UNIVERSITY OF JYVASKYLA - FINLAND

DEPARTMENT OF SOCIAL SCIENCES AND PHILOSOPHY MASTER'S PROGRAMME IN DEVELOPMENT AND INTERNATIONAL COOPERATION

PUBLIC ACCOUNTABILITY IN CAMEROON: A CASE STUDY OF PUBLIC PROCUREMENT MANAGEMENT (PPM)

BY

TAFOR PRINCEWILL CHE

SUPERVISOR:

MARJA JARVELA

JUNE 2007

TABLE OF CONTENTS

CHAPTER ONE

INTRODUCTION	1
1.1 Public Accountability and Public Procurement	2
1.2 Background to the Problem	5
1.3 Statement of the Problem	8
1.5 Objectives of the Study	9
1.6 Research Questions	9
1.7 Significance of the Study	10
1.8 The Scope of the Study	11
1.9 Limitations	11
1.10 CONCLUSION	11
CHAPTER TWO	
CONCEPTUAL FRAMEWORK	13
2.1 The relationship between accountability and corruption	14
2.2 The Importance of accountability in public bureaucracies	15
2.3 The many faces of accountability	16
2.4 The difficulties in investigating corrupt transactions	17
2.5 Conflict of interest between public and private codes of conduct	18
2.6 Cultures favouring corruption	19
2.7 Many faces of corrupt transactions	21
2.8 The evolution of public procurement management	22
2.9 The profession today and the volume of trade	23
2.10 The international market in public procurement	24
2.11 Tender Evaluation Procedure (TEP)	26
2.12 The Most Advantageous Tendering	28
2.13 Indicators of possible kickbacks and collusion in bidding	29
2.14 Rent seeking in public procurement	31
2.15 Capture or Extortion	32

2.16 The effects of corruption within the public procurement sector		
CHAPTER THREE		
THEORETICAL FRAMEWORK	36	
3.1 Theory as a Road Map	36	
3.2 The Principal – Agent Theory	37	
3.3 The Principal-Agent-Client Model	43	
3.4 The Network Theory	47	
CHAPTER FOUR		
EMPIRICAL STUDY	51	
4.1 Background Information on Cameroon	51	
4.2 Public Procurement - Items Procured	52	
4.3 Fighting corruption within the public procurement sector	53	
4.4 The Cameroon Government's anti corruption plan	54	
4.5 Qualitative Research Methodology	56	
4.6 Public Procurement as a Case Study	57	
4.7 Study Design	59	
4.8 Personal Interview	60	
4.9 Advantages and disadvantages of the personal interview	62	
4.10 Method of data analyses	64	
CHAPTER FIVE		
FINDINGS AND ANALYSIS	65	
5.1 Stakeholders and their Roles in Public Procurement Management	66	
5.2 The Degree of Accountability within the Public Procurement sector	68	
5.3 Current Measures at Enhancing Accountability	71	
5.4 Proposals to Improve Accountability in Cameroon's PPM	75	
CHAPTER SIX		
CONCLUSIONS	78	
REFERENCES	82	
APPENDIX I: Definition of Key Terms and Concepts	85	
APPENDIX II: Map of Africa showing Cameroon	87	
APPENDIX III: Interview Questions	88	

CHAPTER ONE

INTRODUCTION

This study will look at the challenges of public accountability in Cameroon while paying particular attention to public procurement management. As used in this study, public procurement will refer to public construction contracts such as roads, railways, schools, hospitals and other construction works financed by the state. It also includes contracts for the purchase of equipment and stationeries for the smooth functioning of public offices. The OECD Trade Committee estimates that government procurement of goods and services (consumption and investment expenditure) represents 18% of world GDP or \$5.8 trillion. Such huge sums of money should be managed accountably if the desired results are to be achieved.

In Cameroon, the concept of accountability has become indispensable since the country was ranked as the most corrupt country in 1998 and 1999 consecutively by Transparency International (CPI Report 1998, 1999). Public procurement management has often been cited as one of the sectors were corruption is rife. Public procurement accounts for 21% of the state budget of Cameroon for 2006. In a developing country like Cameroon, the need for accountability in the management of such an important sector, which involves more than a fifth of the state budget, cannot be over emphasized. It is in this light that this study is undertaken, to investigate the challenges that public procurement managers face in an attempt to ensure accountability in the execution of their task.

To achieve this, there was an extensive use of the Principal Agent theory as expounded by Gormley and Balla in their book "Bureaucracy and Democracy: Accountability and Performance, 2004" The Principal-Agent-Client model by Klitgaard was also used extensively. This model is elaborated in two books by the author; "Controlling Corruption: 1988" and "Adjusting to Reality, Beyond State Versus Market in Economic Development 1991." The Principal Agent theory is an approach to understanding the

causes and consequences of the difficulties that principals face in choosing and monitoring agents to whom they delegate authority. The Principal-Agent-Client model on the other hand admonishes researchers to look at the principal agent relationship more from an economic perspective, paying greater attention to the influential role of the client. The suitability of these two models will be tested in this study, to find out how they can be applied to enhance accountability in the management of public procurement in Cameroon.

1.1 Public Accountability and Public Procurement

The importance of accountability, in the management of public procurement in particular and governance in general, cannot be over emphasised. In the absence of public accountability, contracts are poorly executed or not executed all. Sometimes goods of poor quality are supplied and sometimes nothing is supplied, meanwhile with the connivance of public agents, the contractor is paid his/her bills. This has a negative effect on the development of a nation, as finances will have to be provided for work or supplies that are supposed to have been executed. In a country like Cameroon where corruption is rife and public accountability is low, it may be one of the reasons why despite its resources such oil, timber, cocoa, coffee and food self sufficiency it is still considered, an aid dependent and heavily indebted poor country (UNDP: 2006).

According to Gormley and Balla (2004:12) during the later half of the twentieth century, accountability emerged as a dominant concern among, both policy makers and those outside government. Some government bureaucracies and commissions were viewed as runaway agencies, beyond the control of elected officials and ordinary citizens. As a result, congress passed the Freedom of Information Act, ten years later it passed the Government in the Sunshine Act, all aimed at making the government's information more readily available to the public. The overall thrust of these reforms was to make the executive branch more accountable to the people. While such legislative acts were being enacted in the USA to make the executive more accountable to the people, the executive in Cameroon was blocking attempts to be accountable to the people. It is constantly rejecting appeals by opposition parties and the international community for an

independent electoral body. Appointments to public office depend more on political and tribal patronage than on merit. This accounts for the high level of corruption prevailing in the country in general and the public procurement sector in particular.

These reforms were taking place at a time when the Washington consensus was gaining grounds in the U.S.A and U.K championed by Reagan and Thatcher. As a result, public accountability became a cause celebre in the management of public affairs, especially with countries seeking assistance from the Bretton Woods institutions. Cameroon was not left out, and in 2004 it came up with the National Programme on Governance. It is titled "The Way Forward for Good Governance" The objective of the programme is to institute rigorous and sound management, based on major constraints, making managers responsible and accountable. To achieve this objective the government established an anti corruption observatory, instituted administrative reforms and fostered state/private sector/civil society partnership. Concerning public procurement, the programme emphasizes the need to continue "pursuing the reform of the public contract award system" (ibid). To enhance public accountability is not only a question of enacting legislation. The real challenge in Cameroon as in most developing countries is at the level of implementation. Here the international community can be of great assistance, for instance, by linking debt cancellation, soft loans and foreign investment to increased public accountability.

