Causes And Consequences of Corruption on Building Construction Industries in Taraba State, North Eastern Nigeria

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Abstract

Corruption in the building construction industry remains a significant challenge, particularly in Taraba State, Northeastern Nigeria. This study examines the causes, consequences, and possible solutions to unethical practices within the industry. Anchored on Institutional Theory (Scott, 1995), the research explores how institutional frameworks influence corruption and ethical behavior in construction. A descriptive survey research design was adopted, utilizing questionnaires and interviews to gather data from industry professionals. Findings reveal that bribery, poor regulatory enforcement, and lack of transparency are major causes of corruption, leading to substandard projects, economic losses, and safety hazards. The study concludes that institutional reforms, strict regulatory policies, and ethical training are necessary to mitigate corruption. It recommends enhanced government oversight, improved accountability mechanisms, and professional ethics enforcement to promote integrity in the sector. This study provides a baseline for further research on corruption in the Nigerian construction industry.

Keywords: corruption, building, construction, procurement, contracts

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 corruption professionals are classified into the categories of the demand side and the supply side (Boyd and Padilla 2019). 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 indirectly affect the incidence of corrupt practices by remaining silent or not bothering about 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 laundering clientelism, ghosting, patronage, bid rigging, etc. (Stansbury 2009, Bowen et al. 2012 Zhang et al. 2017).

  These from exist today due to causative measures that were either not tackled nor thoroughly tackled (Le et al. 2014). Corruption is said to be responsible 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 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 corruption, 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 that causes of corruption in the contraction 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.

Statement of the Problem

Corruption in the building construction industry in Taraba State, Northeastern Nigeria, has become a significant challenge, affecting the quality, cost, and safety of construction projects. The industry is plagued by unethical practices such as bid rigging, bribery, embezzlement, and fraudulent procurement processes, which undermine the implementation of the Public Procurement Act of 2007. Despite existing policies and regulatory frameworks, corruption continues to thrive due to weak enforcement mechanisms, lack of transparency, and poor oversight. These corrupt activities lead to substandard buildings, project delays, cost inflation, and, in extreme cases, structural failures resulting in loss of lives and property. While previous studies have identified corruption in the construction sector, there is a need for a focused investigation into its causes and consequences in Taraba State. This study seeks to bridge this gap by examining corruption's impact on the industry and recommending measures to promote integrity and accountability in construction practices.

Aim and Objectives

This research aims to identify the causes of corruption in Taraba State's building construction industry, examine its consequences, propose solutions, and establish a foundation for future studies. The aim of this research is to achieve the following objectives:

i. To find the causes of corruption in the building construction industries in Taraba State, Northern eastern Nigeria.

ii. The consequences of bad/unethical acts in the building construction industries within the study area.

iii. Find out some possible solutions to the problems in the building construction processes Provide a baseline for further studies/research.

Conceptual Review

Corruption During the Construction Project Process

The root of the word "corruption" the Latin adjective 'corruptus', which means destroyed, broken or spoiled (Hogdson and Jiang; 2007). Derivation from the Latin Ward 'corruptio' which signifies a wicked behavior, putridity or a moral decay, Johnston (1996). However, in all instances, one commonality that exists between the two view 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 of project resources for personal gain (Le at.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 complete (Chan and Owusu 2017; International Federation of Consulting Engineer (FIDIC) 1016). In the procurement of construction works, international federation of consulting Engineer (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 practice 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 record the highest frequency of corruption cases.al. corruption, which may occur in varying forms as mentioned and can transpire in any construction to completion (Chan and Owusu 2017); international Federation of Consulting Engineer (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 corrupt practices due to the causative factors identified in this study.

Some corruption 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. Which demonstrates the corrupt practices that have been reported in recorded studies (corruption research in construction) over the years.

Preventives Measure 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 literature in the construction industries were shown by three approaches, Zou (2006). As anti-corruption measures or strategist 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 measure 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 institution construction works and processes supervision throughout the lifecycle of a project.

The first approach was a long-term measure while the following 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 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 effort made by the internal 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 fight against corruption in the industry are summarized in table 1.

