

Public Procurement and Corruption in Africa: A Literature Review

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Corruption is the major scourge of governments in Africa. This paper answers three questions: what types of corruption are found more often within public procurement in Africa? What are the major determinants of corruption in public procurement and what are the major challenges for the fight against corruption in public procurement in Africa? This paper examines the determinants of public procurement corruption in Africa, and finds that the economic, political, organizational and social determinants have a significant relationship with public procurement corruption in Africa, and proposes some challenges to consider in the fight against corruption in public procurement.

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1. - Introduction

Corruption in public procurement, which is a global phenomenon affecting countries at all stages of development, has tremendously negative effects, leading to projects which not only exploit taxpayers' money or donated funds, but which may also pose a danger to the health and safety of users. Public procurement is particularly susceptible to corruption because of the vast sums of money governments spend on such projects, the relatively high degree of discretion public officials and politicians typically have in such matters in comparison with other areas of public expenditure, and the difficulty in detecting and investigating cases of corruption.

Specific examples of corruption in public procurement may be as varied as the procurements and individuals involved. Generally, corruption in public procurement may involve complicated procedures and detailed planning; technical complexities; numerous persons; and at times an international dimension. These characteristics should be duly considered in detecting, preventing and deterring corruption in public procurement.

Because of the complexities of corruption in public procurement, comprehensive preventive measures are necessary. Clear regulations and transparent procedures in public procurement, including e-procurement, establishment of procurement boards, education and public awareness of corruption in public procurement are examples of effective preventive measures. Despite these measures, corruption in public procurement still persists.

2. - Methodology

The review of the literature reveals that many papers have been written to try to understand the phenomenon in several countries in Africa and the world. The results of this research show that the forms and determinants of corruption depend on each country. From a globalization view, the objective of this study is to try to identify forms and determinants of corruption that are common to African countries, in order to further identify the major challenges to combat this scourge. The inductive method will be used through an empirical research introducing generalizations estimating population parameters from observation, and draining sample and devising measuring instruments. (Empirical generalization). The deductive method will be used through the theorizing, forming concepts developing and arranging propositions from theories, and deducting consequences making predictions.

In data collection and analysis, this study will use two ways of triangulation with the purpose of arriving at as multifaceted a treatment as possible: firstly the source data triangulation investigating scholarly literature and statistical material (previous studies, reports, statements); and secondly the methodological triangulation using different methods: systems approaches, modeling, discussions, analysis of documents and earlier research. Briefly, the research will combine qualitative and quantitative approaches.

3. - Literature Framework

Public procurement is defined by the World Bank as the purchasing, hiring or obtaining by any other contractual means of goods, construction works and services by the public sector. It is alternatively defined as the purchase of commodities and contracting of construction works and services if such acquisition is effected by resources from state budgets, local authority budgets, state foundation funds, domestic loans or foreign loans guaranteed by the state, and foreign aid as well as revenue received from the economic activity of the state. Public procurement thus means procurement by a procuring entity using public funds (World Bank, 1995).

Public procurement has been identified as the government activity most vulnerable to corruption. As a major interface between the public and private sectors, public procurement provides multiple opportunities for both public and private actors to divert public funds for private gain.

Traditionally, public procurement has been perceived as belonging to the implementation phase of the budgetary process. In other words, public procurement professionals are responsible for executing the approved procurement budget. This is a very narrow view of the role of these individuals. In reality, for certain procurement types, particularly building and road construction projects, public procurement professionals can be valuable sources of information for sound decisions. For a better procurement plan, they need to know in advance, *i.e.* before the procurement budget is approved: (1) How many procurement projects will be conducted in the fiscal year? (2) How many procurement projects' budgets have to be spent in the fiscal year and will expire by the end of the fiscal year if they are not spent? and (3) What projects are most critical for the agency's mission so that extra attention can be given to them?

Moreover, market knowledge on the part of public procurement officials will be critical to decisions on such alternatives as privatization or "make-or-buy". Finally,

knowing how a procurement project is planned, authorized, and budgeted, public procurement professionals will be able to implement procurement projects effectively, efficiently, and economically. In reality, procurement officials are involved in procurement only after agencies have obtained a procurement budget. The procurement process consists of many stages, as argued by Thai (2009): (a) procurement planning; (b) preparing and processing of procurement requests; (c) developing and reviewing requirements documents; (d) planning for evaluation; (e) contract award; (f) preparation and signing of contract; and (g) contract administration.

Weele (2005) adopts another approach, which specifies six distinct activities: specification, supplier selection, contracting, ordering, expediting, and follow-up/evaluation. This combination of precision and a broad-brush approach makes this six stage approach effective as a framing device for mapping out the contingent approaches of the many forms of public procurement. Government procurement is not only business, *i.e.* the acquisition of goods and services on the best possible terms, but also has broader social, political and economic implications. Throughout history, governments have used their procurement power to promote social, industrial and environmental policies.