Before the international community sets in, the government of Cameroon needs to take concrete steps to enhance public accountability. A starting point can be, the granting of more access to information concerning the execution of the public investment budget in general. Speaking at the World Bank, Harymurti Editor-in-Chief of the Tempo in Indonesia said "Access to information is a human right: the right to know who is making the decisions that shape your life, livelihood and future. The desire to improve public access and use it as a tool to hold governments accountable for their actions has spurred people in Bolivia, the Dominican Republic, Guatemala, Honduras and Nicaragua to take part in an ongoing regional dialogue on Access to Information, Transparency and

Inclusive Governance" (World Bank 2006). Transparency is an intrinsic value of public accountability as shown on figure 1.1

A Virtuous Circle of Transparency

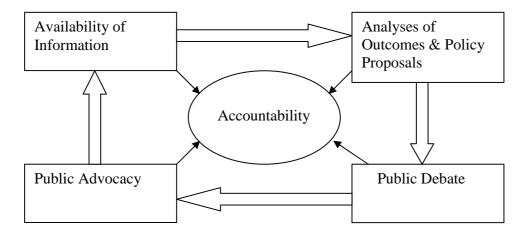


Figure 1.1Source: World Bank Global Monitoring Report 2006

In Cameroon, public agents charged with the execution of the Public Investment Budget have not seen the need to provide public access to information on their activities. In a joint publication by some civil society organisations in the North West Province of Cameroon titled "PRSP and the Budget in the North West Province of Cameroon: An Analytical guideline" they lament the fact that "not all actors identified in this guideline may be open to share budget information". The authors insist on the need for the public in general and the civil society in particular to be informed about the public investment budget in their area of activity. The public and civil society will act as watch dogs to, "Monitor the implementation of projects financed by the state budget, an interesting point constitutes the Tender Boards and Reception Commissions" (2006:9). Such actions will

lead to advocacy campaigns to overcome the observed weaknesses, thus enhancing public accountability in the management of public procurement.

Public accountability as plausible as it may seem, in the management of public affairs has its limits. For agencies dealing with highly technical issues like, the Tender Boards and reception commissions, both politicians and judges have been more willing to delegate authority and defer to the agency's technical expertise. This is also the case where the issues handled by the agency are too contentious, (Gormley and Balla 2004:13). There is intense competition for procurement and construction contracts that it is sometimes preferable to allow for professional accountability, which is seen as less effective to public accountability. Nevertheless, public accountability is an indispensable concept in the management of public affairs, hence the declaration by Harymurti that there can be no sustainable development where corruption is rife. This has spurred the international community to place public accountability and good governance at the front and centre of the development agenda (ibid).

1.2 Background to the Problem

From 1987 onward the worldwide phenomenon of economic crises hit Cameroon. There was a significant fall in the world market price of cash crops like coffee, cocoa and banana. The World Bank and the International Monetary Fund (IMF) imposed on Cameroon, as in other developing countries, a stringent Structural Adjustment Programme (SAP). These measures required the government of Cameroon to cut back on public expenditure, by reducing the number of public service employees. Privatize state-owned corporations and liberalize the economy. Cameroon had to implement these measures in order to receive loans from the IMF (Ngoh 1996: 299). In 1993 the salary of public servants was reduced twice, amounting to 65% cuts. This was followed by a 50% devaluation of the currency. It meant that the prices of all imported goods rose by 50%. Cameroon being a net importer of most commodities, public servants' salaries could no longer take care of their basic needs. Unemployment was at its peak, due to the down sizing of the public sector.

In order to make ends meet, public servants began to request for kick backs before rendering basic services that were normally free. Popular opinion holds that, this is when Cameroon began its nose dive to the unenviable position of one of the most corrupt nations in the world. The public service in Cameroon was no longer accountable and was neither transparent in the management of public funds. There was corruption and embezzlement of public funds with impunity (Ngoh 1996: 300).

One of the sectors where public accountability was weak included the management of public procurement. Those who had lost their jobs due to the downsizing of the public service became over night contractors, bidding for public procurement contracts. Liberalising the economy meant, licences were issued to potential contractors without the scrutiny that such licences demand. As a result adventurers entered the public procurement sector. Complicating the situation further, technocrats were placed in the wrong places as political appointments into technical jobs did not help the country (Ngoh 1996: 300).

The effects of the near absence of Public accountability within the public procurement sector were far reaching. Goods and services of low quality were delivered, sometimes they were not supplied at all, yet with the connivance of corrupt public agents, the contractors were paid and the money shared between the two. It was also the case with construction contracts. The situation prompted Ngoh (ibid) to declare that "Instead of using money to liquidate debts, Cameroon wasted it in senseless projects, several uncompleted projects in most towns testified to the lack of economic purpose and direction by the government, corruption and the embezzlement of public funds were common".

Such a state of affairs could not be allowed to continue unchecked. Soon there were calls both within and out of Cameroon for public accountability in the management of state affairs in general and public procurement in particular. Anti corruption measures to enhance public accountability became conditions for the granting of IMF/World Bank loans. Some top government officials including ministers and directors of public

corporations were dismissed and jailed awaiting trial (Business and Politics 2006). Other Newspapers in Cameroon were publishing the names of public servants who were billionaires, with assets and large sums of money in foreign bank accounts.

The pressure from foreign donors, opposition parties and the civil society had started yielding some results. To assess the progress made, a multi donor anti corruption assessment mission visited Cameroon from 17 – 22 July 2006. This was under the umbrella of the OECD Development Assistance committee (DAC) Governance Network. In its report after the visit the donors stated that "Public procurement is central to public financial management systems and of particular importance in the fight against corruption" (OECD DAC Report: 2006). The report gives a rather positive assessment of public procurement management (PPM) in Cameroon, considering the reforms taking place especially in the enactment of laws. The adoption of the procurement code in 2004, the Independent Procurement Regulatory Body (ARMP) was established in 2001, the existence of procurement committees in spending agencies with independent observers. The report states that the foundations for an effective public procurement system are in place. "The major challenge now is implementation" the report concludes.

As observed above, Cameroon has good anti corruption laws, the problem is at the level of implementation, making these laws effective in enhancing public accountability. In this study, an attempt will be made to find out if the government has built on the foundations that the OECD – DAC members reported were in place for an effective public procurement management system. Focusing on public accountability in the management of public procurement, this study will use empirical data to assess to what extent the numerous laws governing the sector are being applied to render it accountable. Particular emphases will be placed on the causes and consequences of the presence or absence of public accountability in the management of public procurement in Cameroon.

1.3 Statement of the Problem

As mentioned in the introduction, in 1998 and 1999 Cameroon was ranked consecutively, as the most corrupt country by Transparency International, a German based anti corruption watch dog, (C P I 1998 & 1999). Public procurement is often cited as one of the areas were corruption is rife. An independent audit of HIPC (Heavily Indebted Poor Country) funds noted non-compliance with financial management and procurement procedures despite significant safeguards, which included measures such as, international monitoring, eliminating corrupt contractors from tender lists and the enactment of new procurement rules (OECD DAC Report 2006). The government of Cameroon has been insisting that it is determined to ensure public accountability in the management of state affairs. However, seven years on in 2007, Cameroon was ranked as the 10th most corrupt nation, with an average of 2.3 on 10.

As a result, one needs to find answers to some pertinent questions such as, why is Cameroon not winning the fight on corruption? What accounts for this high level of corruption within the public procurement sector? What are the consequences of corruption on Cameroon's development efforts, especially with poorly or non executed contracts, or non supply of goods?