TABLE 1: OVERVIEW OF SELECTED ORGANIZATION INITIATIVE TO TAKE CORRUPTION THE CONSTRUCTION INDUSTRY

Organization	Effort	Origin	Year of effects	References
International Standard organization)	S O 37001-Anti bribery management systems	Switzerland	2016	GIACC (2016)
OECD	Convention on combating bribery	France	1997 & 1999	OEDCD (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 anti-corruption tools and reports in 2005 and in 2007 published a project anticorruption system PACS for the Construction Sect	Germany	2007	Henry (2009)
World Federation of Engineering Organization (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	WEFO (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 project	South Africa & Uk	2012	Krishnan (2009), WFEO (2016)
World Federation of Engineering Organization (WFEC)	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)

Empirical Review

Alabi et al. (2022) investigated how corruption affects construction project execution in Nigeria, aiming to identify common corrupt practices, assess their impact, and propose mitigation strategies. Grounded in Institutional Theory, the study employed a mixed-methods approach, surveying 150 construction professionals and conducting interviews with key stakeholders. Findings revealed that bribery, fraud, and embezzlement significantly delayed projects and inflated costs. The study concluded that stricter regulatory policies and ethical training were necessary. However, its limitation was its focus on Lagos, reducing its applicability to other regions (Alabi et al., 2022).

Ismail et al. (2021) explored the root causes of unethical practices in Nigeria's construction industry, with objectives including assessing corruption drivers and evaluating anti-corruption measures. Using the Fraud Triangle Theory, they conducted 20 in-depth interviews with construction managers and government officials. Their findings identified political interference and lack of transparency as key enablers of corruption. The study recommended increased transparency in procurement and stricter monitoring mechanisms. However, the study's reliance on qualitative data without quantitative validation limited its generalizability (Ismail et al., 2021).

Ayodele et al. (2020) examined how corruption affects construction quality in Nigeria, focusing on material procurement and project lifespan. Based on Public Choice Theory, the study surveyed 200 contractors and engineers, revealing that corruption led to substandard materials and frequent project failures. The study concluded that stronger legal frameworks and stakeholder accountability were necessary to mitigate corruption's effects. However, it did not explore the broader socio-economic impacts of corruption within the construction sector (Ayodele et al., 2020).

Methodology

The 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 includes causes 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 of 65 questionnaires were distributed to the professional, contractors ministerial personnel of the MDA's as well as the public procurement unit for onward responses but only 55 were returned.

Theoretical Framework

This study is anchored on the Institutional Theory, propounded by Scott (1995), which explains how institutions shape behaviors, norms, and ethical practices within industries, including the construction sector. The theory highlights the role of regulatory, normative, and cultural-cognitive elements in influencing organizational actions. Ofori (2017) applied this theory to assess governance structures in construction management, while Ameh and Odusami (2019) used it to examine corruption in Nigerian construction projects. Similarly, Nwafor and Uchenna (2021) utilized the theory to analyze the impact of institutional weaknesses on project delivery. This study extends its application by addressing corruption in Taraba State's construction industry.

Presentation of Result

The result of this findings are presented in table 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 search
1.	Building Research and Information (BRI)	6
2.	Journal of construction engineer and management	9
3.	Construction management and economic (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 Nigeria Institute 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 ORGANIZATION
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	Constructor		Higher Institution	9	15-20
TOTAL	55	-	55	-	55	

TABLE 4: RESULT SHOWING THE CAUSE 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.	Insurefficient Legal punishment and penalties	50	3	2
8.	Poor Quality Control Mechanisms	45	10	-
9.	Lack of transparency in the selection criterial for tenders	46	9	-
10.	Political interference	49	5	1
11.	Lack of project anti-corruption system	53	2	-

