing rate of occurrence in countries with weak institutions, Transparency International (Global Corruption Report 2009) cautions that state capture is becoming an attractive strategic choice for entrepreneurs and bureaucrats in countries like Nigeria where corruption is pervasive and prevalent.

Corruption and Institutional Context

While capture literature describes the ability of firms to shape institutions, institutional theory suggests that firm's economic choices are enabled and constrained by institutions (North, 1990; Oliver, 1991). Given the interplay between capture and institutions, an institutional perspective affords another lens with which to view the moderating effects of institutional context on how entrepreneurs and business owners respond to corruption and the patterns of behavior through which corruption is acted out. Relying on a rich bank of literature, institutional theorists have predicted that firms operating in environments similar to Nigeria where corruption is deeply embedded in institutional logics will conform to institutional corruption pressures to gain legitimacy in the eyes of corrupt officials and acceptance with corrupt business partners (DiMaggio & Powell, 1983). Oliver (1991), however, suggests that responses to institutional pressures such as corruption are not always passive and conforming. Rather, responses may vary from passive conformance to active agency, including defiance and co-optation.

Granovetter (1985) cautions that economic exchange and institutional activity do not occur in a vacuum but are embedded in a dynamic network of social relationships and culture. Scholars agree that social networks play a role in corrupt transactions. While some scholars view a social network leverage as a winning option because pre-existing social relationships can safeguard against opportunism and reduce transaction costs (Peng & Heath, 1996), others argue that such networks are a hotbed of corruption (Granovetter, 1985). Many social structures in Nigeria, e.g. relationships such as kinship or belonging to the same ethnic or cultural group or secret society or religion come into question, particularly when they establish rules of reciprocity. We wondered whether and to what extent Nigerian entrepreneurs and business owners adopted state capture strategies in their responses to corruption and how the institutional environment enabled or constrained their responses. Then, adopting a grounded theory approach, we designed an interview protocol to guide the collection of detailed data in the form of rich, personal narratives about how entrepreneurs experience corruption in Nigeria.

Research Design

Methodological Approach

We conducted a qualitative study using semi-structured interview to elicit rich narratives about how founding entrepreneurs and private business owners in Nigeria interpret and respond to corruption. We examined how entrepreneurs make decisions to engage in corruption and the effects of those decisions on both the entrepreneur and his/her enterprise.

Sample

Our sample consisted of 32 Nigerian entrepreneurs and business owners aged 29 to 55 who both founded their firms in and reside in Nigeria. All firms were legal entities operating in the formal economy in industries where corruption is prevalent. Firms ranged from startups to relatively mature entities – 11 in their first three years of formation, another 11 aged four to 10 years and 10 operating for 11 to 15 years. Half of the respondents were sourced from the principal researcher's professional network and the remainder identified using a snowball technique in which respondents nominated peers for selection.

Data Collection

Semi-structured, digitally recorded interviews, averaging 75 minutes, were conducted in Nigeria in mid-2010. An interview protocol with three open-ended questions guided the interviews and probes were used to provoke rich narrative detail about experiences involving the payment of bribes to government officials. Given the sensitivity of the subject matter, and to avoid implicating respondents in unethical behavior, the words "corruption" and "bribe" were not used by the interviewer unless first introduced by respondents.

Data Analysis

Data collection and analysis were conducted simultaneously. Prior to formal coding, interview audio recordings and printed transcripts were reviewed multiple times as were detailed researcher notes and memoranda composed during and after each interview. Transcripts were coded in three stages recommended by Corbin and Strauss (2008) – open, axial and selective. We collapsed 1,214 original codes in the open coding phase to 98 and then to 29 in successive iterative steps. Ultimately, 8 core categories – Motivation, Opportunity, Strategic Choice, Subversion & Capture, Role of Founder/CEO, Consent, Social/Cultural Norms, and Decision Making – yielded key findings.