The Principal – Agent theory as elaborated by (Gormley and Balla 2004) and the Principal – Agent – Client Model presented by (Klitgaard 1988, 1991) can be applied in Cameroon, to determine the causes and consequences of the difficulties in ensuring accountability in the management of public procurement. Quite often in attempting to fight corruption in procurement management, emphasis is placed on the monitoring aspect alone. However if a conscious effort is made in choosing as well as monitoring public agents, then there may be some improvement. Particular attention should be paid also on the choosing and monitoring of clients i.e. contractors and suppliers, by the principal. Where adverse selection or moral hazard is detected, the client may be dropped from the official list of public contractors.

1.5 Objectives of the Study

This study is undertaken as an attempt at understanding the challenges encountered in ensuring public accountability, in the management of public procurement in Cameroon. To achieve this, a number of objectives were set for this study. They are:

- **I.** Identify the principal stakeholders and their roles in the management of public procurement in Cameroon.
- II. Investigate the level of accountability in the management of public procurement.
- III. Assess the current anti corruption measures within the sector.
- **IV**. Make recommendations for enhancing accountability in the management of public procurement in Cameroon.

1.6 Research Questions

- 1. Who are the principal stakeholders and what are their respective functions in the management of public procurement?
- 2. How accountable is public procurement management (PPM) in Cameroon?
- 3. What are the current measures at enhancing accountability in public procurement management in Cameroon?
- 4. What can be done to improve public accountability in Cameroon's public procurement management?

Table 1.1

The research objectives and sources of data summarised

Objectives	Research Questions	Sources of Data
Identify the principal	Who are the main actors in	Questionnaire; e.g. B1 and
stakeholders/roles in PPM	PPM in Cameroon	literature review
Verify the level of	How accountable is PPM in	Questionnaire; e.g. A1-3,
accountability in PPM	Cameroon	B2, C1,4, D1, and literature
		review
Assess the current anti	What are the anti corruption	Questionnaire; e.g.A4, B4,
corruption measures in	measures applied in PPM in	C3,4,6, D2 plus literature
PPM	Cameroon	review
Suggestions for improving	What can be done to	Questionnaire; e.g.A6,B6,
accountability in PPM	enhance accountability in	C4,6, D3, literature review
	Cameroon's PPM	

1.7 Significance of the Study

Each year, the government of Cameroon spends large amounts of money (21% of state budget 2006) for public procurement and construction projects. Sometimes these goods are not supplied nor the construction undertaken. In cases where they are realised, it is usually of poor quality. This may be due to the fact that, the contractor has used part of the project money to give kickbacks, in order to win the bid. Sometimes the technical official may lower standards in exchange for a bribe. This is costing the tax payer much, especially in capture which occurs when a firm bribes a public official to obtain a trading advantage. Auriol (2006: 2) states that "Capture, which obstructs allocative efficiency, yields a dead-weight loss, extortion does not. The study relies on data on federal US procurement and on e-procurement to calibrate the capture dead-weight loss. According to the computation, the total capture cost represents between 1.2 and 2.88 times the amount of the bribes. If the USD 200 billion figure is accurate, in 2002, the tax payers should be willing to allocate at least USD 240 billion world wide to fight corruption". If

the recommendations of this study are implemented, it will contribute in enhancing public accountability in the management of public procurement, thereby reducing the dead-weight loss bourn by the tax payer. It will also boost both internal and external investor confidence in Cameroon.

1.8 The Scope of the Study

Public accountability is a broad subject and there is no sphere of government or private sector activity, which does not require accountability to be effective. However, for purposes of this study, findings will be narrowed to the presence or absence of accountability in the management of public procurement in Cameroon.

1.9 Limitations

Public accountability is such a sensitive subject and people often avoid talking about it, in a formal setting like interviews for research purposes. As such the principal stakeholders like contractors, suppliers, vote holders, stores accountants, officials of technical services and members of reception committees may not be willing to provide information freely. This may be one of the reasons why literature on Cameroon's public procurement management is hard to come by. The second limitation is that, findings from one case study will not be generalised for the whole of Cameroon.

Cameroon is a bilingual country with ten provinces. However, empirical data for this study will be collected in two towns, one in each side of the linguistic divide. It is hoped that this will give a fair representation of the Francophone and Anglophone notions of public accountability as concerns public procurement management in Cameroon.

1.10 CONCLUSION

Chapter one begins by situating the study within the realms of accountability in the management of public procurement in Cameroon. It states the importance of accountability in public procurement as it accounts for 18% of world GDP and 21% of Cameroon's budget of 2006. The background to the problem is the inherent corruption

within this sector in Cameroon. Four research questions were formulated in line with the general objective of the study, which seeks to identify the challenges of enhancing accountability in public procurement. This chapter ends with a look at the scope and some of the limitations of the study. Chapter two – Conceptual Framework will examine some of the concepts and themes that were discernible during the literature review process for this study.

CHAPTER TWO

CONCEPTUAL FRAMEWORK

Because of the systematic and cumulative nature of science, scholarly research rests on the findings and insights of others. This implies that research is never conducted in a vacuum, no matter how innovative the topic or procedure are. In this light, literature review places the ongoing research within the history of social science research. Therefore, as a novice researcher one is not expected to contribute something revolutionary to the accumulated body of knowledge. Also it shows that one is aware of how predecessors have dealt conceptually and empirically with the same or similar research problems (Chava and Nachmias 2000: 490,491). This chapter will therefore, attempt to present some of the concepts and emerging themes that were discernible during the literature review process for this study.

Literature may also be used in sharpening the focus and to give structure to its questions and design. In this case, the researcher needs to connect the proposed study to the literature (Punch 2005:266). As concerns the present study, the literature has facilitated the identification of interviewees for a semi structured interview. These include contractors for construction and suppliers of inputs, government officials involved in public procurements, members of the civil society who are, at the forefront in the campaign against corruption. Last but not the least the questionnaire will be administered to ordinary Cameroonians. They are the tax payers and they bear the brunt of poorly executed projects or goods of poor quality supplied because of corruption.

Any scientific study has some contribution to make to the existing knowledge in that area. This contribution to knowledge is closely tied to the literature in the area. One function of the literature review is to indicate gaps in the knowledge in the area, and to show how this study will contribute to filling those gaps (Punch 2005:267). One of such gaps identified during this study is the near absence of literature dealing with the

management of public procurement in Cameroon. This is surprising considering the huge sums of money involved in this sector and the fact that it is often considered as one of the sectors in Cameroon where corruption is rife (OECD DAC Report: 2006).

In this section, one will consider the broader concepts of accountability in general. Next, one will discuss literature dealing with some concepts and themes concerning corruption in Cameroon and internationally. The last segment of the conceptual framework, reviews some publications on public procurement involving both construction and supplies. Concerning accountability and corruption, the sources of literature are mainly from text books and internet sources. With regard to public procurement, most of the literature is from scientific journals.

2.1 The relationship between accountability and corruption

Poonam 1995:35 citing Stufflebeam (1971:20) defines accountability as the ability to account for the past actions in relationship to the decisions, the extent to which they were adequately and efficiently implemented and the value of their effects. On the other hand, Transparency International defines corruption as the use of public office for private gain. A close look at accountability and corruption reveals an inverse relationship between the two that is, where the citizens manifest a high level of accountability there is less corruption and where the level of accountability is low, corruption is wide spread. Concerning the management of public procurement, it is evident that, when Agents have great discretion and accountability to Principal is weak, corruption is bound to flourish CORRUPTION = MONOPOLY + DISCRETION – ACCOUNTABILITY (Klitgaard 1988:75).