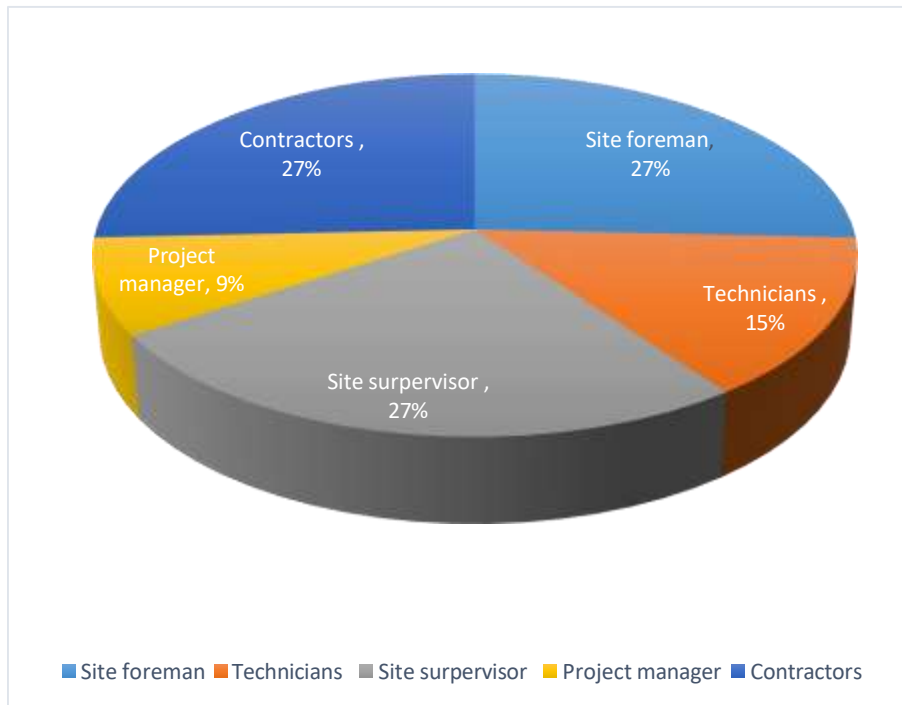| 12. | Monopoly | 47 | 6 | 2 |
| 13. | Poor documentation of Records | 30 | 20 | 5 |