Although public procurement processes are fairly complex and can be implemented differently in various jurisdictions, their three main phases are: (1) Procurement planning and budgeting; (2) Procurement solicitation; and (3) Contract award and performance. Corruption can arise in various forms in each of these separate phases of the procurement process.

In the first phase, the government entity needs to determine what good or service it would like to buy (the requirement) and how much it would like to spend (the budget). (See Dyer and Singh, 1998; Sako, 1992). In both of these cases, there are opportunities for corruption. In determining the requirement, reports could be prepared that falsely report damaged equipment in order to create an excess supply that could be used for corrupt purposes. The procurement requirements could also be written to favor a particular supplier or contractor. Budgets could be set artificially high so that excess allocations can be stolen or diverted. In addition, programmatic budgets could be devised in such a way that there are overlapping budgetary allocations among separate organizations or departments that could likewise be applied in a corrupt manner (see Brousseau and Glachant, 2005; Lamming, 1993).

In the second phase, the main tasks are compiling the request for proposals or tender documents and conducting an evaluation. The evaluation criteria in the request for proposals or tender documents could be drafted to favor a particular

supplier or service provider, or likewise could be drafted to emphasize the weaknesses of a particular competitor. The criteria could also be drafted in a subjective way or even not clearly stated in the tender documents, leaving room for manipulation and biased assessments and having no grounds for justifying the decision. Later, during the evaluation of the proposals or tenders, these criteria could be misapplied or otherwise further defined or amended after the proposal or tender receipt. During this phase it is also possible that advance information could be provided to a particular, favored supplier or contractor. Other techniques such as failing to solicit proposals or tenders from the competitors of a favored supplier, wrongfully restricting the tender pool, soliciting offerors known to be inferior to a favored supplier, simply mis-addressing tender documents, accepting late proposals or rejecting legitimate proposals can all be utilized to corrupt the procurement process (see Cadwell and Bakker, 2005; Pingry, 1974; Robinson *et al.*, 1967; Strauss, 1962).

Corruption opportunities also abound at the third phase of the procurement process. For example, an offeror could propose an unrealistically low offer in the hope that after the contract is awarded procurement officials will allow amendments to increase costs. Likewise, a firm could offer exceptionally high caliber products or less qualified personnel to meet a particular requirement and then, upon contract award, substitute inferior products or personnel. It is also possible to corruptly require sub-contractual relationships with favored suppliers. Furthermore, after the evaluation is complete, it is possible to award a contract that materially differs from the terms of the original solicitation in terms of specifications, quantity, or delivery schedule. Oversight and reporting requirements may also be minimized and in some cases cost overruns can be corruptly explained away or falsely justified. Finally, supporting documentation could be intentionally lost or destroyed making detection and prosecution of corruption offenses difficult.

But how does it happen in public procurement in Africa? What are the relevant forms of corruption in public procurement in Africa?

During the early years of independence in Africa, the argument presented above was a very popular justification for high levels of corruption in the continent. As the argument went, the new African countries paid their public workers extremely low wages; unfortunately, these workers were expected to financially support not only themselves and the nuclear family but also to share the benefits of their public offices with their extended family, which in some cases could include a whole village. At this time, the argument was that unless the civil servant was permitted to supplement his income with bribes and thus enhance his ability

to meet his various obligations, he was unlikely to remain in the public sector and continue to serve the people (Mukum Mbaku, 2007).

In many countries in Africa today, civil servants continue to thwart poverty alleviation efforts by engaging in activities that enrich them but prevent the private sector from creating the wealth that could be used to deal with pervasive poverty. The public policies favored by bureaucracy are not those that enhance or promote economic growth and the creation of wealth but those that allow civil servants to generate extra-legal income and privileges for themselves. As a result, scarce foreign exchange, which ought to be reserved for the purchase of essential inputs for domestic industries, has been spent on the importation of luxury items from western industrial countries, thanks to corrupt civil servants.

Shortly after independence, many African civil servants saw corruption as an opportunity for self-enrichment. Today, corruption is still viewed by many of them in the same manner (such as in the Democratic Republic of Congo). The argument that corruption can improve the relationship between the private sector and government regulators and thereby produce more growth-enhancing public policies is not informed by the evidence from the continent.

