Causes and Consequences of Corruption in the Building Construction Industries

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ABSTRACT
The paper present a study on the causes of corruption in the building construction industries in Taraba state with a view to curtailing the menace in improving the quality of building standard and assurance of the public procurement act 2007 in the administration of building contracts. A total of 65 questionnaires were distributed to different respondents such as Professionals, contractors, workers in the MDA's, higher institution as well as the public procurement bureau, 55 questionnaires were returned and responded accordingly. Then pie chart and bar chart was used in interpreting the results of the findings, it was recommended that the use of professionals within the industry should be enforced and also the use of technological advancement such as E-Procurement should be used in the contract administration procedures.
Keywords: Corruption, building, construction, procurements, contracts.

I.   Introduction

Corruption in the construction industry is considered as the misappropriation of delegated authority at the expense of a construction project (Le et al. 2014, Shan et al. 2016). It occurs when corrupt professionals within the industry effect a negative decision to engage in corruption. The corrupt professionals are classified into the categories of the demand side and the supply side (Boyd and Padilla 2009). Another class of parties within the industry known as the condoners. The condoners are referred to the class of professionals or workers in the industry who directly or indirectly affect the incidence of corrupt practices by remaining silent or not bothering about it and on other occasions, they feel reluctant to report any incidence or case of corruption. And as the result of this and many other reasons, the construction industry is branded as the most corrupt sector in the world (Transparency International 2012). The evolvement of corruption has also led to the discoveries of different forms prevalent in the sector today. They include money laundering, clientelism, ghosting, patronage, bid rigging, etc. (Stansbury 2009, Bowen et al. 2012; Zhang et al. 2017).

These forms exist today due to causative measures that were either not tackled nor thoroughly tackled (Le et al. 2014). Corruption is said to beresponsible for breeding cynicism, dents societal values, demeans those involved, hinders decision making, degrades the quality of projects hence reducing the lifespan of buildings, depriving most inhabitants of quality living and most importantly resulting in the loss of human lives and properties among other devastating and damaging effects (Lewis 2003; Transparency International 2005). It is necessary that all participants of the industry including professionals, clients, and the government except for the corrupt, concur on a cooperative effort to tackle this issue that should not be viewed as a competitive issue (Boyd and Padilla 2009).

The causes of corruption according to this study.revealed several causative factors that contribute to incidences of corruption. However, few efforts have been made to systematically review the causes of corruption in the construction industry on a wider scope, even though they are vastly identified in different studies and contexts. This study, therefore, aims to fill the gap and add on to the existing body of literature by presenting a thorough review of the causative factors of corruption in the construction industry from the project management perspective which is vital and needed for further research.

Corruption During The Construction Project Process
The root of the word ''corruption'' to the Latin adjective 'corruptus', which means destroyed, broken or spoiled(Hogdson and Jiang;2007). Derivation from the Latin word

'corruptio' which signifies a wicked behavior, putridity or a moral decay, Johnston (1996). However, in all instances, one commonality that exists between the two views is moral decadence, as is evident in the industry today (Bowen et al. 2012; Shan et al. 2015). Jain (2001) purported that corruption has many definitions across diverse contexts but per the suitability of this context, that is the construction industry, corruption is deemed to be the abuse of entrusted power and construction project resources for personal gain (Le et al. 2014). Corruption, which may occur in varying forms as mentioned and can transpire in any construction activity and at any phase of the construction process, that is, from conception to completion (Chan and Owusu 2017; International Federation of Consulting Engineers (FIDIC) 2016). In the procurement of construction works, International Federation of Consulting Engineers (FIDIC) (2016) opined that corruption might occur in decision making on claims, payment certificate issuance to contractors, construction supervision, in tender evaluation, etc.