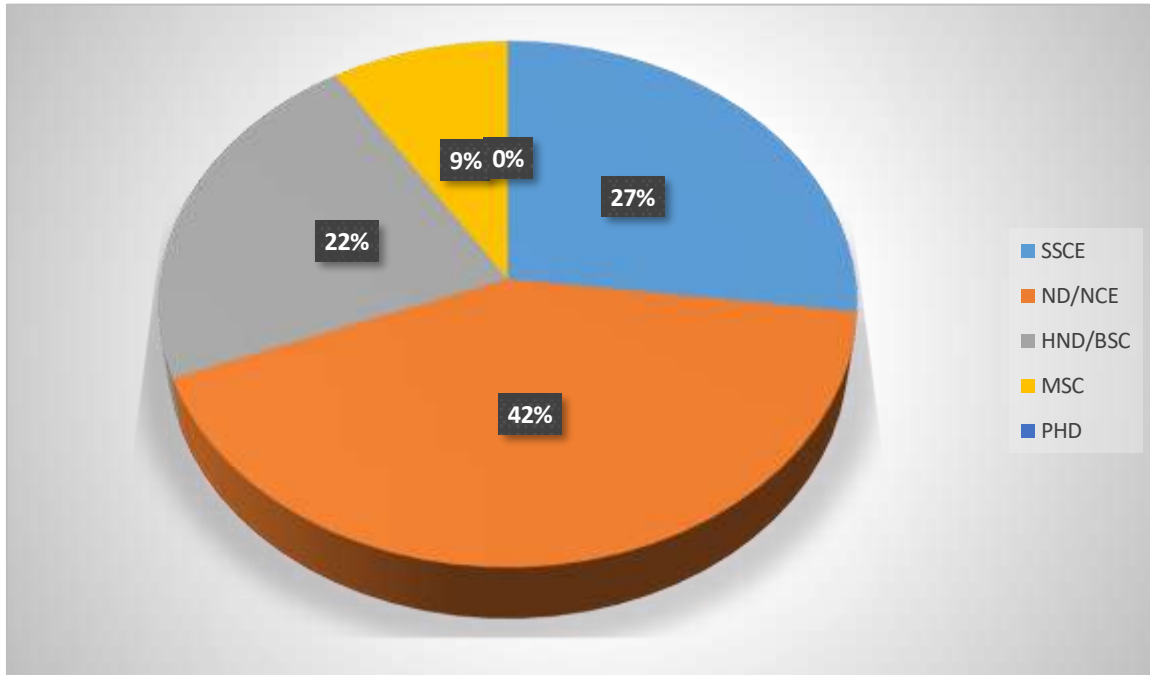**FIG:1 PIE CHART SHOWING THE PERCENTAGE OF RESPONDENT BASE ON PROFESSIONS**

FIG: 2 PIE CHART SHOWING THE PERCENTAGE OF RESPONDENTs BASED ON QUALIFICATION
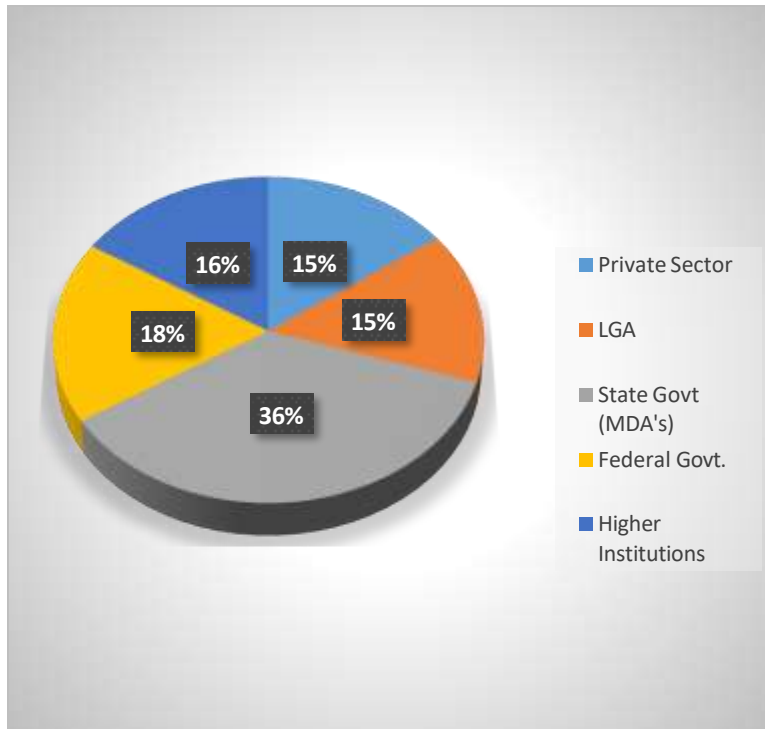
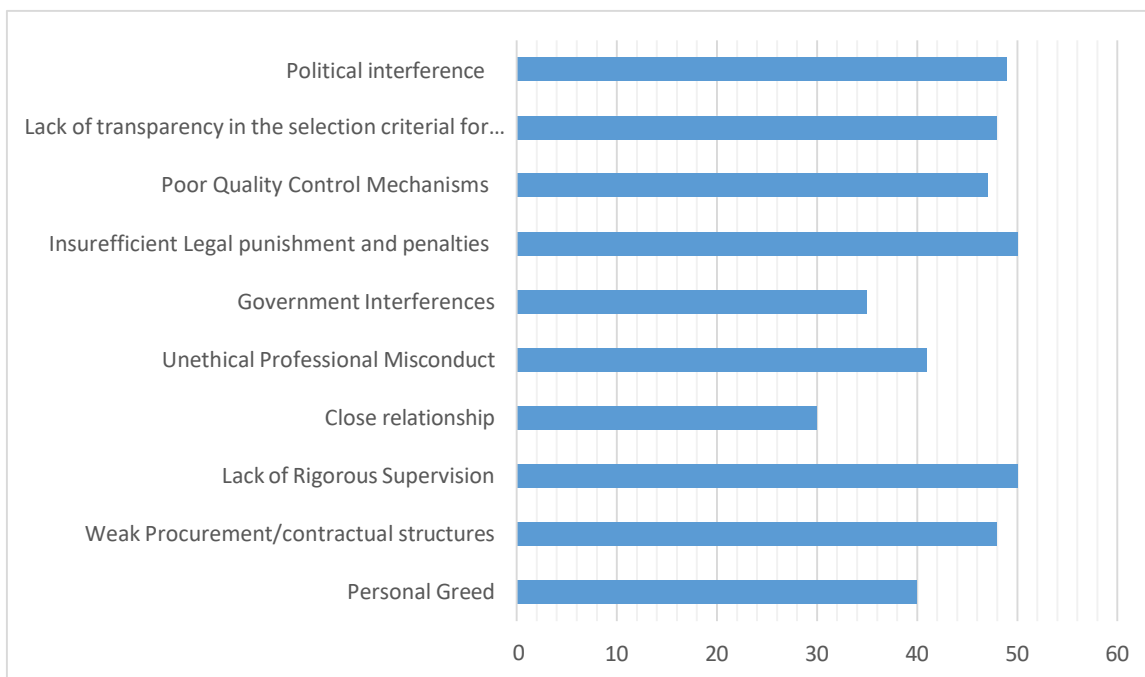**FIG:3 PIE CHART SHOWING THE PERCENTAGE OF RESPONDENT BASE ON ORGANIZATION**