Findings

While previous studies have confirmed the ubiquitous nature of corruption involving *large* firms in Nigeria, our study – to our knowledge the first specifically focused on entrepreneurial corruption there – revealed it is also endemic among smaller businesses. Contrary to typical notions of bribery as demanded by governments and supplied by firms, we found entrepreneurs deliberately create the demand for corruption and government supplies the opportunity for it. We found founders/CEOs purposefully designed corruption strategies and made decisions to pay bribes to “win” lucrative government contracts. Shown in Table 1, we identified three contrasting patterns of associated behavior – choice, capture and consent. “Choice” describes founder/CEO’s decisions to enact bribery for self-interested gains; “capture” describes their proactive and deliberate initiation of bribery; and “consent” refers to bribery opportunities enacted by entrepreneurs deliberately and unforced, in anticipation of future benefits. Summarized in Table 2, and discussed in detail in our full paper, are the five-step bribery process enacted by entrepreneurs to capture state budgets.

TABLE 1
Summary of Findings

Pattern of Behavior	Number of Respondents*	Behavioral Characteristics	Behavioral Objective	Pattern of Agency	Decision Making Criteria
Choice	27 (84%)	Founders/CEOs are architects of corruption strategy	Strategic resource acquisition and venture survival & growth	Deliberate strategizing, relationship building and enactment	1. Kick-back vs. Kick-forward 2. Size of mobilization fees 3. Relationship
Capture	18 (56%)	Respondents deliberately and proactively supply bribes to government officials to “capture” state budgets.	Subversion of formal resource allocation rules for self-interested gain	Structured execution of capture bribery best practice	1. Size of payoff 2. Competitive advantage 3. Transaction costs
Consent	9 (28%)	Respondents make voluntary bribe payments to officials in anticipation of future benefits.	Preemptive bribery to ensure future resources	Structured execution of consent bribery best practice	Uncertainty Avoidance

*Respondents enacted multiple behaviors in response to different situation

TABLE 2
Five Step Bribery Process

Capture Enactment	Develop Strategy & Construct Capture Projects	Gain Privileged Access & Build Strategic Relationship	Structure Bribe Incentive & Payoff Schedule	Embed Project in State Budget and fund it	“Award” Contract & Deliver Bribes
Strategic Objective	Overcome entry barriers and incumbency advantages. Ensure firm survival and profitability.	Gain legitimacy; build trust with top officials. Demonstrate willingness-to-play.	Design optimal inducement (kickback) Safeguard firm profitability. Reduce transaction costs.	Subvert formal budgetary process. Embed project and secure funding priority.	Subvert procurement due process. Contract “awarded” and bribe payments delivered.
Practice Characteristics	Establish capture plan and develop outline business plan (OBC). Create bribe-induced “capture projects.”	Invest in ex-politicians and retired military generals as “connectors” Connectors mediate capture transactions.	Collaborate with officials to structure “built-in incentives.” Project price is inflated to ensure attractive kickback.	Embed project in state budget. Project is assigned top funding priority.	Subvert formal procurement “due process.” Deliver payoffs to all parties according to agreed payment schedule.
Role of Founder/CEO	Design capture strategy. Allocate resources to capture plan.	Hire ex-politicians and retired military as connectors. Build relationships.	Chief negotiator of incentive structure and pay-off schedule.	Safeguard award to his firm.	Execute payoff schedule according to agreed delivery mechanism.

Discussion

Our data depicts Nigerian entrepreneurs as active perpetrators of bribery rather than victims of bribe-demanding government agents. Entrepreneurs, both indigenous and diasporic, described deliberately and skillfully creating a demand for corruption, subverting formal state budgetary systems and substituting informal “bribery best practices” to capture private gains. Bribery is produced through a complex and recursive interplay between agents and state allocative systems, changing the social order for resource allocation among competing firms. Informed by structuration theory [8], we see agents as drawing upon rules and resources embedded in the state budgeting systems and, in so doing, producing and reproducing a culture of corruption in Nigeria.

Giddens, for whom human actors are knowledgeable agents, not puppets manipulated by powerful forces in the social and economic world, describes a “duality of structure” – a recursive relationship between agency (the human capacity for purposive action) and structure (formal and informal rules and material resources that shape agent behavior).

"Agency-structure" duality sheds light on the skillful behavior of entrepreneurs engaged in the corrupt practices we labeled “budget capture” and “consent.” They exercise agency in “capturing” budgets by using their knowledge of the government resource allocation process to identify government officials with power to allocate funds and the authority to muster the concurrence of budgeting staff. Second, key leaders – ex-military generals, retired politicians and ministers – exercise agency by helping founders/CEOs gain access to top officials with budget allocation oversight. Finally, top government officials use their discretionary powers and authority in budget formulation, allocation, approval and control to accept capture projects, allocate funds to them, embed them in the ministry’s budgeting system and award them to captor founders/CEOs.

