

# [Customs and no political support (bti, 2016). the](https://assignbuster.com/customs-and-no-political-support-bti-2016-the/)

Customs AdministrationThereis a significant risk of corruption in Nigeria’s customs sector. Bribery iscommon among Nigeria’s customs and port authorities just like every othercountry, and smuggled goods regularly enter seaports and cross borders. Customsprocesses are handled exclusively by the Nigerian Customs Service (NCS) and theNigerian Ports Authority (NPA). Corruption in the custom service rangesfrom unlawful disruption of procedure for obtaining licenses to import andexport to clearing of goods in the port. The Nigerian customs also allow thesmuggling of contraband goods through the land borders. This affect local manufacturingand minority companies in a great way.  Corruptionin the Nigerian customs Service have resulted in the closure of over 500, 000startups since its inception (Akabueze, 2002) Public ProcurementCorruptionis common in Nigeria’s public procurement sector, with up to one-third ofcompanies expecting to give gifts or payments to secure a government contract (ES, 2014). Companies reportthat irregular payments are very common in public procurement procedures (GCR, 2015-2016).

The diversion ofpublic funds to well-connected firms and individuals as well as favoritism indecisions of government officials is widespread (GCR, 2015-2016). Difficulties in obtaining payments forprojects has rendered companies reluctant to bid on public contracts (ICS, 2016) (Ayozie, 2010). Politicianshave hijacked public procurement. As reported by strive Masiyiwa of Econet inthe introductory story we find out that corruption has greatly affected thepeace and progress of Nigeria’s businesses. Almost all companies complainedthat they were faced with harassment by public officers who demand for illegalpayments to secure what they already qualify for by law (AYOZIE, 2006)LegislationNigeriahas a well-developed anti-corruption legal framework, but enforcement isvery weak.

It has been estimated that corruption could cost Nigeria up to37% of its GDP by 2030 if corruption is not dealt with (PCW, 2017) TheCriminalCode criminalizes corruption and the abuse of office, and the CorruptPractices and Other Related Offences Actcriminalizes active and passivebribery, as well as attempted corruption, fraud, extortion and moneylaundering. The institutions established to combat corruption, namely the independentCorrupt Practices Commission(ICPC) andEconomic and Financial Crimes Commission (EFCC), have proved ineffective in curbing corruption, owing to incompetent leadership, insufficient funds, a lack of capacity, and no political support (BTI, 2016). The EFCC has proveditself to be incapable of diligent prosecution, often by not providingsubstantial evidence for charges or making mistakes allowing the defendants to beacquitted on technicalities (mondaq, 2016). Civil SocietyFreedomof expression is protected by the Constitutionbut is not always respectedin practice; courts do not always judge fairly in cases involving journalists (FotP, 2016). Journalistsoccasionally face interference from public officials, especially whenreporting on high-level corruption (FotP, 2016). Government officials do not always provide information to the press that theyare legally bound to disclose (FitW, 2016)Journalists and reporters continue to suffer from intimidation and harassment (FotP, 2016). Small-scalebribes and gifts to journalists are very common, but journalists themselves donot consider them a problem (FotP, 2016), which calls their independence into question.

Nevertheless, the medialandscape is described as one of the most vibrant and diverse on the Africancontinent (FotP, 2016). The press is considered ‘ partly free’ (FotP, 2016). Ithas been a known fact that the civil society in Nigeria is weak, fractionalizedand lacks pro-activeness even with private sector support in recent times, theresult is not yet felt.

Labor unions; the autonomous Nigerian Labour Congress(NLC) and her subsidiaries suffer similar limitations. Private media andreligious groups have increasingly taken on the tasks of civil society (BTI, 2016). 2. 2. 10: THE STRONGHOLD OF EASE OF DOING BUSINESS INNIGERIA AS A ROOT CAUSE FOR STARTUP FAILUREFrom the report table below, we observe that Nigeriastill score very low marks in 2017 in all the areas reviewed. Nigeria scores130 out of 145 nations when talking about starting a business; our topic infocus.

Which means getting registration, permits, electricity, credits, andprotection is very challenging. The Nigerian government have failed to makenecessary laws to encourage startup founding. Existing startups are notprotected from foreign investments that are way stronger than them. Minoritycompanies are generally at risk of failure (world, 2017)In conclusion, it is still very difficult doingbusiness in 2017, then let’s think of how difficult it was in 2003 when theEconet wireless company failed. It was 10 times difficult (AYOZIE, 2006).

By this literary review, a number of root causes ofstartup failure in Nigeria have been identified. They are number one, Lack ofsufficient preparation and prospecting which focused on the rough and quickestimates that the entrepreneurs make before starting a business. Secondly, Breakdown in the nation’s Infrastructure have not helped businesses over time.

Poorly constructed roads and absence of roads and rail system in many semiurban and rural areas frustrate logistics and transportation. Epileptic powersupply is a significant routine in Nigeria and government have not doneanything about it even when the significance of adequate power supply inBusiness cannot be overemphasized. Thirdly, we talked about how much requisitelabour is unavailable in Nigeria and its effect. The Econet group had to fly inabout 200 foreign experts in 2003. Nigeria have not made any investment intraining and formal education.

We also looked at the effect of insufficientfinancing in Startup. How the Econet group gave out 95% shares to 22 otherinvestors to secure their license and how it backfired. Poor social integrationand support which is also related to problems tagged Indigenous challenges weretwo other factors we looked at. These have to do with traditional, social, behavioral and cultural practices that hinders and kill startup in Nigeria. Language barrier is one of those prominent challenge. When people do notunderstand themselves and yet have individual interest there is going to be aproblem all the time. Corporate internal factors; how the startup entrepreneursbehave also affect their business.

Most entrepreneurs are geeky and overambitious. They always want things done in a preferred way that may not be veryrealistic on the long run. Corruption has been elaborately labelled a key causeof startup failure in Nigeria. Government officials and their agencies are fullof bribe takers. The various areas government agencies and parastatals exhibitcorruption have been discussed. And finally, Nigeria ranks 130 out of 145countries reviewed by the World Bank in the getting a business registeredindex, this is a major concern.

Generally, businesses are just trying tosurvive in Nigeria. Government have a lot to do to help progress the nation’sindex on the global ratings