The stages involved in construction process are therefore exposed to these corruption modes and other examples of corrupt practices due to the causative factors identified in this study. Although certain stages of the construction process are deemed to be more prone to corruption than others, no empirical studies show the stage of the construction process that records the highest frequency of corruption cases.al. Corruption, which may occur in varying forms as mentioned and can transpire in any construction activity and at any phase of the construction process, that is, from conception to completion (Chan and Owusu 2017; International Federation of Consulting Engineers (FIDIC) 2016). In the procurement of construction works, International Federation of Consulting Engineers (FIDIC) (2016) opined that corruption might occur in many instances such as decision making on claims, payment certificate issuance to contractors, construction supervision, in tender evaluation, etc. The stages involved in construction process are therefore exposed to these corruption modes and other examples of corrupt practices due to the causative factors identified in this study.

Some Construction process are deemed to be more prone to corruption than others, Some corrupt practices peculiar to different stages of the construction process that have been captured in the literature over the years have been encapsulated together to develop. whichdemonstrates the corrupt practices that have been reported in recorded studies (corruption research in construction) over the years.

Preventives measures on Corruption in the construction industries

Measures commonly referred to (Le et al. 2014; Shan et al. 2015).
Other anti-corruption measures identified from the reviewed of related literatures in the construction industries were shown by threeapproaches, Zou (2006).as anti-corruption measures or strategies have been formulated by researchers, anti-corruption institutions, policy makers, etc. They include transparency mechanisms, ethical codes, administrative reforms, stringent rules and legislation, rigorous technical auditing systems, whistle-blowing mechanisms, contract monitoring schemes among many others. These measures have been consistent with several empirical studies to be effective, anti-corruption strategies formulated to mitigate corruption in the construction sector
 (1) The development of an ethical and honest construction culture,
 (2) Establishing a policy of regular and random inspections and
(3)Lastly instituting construction works and processes supervision throughout the lifecycle of a project.
The first approach was as a long-term measure while the following two were regarded as short-term strategies Zou (2006). Although substantial efforts to thwart the incidence of corruption have been stipulated by researchers in the construction field, other notable international organizations such as the United Nations, the World Bank, Transparency International, the Organization for Economic Co-operation and Development (OECD) and the Global Infrastructure anti-corruption center (GIACC) among many others have played active roles in helping to fight corruption either directly or indirectly in the construction industry.
This study presents the efforts made by the international organizations which may guide researchers as a source of reference to develop further anti-corruption measures or enhance the already existing ones to tackle the causes of corruption identified in the construction industry.contributions of the various organizations to the fight against corruption in the industry are summarized in Table 1.

TABLE 1 : OVERVIEW OF SELECTED ORGANIZATIONAL INITIATIVES TO TACKLE CORRUPTION IN THE CONSTRUCTION INDUSTRY

Organization	Effort	Origin	Year of effect	References
InternationalStandard Organization)	SO 37001—Anti-bribery management systems	Switzerland	2016	GIACC (2016)
OECD	Conventionon Combating Bribery	France	1997 & 1999	OECD (2016), de Jong et al. (2009)
World Economic Forum	Partnership against Corruption Initiative	Switzerland	2009	Henry (2009), GIACC (2016)
Transparency International	Openness of the decision-making processes. TI produced a suite of anticorruption tools and reports in 2005 And in 2007 published a Project AnticorruptionSystem PACS for the construction sect	Germany	2007	Henry (2009)
World Federation of Engineering Organizations (WFEO)	Anti-corruption Task Group—it has formed an Anti-Corruption Standing Committee which is tasked with promoting anti-corruption actions internationally	France	2005	Henry(2009), GIACC(2016), WFEO (2016)
CIECI—Construction Industry Ethics and Compliance Initiative	The sole purpose of CIECI is the promotion and advancement of ethical conduct and compliance in the construction industry	USA	2008	WFEO (2016)
World Economic Forum	Partnership against Corruption Initiative	Switzerland	2009	Henry (2009), GIACC (2016)
CoST—Construction Sector Transparency Initiative	Promote increased transparency in international construction projects	South Africa & UK	2012	Krishnan (2009), WFEO (2016)
World Federation of Engineering Organizations (WFEO)	Anti-corruption Task Group—it has formed an Anti-Corruption Standing Committee which is tasked with promoting anti-corruption actions internationally	France	2005	Henry (2009), GIACC (2016), WFEO (2016)
World Bank	Institutional integrity activity	USA	2001	Henry (2009), World Bank (2008)