Entrepreneurs see state resource allocation systems as laden with the resources needed to start, grow and sustain their businesses. Budgets (funds and projects), procurement (lucrative contracts) and public goods/services (permits, licenses, utilities, loans, duties, inspections, etc.) are sources of material resources and information. Young firms, burdened with financial constraints and low legitimacy with officials, may feel disadvantaged, helpless and in need of, as Giddens' describes it, a way to "go on." Capture is an alternative, albeit illicit, means to transcend the limits placed by the social order on access to resources required for venture survival and growth. In structuration theory terms, skilled entrepreneurs act as chronically reflexive agents, creating a new social order that improves the survival and continuity of their ventures.

Reflecting Giddens' (1984) three modalities of structuration: interpretive schemes (signification), power relations (domination) and norms (legitimation), entrepreneurs capture state budgets by formulating capture strategy, designing capture projects, using social networks of "big men," building government relationships, designing optimal incentive plans and payoff schedules, embedding projects in state budgets, and winning contracts and making bribe payments – and in doing so ultimately subvert the prevailing allocation social order with "bribery best practices." Summarized below and discussed in detail in our full paper are each of the three modalities of structuration our data reveal enacted by entrepreneur/CEOs:

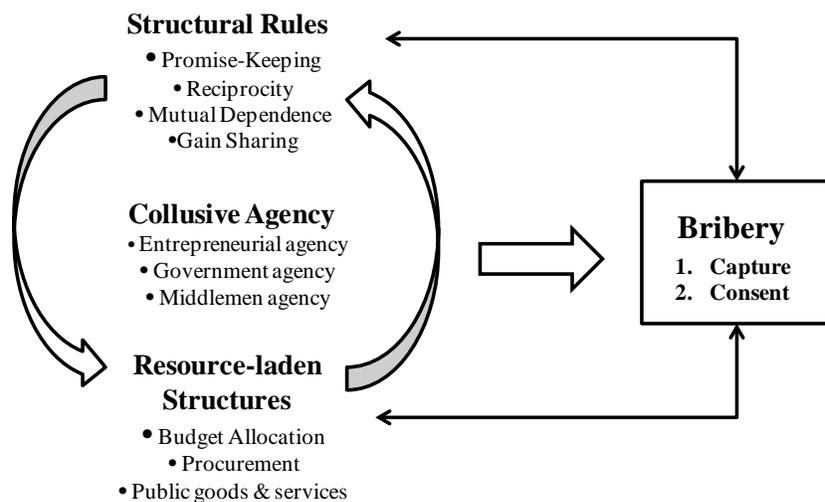
- **Signification.** Our data reveal how entrepreneurs (using specific strategies such as "Outline Business Case" (OBC), "kickbacks" and "kickforwards") signal government officials – communicating the strategic importance of a project, encoding the incentive structure underlying a capture scheme, referencing the amount of extra funds baked into project costs to "take care" of ministerial technocrats if they agree to fund the project and embed it in their budget. It also appeals to the authority of a minister to approve a project and, by using a "big man" to deliver the message, ascribes credibility to the scheme, legitimacy for the captor, and signals willingness-to-pay.
- **Domination.** Consistent with Giddens' (1984) view of domination as authority over people, entrepreneurs described how officials engaged in capture, using their authoritative power over subordinates to assign capture projects to obedient cronies, and subordinating technocrats charged with facilitating the projects through budgeting, appropriation, procurement and award. Discretionary power over resource allocation and control was identified by entrepreneurs as the strongest link in the enactment of bribery "best practices."
- **Legitimation.** Evidence that entrepreneurs in Nigeria legitimate bribery as normative was convincingly illustrated in respondent quotes: "Everyone I know in my industry pays bribes", "I bribe to keep up with competitors who have a habit of bribing to get contracts", "The majority of our politicians loot the state coffers," "Most of the civil servants I know look for bribes," "If everyone is doing it (paying bribes) to succeed, why not me?" Legitimizing corrupt behavior as normative allowed entrepreneurs to justify corrupt behavior (27 of 32 admitted to routine bribery) and absolve themselves of impropriety or culpability.