Corruption is condemned by all communities, yet it is widespread. Evidence shows that when both public officials and private agents have much to gain from corrupt transactions and little to lose, corruption thrives (World Bank Development Report 1996:95). In such a society the values and structures that are supposed to enhance accountability are absent or where they exist, they have been so weakened and rendered ineffective. "If you can't

change the structure or values of a society, you can't do anything about corruption." (Klitgaard 1988: 67)

2.2 The Importance of accountability in public bureaucracies

Although accountability is vital in all sectors of society, it takes on distinct meanings when authority is exercised by public servants. As decision makers, they are empowered to serve not share holders or boards of directors but families and the public using *tax payers' monies* (Gormley and Balla 2004: 3). Quite often this involves huge sums of money and in developing economies like Cameroon, the absence of accountability drains away vital resources that could have been used in other sectors of the economy. While governments have limited influence on factors such as geography, they have more decisive influence on the security of property rights, approaches to regulation and taxation (World Development Report 2006:1). These three notions constitute important concepts in enhancing accountability in the society. They can be grouped under the rule of law.

The importance of accountability in the management of public bureaucracies in general and public procurement in particular cannot be over emphasized. Each year governments spend large sums of money for the procurement of goods and services i.e. consumption and investment expenditure (21% State budget of Cameroon 2006). Quite often, these goods are not delivered or goods of poor quality are supplied. Public contracts are poorly executed or not executed at all. In this light scarce resources that might have been directed to other development needs will be redirected for goods and services that are supposed to have been executed or delivered. This leads to the costly phenomenon of double financing.

The tax payer as principal hasn't got the skills or mandate to execute public contracts or procure goods, besides it is not feasible. S/he therefore needs to rely on a public agent to realize this objective on her/his behalf. Such relationship often involves huge sums of money put at the disposal of the agent, hence the need for the agent to be accountable to the principal, especially as concerns information at his/her disposal (Auriol 2006: 4).

2.3 The many faces of accountability

Concerning accountability within the executive branch, it is useful to distinguish between the source of control over agencies - internal or external and the degree of control over agency actions-high or low (Gormley and Balla 2004: 10). There are four possibilities:

- Bureaucratic accountability is where effective control emanates from within the executive branch. Under this system expectations are managed through a hierarchical arrangement based on supervisory relationship.
- Legal accountability, here effective control is from outside. The legal system of accountability manages agency expectations through a contractual relationship
- Professional accountability, where internal structures and processes produce low levels of control. This system of accountability relies on deference to expertise
- Political accountability, here control is external and limited, it promotes responsiveness to constituents as the central means of managing the multiple expectations (Romzek and Dubnick 1987:227).

Table 2.1
Forms of executive branch accountability

		Source of control over agency	
		Internal	External
Degree of Control over Agency	High	Bureaucratic accountability	Legal accountability
	Low	Professional accountability	Political accountability

Source: Gormley and Balla (2004:11)

2.4 The difficulties in investigating corrupt transactions

Efforts at investing and prosecuting corrupt transactions are always very difficult because corrupt transactions are hardly ever carried out in the open. Institutionalized corruption tends to create its own internal codes of social ethics, which create a strong net of trust and loyalty to protect those involved in corrupt practices and efficiently subverts the prevention of corruption (Hellsten 2003: 56). Such nets of trust guarantee silence in the face of any investigation reminiscent of the Sicilian mafia's code of silence. It also maintains and strengthens the network for future corrupt transactions. Anti corruption enthusiasts may perceive these social ethics as perverse but to those involved in it, it is the norm and any one wishing to take part must abide by them.

Since both parties are beneficiaries of the corrupt deal, they are reluctant to report the act. The Zambian Anti – Corruption Commission director notes: Corruption is in general a very difficult crime to investigate because of the element of satisfied customer relationship, where both parties to the transaction are satisfied and are unwilling to report the offence, let alone give evidence in a court of law (Hellsten 2003: 61). This is very evident in the award of public construction contracts and public procurement. After giving a kickback and being awarded the contract for either supply or construction, both parties are satisfied with the deal. The public agent is satisfied with the extra amount gained from the kickback. On the other hand, the contractor is satisfied for having been awarded the contract. The only unsatisfied party here is the tax payer who is paying more for the execution of a job that would have cost less. In most cases also, goods of low quality are supplied or work of poor quality done.

Klitgaard (1991: 118,119) states that by its nature, corruption is difficult to observe. It is inherently a secretive activity. He goes further to say that many students of development have simply been reluctant to study the subject. Of course, there are practical reasons for this: data are scarce, and countries are unlikely to welcome such scrutiny. This was quite evident during the collection of data for this project. Most government officials involved in the award of contract either for supplies or construction were hesitant, sometimes

hostile during personal interviews. These may be some of the reasons for the scarcity of literature on the management of public procurement in Cameroon.

However, the secretive nature of corruption is not peculiar to Cameroon or developing countries. A legal scholar, John Noonan Jr. states that bribery is universally shameful... In no country do bribe takers speak publicly of their bribes, or bribe givers announce the bribes they pay. No newspaper lists them. No one advertises that he can arrange a bribe. No one is honoured precisely because he is a big briber or a big bribee... Not merely the criminal law-for the transaction could have happened long ago and prosecution be barred by time-but an innate fear of being considered disgusting, restrains briber and bribee from parading their exchange (Noonan 702). All these factors combine to make the fight against corruption an up hill task. In this light, Klitgaard concludes that corruption is therefore doubly difficult to discuss: it is secretive and it is sensitive. Its moral nature combines with its social destructiveness in an explosive combination (19991:120). This is quite evident in the multi million dollars, public procurement sector in Cameroon and most developing countries.

2.5 Conflict of interest between public and private codes of conduct

Transparency International – The German based anti corruption watchdog defines corruption as "the use of public office for private gain." This definition brings to centre stage the ever present conflict between public and private codes of conduct facing most public officials. It goes further to state that surveys used in compiling its corruption perception index (CPI) "tend to ask questions in line with the misuse of public power for private benefits, with a focus, for example on giving and taking of kickbacks in public procurement" (CPI Report 1999). This is not surprising considering the amount of money involved in the award of major construction projects like roads, hospitals, railways and other infrastructure. Even the procurement of consumables like office paper, ink and missions involve large sums of money. There is therefore a high potential for a conflict of interest between public and private codes of conduct where the stakeholders lack both civic and private virtue.

The conflict of interest between public and private codes of conduct leading to corruption is not a new social problem. Plato, Aristotle and other early philosophers were concerned that many politicians in Ancient Greece were not interested in the good of the whole society rather they promoted their own personal interests. The decline of Rome's empire was blamed on raging corruption and the lack of both civic and private virtue (Hellsten 2003:56). In most developing countries and Cameroon in particular today, the situation is not too different, with the main consequence being the ever widening gap between the rich and the poor. It is also fuelling many conflicts and wars in these countries.

It is worth noting that the distinction between one's public and private roles and between professional and personal ethical commitments is sometimes blurred, particularly in more collectivist cultures. Nevertheless it is not quite evident, that the prevalence of corruption in these cultures is due to the vagueness of this distinction or the prevailing social and economic realities (Hellsten 2003:62). As concerns Cameroon, the high incidence of corruption is not unrelated to the severe economic crisis that hit the country in the late eighties through the nineties. This was characterized by massive salary cuts of up to 65%, downsizing of the public sector, with lay offs and a 50% devaluation of the currency (Ngoh ibid). The citizens endured untold hardship and many public officials were wiling to compromise their civic and moral ethics for survival. Even after the gradual improvement in the economy, the fight against corruption has not been as successful as many observers would have wished.

