



THE IMPACTS OF CORRUPTION AND REGULATORY CONSTRAINTS ON THE GROWTH OF ENTREPRENEURIAL VENTURES IN NIGERIA

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ABSTRACT

Entrepreneurship drives economic growth and job creation, enhancing living standards and national development. In Nigeria, however, corruption and excessive regulations undermine institutions, hinder investment, and lead entrepreneurs to adopt inefficient or unethical practices, stifling innovation and competition. Challenges such as bureaucracy, high taxes, and inadequate infrastructure further obstruct business development. This study explores the effects of corruption and regulatory constraints on entrepreneurial growth in Nigeria. Three research questions guided the study. Descriptive survey research design was employed. Descriptive statistics and questionnaires, analysed with a Cronbach's alpha coefficient of (.82) was conducted across Nigeria's six geo-political zones, utilising stratified, purposive sampling to select 380 respondents from a population of approximately 237 million, adhering to Yaro Yamane's formula with a 5% margin of error. Findings indicate that corruption and strict regulations in Nigeria significantly impede entrepreneurship by undermining institutions, deterring investment, and encouraging unethical practices, which stifles innovation and fair competition. Regulatory challenges such as high taxes, bureaucracy, and inadequate infrastructure further hinder start-ups and business growth. Additionally, corruption thrives due to weak institutions and poor governance, complicating law enforcement and accountability. It was concluded that it would take comprehensive reforms to eliminate the negative impacts of corruption and regulatory barriers on the growth of entrepreneurial ventures in Nigeria. It was recommended among others that government should embark on comprehensive reforms to streamline bureaucracy, enhance transparency, combat corruption, improve infrastructure and provide better financial access for entrepreneurial growth in the country.

Keywords: Impact, corruption, regulatory constraints, growth, entrepreneurial ventures.

1.0 INTRODUCTION

Nigeria is a country with abundant natural resources and a thriving entrepreneurial spirit, yet the growth of entrepreneurial ventures is often hindered by widespread corruption and bureaucratic red tape. Corruption is deep-seated in Nigeria, affecting government, law enforcement, and



businesses. Despite years of reforms, corruption continues to undermine democracy and economic growth. Many Nigerians tolerate or engage in corrupt practices, viewing it as a survival mechanism (Hoffman & Hilton, 2025). Nigeria's business landscape is characterised by a culture of bribery, nepotism and favouritism, hindering economic growth and development. The cumbersome process of registering a business, coupled with bureaucratic bottlenecks and infrastructural deficits, discourages potential investors and fosters corruption. Business regulations, designed to prevent chaos, can be too stringent, increasing the time and cost required to start a business and making it less likely for businesses to take root. This is why Adekunle (2024) opined that evaluating the efficacy of existing regulations is crucial in Nigeria, as harsh policies dampen local entrepreneurs' enthusiasm and deter foreign investors.

Regulatory constraints include excessive red tape, lack of transparency, and poorly enforced regulations, which are affecting the growth of entrepreneurial ventures. Nigerian Capital Development Fund {NCDF},2025) observed that Nigerian entrepreneurs face challenges in accessing funding, infrastructure and security due to high interest rates, lack of collateral and limited venture capital options. The combination of corruption, regulatory constraints, and other factors hinder Nigeria's potential as an African economic powerhouse. Corruption in Nigeria is rooted in its colonial history and post-independence struggles. The British centralised government prioritised extractive industries, leading to a culture of favouritism. Post-independence instability and military coups created authoritarian rule and economic mismanagement. Nigeria's oil wealth has created a powerful elite class, perpetuating corruption (Jacinta & Bayefine, 2025). Despite the efforts of the Economic and Financial Crimes Commission (EFCC), widespread corruption remains unabated in the country while the regulatory environment remains complex, hindering entrepreneurial growth.

This study explored the impacts of corruption and regulatory constraints on the growth of entrepreneurial ventures in Nigeria. Previous studies on entrepreneurial growth in Nigeria did not consider the long-term impacts of these constraints on entrepreneurial behaviour and growth the growth of entrepreneurial ventures in Nigeria. This creates gaps in the body of knowledge which



the current study sought to fill by using the institutional theory framework. The effectiveness of anti-corruption policies and regulatory reforms is also unclear. The study also addressed controversies and unanswered questions in literature about the effectiveness of anti-corruption policies and regulatory reforms.