Although there is much evidence to support this conclusion, just one from Cameroon will suffice. In the jargon used by civil servants in Cameroon, the state is generally referred to as the “warehouse” from which they can requisition resources for themselves, their families, and friends. The managers of this warehouse – politicians and civil servants – continue to exhibit an insatiable appetite to defraud the warehouse’s owners, *i.e.* the Cameroon people. The process works as follows: an office needs reams of paper. Thus, they are ordered. An agreement is made to pay 8 million or 10 million CFAF for paper that should cost 5 million CFAF. How is the 3 million or 5 million CFAF surplus shared? It is shared between the boss (the linchpin), the store’s accountant (the controller) and the businessman (the architect) (quoted in Jua, 1991, page 165; see Agbibo, 2012). The same practice is observed in many other African countries, such as the Democratic Republic of Congo and Burundi, Nigeria, Kenya, South Africa, Morocco, Tunisia, Algeria, etc. (See Adebayo, 2010).

In the 1960s, development economists also argued that corruption in the poor countries could «help economic development by making possible a higher rate of investment than would otherwise be the case» (see Leff, 1964, page 10).

As argued by Bayley (1966, page 728), corruption, whether in the form of kick-backs or payments originating with the briber, may result in increased allocation of resources away from consumption and into investment. In Bayley’s view, bu-

reaucrats, who belong to a group that is relatively more educated and has higher skills than the rest of each country's citizens, have more information about investment and economic growth than the ordinary citizen. Hence, members of this group may have a higher propensity to invest in productive activities than the individuals who pay bribes to them. Transferring resources from the rest of the population through corruption to members of the civil services, as argued by Bayley, can actually raise levels of investment in those activities that create wealth.

It is argued by several development economists (*e.g.* Leff, 1964), that corruption can help entrepreneurs and investors (both foreign and domestic) to have more control over the policy process and government activities in the economy, resulting in a significant reduction in the negative effect of political uncertainty on investment and productive activities. Leff argues that by enabling entrepreneurs to control and render predictable this important influence on their environment, corruption can increase the rate of investment.

It is also argued that corruption can improve the environment for domestic innovation and lead to higher levels of economic growth. Traditionally, the entrepreneur who engages in innovation or the creation of knowledge (*i.e.* technology), faces severe competition from established business interests and may find it very difficult to successfully introduce a new innovation into the market place. With corruption, the creator of new knowledge can secure the protection that he needs to successfully launch the new innovation; graft alone may enable an economic innovator to introduce his innovation before he has time to establish himself politically.

One question comes to mind from this argument: can corruption enhance both innovation and investment in Africa? Or, better yet, has corruption enhanced investment in Africa as argued by Leff (1964)? The answer is certainly negative – as presented in the last part of this paper.

A recent study has characterized some main forms or manifestations of corruption, according to a number of basic characteristics (Amundsen, 1999). The main forms considered are bribery, embezzlement, fraud, extortion and favoritism. Even when these concepts are partly overlapping and at times interchangeable with other concepts, they may identify some basic varieties of corruption.

- a.* “*Bribery*” is the payment (in money or kind) that is given or taken in a corrupt relationship. To pay or receive a bribe is corruption *per se*, and should be understood as the essence of corruption. A bribe is a fixed sum, a certain per-

centage of a contract, or any other favor in money or kind, usually paid to a state official who can make contracts on behalf of the state or otherwise distribute benefits to companies or individuals, businessmen and clients.

There are many equivalent terms to bribery, such as kickbacks, gratuities, “commercial arrangements”, baksheesh, sweeteners, pay-offs, speed- and grease money, which are all notions of corruption in terms of the money or favors paid to employees in private enterprises, public officials, and politicians. These are payments or returns needed or demanded to make things pass more swiftly, smoothly or favorably through the state or government bureaucracies (see Ufere *et al.*, 2012).

- b. “*Embezzlement*” is theft of resources by people who are put in place to administer those resources; it is when disloyal employees steal from their employers. This is a serious offence when public officials are misappropriating public resources, when a state official steals from the public institution in which he or she is employed and from resources he or she is supposed to administer on behalf of the public.

Embezzlement is *not* considered as corruption from a strictly legal point of view, but is included in the broader definitions. In legal terms, corruption is a transaction between two individuals, one state agent and one “civilian”, where the state agent goes beyond the limits of the law and regulations in order to secure himself a personal benefit in the form of a bribe. Embezzlement is regarded more as theft because it does not involve the “civilian” side directly. The general public is deprived when public funds are embezzled, but no individual property is stolen and individual citizens are bereft of legal rights to present themselves as forfeited.

This all points to one of the dangers of embezzlement. There will have to be a political will as well as an independent judiciary and a legal capacity to clamp down on embezzlement. It is a form of corruption and power abuse that can develop in closed institutional and moral spheres, independently of the public moral code and with few possibilities of public sanction. In many thoroughly corrupt countries, embezzlement is a fundamental part of the resource extractive capacity of a ruling elite, even more important than extraction through bribes.