2.6 Cultures favouring corruption

The executive director of T.I states that there is no culture where corruption is legal. However, Myrdal says "when we observe that corruption is more prevalent in South Asia than in the developed Western countries, we are implying a difference in mores as to where, how and when to make a personal gain." In some cultures, people or government officials have such different values that corruption is less prosecuted, more accepted, perhaps even part of the mores. In other societies, tribal and kinship loyalties may override an agent's obligations to his public duties, creating a climate conducive to corruption (Klitgaard 1988:62). Most high ranking public officials, recently prosecuted in Cameroon for corruption, come from the same ethnic group with the President, which

may at first sight give some credence to the above assertion. However this is more an abuse of power as opposed to a cultural inclination of people from that ethnic group to be corrupt.

Other observers hold the view that racial and cultural factors are not primary causes of corruption. They note that corruption has been prevalent at various times in all cultures. We might cite histories of the selling of offices in Europe, Japan and the United States. The real question for policy makers is what to do about various forms of corrupt behaviour, wherever they occur. Nevertheless when searching for answers, we should take cultural and other variables into account, while steadfastly resisting the temptations of cultural fatalism or insidious racialism (Marshall and Glyndwyr 1983).

Hellsten therefore argues that "it is evident that social ethics vary between cultures: what in one culture may be seen as an unethical bribe, in another may be considered as an inevitable cost or price for a given service, while in yet another one, it might be socially required as an important gesture of respect or gratitude." She then presents the following argument.

- There are more collectivist cultures (than Western ones) where gift-giving is pervasive and patronage is widely accepted in both private and public sectors.
- Within such a culture, ordinary citizens cannot make a clear division between gifts, tips, prices and bribes.
- In this culture, the distinction between public and private morality disappears. Conclusion: where there is no such distinction, corruption is the very part of the culture itself.

She however refutes such a conclusion, stating that it misses the issue of failing public systems and jeopardizes the efforts to curb corruption. In fact, such an assumption boarders on discrimination by inferring that people in poor countries with institutionalized corruption, are not capable to make a clear moral distinction between justified and unjustified actions because of their collectivist (rather than individualist) cultural background (Hellsten 2003: 63). The high level of corruption in Cameroon is generally associated with failing public systems. This was accentuated by the drastic

structural adjustment of the 1990s. It was characterized by massive streamlining of the public sector and a poorly managed privatization policy. As a result, survival through what ever means (even corrupt ways) became the mantra of the average public servant. It had nothing to do with a culture of corruption in Cameroon. Besides, Cameroon has a mosaic of cultures corresponding to the more than 300 ethnic groups. As such, there is nothing as a national Cameroonian culture to which corruption can be ascribed.

2.7 Many faces of corrupt transactions

Examples of corrupt transactions range from the monumental to the trivial. One will not list the very long list of corrupt transactions that people are involved in. Rather one will look at the different faces of corrupt transactions from three points of view, 1) the misuse of policy instruments 2) when corruption becomes systematic 3) the initiator/receiver dichotomy.

In the first instance, corruption can involve the misuse of important policy instruments like, tariffs and credit, irrigation systems and housing policies, the enforcement of laws and rules regarding public safety, the observance of contracts, the repayment of loans or simple procedures (Klitgaard 1991:121). As concerns procurement contracts, the policy instruments regulating its execution are quite clear yet they are disregarded or misused for corrupt transactions. The General Procurement Agreement 1994 which regulates international procurement, states clearly that, signatories should not discriminate either between foreign and home bidders or amongst home bidders. However the reality speaks of favouritism in the award of procurement contracts against kickbacks and bribes. The public contract code of Cameroon 2004, lays down in a very elaborate manner the procedure to follow in order to minimize the risk of corruption. Implementing this policy instrument is a problem, giving rise to incompetent contractors being awarded contracts that are poorly executed or not executed at all.

Secondly corruption can be looked at from the point of view of how systematic it has become within the sector. For instance, when it infects the daily business of government like collecting taxes, passing items through customs, letting public contracts to build or supply. Corruption can be systematic within the public procurement sector where all the

stakeholders, from the project owner or principal, the public agent through the tenders board to the contractor and supplier are all involved, giving and accepting bribes. In such a scenario those who abide by the contract code are never awarded any procurement contracts.

Thirdly finding out who are the initiators of corrupt practices is essential for the prevention of corruption. However the double standards in the public's attitude towards corruption, makes it difficult to track down those who originally fuel the corruption (Hellsten 2003:59). Hence, this third approach through which one can view the many faces of corrupt transaction, the dichotomy between the bribe giver and the bribe receiver. Who bears the greater responsibility for fuelling corruption? Most observers are of the opinion that those who make the initial move to tempt an official to take part in a corrupt transaction are the most unethical parties. Hellsten however argues that from the point of view of ethics, this applies to either situation: 1) a person offers a public officer a bribe and he accepts it, 2) an officer asks for a bribe and the client pays it. From the point of view of social ethics, the one who suggests the corrupt transaction is acting immorally, while the other who merely goes along, is often considered a victim of his own weakness or circumstances, whether s/he is the one in official position or not. From the legal point of view however, those who take the bribes are more harshly punished than those who initiate them or those who agree to pay them. The search for the initiators and the (willing or unwilling) collaborators has to do with the claim that when money is neither paid nor offered, corruption must surely die (Hellsten 2003: 60).

2.8 The evolution of public procurement management

Although it is difficult to set an exact date for the emergence of procurement, evidence exists that the colonialist and trading empires of the ancient world relied on some of the most important aspects of procurement. However the formal practice of procurement can be traced back 2.800 years to the trade relationships between China and parts of Europe. Procurement was the practice-based administrative process of buying the goods and services required to satisfy the functional needs of an organisation. Purchasers stood between the organisation and its material requirements (Callender and Darin 2005:21).

Titus Livy in *History of Rome* wrote that the Roman armies, following their success in Spain in 215 B.C used extensive negotiation and bargaining with those who had a contract-based relationship with the state. It was competitive as they were three companies that participated in the tendering process (ibid).

In the 20th century, public and private companies began to see the importance of procurement within their respective organisations. It became apparent that, due to the amount of dollars at stake, purchases were more effectively handled by an individual who could concentrate in the business of procurement. A 1995 study by the Centre for Advanced Purchasing studies (CAPS), issued a call to the purchasing and supply management profession to integrate itself within the corporate strategy. As the profession developed, so did independent bodies that supported its members. In the USA there is the National Institute of Governmental Purchasing (NIGP) and the Institute for Supply Management (ISM). They focus on education, professional certification, and their programmes have aided the profession in the last century (Callender and Darin 2005:22). In Cameroon, these bodies are regionally based, like the North West Association of Contractors. Who like their counterpart else where, seek to defend members interest.

2.9 The profession today and the volume of trade

Today's government procurement professionals account for an estimated 20% of the gross domestic product (GDP) in the United States. The decisions made within procurement have a tremendous impact on government services delivered each day. This has led Ivan J Tether in *Government procurement and operations* 1977 to state that "so great is the overall volume of government purchasing that it might be considered an implement of social change" (Callender and Darin 2005: 20). In Cameroon, government procurement accounts for 21% of the annual budget. (State Budget of Cameroon 2006). It is therefore clear that present day public procurement, involves large sums of money, with a very wide range of social impact in both high and low income countries. It is therefore important that procurement professionals be dedicated to their profession, with a clear vision of what is best for their organisations.

Procurement practitioners become initiators within the procurement process. Coupled with developing concepts such as total quality management, customer service, supply performance management and just-in-time inventory management, imaginative supply managers saw the opportunity to manage their supply chains through the procurement process. Public purchasers began to participate in the extended enterprise, strategizing with other key business functions to meet organisational objectives, thus adding value to the entire acquisition process. Some analysts have referred to this evolution as an example of the procurement profession going "from the back room to the board room" (Callender and Darin 2005: 22).