Objectives of the Study

The main objective of the study was to determine the impacts of corruption and regulatory constraints on the growth of entrepreneurial ventures in Nigeria. Specifically, the study sought to determine

- i. The extent to which corruption affects the growth and success of entrepreneurial ventures in Nigeria,
- ii. The extent to which regulatory constraints affect the growth and success of entrepreneurial ventures in Nigeria,
- iii. The factors that exacerbate the impacts of corruption and regulatory constraints on the growth of entrepreneurial ventures in Nigeria,
- iv. Policy and institutional reforms that can be implemented in Nigeria to reduce corruption, regulatory constraints and promote entrepreneurial ventures for economic development.

Research Questions

The following research questions guided the study:

- i. How does corruption affect the growth and success of entrepreneurial ventures in Nigeria?
- ii. How do regulatory constraints affect the growth and success of entrepreneurial ventures in Nigeria?
- iii. What are factors that exacerbate the impact of corruption and regulatory constraints on the growth of entrepreneurial ventures in Nigeria?
- iv. What policy and institutional reforms can be implemented in Nigeria to reduce corruption, regulatory constraints and promote entrepreneurial ventures for economic development?



2.0 LITERATURE REVIEW

Corruption

Corruption is conceived as a misuse of power for personal gain, manifesting itself through activities such as bribery, fraud, and bias from prominent entities like governments and businesses (Chen, 2025). It involves receiving or giving gratification to induce a person to do a favour with corrupt intent, including money, sexual favours, properties, promises, services, confidentiality, leniency and contracts (Corrupt Practices Investigation Bureau, 2025). Corruption encompasses not only the misuse of public office for personal gain but also the exploitation of power and influence derived from political office, powerful roles in organisations or businesses, personal wealth, significant resources or elevated social status to achieve unfair advantages, engage in misconduct and undermine the interests of others (Basel Institute on Governance, n.d.). Corruption is defined as dishonest behaviour by those in positions of authority for their personal gain which can include extortion, paying politicians or officials to do something or not do something, denying citizens a service, giving special favors to friends or family or looting the treasury (Graycar, 2022).

Corruption is the misuse of power for personal gain, varying in forms across contexts. In rich countries, subtle corruption like nepotism can be mitigated through integrity culture, bureaucratic process improvements and compliance enhancements, contrasting with normalised corruption. Corruption constitutes a manifestation of dishonesty or unethical conduct wherein individuals or entities in positions of power exploit their entrusted authority for personal benefit or to sway decision-making in favour of those offering incentives, thereby inflicting detrimental consequences on society, public interests and the rule of law (Masters & Graycar, 2020). Corruption is the act of an actor pursuing an unauthorised benefit from an organisation in a manner that could potentially undermine the public's confidence in that organisation (Mistree & Dibley, 2018). A critical look at the definitions above shows that corruption exists in multiple forms and manifestations, which may vary by context and circumstance. The definitions shows that it involves misuse of power or position for personal gain, acceptance or solicitation of bribes, gifts or favours, abuse of resources for individual benefit, rather than for the public good.



However, the consequences of corruption on society include damage to public trust, democracy and economic development. Likewise, there are areas of departure in the definitions which include: the extent and nature of corruption, ranging from subtle practices like nepotism to blatant acts like bribery. The specific actors involved in corruption, ranging from individuals in public office to those in powerful roles within organisations or businesses (i.e. within the public or private sector). Hence, corruption involves personal and collective gains, including financial and non-financial gains, such as power and influence preservation. It encompasses various behaviours like conflicts of interest, patronage, nepotism, embezzlement and manipulation of legislative processes. Corruption is now viewed as a long-term game, aiming to access power and influence, expanding geopolitical influence. Its consequences include eroding democracy, public trust and limiting access to critical services for vulnerable populations. Social and cultural norms play a significant role in shaping perceptions and attitudes towards corruption. It leads to increased burdens and instability, with indirect effects such as reduced economic growth, reduced foreign investment and increased poverty. These impacts harm individuals, communities, and countries.