- c. “*Fraud*” is an economic crime that involves some kind of trickery, swindle or deceit. Fraud involves a manipulation or distortion of information, facts and expertise, by public officials positioned between politicians and citizens, who

seek to make a private profit. Fraud is when a public official (agent), who is responsible for carrying out the orders or tasks assigned by his superiors (principals), manipulates the flow of information to his private profit; hence the widely used principal-agent or incentive theory employed by economists to study this phenomenon (Eskeland and Thiele, 1999; Fjeldstad, 1999).

Fraud is also a broader legal and popular term that covers more than bribery and embezzlement. It is fraud, for instance, when state agencies and state representatives are engaged in illegal trade networks, counterfeit and racketeering, and when forgery, smuggling and other organized economic crime is propped up by “official” sanctions and/or involvement. It is fraud when politicians and state agents take a share for closing their eyes to economic crimes, and it is serious fraud when they have an active role in it.

d. “Extortion” is money and other resources extracted by the use of coercion, violence or the threats to use force. Blackmailing and extortion are corrupt transactions where money is violently extracted by those who have the power to do it, but where very little is returned to the “clients” (perhaps only some vague promises of exception from further harassment).

“Protection” or “security” money can be extorted in the classical, well-known Mafia style, where organized criminals use insecurity, harassment and intimidation to extort money from individual citizens, private businesses and public officials. Corruption in the form of extortion is usually understood as a form of extraction “from below”, by Mafias and criminals.

Corrupt practices of this kind can, however, also be “from above”, when the state itself is the biggest Mafia of them all.

e. “Favoritism” is a mechanism of power abuse implying “privatization” and a highly biased distribution of state resources, no matter how these resources have been accumulated in the first place. Favoritism is the natural human proclivity to favor friends, family and anybody close and trusted. Favoritism is closely related to corruption insofar as it implies a corrupted (undemocratic, “privatized”) distribution of resources. In other words, this is the other side of the coin where corruption is the accumulation of resources.

Favoritism is the penchant of state officials and politicians, who have access to state resources and the power to decide upon the distribution of these, to give preferential treatment to certain people. Clientelist favoritism is the rather everyday proclivity of most people to favor their own kin (family, clan, tribe,

ethnic, religious or regional group). Favoritism or cronyism is, for instance, to grant an office to a friend or a relative, regardless of merit.

Favoritism is a basic political mechanism in many authoritarian and semi-democratic countries. In most non-democratic systems, the president has, for instance, the constitutional right to appoint all high-ranking positions, a legal or customary right that considerably extends the possibilities for favoritism. It easily adds up to several hundred positions within ministries, the military and security apparatus, in the parastatals and public companies, in the diplomatic corps and in the ruling party.

Nepotism is a special form of favoritism, in which an office holder (ruler) prefers his proper kinfolk and family members (wife, brothers and sisters, children, nephews, cousins, in-laws, etc.). Many unrestricted presidents have tried to secure their (precarious) power position by nominating family members to key political, economic and military/security positions in the state apparatus. Eigen (2002) argues that bribery and extortion have a very high cost to the public at large. First, the investment costs of a specific project, where the contract was obtained by bribery, will escalate, either from the beginning or later, during execution. Bribery at the contracting stage will lead to the absence of competition (and the price-moderation usually associated with competition), or it will defeat competition by price-fixing or collusion. Bribery during execution may manifest itself by implanted cost increases or by a reduction of project scope without a commensurate reduction in the price.

Second, bribery during execution will lead to substandard performance (cheaper materials, leaner cement mix, execution below specifications), reducing the life expectancy of the project, or requiring higher maintenance expenditures.

Third, bribery often results in the selection and execution of projects that are uneconomic or unnecessary, thereby preventing investments or expenditures that economically, ecologically or socially would be much more desirable. A particularly frequent occurrence is that due to the absorption of scarce resources for uneconomic investments, urgent maintenance expenditures are deferred, with the result that buildings, roads, utilities or school buildings deteriorate much faster than they were designed to do. There is a much greater opportunity for bribery and extortion in investment projects than in maintenance activities, creating a strong bias in favor of heavy expenditure investments.

Fourth, by the wastage of scarce resources, bribery thus contributes to the erosion and undermining of development; it replaces competition and market forces

and after a time it will scare away investors (who will shy away from investing their money in a country where the real return on their investment is so uncertain). Even honest contractors and suppliers will build the cost of delay and uncertainty into their price structure.

Public procurement corruption can be classified to include (1) supplier induced corruption as a result of stringent competition for government contracts (source), and (2) public official induced corruption through creating bureaucratic hurdles that would necessitate seeking faster services (source). It may also be (3) politically induced corruption where contractors with political connections receive favors for fear of political persecution. In many less-developed countries, one of the prevalent forms of corruption is called “speed corruption” (Bose, 2004; Marjit *et al.*, 2000). This involves the capacity to harass, delay or withhold decisions handed down by procurement officials unless a bribe is given. In Uganda’s case, officials in the finance and accounts departments may delay or fail to process the payments for providers until a bribe is paid or promised. It may also involve the engineers, in the case of construction projects failing to issue a certificate of completion, or issuing them when the works have not been completed.