While government procurement professionals of high income countries may be leaving the back room to the board room, this is not the case with their counterpart in low income countries. In the developing countries in general and Cameroon in particular, the profession is still made up of amateurs and sometimes outright adventurers. This study will attempt to verify, how applicable to Cameroon is the assertion by (Callender and Darin 2005) that procurement professionals are now "seeking only what is best for their organisations [they] avoid personal gain or even the appearance of impropriety."

2.10 The international market in public procurement

The OECD Trade Committee estimates that government procurement of goods and services (consumption and investment expenditure) represents 18% of the world GDP or \$5.8 trillion. For OECD countries it represents 20% of their GDP or \$4733 billion and for non OECD Countries, it is estimated at 14% or \$816 billion (OECD 2002). The international market in government procurement is therefore very large. Despite its potential there is no international agreement applicable to all member countries involved in international government procurement. The Government Procurement Agreement (GPA) 1994 does not apply to all the members of The World Trade Organisation which negotiated the agreement in Marrakech-Morocco.

The WTO took note of this omission and stated in an overview to the GPA that "Government procurement has been effectively omitted from the scope of the multilateral trade rules under the WTO, in the areas of both goods and services. In the General Agreement on Tariffs and Trade, originally negotiated in 1947, government procurement was explicitly excluded from the key national treatment obligation. More recently, government procurement has been carved out of the main commitments of the General Agreement on Trade in Services. Since it is estimated that government procurement typically represents 10-15% of GDP, this represents a considerable gap in the multilateral trading system." This is regrettable because international contractors do bid for a sizeable part of home procurement contract. It is therefore worthwhile that the GPA should be applicable to all countries of the WTO. Cameroon is having an observer status, after this period it will commence negotiation for accession, if they are successful, only then will she become a full member. The challenge is to use full membership into the GPA to improve public procurement management.

Using the internet for sourcing products and supplies, implementation of integrated financial systems and for electronic bidding, is now common place within the public procurement sector in developed countries. This might still be a long way to come in developing countries. Nevertheless, a 2001 survey by the US National Association of State Procurement Officials (NASPO) states that procurement automation is "a key factor to the success of purchasing in the future" (Callender and Darin 2005:25).

Procurement automation can go a long way to meet some of the challenges facing the procurement sector in developing countries in general and Cameroon in particular. Callender and Darin (2005) state that "the modern state of public procurement demands a strategic focus, a customer service focus, a capacity to interpret financial, political, legal, operational and other supply-chain risks." If these risks can be minimized, then public procurement management in Cameroon would be efficiently managed.

2.11 Tender Evaluation Procedure (TEP)

The Tender Evaluation Procedure is at the heart of public procurement management. This is the procedure through which competing bidders are awarded construction and procurement contracts. In Cameroon the Tenders Boards are the organs set up under the Contracting Authorities and Delegated Contracting Authorities for the award of public contracts worth 10.000\$ or more (Public Contract Code of Cameroon 2004: Art 112). Tenders Boards are therefore the pillars in the management of public procurement in Cameroon. The tender procedure is regulated by the public contract code 2004. It recognises three types of tender procedures - the open invitation to tender, restricted invitation to tender and invitation to tender with design competition.

An Open Invitation to Tender

Article 11.1 of the Cameroon Public Contract code sates that: An invitation to tender is said to be open where the public notice invites all interested candidates to submit their bid on a given date. It goes further in Art. 11.2 to state that, after publication of the notice, the tender file is put at the disposal of each candidate or potential bidder upon payment of a fee. This constitutes a bulk of the procurement contracts awarded in Cameroon.

A Restricted Invitation to Tender

The code describes a restricted invitation to tender stating that it shall be an invitation to tender preceded by pre-qualification. The invitation is addressed to a number of candidates of potential bidders retained after a pre-qualification procedure. It is imperative that the public call for candidature must specify the qualification criteria, notably the administrative conditions, references concerning similar contracts, staff, installations, equipment and financial situation. The restricted invitation to tender may be used in the following cases, major works or equipment of specific or complex nature, specialised supplies and services, The Public Contract Code of Cameroon (2004: Art.12 and 13).

An Invitation to Tender with Design Competition

An invitation to tender shall occur where technical, aesthetic or financial reasons justify special studies. In this case, the invitation to tender may be accompanied by a design competition. The design competition will have to do with the conception of a work or an architectural project. The prizes, awards or benefits may not be granted wholly or partially if the projects are not deemed satisfactory, The Public Contract Code of Cameroon (2004Art.14-16).

The Government Procurement Agreement - GPA (1994) allows for the use of open, selective and limited tendering procedures provided they are consistent with the general provisions of the GPA.

- Open tendering procedure: Here all interested contractors and suppliers may submit a tender. There is no discrimination between foreign and national bidders (Art.7.3 a GPA 1994).
- Selective tendering procedure: Only those contractors or suppliers invited to do so by the entity may submit a tender (Art. VII: 3 b and X). To ensure optimum effective international competition, purchasing entities are required to invite tenders from the maximum number of foreign suppliers. Safeguards to ensure that the procedures and conditions for qualification of suppliers do not discriminate against suppliers of other Parties are set out in Article VIII. For example, any conditions for participation in tendering procedures by suppliers shall be limited to those that are essential to ensure the firm's capability to fulfil the contract and shall not have a discriminatory effect. Once a year the entities using the selective tendering method are required to publish, in a publication indicated in Appendix III to the Agreement, their lists of qualified suppliers, and to specify the period of validity of those lists and the conditions that need to be met for inclusion of interested suppliers in the lists (Art. IX: 9).
- Limited tendering procedure: The entity contacts the potential suppliers individually (Art. VII: 3 c). The Agreement closely circumscribes the situations in which this method can be used, for example in the absence of tenders in response to an open tender or selective tender or in cases of collusion, when the product or

service can be supplied only by a particular supplier, or for reasons of extreme urgency brought about by events unforeseeable by the entity (Art. XV).

2.12 The Most Advantageous Tendering

This is an alternative contract award mechanism. The Public Contract Code of Cameroon and the Government Procurement Agreement both favour the lowest bid tendering (LBT) method in the evaluation of bids for public procurement contracts. This method has simple tendering procedures and non controversial issues, making it one of the most popular contract award methods in public and international procurements. On the other hand, when contractors compete solely on the bidding price, this may lead to price slashing and low construction quality or goods of poor quality supplied. Considering the changes in the industrial environment, the trend of globalisation and international developments, decision making models that only consider the price may no longer meet the needs of the competitive environment, hence the introduction of the 'Most Advantageous Tendering' Method - MAT (Wen-Lin et al 2006: 2).

MAT is a multi-criteria bid evaluation procedure, the tenderer with a tender that fulfils the criteria set forth in the tender documentation and whose proposal is most advantageous to the contracting or delegated contracting authority will win the tender (Wen-Lin et al 2006:3). The main challenge facing the MAT method is how to render it as objective as possible, since the lowest bidder is not necessarily the winner. A look at what obtains in other countries applying MAT will be helpful.

The Taiwanese government enacted the Government Procurement Law (GPL) in 1999. This law incorporated MAT as an alternative contract award mechanism. The GPL states that if a contracting authority elects to use MAT as its tender evaluation procedure, then it must establish a procurement evaluation committee. The evaluation committee shall comprise of 5-17 members who have relevant professional knowledge about the objectives to be procured. At least one third of the evaluation committee members shall be out side experts or scholars (Wen-Lin et al 2006: 4). The evaluation committee's duties include among others, setting or approving the evaluation items, criteria, methods

and conducting the evaluation of tenders. Criteria/items for MAT evaluation may be, but not limited to technology, quality, function, management, commercial terms, track records contract performance, price, financial plan or any other item deemed important for the function of the procurement. It is therefore of utmost importance that the evaluation committee makes its selection on a fair basis to choose the tender that is the most advantageous to the procuring agency. This implies that, the members of the evaluation committee must have full knowledge of the contracting authority's requirements and avoid a purchasing process that is not transparent (Wen-Lin et al 2006:4).