Regulatory Constraints

Regulation is characterised by a set of rules and activity that, together, incentivise people and organisations to meet expected behaviours (National Audit Office, 2024). Constraints are conditions that limit progress toward objectives and goals (Jamadar, 2017). Constraints are limitations or boundaries that restrict the scope and actions of planning or plan-making processes, preventing unwanted modifications or actions (Skaggs, 2023). Regulatory constraints refer to the rules, regulations and standards imposed by governmental and industry-specific authorities to ensure fair competition, protect consumers, and maintain a stable economy (Tamplin, 2024). Legal and regulatory constraints refer to the set of rules, laws, and regulations imposed by the government on individuals or organisations. To ensure compliance with regulatory and legal frameworks, these constraints establish boundaries and standards. Failure to adhere to these constraints can prompt legitimate punishments, fines, and different outcomes. For individuals



and businesses to operate legally and ethically, it is essential to comprehend and control these constraints (Patel, 2024).

It also refers to the limitations and mandates imposed by governmental bodies, international agreements, or industry standards that shape how organisations conduct their operations to minimise environmental impact and promote social responsibility (Sustainability Directory, 2024). Regulatory constraint means restriction on radiation protection parameters notified by the competent authority (International Environmental Law Research Centre, 2004). An official standard, rule, or regulation that can affect either what is built (e.g., it must be bi-lingual), how it is built (e.g., the Code must be completely protected by Tests), or both (Scrum Dictionary, n. d.).

A meticulous analysis of the definitions above shows that Regulation and constraints are defined as imposing limitations on behaviour or outcomes to achieve goals, often imposed by government or legal authorities to ensure compliance with established standards. Regulations are a type of laws that aim to incentivise specific behaviours or outcomes, while constraints focus on limiting actions or progress towards objectives. Regulations are enforced by specific governmental bodies, while constraints may be imposed by various conditions, circumstances or situation. Regulations offer flexibility, while constraints are rigid. Regulations are more specific, while constraints are broader. The nature and extent of regulation and constraints can vary across different cultural and historical contexts.

Entrepreneurial Ventures

An entrepreneur is an individual who assumes full responsibility for a business venture, developing and implementing innovative ideas to bring a new product or service to the market, while bearing the risks and rewards of the enterprise (Seth, 2025). Thus, an entrepreneur anticipates consumer wants and allocates resources, guided by past and present conditions. Success is determined by market competition, testing entrepreneurial theories, leading to the evolution of new products and market structures. Entrepreneurship involves starting and running businesses to make money by taking risks and identifying opportunities. Successful



entrepreneurs are resilient, adaptable, committed, open to learning from failure and seek new ideas to fill market gaps (Vizologi, 2024).

Equally, a venture is a risky, uncertain business venture that requires courage, persistence, and adaptability to navigate challenges and achieve success. Entrepreneurial ventures are business or organisational entities that leverage innovation and opportunism to generate economic or social value, focusing on pursuing new opportunities and implementing unique or original approaches with the primary objectives of value creation and growth (Iriobe, 2018). A good examination of the above definitions indicated that entrepreneurs assume full responsibility for the success or failure of their ventures putting into consideration the importance creativity and innovation, that is, introduction of new ideas, products or services to the market to generate value. All definitions also emphasise that entrepreneurs take risks and bear the consequences of their decisions. However, while some definitions focus on economic or financial motivations, others emphasise social value or impact. Few other definitions emphasise the role of the individual entrepreneur, while others focus on the venture as a business entity. Ultimately, definitions highlight the need to adapt to changing market conditions and learn from failure, while others focus more on achieving growth and profitability.