The social embeddedness (Jack and Anderson, 2002; Granovetter, 1985) of bribery in Nigeria was evidenced by entrepreneurs' use of "connectors," – described by Giddens as "established" members of society who, in our case, by virtue of their control of political and social connections, exert

influence on how state resources are allocated. Influential ex technocrats and retired government and military officials – “ogas” – exploit social relationships and institutional knowledge for private gains, but in so doing play salient roles as bribery agents/brokers. Our data suggest they communicate the rules of promise-keeping, warn of severe sanctions for lack of follow through, enforce rules of reciprocity that ensure internal transparency and safeguard the transaction from opportunism, and grease the skids of bribery transactions for speedy completion. Importantly, they coordinate the pay-off schedules and facilitate the distribution of kick-forward and kickback money. Reflecting Granovetter’s (1985) observation that economic exchanges like bribery are embedded in a network of social relations, our data revealed that entrepreneurs unable to retain the services of expensive “connectors” relied more heavily on personal relationships with members of their ethnic groups, political parties, church and private clubs to establish relationships with government officials.

Shown in figure 1, the bribery best practices described by our informants are self-reinforcing. As state coffers are reloaded with petro-dollars, ministerial budgets swell, creating more lucrative opportunities for skilled entrepreneurs and other colluding agents to self-enrich by enacting budget capture behaviors. As this recursive dialectical interaction between agents and the structures of resource allocation unfolds, a new informal social order of bribery emerges that thereafter coexists with the old formal order. While old formal rules and standard operating procedures used for resource allocation remain substantively in place, they are subverted by actors in the new informal order. To the outside world, the formal order provides the appearance of “transparency,” masking what actually goes on in the informal order where budget capture predominates. In a reversal of roles in the new order, all the elements of capture best practices are enacted by entrepreneurs as the main actors with government agents in supporting roles. This emergent duality of informal and formal resource allocation gives bribery its potency. Because entrepreneurs regularly and repeatedly enact capture schemes and exploit resources in everyday business practices, bribery becomes sedimented and institutionalized as the way of doing business in Nigeria.

FIGURE 1
Agency-Structure Interplay in the Production of Bribery



Limitations

Our study is not without limitations. Our sample was small, not random, and restricted to startup and young firms in just three industries. Our findings may not be generalizable to larger firms or those in other sectors. We interviewed only founders/CEOs and recognize that a broader sample, including firm employees, may have produced different results. Although respondents voluntarily described actual corruption experiences, we also acknowledge the potential that they may fail to fully or accurately report their own behavior.

Implications for Practice and Future Research

Our findings should be of interest and use to policymakers interested in formulating and executing more effective anti-corruption programs. A view that bribery emerges from the interactions between human agents and social structures of resource allocation suggests policy on corruption should move beyond improving the quality of institutions and preoccupation with bureaucrats who demand bribes. The complex and dynamic actions of entrepreneurs and business owners who supply bribes, the middlemen who grease its wheels, and the state allocative systems upon which agents draw rewarding resources to produce and reproduce bribery suggest a broader focus.

Corruption in Nigeria is likely to persist if policymakers and reformers fail to address the supply-side of bribery. We suggest anti-bribery reforms must be championed from the bottom-up by firm leaders who possess the critical knowledge of existing corruption institutional logics and have the capabilities to mobilize others interested in mitigating corruption, especially those denied access to legitimate public sector business opportunities by captor firms.

Our findings may encourage researchers in countries where corruption is endemic, to re-examine bribery behavior at the micro level of situated founders/CEOs. In addition to applying structuration theory to corruption research, our study suggests that the nexus of human agency and state allocative structures provides a more comprehensive understanding of corrupt behavior and the rules and resources that sustain it. Quantitative studies in which the complex relationship between agency and structure in the production and reproduction of bribery can be tested are indicated.