The Uganda 3rd Integrity Survey Report (2008), identifies new forms of corruption and prominent among them are “Syndicate corruption” and “Management by Crisis”. The former involves networks of strategically placed public officials who collude to embezzle public funds with impunity. Under the “management by crisis” syndrome public officials deliberately delay planning in time in order to create a crisis and stampede the procurement process. Demand for, and payment of bribes has changed from covert to overt actions. Public officials are openly asking for bribes in exchange for services while the clients are openly paying without complaining. In this survey, it was revealed that in Uganda there is now a shift from the middle age crisis previously 40-45 years to the current 25-30 years. This has been due to peer pressure among members of the younger generation who have succumbed to flamboyant lifestyles provided by the private sector. This has encouraged them to live beyond their means, hence they engage in acts of corruption (Basheka, 2011).

Corruption is such a pervasive and enduring fact in some societies that it has become an important aspect of the cultural norms and practices (Guhan and Paul, 1997; Sandholtz and Koetzle, 2000). Corruption comes from a Latin word “*corrumpere*” which means to break something and during the action of corruption, the law, legal rule, a moral norm and in the worst situations communities and human personalities, are broken (Farida and Ahmadi-Esfahani, 2006).

Corruption holds twofold meanings, namely: the narrow and broader perspectives. In the former it is used to mean those activities which stand for illegal practices in which citizens or organizations bribe officials in charge for awarding permissions or contracts, or to escape punishment or fines for offenses they committed (Rose-Ackerman, 1999). In the latter it includes achieving several advances through personal networking, paying gratitude money or giving gifts for usual services but in other cases, it is simply viewed as misuse of public office for unofficial gains.

Heidenheimer (1989) categorized corruption into three forms. Firstly, public office-centered corruption is behavior that deviates from the formal duties of a public role due to private regard for pecuniary or status gains. The second is market-centered corruption where a corrupt civil servant regards his/her public office as a separate business and seeks to maximize his/her income. Third is the public-centered corruption where its patterns can be said to exist whenever a power holder who is charged with doing certain things is, by monetary or other rewards not legally provided for, induced to take actions, which favor whoever provides the rewards and thereby does damage to the public interests.

What are the causes of corruption in the public procurement process in Africa? In other words, what are the determinants of the corruption in the public procurement in Africa? The next part of this paper presents some determinants and their consequences on the public governance.

4. - The Major Determinants of Public Procurement Corruption in Africa

Determinants of procurement corruption in developing countries are complex. They can be microeconomics or macroeconomics, internal or external ones. One single factor cannot therefore fully explain the phenomenon using one set of factors such as economic variables. In this study, we examine the contribution of political determinants of procurement corruption.

The literature suggests many variables combine to explain the phenomenon of corruption in general and public procurement in particular. For example, Serra (2006) conducted a sensitivity analysis on the determinants of corruption involving 16 variables. In that study, four variables were economic, five socio-economic, and seven political.

Corruption can arise because bad policies or inefficient institutions are put in place to collect bribes from individuals seeking to get around them. Paldam

(2000) posits that «a skew in income distribution that discriminates against the majority may increase the temptation to make illicit gains». Economies with high human capital have low levels of corruption as found by Ali and Isse (2003). Meanwhile, Knack and Azfahar (2003) found that in certain situations as the population increases, corruption also rises. In a similar work, Tavares *et al.* (2003) report that population negatively affects corruption. On the basis of the existing literature, the more relevant factors determining public procurement corruption in Africa are as follows:

a. Economic factors: Treisman (2007) has argued that economic variables explain corruption less than social-political variables because the former are affected by non-economic structural variables in both the long and short run. In a comparative analysis of the economic and political determinants of procurement corruption in Uganda, Basheka (2011) found that economic factors explained procurement corruption more than the political factors. One explanation of this was argued to be the traditional domination of corruption studies by economists whose economic measures of corruption have been tested over time. But it could also be because, economically, corruption contributes to the unjust distribution of income, discourages investment and distorts economic growth and development. Particularly in the long run, this will affect efficiency in the supply chain activities of many procured goods and services, and at a national level it undermines both free and fair trade.