Theoretical Framework

The study is based on the institutional theory of Meyer and Rowan's (1977). Institutional theory establishes that institutions, which include formal and informal laws, conventions and structures, have a substantial influence on the behaviour of individuals and organisations within a society. Institutions influence decision-making, guide actions and provide legitimacy to entities (Adekunle, 2024). The theory, developed by sociologists in the 1950s, 1960s and 1970s focuses on habits and assumptions that influence organisational structures and behaviours (David *et al.*, 2019). The theory examines organisational structures and their homogeneity within a corporate field, focusing on values, norms and economic behaviour. It considers organisations to work within a given set of values norms (Ugwuibe *et al.*, 2021). Institutional theory explains organisational behaviour, highlighting how social environments, laws and standards shape structures, processes and professions, influencing organisational elements more than market pressures and defying economic



rationality (Roszkowska, 2023). The institutional theory is based on several fundamental assumptions; the theory suggests that organisations are social structures shaped by cultural and societal expectations, conventions, and values. The theory presumed that organisations adapt to society standards in order to maintain legitimacy and obtain stakeholder acceptance (Khan, 2022).

It also assumed that the adoption of various organisational structures and practices can be attributed to environmental forces such as legislative frameworks, industry conventions, and society views (Galleli & Amaral, 2025). The institutional theory postulated that environment influences organisational behaviour, decision-making and strategy choices, frequently resulting in convergence or uniformity among businesses within a specific sector (Sahin & Mahan, 2023). The theory suggest that organisations are part of larger social systems and networks, and their actions are shaped by their interactions with other institutional actors such as regulatory agencies, industry associations, and civil society organisations (Berthod, 2018). It also assumed that institutional influences can lead to compliance, reliance or institutional resemblance, where organisations acquire identical structures and practices over time despite initial differences (Muda *et al.*, 2024). Therefore, Institutional Theory suggests that economic and social systems are influenced by formal and informal rules, and corruption and regulatory constraints deviations from the established norms and rules of the institutional environment which can lead to inefficiencies and unintended consequences.

The theory is relevant to this paper as it is an effective approach for studying the influence of corruption and regulatory restraints on entrepreneurial enterprises in Nigeria. It focuses on how official and informal institutions, such as laws, rules and norms, influence entrepreneurial activity. Corruption and regulatory restraints can either facilitate or impede progress and institutional theory can help explain how these variables influence entrepreneurial activity and growth. The theory provides a comprehensive framework for understanding the interplay between institutions, organisational behaviour and outcomes, allowing scholars to propose viable answers to Nigeria's growth and development challenges. The idea provides a strong lens for investigating the unclear influence of corruption on economic growth. Some scholars have



argued that institutional theory tends to over-generalise and overlook important variations in organisational practices and structures across different sectors and contexts. Another limitation of the institutional voids concept assumes uniform economic and institutional development across nations, overlooking significant differences in structures and development across sub-regions and countries.

3.0 METHODOLOGY

A survey research design was used, using descriptive statistics and questionnaires to gather data on the experiences and perceptions of the general population towards the impact of corruption and regulatory constraints on the growth of entrepreneurial ventures in Nigeria, as well as towards developing actionable policy recommendations to improve the situation distributed across six geo-political zones. The study used stratified, purposive and snowball sampling techniques to select 380 respondents representing 95% from a total population of about 237 million adopting Yaro Yamane sample size formula with a 5% margin error across Nigeria's six geo-political zones. The target population size was determined based on its representation of key stakeholders across Nigeria's six geo-political zones. A Likert-scale questionnaire was developed and used as instrument of data collection. The face, content and construct validity of the questionnaire was validated by experts in research, while the reliability of the questionnaire was tested by conducting a pilot study, which was analysed using Cronbach Alpha and yielded the coefficient of .82. Mean was used to answer the research questions and decision was based on the real limits of numbers on a four-point scale for research questions 1 and 2 and cut off mean score of 2.50 for research question 3 while standard deviation was used to determine the homogeneity of the respondents' ratings.



4.0 FINDINGS

Research question 1: How does corruption affect the growth and success of entrepreneurial ventures in Nigeria?