In Cameroon, the most advantageous tendering method of evaluating tenders is not yet applicable. However as public procurement grows bigger and more complex, it might be introduced sooner than later. Nevertheless, the fear remains that with its "multi-criteria bid evaluation procedure" MAT if not well mastered or poorly managed might lead to greater corruption in the selection of tenders. But as the Taiwanese example shows, it is a beneficial method to select efficient contractors for public procurement contracts that meet the *specific needs* of the contracting authority.

2.13 Indicators of possible kickbacks and collusion in bidding

Klitgaard in his book *controlling corruption* (1988: 141) has elaborated a list of indicators of possible kickbacks and collusion in bidding for contracts. These indicators which can be very useful in the fight against corruption in public procurement are:

A. Indicators of possible collusion

- 1. Identical bid prices for contract
- 2. Evidence same person prepared all bids (e.g. same handwriting or type face)
- 3. Patterns in bid over many contracts
 - a. Same vendor gets a particular kind of contract.
 - b. Regional or agency pattern in bids
 - c. Pattern of rotation among winning vendors
- 4. Information that prices charged are greater than competitive prices
 - a. Prices for same or similar contracts elsewhere

- b. Market information
- c. Informers among contractors
- d. Internal or third-party estimates of cost

B. Indicators of opportunities for kickbacks

- 1. Large contracts
- 2. Few bidders on contract
- 3. Discretion in awarding a contract
 - a. Agency may award contract to other than low bidder
 - b. Agent has discretion to avoid competitive bidding in a contract
 - c. Agent can negotiate with bidders
- 4. Discretion after contract is awarded
 - a. Agent can issue "change orders"
 - b. Agent can award additional work to contractor without bids

C. Indicators of possible occurrences of kickbacks

- 1. Large contract
- 2. Few bidders
- 3. Specifications of contract
 - a. None or vague when bidding opened
 - b. Bidder helped set specifications
 - c. Particular brand of equipment mandated
 - d. "Emergency" contract
- 4. Awarding of contract
 - a. Not to lowest bidder
 - b. Contract awarded without bidding
 - c. Modification of bid after submission
 - d. Contract put to bid for second time
- 5. After contract is awarded
 - a. Cancellation of award
 - b. Unexplained delay in executing contract
 - c. Many change orders
 - d. Further work on contract without bids

- e. Lots of overtime on project
- 6. Character of agent and contractor
 - a. Presence of small-scale corruption in area
 - b. Presence of "suspicious individuals" in system
 - c. Vendor has made questionable payments in the past

As plausible as these indicators may appear, not all of them are applicable to Cameroon. This is probably due to the different circumstances that apply in each country's public procurement management system. Nevertheless, identical bid prices can be an indicator of collusion in a country like Cameroon, where it is not too difficult to get insider information from members of the tender's board. However, the fact that the contract is large and there are few bidders cannot serve as an indicator of kickbacks because many contractors lack the capacity and finance to bid for large contracts. Such large contracts are often awarded to multinational companies with the technical expertise and finance to execute them. Also, the indicator on information concerning competitive prices can easily be applied in Cameroon, because stores accountant are required to use the official pricelist of supplied equipment as they discharge their functions. Despite this provision, if the stores accountant who is the government watch dog wants to receive kickbacks, he will simply ignore this price list and connive with the supplier to inflate bills. The last indicator on the character of the agent and contractor cannot be presented in litigation as indicators of the possible occurrence of kickbacks. Does the fact that small scale corruption exist in the area imply a kickback has occurred? Or the presence of "suspicious individuals" in the system, how can it be proven that some one is suspicious? These therefore, are at best, just indicators and should be treated as such, with the aim of putting those in charge of monitoring on the alert.

2.14 Rent seeking in public procurement

Most often Public monopolists charge a price higher than what will prevail in a competitive market, this extra sum, called monopolist rents go into the pocket of the public official. The act of acquiring or facilitating the acquisition of this monopolist rent

is called rent seeking. The tender's board charged with the responsibility of awarding contracts above \$10.000 enjoy such monopoly power. Rent seeking therefore, refers to efforts to capture any surplus value that has not been created through productive investment or effort. It is commonly a euphemism for corruption (Korten 1990:62). Public procurement management is one of the areas where government officials have the monopoly to award contracts and most often monitor the proper execution of these procurements, be they construction or supplies. It is not surprising therefore that public works contracts are often cited as one of the areas where rent seeking is rife (Transparency International Report: 2002).

Rent seeking is often cited as an example of policy-induced corruption, which arises when pervasive regulations exist and government officials have discretion in applying them. Examples of such policy-induced corruption include trade restrictions and low wages in the civil service, relative to private sector wages or per capita GDP (Salisu 2003:180). Presenting an argument that seems to lend credence to the concept of 'resource curse' economies, Salisu cites Sachs and Warner (1995) who state that "resource-rich economies are more likely to be subjected to extreme rent seeking behaviour than are resource poor economies." He goes further to claim that oil wealth is said to be one of the main causes of pervasive rent seeking activities and corruption in Nigeria. Can this be equally said of Cameroon, which is also resource rich (oil, timber etc) and of public procurement in particular where large sums of money are involved?

2.15 Capture or Extortion

Capture and Extortion are two forms of corruption that are rife within the public procurement sector. Capture occurs when a firm bribes a public official to obtain a trading advantage. This corresponds to 'active bribery' as per OECD Convention (Auriol 2005: 2). In Cameroon, capture manifests it self when one or more of the bidding firms for construction or suppliers give bribes to influential members of the Tenders' board to enable them secure government contracts.

Extortion on the other hand occurs when a firm complies with a demand for a bribe to avoid being excluded from trade. This type of bribe is referred to as 'facilitation payments' by international legislation. In Cameroon there is a high possibility for extortion to occur in contracts that fall under the domain of restricted invitation to tender as stated in Public contract code of Cameroon 2004: Art.12. Extortion can also be rife in contracts that fall under the canopy of the selective and limited tendering procedure of the Government Procurement Agreement 1994. In both cases the tender is limited to a pre selected list of contractors. There is thus room for the public agent (members of the tenders' board) to demand kickbacks from some bidders, in order to include them into the list not necessarily by merit. According to Auriol (2005) "In poor countries plagued by corruption, corruption in public purchase runs high and takes the extreme form of extortion"

The distinction between these two forms of corruption within the procurement sector is often blurred, since both are viewed as two ways of obtaining unfair advantage over other bidders. However in the article 'Corruption in Procurement and Public Purchase 2005' Auriol holds that the distinction between capture and extortion lies on their cost on the tax payer. He says that "capture, which obstructs allocative efficiency, yields a deadweight loss, extortion does not". Justifying the dead-weight loss concept, he argues that contrary to extortion, capture increases the final purchase cost. The tax payers' loss is higher than the firms capture rent. In extortion the supplier foregoes a share of its expected profits to the delegate in order not to be excluded from trade. This alters the distribution of the rent between the delegate and the firm but has no impact on the total acquisition cost.

2.16 The effects of corruption within the public procurement sector.

The effects of corruption are numerous and multifaceted and can thus be approached from several angles. However, for purposes of this study, the effects of corruption will be looked at, from four different categories, namely efficiency, equitable distribution, incentives and politics.