In a study on the control of bureaucratic corruption in Hong Kong, India and Indonesia, Palmier identified three interdependent factors as being important causes of corruption, namely: opportunities (which depend on the extent of involvement of civil servants in the administration or control of lucrative activities), salaries and policing (the probability of detection and punishment) (Palmier, 1985). Using this logic, it is argued that at one extreme, with few opportunities, good salaries and effective policing, corruption will be minimal but at the other extreme, with many opportunities, poor salaries, and weak policing, corruption will be considerable. Corrupt practices are also associated with a set of structural and cultural factors (Rose-Ackerman, 1999) but it is the structural factors that have received the bulk of the attention in empirical work. The environment in which public servants and private actors operate is another cause of corruption (Farida and Ahmadi-Esfahani, 2006) particularly the bureaucratic and inefficient public administration systems in developing countries. Developing countries are characterized by a number of complex,

restrictive regulations coupled with inadequate controls – circumstances that offer a fertile ground for corruption. Gurgur and Shah (forthcoming) and Brunetti and Weder (2003) concluded that the higher the quality of bureaucracy, the lower the probability for corruption to occur.

A comparative assessment of the entire factor loadings on the different components provides useful information on the critical economic determinants of procurement corruption in Africa. From the analysis, it was confirmed that the major economic determinants of public procurement corruption in many African countries are related to: first, low salaries of public servants were found to be among the major variables explaining increasing trends in procurement corruption. With hardships generated by the global economic crisis, public officials were likely to engage in corrupt tendencies to catch up with “inflationary” tendencies. Second, supplier induced bribes were found to be a major determinant of public procurement corruption in Africa. Third, self-interest of public officers was also confirmed to be a significant economic variable that accounted the most for public procurement corruption in Africa. Fourth, levels of income of public officials were found to be another economic variable that was confirmed as a major economic determinant of public procurement corruption in Africa.

- b. Organizational factors:* The causes of corruption are rooted in the particular political and economic conditions of each country – the complexity of which makes remedial efforts difficult. That is why it is possible to find factors which change sign and/or statistical significance from one study to another based on slightly different empirical specifications (Serra, 2006). This scenario is also brought about by the challenges experienced in corruption measurement. Moral standards differ from society to society and it becomes difficult to select the moral behavior of one society or country and then argue that others are not moral because they are different. Sometimes, the sequence of questions in a survey may substantially affect the respondents, as they tend to answer questions in line with their answers to previous questions. The time spent by respondents to scrutinize each question, scoring the effects and looking at other cognitive issues may all have an effect on the answers (Bertrand and Mullainathan, 2001). Meanwhile, Donchev and Ujhelyi (2007) contend that what is believed by the respondents may not reflect what actually happens as far as corruption is concerned.

The retained items with their factor loadings offer useful insights into the organizational determinants of procurement corruption in Africa. The results

provide a sound basis upon which managerial and policy decisions on addressing procurement corruption can be based. It has emerged that the most important organizational determinants of procurement corruption in Africa are: first, a lack of transparency and accountability systems in the conduct of organizational functions which is a breeding ground for procurement corruption; second, a lack of capacity among technical staff of the different public organizations. This capacity was mainly in regard to procurement planning, writing of specifications, evaluation of bids and contract management; third, a lack of effective supervision within the organizations; fourth, lack of adequate facilities for the procurement staff in organizations had created a conducive environment for procurement corruption.

The above key findings compare well with existing local and international literature on general determinants of corruption. For example, the view has long been held in the literature that corruption can arise because bad policies or inefficient institutions are put in place to collect bribes from individuals seeking to circumnavigate them. In the context of public procurement, bad procurement policies or inefficient systems within an organization are created to ensure that those bidders for government contracts have no choice but to give bribes in order to overcome procurement administrative hurdles.

- c. *Political commitment*: Shleifer *et al.* (1998), have argued that the biggest cause of corruption is undoubtedly the political leadership at the helm of affairs in a country. This observation suggests that political factors play a critical role in increasing corruption as the political leaders preside over a complex set of political structures. An examination of the factor loadings for the three components provides information on the most important political determinants of procurement corruption in Uganda. Based on the factor loadings, these include: first, politicians who rise to elective positions through offering bribes to voters have increased the occurrence of procurement corruption. In an attempt to recover the money spent on the now commercialized politics in the country, the elected leaders at both central and local government levels influence the award of government contracts where they will get direct economic benefits. Second, lack of the freedom of the press in reporting procurement corruption for sensitive procurements involving “classified” expenditures has increased corruption. Third, the opening up of political space in some countries has contributed to increased levels of procurement corruption as most officials hide under the protection of their political parties to evade justice.

In many African countries, most cases of procurement corruption scandals have been championed by those officials with high political connections that perpetuate the process of influencing the award of government tenders through well-orchestrated machinery in collaboration with government technical officials. The above findings are supportive of what other researchers on general issues of corruption have found.