AIMS AND OBJECTIVES

The aim of this research is to achieve the following objectives

1. To find the causes of corruptionin the building Construction industries   in Taraba State, Northeastern Nigeria.
2. The Consequences of bad/unethical acts in the building Construction industries within the study area
3. Find out some possible solutions to the problems in the building construction processes
4. Provide a baseline for further studies/research

II.   METHODOLOGY

This study followed the method adopted by (Yi and Chan 2013; Hu et al. 2013). Reviewed of some journals on corruption in the area of construction industries.After a   comprehensive examination conducted on the 40-45 selected journals to get /or identify those that are highly relevant to the subject matter of this research, which includescauses and way out from the unethical practices regarding the construction industries in Taraba state, Northeastern Nigeria and the Nigeria at large.Questionnaires and personal interview were also used in the research within the study area. Total 0f 65 questionnaires were distributed to the professionals, contractorsMinisterial personnel of the MDA's as well as the public procurement unit for onwardresponses but only 55 were returned.

Presentation of Results

The results of this findings are presented in tables and statistical charts (bar and pie charts**)**

Table 2 Search results of relevant publications of some selected journals

S/NO	Name of journal(S)	Number of searches
1	Building Research and Information (BRI)	6
2	Journal of construction engineering and management	9
3	Construction Management and Economics (CME)	5
4	Science and Engineering Ethics	4
5	Journal of Professional Issues in Engineering Education and Practice (JPIEEP)	8
6	Science and Engineering Ethics	4
7	Engineering, Construction and Architectural Management (ECAM)	4
8	Journals of the Nigerian institutes of building vol. 4(1)	4
9.	Public procurement act (2007)	1
10	TPPL (2012)	1

Table 3: SAMPLED RESPONDENTS BASED ON QUALIFICATION,POSITION AND WORKING EXPERIENCE IN TARABA STATE.

QUALIFICATION		POSITION OF RESPONDENTS		Organizations Working With		Years of experience With the Organizations
SSCE	15	Site foreman	12	Private sector	8	1-5
ND/NCE	23	Technicians	8	LGA	8	6-7
HND/BSC	12	Site supervisor	15	State Govt (MDA's)	20	8-13
MSC	5	Project manager	5	Federal Govt	10	10-14
PhD	0	Contractors	15	Higher Institutions	9	15-20
TOTAL	55	-	55	-	55	