Table 1: Respondents’ Mean Ratings on the Extent Corruption Affects the Growth and Success of Entrepreneurial Ventures in Nigeria N = 380

S/N	Issue Raised	N	Mean	Std. Deviation	Decision
1	Corruption causes poor public service delivery, including inadequate infrastructure, instability, and weak regulatory frameworks, and hinders entrepreneurial effort.	380	2.96	.967	Agreed
2	Corruption deters investment from global investors, restricting entrepreneurial access to capital, technology, and markets.	380	2.63	1.088	Agreed
3	Corruption in government procurement reduces entrepreneurial chances for public contracts and economic development.	380	2.76	.917	Agreed
4	Corruption breeds cronyism, nepotism, and patronage networks that benefit connected businesses and individuals over other entrepreneurs.	380	2.58	1.117	Agreed
5	Bribery, tax evasion, and price-fixing are encouraged by corruption, which can damage entrepreneurial ventures.	380	2.99	1.021	Agreed
6	Corruption causes inefficient resource allocation by diverting government funding and public goods away from productive investments and towards patronage.	380	2.75	1.127	Agreed
7	Corruption discourages innovation and entrepreneurship by creating an environment in which frequent bribes and favoritism hinder the establishment of new businesses.	380	2.68	1.092	Agreed
Grand Total			2.76		

Source: Field Survey, 2025

Table 1 presents the responses of the respondents on the impact of corruption the growth and success of entrepreneurial ventures in Nigeria. The first item in the table has the mean of 2.96 which implies that the respondents agreed that corruption causes poor public service delivery, including inadequate infrastructure, instability, and weak regulatory frameworks, and hinders entrepreneurial effort. The second item in the table has the mean of 2.63 which implies that the respondents agreed that



corruption deters investment from global investors, restricting entrepreneurial access to capital, technology, and markets. The third item in the table has the mean of 2.76 which implies that the respondents agreed that corruption in government procurement reduces entrepreneurial chances for public contracts and economic development.

The fourth item in the table has the mean of 2.58 which implies that the respondents agreed that corruption breeds cronyism, nepotism, and patronage networks that benefit connected businesses and individuals over other entrepreneurs. The fifth item in the table has the mean of 2.99 which implies that the respondents agreed that bribery, tax evasion, and price-fixing are encouraged by corruption, which can damage entrepreneurial ventures. The sixth item in the table has the mean of 2.75 which implies that the respondents agreed that corruption causes inefficient resource allocation by diverting government funding and public goods away from productive investments and towards patronage. The seventh item in the table has the mean of 2.68 which implies that the respondents agreed that corruption discourages innovation and entrepreneurship by creating an environment in which frequent bribes and favouritism hinder the establishment of new businesses. The grand mean of 2.76 and the higher level of closeness of the standard deviations of all the items in the table imply that the respondents agreed that corruption impact the growth and success of entrepreneurial ventures in Nigeria.

Research question 2: How do regulatory constraints affect the growth and success of entrepreneurial ventures in Nigeria?

Table 2: Impact of regulatory constraints on the growth and success of entrepreneurial ventures in Nigeria

S/N	Issue Raised	N	Mean	Std. Deviation	Decision
8	High tax rates and multiple taxations increase the cost of doing business and reduce the profitability of entrepreneurial ventures.	380	2.74	1.082	Agreed
9	Inconsistent and arbitrary application of laws and regulations creates uncertainty and unpredictability in the business environment.	380	2.64	1.024	Agreed
10	Access to cash and funding is limited due to bureaucratic restraints in the banking industry, such as stringent collateral requirements, high interest rates, and red tape.	380	2.58	1.197	Agreed



11	Entrepreneurs face significant costs and time constraints due to lengthy bureaucratic processes for business registration, licensing, and tax payments.	380	2.71	1.135	Agreed
12	High levels of crime and instability make it difficult for entrepreneurial initiatives to operate securely and effectively, especially in conflict-affected or terrorism-prone areas.	380	2.78	.996	Agreed
13	Weak intellectual property protection makes it difficult for entrepreneurs to defend their innovations and ideas against infringement or imitation.	380	2.83	1.019	Agreed
14	Poor infrastructure, such as unstable electricity, bad road networks and limited broadband connectivity, raises costs and reduces productivity.	380	3.08	.886	Agreed
Grand Total			2.76		