- d. Social factors:* The lower percentage of female population in work is another determinant of corruption, as indicated by Swamy *et al.* (2001), whose study found that a higher female labor participation led to less corruption. The authors provide four arguments to explain this finding. First, «women may be brought up to be more honest or more risk averse than men, or even feel there is a greater probability of being caught». Second, «women, who are typically more involved in raising children, may find they have to practice honesty in order to teach their children the appropriate values». Third, «women may feel more than men – the physically stronger sex – that laws exist to protect them and therefore be more willing to follow rules». Lastly, «girls may be brought up to have higher levels of self-control than boys which affects their propensity to indulge in criminal behavior».

Various theorists – as well as many popular accounts – attribute countries' different rates of corruption to particular historical and cultural traditions. A surprising range of national cultures, spanning all continents, have been thought conducive to corruption (Treisman, 2007). Meanwhile, Myrdal (1970) observed that in underdeveloped countries «a bribe to a person holding a public position is not clearly differentiated from the “gifts”, tributes, and other burdens sanctioned in traditional, pre-capitalist society or the special obligations attached to a favor given at any social level». This implies that in some societies, what may be regarded as corruption may actually be gift giving in other societies and heavily acceptable to society. However, this may be contrary to the moral expectations of other societies.

Individual motivation to engage in corrupt behavior could be explained by the social learning theory developed within sociology to explain deviant behavior. The theory is based on four interrelated concepts that operate to promote or undermine conformity: differential association, definitions, differential reinforcement and imitation. These concepts are overlapping and also mutually reinforcing. For example, the basic mechanism of the social learning theory works as follows: behavior is acquired and sustained (1) through adopting definitions

favorable to illegal behavior via differential association with one's peers, (2) through imitating such behavior by peers, and (3) through the positive reinforcement provided by rewards for such a behavior (Akers, 1998).

A deeper analysis of the factor loadings reveals that the most critical social determinants of procurement corruption include: first, religious affiliations where officials with protestant affiliations are likely to be more corrupt than other religious affiliations; second, public officials giving in to traditional values are one of the major causes of procurement corruption. The culture of gift giving, for example, is likely to increase the likelihood of public officials engaging in procurement corruption; third, the study found that there is a number of traditional values in our societies which are ingredients for the culture of corruption in public procurement; fourth, the levels of education of officials is a cause of procurement corruption. Those with low qualifications may engage in mild corruption; fifth, the lack of a vibrant and educated society on fundamental rights is a major determinant of procurement corruption in Africa; sixth, societal tolerance for corruption officials is also increasing the trends of corruption in public procurement in Africa (see Ntayi *et al.*, 2013).

Corruption in public procurement, which affects countries across the globe, has enormous negative consequences. It diverts public funds into unnecessary, unsuitable, uneconomic or even dangerous projects. The expenditure involved in public procurement, the high degree of discretion afforded to public officials in executing such programmes, and the involvement of many private sector entities in the process all contribute to its susceptibility to corruption.

The United Nations has endeavored to promote the eradication of corruption in all its forms and one of its most significant achievements in this regard is the United Nations Convention Against Corruption (UNCAC). African countries must take into account some challenges in this fight against corruption processes.

5. - Recommendations for the Fight against Corruption in Public Procurement in Africa

In its Resolution 58/4 of 31 October 2003, the General Assembly adopted the UNCAC, and the Convention came into force on 14 December 2005. It offers a comprehensive set of measures that can be taken by Member States, international organizations, the private sector, as well as the United Nations. It has

detailed provisions on: preventive measures; criminalization and law enforcement; international cooperation; asset recovery; technical assistance and information exchange and also mechanisms for its implementation.

One of the most important provisions of UNCAC on public procurement is its Article 9 entitled “Public procurement and management of public finances”. This Article requires states to «take necessary steps to establish appropriate systems of procurement, based on transparency, competition and objective criteria in decision-making, that are effective, *inter alia*, in preventing corruption». The systems should address various issues, including: the public distribution of information relating to procurement procedures and contracts; the establishment of conditions for participation; the use of objective and predetermined criteria for public procurement decisions; an effective system of domestic review, including an effective system of appeal; and measures to regulate matters regarding personnel responsible for procurement.

These measures represent the most basic elements which should be adopted to prevent corruption in public procurement. However, in order to make them truly effective and workable, a set of much more detailed regulations is needed, be it law, ordinance, recommendations, or codes of conduct. Many organizations, including United Nations Office on Drugs and Crime (UNODC), have prepared publications containing model laws or provisions, codes of conduct or other suggestions.

Effective sanctions, including penal sanctions, constitute strong incentives both for public officials and employees of the private sector to refrain from corrupt activities. Corruption should be made a high risk crime. In order to achieve an effective criminal sanction regime, states should be equipped with a comprehensive set of offences in their laws to capture various aspects of corrupt activities (criminalization), as well as measures to control the illicit proceeds of such activities. In addition, law enforcement officials and prosecutors should have at their disposal various investigative “weapons” to detect and investigate corruption offences, which also include international cooperation in criminal matters.