Table 4: RESULT SHOWING THE CAUSES OF CORRUPTION IN THE CONSTRUCTION INDUSTRIES IN TARABA STATE

S/NO	CAUSES OF CORRUPTION	NO RESPONDENTS		
		Agreed	Not agreed	Neither
1	Personal Greed	40	13	2
2	Weak Procurement /Contractual Structures	47	8	-
3	lack of Rigorous supervision	50	5	-
4	Close relationship	30	20	5
5	Unethical professional misconduct	41	14	-
6	Government interferences	35	20	5
7	Insufficient legal punishment and penalties	50	3	2
8	Poor quality control mechanisms	45	10	-
9	Lack of transparency in the selection criteria for tenderers	46	9	-
10	Political interference	49	5	1
11	Lack of project anti-corruption system	53	2	-
12	Monopoly	47	6	2
13	Poor documentation of records	30	20	5
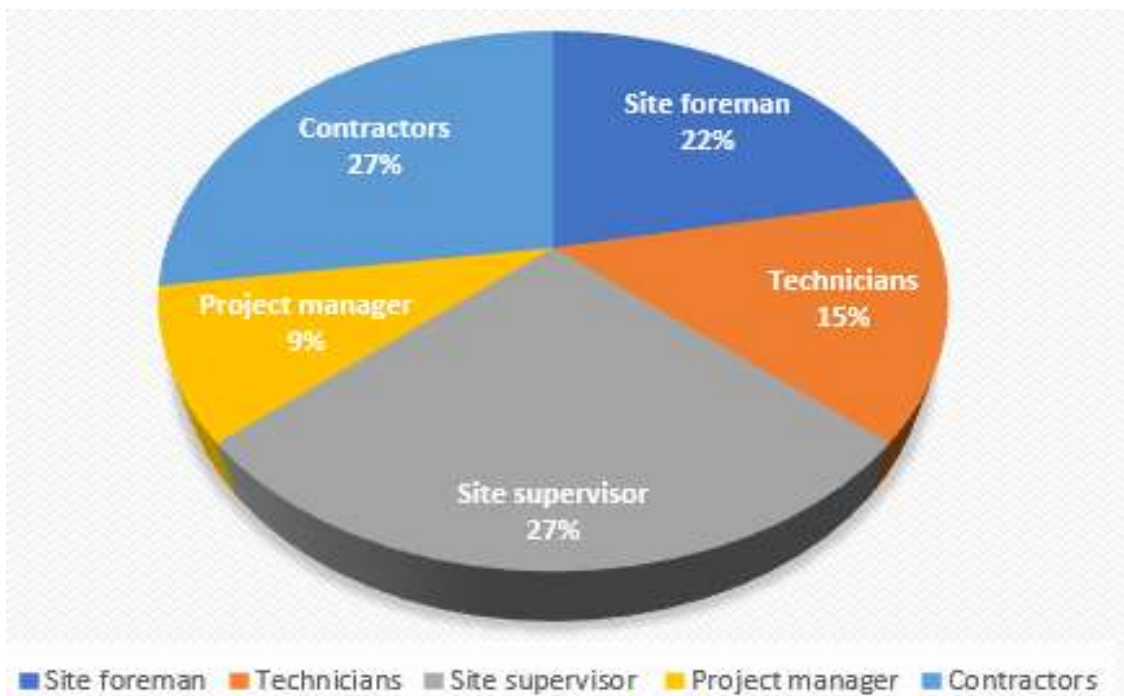
FIG: 1 PIE CHART SHOWING THE PERCENTAGE OF RESPONDENT BASED ON PROFESSIONS
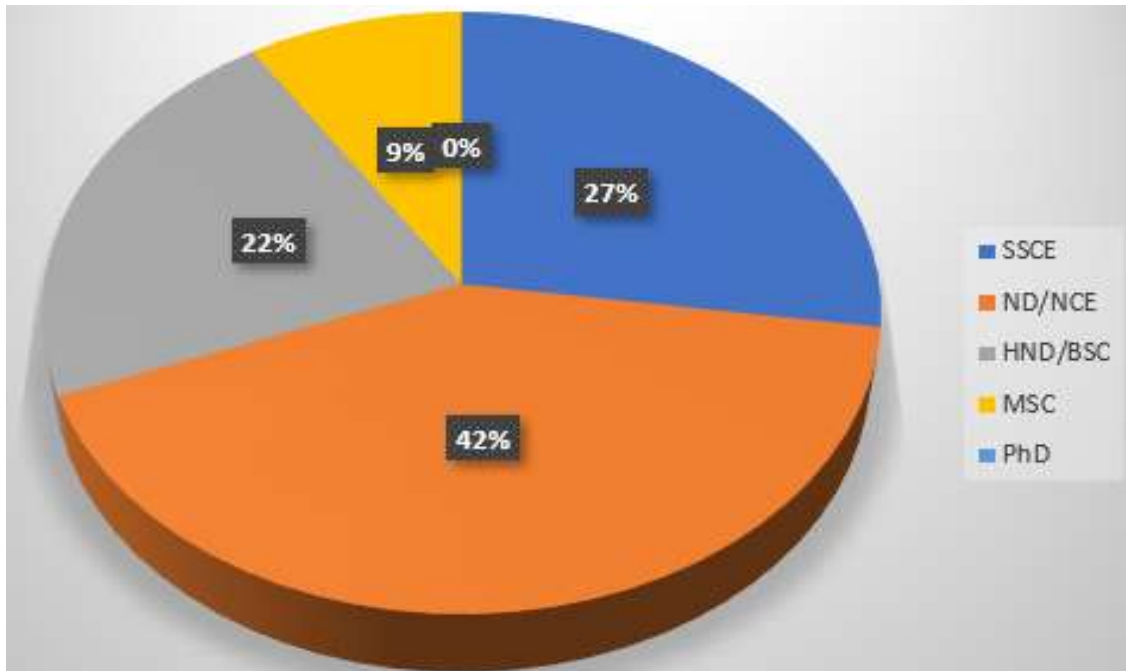
FIG: 2 PIE CHART SHOWING THE PERCENTAGE OF RESPONDENTs BASED ON QUALIFICATION
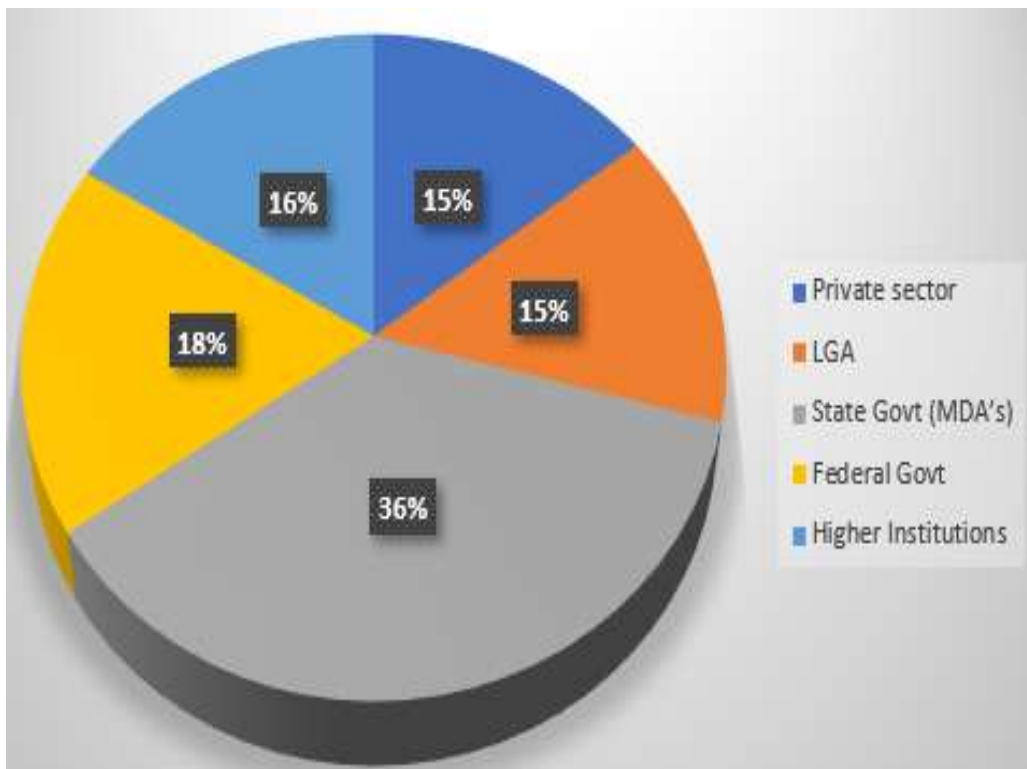