Source: Field Survey, 2025

Table 2 presents the responses of the respondents on the impact of regulatory constraints on the growth and success of entrepreneurial ventures in Nigeria. The first item in the table has the mean of 2.74 which implies that the respondents agreed that high tax rates and multiple taxations increase the cost of doing business and reduce the profitability of entrepreneurial ventures. The second item in the table has the mean of 2.64 which implies that the respondents agreed that inconsistent and arbitrary application of laws and regulations creates uncertainty and unpredictability in the business environment. The third item in the table has the mean of 2.58 which implies that the respondents agreed that access to cash and funding is limited due to bureaucratic restraints in the banking industry, such as stringent collateral requirements, high interest rates, and red tape.

The fourth item in the table has the mean of 2.71 which implies that the respondents agreed that entrepreneurs face significant costs and time constraints due to lengthy bureaucratic processes for business registration, licensing, and tax payments. The fifth item in the table has the mean of 2.78 which implies that the respondents agreed that high levels of crime and instability make it difficult for entrepreneurial initiatives to operate securely and effectively, especially in conflict-



affected or terrorism-prone areas. The sixth item in the table has the mean of 2.83 which implies that the respondents agreed that weak intellectual property protection makes it difficult for entrepreneurs to defend their innovations and ideas against infringement or imitation.

The seventh item in the table has the mean of 3.08 which implies that the respondents agreed that poor infrastructure, such as unstable electricity, bad road networks, and limited broadband connectivity, raises costs and reduces productivity. The grand mean of 2.76 and the higher level of closeness of the standard deviations of all the items in the table imply that the respondents agreed that regulatory constraints impact the growth and success of entrepreneurial ventures in Nigeria.

Research question 3: What factors exacerbate the impact of corruption and regulatory constraints on entrepreneurial ventures in Nigeria?

Table 3: factors that exacerbate the impact of corruption and regulatory constraints on entrepreneurial ventures in Nigeria.

S/N	Issue Raised	N	Mean	Std. Deviation	Decision
15	Nigerian corruption is encouraged by weak institutional capacity, which includes the judiciary, regulatory bodies, and law enforcement. This makes it difficult to execute anti-corruption legislation and regulations.	380	2.76	.973	Agreed
16	The absence of political will to fight corruption and improve the regulatory environment undermines attempts in Nigeria, where corrupt officials and powerful individuals prevent change.	380	2.38	1.368	Disagreed
17	Poorly enforced anti-corruption laws that allow corrupt actions to go unpunished foster a culture of impunity, hampering efforts to eradicate corruption in Nigeria.	380	2.63	1.192	Agreed
18	The lack of openness and accountability in government operations and public financial management inhibits the detection and resolution of corruption.	380	2.47	1.231	Disagreed



19	Nigeria's poor governance, including decentralisation and devolution, contributes to corruption and hinders the central government's ability to enforce regulations and combat corruption.	380	2.50	1.131	Agreed
20	In Nigeria, anti-corruption initiatives that are poorly implemented, resource-limited, or politicised fail to effectively address the root causes of corruption and regulatory constraints.	380	2.74	1.106	Agreed
21	The lack of public trust in Nigeria's government and institutions is a serious impediment to anti-corruption efforts and consensus on reform initiatives.	380	2.76	1.088	Agreed
Grand Total			2.60		

Source: Field Survey, 2025

Table 3 shows that five out of the seven items have mean ratings ranging from 2.50 to 2.74 which are above the cut off mean score of 2.50 while two have mean ratings of 2.38 and 2.4 with a grand mean score of 2.60. This means that the respondents agreed that the listed factors exacerbate the impacts of corruption and regulatory constraints on entrepreneurial ventures in Nigeria. The higher level of closeness of the standard deviations of all the items in the table implies that the respondents agreed that several factors exacerbate the impact of corruption and regulatory constraints on entrepreneurial ventures in Nigeria.

Research question 4: What policy and institutional reforms can be implemented in Nigeria to reduce corruption, regulatory constraints, and promote entrepreneurial ventures for economic development?