The literature recognizes that in Africa the public procurement frameworks have made important progress in developing safeguards against corruption in public procurement. Some countries (such as Rwanda, Uganda, Kenya, Gabon, Tanzania, etc.) have recently enacted regulatory frameworks to curb corruption. However, adjustments and reforms could help strengthen the safeguards.

First, comprehensive legislation for public procurement is a central precondition of clear, transparent and fair public procurement. To strengthen trust in the fairness of public procurement, its legislation should be unambiguous and reliable

over time; core regulations should be passed as parliamentary laws for this purpose. Second, certain steps in procurement, such as needs assessment, definition of technical specifications and contract execution, are particularly vulnerable to corruption as they often involve a high degree of discretionary decision making. Also, control and oversight in these stages are particularly difficult to achieve. Third, standardized, clear and concise procedures and easily accessible, comprehensive documentation contribute in important ways to transparency in public procurement. Fourth, particular attention should be paid to emergency procurement or exemptions that apply when tendering fails. Fifth, safeguarding the integrity of individuals involved in public procurement, *i.e.* the staff of procuring entities and employees of suppliers, is a central means of preventing corruption in public procurement. Sixth, sanctioning legal persons is often considered particularly dissuasive, particularly in areas such as procurement, where companies rather than individuals try to gain undue advantage through corruption. Some countries have therefore introduced the possibility of temporarily or permanently debarring from public procurement any company found guilty of corruption.

As debarment mechanisms can be abused, however, countries that practice debarment are encouraged to ensure that the conditions for applying debarment are precisely and explicitly defined.

Although the law is a major step forward, its implementation is still poor. The fight against corruption is still a very complicated and difficult task, challenging to detect, and requires, above all, both determination and persistence from the political leadership and the participation of all citizens over the whole country. It is of great importance that civil servants involved are educated in a moral and ethical code of conduct (see Basheka, 2011; Bowen *et al.*, 2012).

Following conditions are necessary for fighting successfully against corruption: first, political commitment: political leaders must not take part in corrupt activities and need to provide a good example to their future counterparts; second, an effective anti-corruption system; third, an efficient anti-corruption system: this includes a basic legal framework to prevent and punish those involved in corrupt activities; fourth, a rule on assets declaration for persons who have power, duty and position; fifth, anti-corruption awareness for all must be raised, which would include government officials, prosecutors, judges, newspapers, magazines, lawyers, and the public; this must be done in any form through the organization of seminars, workshops, putting news in the newspapers, magazines and using other possible and effective legal propaganda means; sixth, a Joint Agreement on Coordination between the Supreme People's Prosecutor and the State Inspection

Agency and other organizations concerned must be in place to restructure, strengthen and better coordinate those institutions involved with detecting, investigating and prosecuting those who are involved in corruption; seventh, governance and administrative reform across the country is to be continued to help promote transparency, accountability and to eradicate all kinds of autocracy; eighth, civil servants need to be honest to their country and to the population, and those people employed in the area of finance and accountancy need to abide by the rules and regulations that pertain to finance; finally, ninth, to prevent corruption, public participation is necessary and all state activities need to be open and transparent.

This is a summary of some challenges that African countries could take into account in their reform processes regarding their efforts in the fight against corruption in public procurement.

6. - Conclusion

Everyone would surely agree that corruption deeply affects African society and it could be among the key factors that would explain the blockage of its economic development. This is why the interest of researchers to conduct studies not only on country-specific cases but overall, could help to better understand the causes, forms, drivers and challenges of corruption in public procurement in Africa.

The review of the literature provided sufficient information on various forms of corruption found in several African countries (*e.g.* inflation of contracts, fraud, manipulation of information, extortion, favoritism, etc.). This study finds that the common forms of those countries are favoritism, embezzlement, fraud, extortion, and bribery.

About the determinants, the study finds that the phenomenon of corruption is characterized by social factors, political commitment, organizational factors, and economic factors at 52.3%, which confirms the extension of the findings of the study of Basheka and Tumutegyereize (2006) on the major part of African countries. The difference in weight (40.2% for Uganda) is due to the fact that there are countries where one particular factor is more, or less, dominant than the other. This suggests the existence of other determinants of the phenomenon or challenges emanating from the measurement challenges. Efforts at minimizing public procurement corruption must therefore target the identified challenges at both central and local government levels, which perpetuate the problem of cor-

ruption. Further research could answer some questions such as the correlation between corruption and form of the state; corruption and the Millenium Development Objectives process in Africa; corruption and poverty, etc.

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