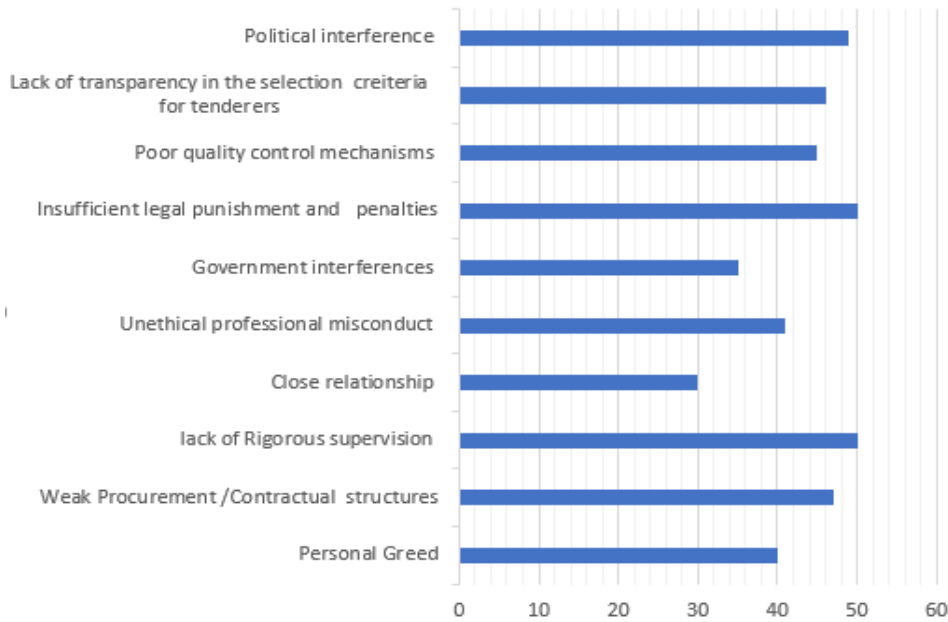**FIG: 3 PIE CHART SHOWING THE PERCENTAGE OF RESPONDENT BASED ON ORGANIZATION**

FIG: 4 BAR CHART SHOWING THE NUMBER OF RESPONDENTS THAT AGREED ON THE CAUSES OF CORRUPTION
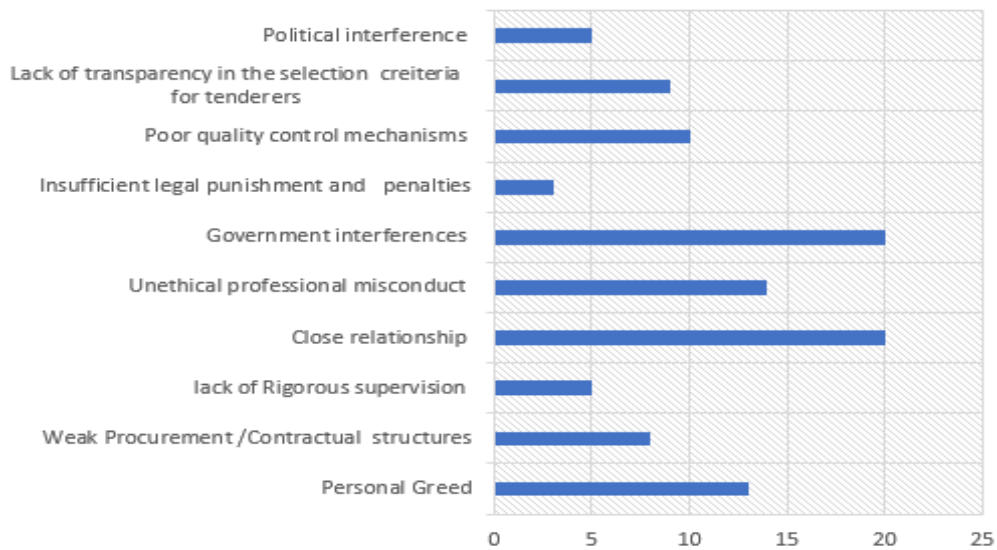
IN THE BUILDING CONSTRUCTION INDUSTRIES