Table 4: Policy and institutional reforms that can be implemented in Nigeria to reduce corruption, regulatory constraints, and promote entrepreneurial ventures for economic development

S/N	Issue Raised	N	Mean	Std. Deviation	Decision
22	The government should Improve access to finance and credit by expanding financial institutions, promoting alternative financing channels like microfinance, and reducing collateral requirements for SMEs.	380	2.67	1.082	Agreed



23	The government should invest in infrastructure development, including digital infrastructure, to support entrepreneurial ventures, reduce costs, and enhance competitiveness.	380	2.79	1.044	Agreed
24	The government should enhance transparency and accountability in its processes by implementing open data and e-government systems.	380	2.67	1.209	Agreed
25	The government should strengthening the independence and effectiveness of the judiciary, law enforcement agencies, and regulatory bodies.	380	2.80	1.183	Agreed
26	The government should implement e-government to streamline bureaucratic processes, decrease paperwork, and boost citizen participation in governance.	380	2.70	1.160	Agreed
27	The government should streamline business registration processes and administrative hurdles through online platforms and Integrated service center to streamline the business start-up process.	380	2.82	1.074	Agreed
28	The government should strengthening anti-corruption institutions and legislation, including the ICPC and EFCC, to ensure their independence and effectiveness.	380	3.03	1.101	Agreed
29	The government should improve transparency and accountability in its procurement processes and financial management systems by implementing digital platforms for procurement and financial reporting.	380	3.00	1.137	Agreed
Grand Total			2.81		

Source: Field Survey, 2025

Table 4 presents the responses of the respondents on the impact of regulatory constraints on the growth and success of entrepreneurial ventures in Nigeria. The first item in the table has the mean of 2.67 which implies that the respondents agreed that the government should improve access to finance and credit by expanding financial institutions, promoting alternative financing channels like microfinance, and reducing collateral requirements for SMEs. The second item in the table has the mean of 2.79 which implies that the respondents agreed that the government should invest in



infrastructure development, including digital infrastructure, to support entrepreneurial ventures, reduce costs and enhance competitiveness.

The third item in the table has the mean of 2.67 which implies that the respondents agreed that the government should enhance transparency and accountability in its processes by implementing open data and e-government systems. The fourth item in the table has the mean of 2.80 which implies that the respondents agreed that the government should strengthening the independence and effectiveness of the judiciary, law enforcement agencies, and regulatory bodies. The fifth item in the table has the mean of 2.70 which implies that the respondents agreed that the government should implement e-government to streamline bureaucratic processes, decrease paperwork, and boost citizen participation in governance. The sixth item in the table has the mean of 2.82 which implies that the respondents agreed that the government should streamline business registration processes and administrative hurdles through online platforms and Integrated service center to streamline the business start-up process.

The seventh item in the table has the mean of 3.03 which implies that the respondents agreed that the government should strengthening anti-corruption institutions and legislation, including the ICPC and EFCC, to ensure their independence and effectiveness. The eighth item in the table has the mean of 3.00 which implies that the respondents agreed that the government should improve transparency and accountability in its procurement processes and financial management systems by implementing digital platforms for procurement and financial reporting. The grand mean of 2.81 and the higher level of closeness of the standard deviations of all the items in the table imply that the respondents agreed that the economy can improve through anti-corruption policies, simplified regulations and encouragement of new businesses to enhance growth.



Discussion of Findings

Findings of the study were discussed in line with the four specific objectives as follows:

Extent corruption affects the growth and success of entrepreneurial ventures in Nigeria

The results of the study show a clear consensus among respondents that corruption and regulatory challenges significantly constrain the growth of entrepreneurial ventures in Nigeria. From the first set of findings, corruption emerges as a major structural barrier that frustrates business development. Respondents indicated that corrupt practices weaken public institutions, undermine service delivery and discourage private investment. Poor infrastructure, unstable regulations, and biased allocation of public resources reduce the competitiveness of new and existing businesses. These conditions reduce entrepreneurs' opportunities to secure government contracts, limit innovation and compel businesses to operate or engage in dishonest practices for survival, which may involve breaking rules or concealing activities. In addition, corruption creates an uneven playing field where political connections and favouritism give certain actors undue advantages, eroding confidence in the business environment. These findings were supported by the work of scholar like Okwechime and Jude (2025).