**TABLE 4: BAR CHART SHOWING THE NUMBER OF REPONDENTS THAT AGREED ON THE CAUSES OF CORRUPTION
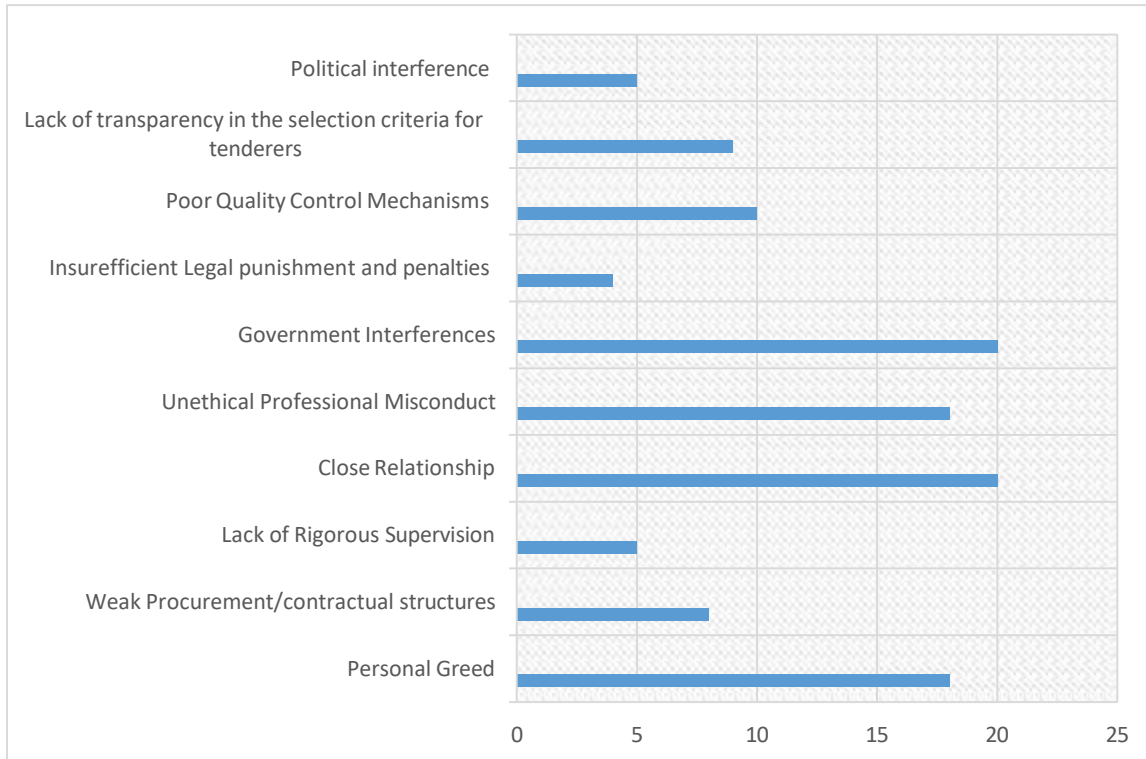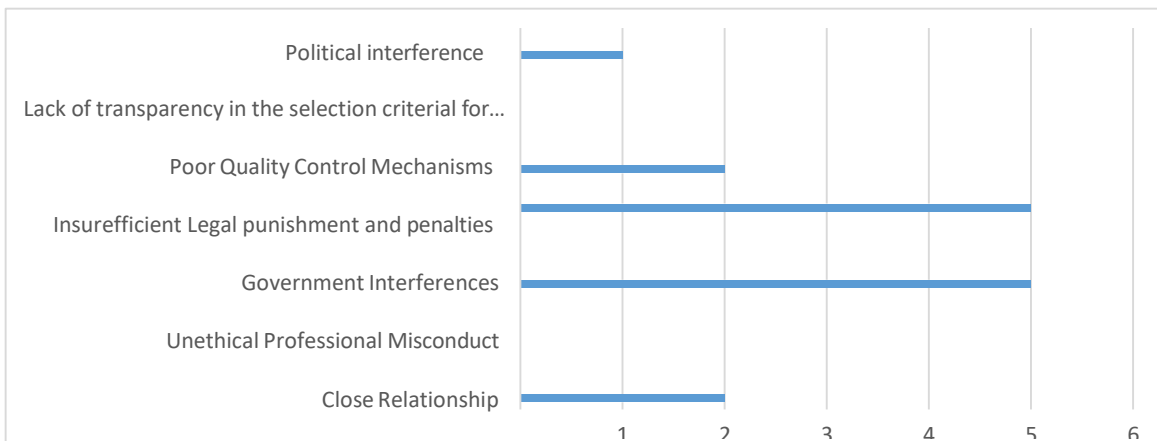IN THE BUILDING CONSTRUCTION INDUSTRIES**