FIG: 5 BAR CHART SHOWING THE NUMBER OF RESPONDENTS THAT NOT AGREED ON THE CAUSES OF CORRUPTION

IN THE BUILDING CONSTRUCTION INDUSTRIES

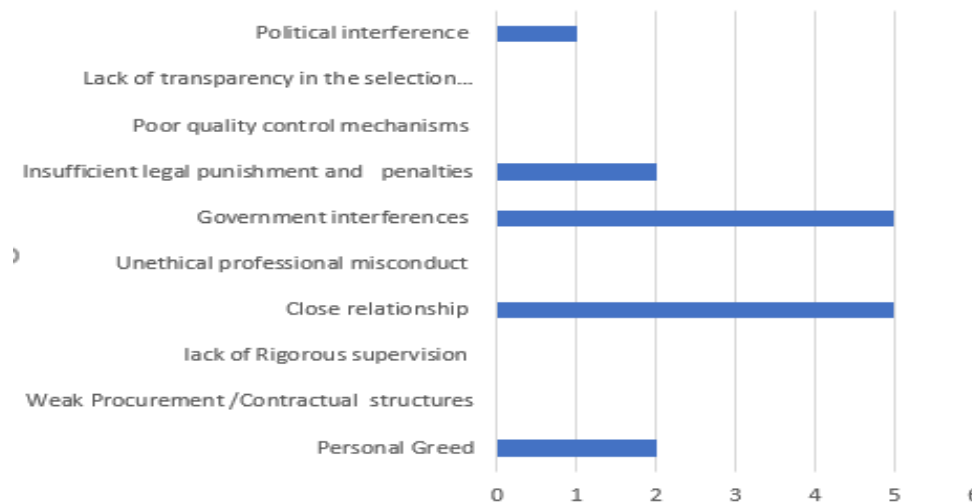**FIG: 6 BAR CHART SHOWING THE NUMBER OF RESPONDENTS THAT NEITHER AGREED/NOTAGREED ON THE CAUSES OF CORRUPTION IN THE BUILDING CONSTRUCTION INDUSTRIES**

III.   DISCUSSION OF RESULTS

The result obtained from the 65 questionnaires only 55 were returned and analyzed as presented in tables and figures. The percentages of the respondents as shown in fig(1-3) while fig(4-6) shows the numbers of respondents. Fig1. Shows the number of professionals involved in the research where 27% are site supervisors and contractors 22% are site foremen, 15% are technicians while 9% are project managers. Fig2. Shows the percentage of respondents based on qualifications where 42% are ND/NCE, 22% are SSCE holders 22% are HND/BSC holders while 9% and 0% are for MSC and PHD holders respectively.Fig3. Shows the percentage of respondents based on their working organization where 36% are working in MDAS in the state government, 18% are federal civil servant,16% are private sector and higher institution respectively.Fig4. Shows the number of respondents that agreed on the causes of corruption which shows that political interference, insufficient illegal punishment and penalties, lack of rigorous supervision, weak procurement structure,lack of transparency in the selection criteria for tenderers, unethical professional misconduct, close relation, government interference and personal greed are the major causes of corruption in the industry Fig5. Shows that 20 respondents do not agree that government interference, close relation as the causes of corruption in the industry, 14 are for unethical professional misconduct, 13 are for personal greed, 10 for poor quality control mechanism 8 and 7 for lack of transparency in the selection criteria for tenderers, 5 for political interference and lack of rigoroussupervision Fig6.

Shows thenumbers ofrespondents that neither agreed nor agree on the causes of corruption.

IV.   RECOMMENDATIONS

The government should ensure proper utilization of professionals and the technological advancement in the procurement procedures such as E procurement for transparencyand effectiveness in other to minimize the unethical act in the administration of contracts which will help in reducing the corruption practice.

V.   CONCLUSION

Corruption as misappropriation of delegated authority at the expense of a construction project, It occurs when corrupt professionals within the industry effect a negative decision to engage in corruption. The corrupt professionals are classified into the categories of the demand side and the supply side. as anti-corruption measures or strategies have been formulated by researchers, anti-corruption institutions, policy makers, etc. They include transparency mechanisms, ethical codes, administrative reforms, stringent rules and legislation, rigorous technical auditing systems, whistle-blowing mechanisms, contract monitoring schemes among many others. to mitigate corruption in the construction sector.

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