Extent regulatory constraints affect the growth and success of entrepreneurial ventures in Nigeria

The findings on regulatory constraints clearly show the impact of administrative and economic burdens faced by entrepreneurs. Respondents agreed that high tax burdens, unpredictable regulatory enforcement and bureaucratic difficulties raise the cost of doing business and reduce profitability. Lengthy registration processes, rigid lending requirements, and excessive paperwork discourage new entrants and slow business expansion. With weak infrastructure such as unreliable power supply, poor transportation systems, and limited digital connectivity entrepreneurs often spend more resources compensating for government failures rather than improving productivity or innovation. The absence of adequate protection for intellectual property further deters creative enterprise, as innovators fear theft or imitation of their ideas without legal remedy. These findings were also in tandem with the works of ProInvoice (2025) and Nigerian Capital Development Fund {NCDF} (2025).



Factors exacerbating the impacts of corruption and regulatory constraints on the growth of entrepreneurial ventures in Nigeria

A critical examination of the factors increasing corruption suggests that systemic weaknesses within state institutions make reform difficult. Respondents noted that judicial and regulatory bodies lack the autonomy and capacity required to enforce anti-corruption policies consistently. Although some respondents disagreed that political will is completely absent, there was broad agreement that ineffective implementation of laws, poor oversight mechanisms and loss of public trust in government agencies deepen the cycle of corruption. Poor governance practices such as decentralised structures that lack coordination also obstruct reforms and reduce the central government's ability to hold officials accountable. These findings tallied with the Adamaagashi *et al.* (2024).

Policy and institutional reforms to reduce corruption, regulatory constraints and promote entrepreneurial ventures for economic development in Nigeria

In terms of solutions, the respondents strongly supported reforms aimed at reducing administrative bottle-necks and restoring institutional credibility. Strengthening the legal and regulatory framework, improving government transparency through digital systems, and enforcing accountability were widely seen as essential steps. Similarly, better financial access, streamlined business processes and improved infrastructure were identified as practical measures to make the environment more supportive for entrepreneurs. Respondents also called for stronger anti-corruption institutions and digital reforms in procurement and financial reporting to close loopholes that sustain illicit practices. These findings aligned with the work of Adepoju (2025).

5.0 CONCLUSION AND RECOMMENDATIONS

The study highlights that corruption and regulatory constraints significantly hinder entrepreneurial growth, hindering market opportunities and investment in Nigeria. Corruption undermines institutional effectiveness and investor confidence, while regulatory barriers such as taxation, policy inconsistency and inadequate infrastructure elevate operational costs and stifle innovation. Weak institutional capacity and low public trust exacerbate these issues. The research suggests that



targeted reforms enhancing transparency, strengthening legal systems, simplifying business processes and improving infrastructure could foster a more competitive and attractive environment, as they can foster trust, lower business costs, enhance innovation for entrepreneurs. Ultimately, addressing corruption and regulatory inefficiencies is vital for stimulating economic growth and sustainable development in Nigeria.

To combat corruption, it is pertinent for government to enhance the autonomy and funding of anti-corruption agencies and allowing them to prosecute independently. This will help restore trust in public institutions through effective law enforcement. Additionally, increasing government transparency via digital systems for procurement and financial management will diminish bribery opportunities and facilitate monitoring of government processes.

Regulatory and administrative processes in Nigeria should be simplify by the government by redesigning business registration, licensing, and tax procedures to reduce waiting times, paperwork, and administrative costs. Utilise online platforms and integrated service centers for faster compliance. In addition, government and business organisations should invest in critical infrastructure, including electricity, transportation, digital connectivity, and industrial facilities, to lower production costs and improve competitiveness for local and international businesses. Consistent policy implementation, open communication and measurable reform outcomes are necessary to rebuild trust and ensure citizens and investors believe in ongoing transformation.

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