FIG: 5 BAR CHART SHOWING THE NUMBER OF RESPONDENTS THAT NOT AGREED ON THE CUASES OF CORRUPTION IN THE BUILDING CONSTRCUTION INDUSTIES

FIG: 6 BAR CHART SHOWING THE NUMBER OF RESPONDENTS THAT NEITHER

AGREED/NOT AGREED ON THE CUASES OF CORRUPTION IN THE BUILDING CONSTRCUTION INDUSTIES

Discussion of Results

The result obtained from the 65 questionnaires only 55 were returned and analyzed as presented in tables and figures. The percentage of the respondents as shown in fig (1-2) while fig (4-6) shows the numbers of respondents. Fig 1. Shows the number of professionals involved in the research where 27% are site supervisors and contractors 22% are site foremen, 15% are technician while 9% are projects 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. Fig 4. Shows the number of respondents that agreed om the cause 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 cause of corruption in the industry   Fig5. Shows that 20 respondents do not agreed that government interference, close relation as the cause of corruption in the industry 14 are for unethical professional misconduct, 13 are personal greed, 10 for poor quality control mechanism 8and 7 for lack of transparency in the selection criteria for tenderers 5 for political interference and lack transference and lack of rigorous supervision Fig 6. Shows the numbers of respondents that neither agreed nor agree on the causes of corruption.

Recommendations

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

Conclusion

Corruption as misappropriation of delegated authority at the expense of construction project, it occurs when corrupted professionals within the industry effect a negative decision to engage in corruption. The corrupted professional 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 reform, stringent rules and legislation, rigorous technical auditing systems, whistle-blowing mechanisms, contract monitoring schemes among man y others. To mitigate corruption in the constitution sector.

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