References

- Ades, A., & Di Tella, R. 1999. Rents, competition, and corruption. *American Economic Review*, 89(4): 982.
- Agboli, M., & Ukaegbu, C. C. 2006. Business environment and entrepreneurial activity in Nigeria: Implications for industrial development. *The Journal of Modern African Studies*, 44(01): 1-30.
- Antunes, A.R., & Cavalcanti, T.V.V. 2007. Start up costs, limited enforcement, and the hidden economy. *European Economic Review*, 51(1): 203.
- Corbin, M., & Strauss, A. 2008. *Basics of qualitative research* (3rd ed.). Thousand Oaks, CA: Sage Publications, Inc.
- DiMaggio, P.J., & Powell, W.W. 1983. The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48(2): 147.
- Djankov, S., La Porta, R., Lopez-De-Silanes, F., & Shleifer, A. 2002. The regulation of entry. *Quarterly Journal of Economics*, 117(1): 1.
- Fadahunsi, A., & Rosa, P. 2002. Entrepreneurship and Illegality: Insights from the Nigerian cross-border Trade. *Journal of Business Venturing*, 17(5): 397-429.

- Giddens, A. 1984. *The constitution of society: Outline of a theory of structuration*. Cambridge, England: Polity Press.
- Granovetter, M. 1985. Economic action and social structure: The problem of embeddedness. *The American Journal of Sociology*, 91(3): 481-510.
- Grossman, G., & Helpman, E. 1994. Protection for sale. *American Economic Review*, 84(4): 833.
- Hellman, J. S., Jones, G., & Kaufman, D. 2003. Seize the state, seize the day: State capture, and Influence in transition economies. *Journal of Comparative Economics*, 31: 751-773.
- Herbst, J. 1996. Is Nigeria a viable state? *Washington Quarterly*, 19: 151.
- Jack, S. L., & Anderson A. 2002. The effects of embeddedness on the entrepreneurial process. *Journal of Business Venturing*, 17(5): 467.
- Leff, N. 1964. Economic development through bureaucratic corruption. *American Behavioral Scientist*, 8(3): 8-14.
- North, D. C. 1990. *Institutions, institutional change and economic performance*. Cambridge, England: Cambridge University Press.
- Nwabuzor, A. 2005. Corruption and development: New initiatives in economic openness and strengthened rule of law. *Journal of Business Ethics*, 59(1/2): 121-138.
- Okonjo-Iweala, N., & Osafo-Kwaako, P. 2007. *Nigeria's economic reforms progress and challenges*. Working Paper 6 Brooking Global Economy and Development.
- Oliver, C. 1991. Strategic responses to institutional processes. *The Academy of Management Review*, 16(1): 145.
- Osoba, S. O. 1996. Corruption in Nigeria: Historical perspectives. *Review of African Political Economy*, 23(69): 371-386.
- Peltzman, S. 1976. Toward a more general theory of regulation. *The Journal of Law and Economics*, 19(2): 211.
- Peng, M. W., & Heath, P. S. 1996. The growth of the firm in planned economies in transition: Institutions, organizations, and strategic choice. *The Academy of Management Review*, 21(2): 492-528.
- Rose-Ackerman, S., & Coolidge, J. 1997. High-level rent-seeking and corruption in African regimes: Theory and cases. *Policy Research Working Paper Series 1780*. The World Bank.
- Salimath, M. S., & Cullen, J. B. 2008. New venture attempts to influence state institutions: Effects on innovation. *Frontiers of Entrepreneurship Research*, 28(18), Article 5.
- Schneider, F., & Enste, D. H. 2000. Shadow economies: Size, causes, and consequences. *Journal of Economic Literature*, 38(1): 77-114.
- Shleifer, A., & Vishny, R.W. 1993. Corruption. *The Quarterly Journal of Economics*, 108(3): 599.
- Smith, D. J. 2007. *A culture of corruption: everyday deception and popular discontent in Nigeria*. Princeton University Press.
- Tanzi, V. 1998. Corruption around the world: Causes, consequences, scope, and cures. *Staff Papers - International Monetary Fund*, 45(4): 559-594.
- Transparency International. 2009. *Global corruption report 2009: Corruption and the private sector*. ti@transparency.org ISSN: 1749-3161. ISBN: 978-0-521-13240-4

Transparency International & World Bank. 2004. National Integrity Systems, Transparency International 2004, Country Study Report Nigeria (2004).
info.worldbank.org/etools/ANTIC/docs/Resources/Country

Wei, S.-J. 2000. How taxing is corruption on international investors? *The Review of Economics and Statistics*, 82(1): 1-11.

World Bank. 2004. National Integrity System, Transparency International, Nigeria Report, 2004
info.worldbank.org/etools/ANTIC/docs/Resources/Country

World Bank. 2007. World Bank Enterprise Surveys. Country Profile: Nigeria 2007.