Corruption and rent seeking undermine confidence in the state by questioning its efficiency as it invariably leads to market imperfections (Fine 2001:9). In Cameroon and many other developing countries, construction projects have been abandoned uncompleted or goods of poor quality supplied because the contractor or supplier gave a part of the money to corrupt public officials before being awarded the contract. In the book *Controlling Corruption* (1988:39) Klitgaard states that "Corruption has efficiency costs in terms of the waste and misallocation that often accompany it. For example, a typical finding is that because of corrupt procurement policies, governments in developing countries pay from 20 to 100 percent more than the price they would pay under non corrupt conditions". This is typical within the public procurement sector in Cameroon, where corrupt public officials demand percentages of the contract money before awarding contracts or pay bills for work done or goods supplied. One major consequence of such practices is inefficiency in the execution of contracts or supplies.

Another consequence of corruption is to redistribute resources. Most studies show that the rich and privileged benefit from corrupt schemes at the expense of the poor, the rural and the disadvantaged (Klitgaard 1988: 41). Concerning public procurement, public officials with powers to influence the award of contracts are those at the upper echelon of the administration with wages far above the minimum income of one dollar a day. Allocative inefficiency is one of the major consequences of corruption with regards to equitable distribution. The lack of accountability may lead to the diversion of vital resources from important sectors like education, if there is less potential for a bribe to other areas with such a potential (World Bank Development Report 1996).

Possibilities of corruption create nefarious incentives through out the society. Such actions tend to evolve into required payments and then into extortionary fees resulting in inefficiency. To buttress this view Klitgaard (1988:42) cites a Ghanaian news paper article which states "when it is only the dishonest and corrupt contractors who get contracts by offering bribes, even honest contractors will follow suit, not because they are themselves corrupt, but because they want to remain in business". This is reminiscent of

the situation in the public procurement sector in Cameroon. Corruption adversely affects incentives in other ways. According to the World Bank Development Report (1996) "corruption is by no means costless" it goes further to state that a recent cross country analyses suggests significant association with both lower private investment and slower economic growth. Bribes may help business avoid burdensome regulations, but they also create incentives to make regulations more complex and costly. Officials may block reforms to entrench their power and maintain their illicit income (ibid). It distorts both internal and foreign investment away from areas with high corruption.

Continuing in the same vein the World Bank Development Report (2005) states that a good investment climate, void of corruption and administrative bottle necks encourages higher productivity by providing opportunities and incentives for firms to develop, adapt and adopt better ways of doing things. This includes better ways to organise a production process, distribute goods and respond to consumers. If mismanagement could be minimised in public procurement, then contractors and suppliers will have the incentives to supply goods of high quality and complete contracts on time.

Widespread corruption leads to political alienation, instability and popular disillusionment with government. Promises to fight corruption are politically popular because of widespread popular disaffection with illicit activities in the public sector. An article on corruption in Mexico read "our country's powerful and diversified public sector, with more than 700 enterprises or entities, represents the largest constructor of works and the biggest buyer of every thing from pencils to turbines...fomented corruption instead of preventing it, thereby provoking the economic collapse we have lived through and the famous wave of growth on which we rode also collapsed like so much sea foam" (Klitgaard 1988:44). This article could well have been written about Cameroon. In many transitional economies, the public's perception of widespread corruption – including misappropriation of public property, is undermining support for governments and for reform (World Bank Development Report 1996: 95).

CHAPTER THREE

THEORETICAL FRAMEWORK

3.1 Theory as a Road Map

There is no one simple definition of theory on which all social scientists would agree because there are many kinds of theories, each serving a different purpose. Theories can be classified according to their scope – whether they are macro or micro theories, according to their functions – whether they seek to deal with static or dynamic phenomena, with structure or process, according to their internal structure – whether they are logical systems of thought with closely knit interrelationships or a more loosely defined set of propositions or according to their levels – by the relationship of the behavioural systems to which they refer as ranked on some hierarchical scale (Chava and Nachmias 2000:23).

This study made use of two theories in varying degrees, they are: The Principal – Agent theory and The Network theory. These theories constitute the road maps that guided this research from the formulation of research questions, through formulation of interview questions, data and content analyses to the conclusions. In the course of the study, there was heavy reliance on the principal – agent theory with limited guidance from the network theory.

Table 3.1

The framework of theories used in the study

	Principal-Agent Theory	Network Theory
Aspect of Bureaucratic	Bureaucratic Supervisors	Conflict and Cooperation
Accountability and		
Performance		
Form of Accountability	Political and Legal	Bureaucratic
Emphasized		
Key Performance Value	Policy making and	Coordination and Influence
	Implementation	across Organisations
Some Important Structures	Institutional design,	Grants-in-aid, public –
and Processes	oversight, appropriations,	private partnerships,
	appointments	interagency meetings
Social Science Roots	Economics, political	Sociology, public
	science	administration

Adapted from Gormley and Balla (2004:23)

3.2 The Principal – Agent Theory

The Principal-Agent theory is an approach to understanding the causes and consequences of the difficulties that principals face in choosing and monitoring agents to whom they delegate authority (Gormley and Balla 2004:53). From this definition of the principal-agent theory, three concepts stand out clearly. These are the concepts of delegation, choosing and monitoring agents by principals. While delegation is a function performed by the principal, choosing and monitoring are difficulties that the principal face. This theory thus seeks to understand the causes and consequences of these difficulties.

3.2.1 Delegation

Delegation is a common feature of modern life. Clients grant attorneys the authority to provide legal representation, patients rely on doctors to treat illnesses, and employers hire workers to perform tasks of all sorts. These principals share fundamental characteristics, all face difficulties of choosing and monitoring those to whom they delegate authority. Gormley and Balla (2004: 53, 54) continue, to state that a principal is an actor who enters into a contractual relationship with another actor – an agent. The agent is entrusted to take actions that lead to outcomes specified by the principal.

While this definition of principal and agent may be acceptable in relationships of a private character, the same cannot be true in relationships of a public nature, involving governments and bureaucracies. This is the case with public procurement, where the relationship is not only of a public nature but extends to include the complicated public – private relationship, involving many stakeholders having conflicting interests. In such a scenario, Auriol holds the view that, the 'people' become the principal, (2005:3). Such a view is not realistic when it comes to delegation, it may however, be possible when it comes to political control during elections. In this light, Gormley and Balla (2004:52) are of the opinion that elected officials, that is, congress and the president constitute the principal and the bureaucracies are the agents. In such a scenario, delegation becomes practical. This is the meaning of principal and agent, as used in this study in trying to explore the challenges of ensuring public accountability in the management of public procurement.

One characteristic of delegation is that it varies. When issues are low in salience (importance) politicians are more likely to delegate authority to the bureaucracy. When issues are high in salience, delegation is less viable because citizens and organised interests expect elected officials to act decisively (Gormley and Balla 2004:58). They go further to state that complexity also matters, especially for highly salient issues. When issues are high in salience and low in complexity, politicians often seek to control the bureaucracy by specifying the substance of policy in great details. When issues are high in salience and complexity, elected officials are more likely to exert leverage through

procedural instruments. This is the situation with the management of public procurement in Cameroon.

Public procurement is a highly salient issue, not just in Cameroon but world wide. It accounts for 21% of the state budget of Cameroon for 2006 (the financial bill 2006). It is also complex, involving a variety of projects and supplies with minute technical specifications that the principal (parliament and executive) cannot possibly handle effectively. Hence the need to delegate this important arm of state machinery to bureaucracies as public agents. These public agents include members of the tenders' boards, technical supervisory services, members of the reception committees, and stores accountants. The functions and duties of these members are regulated by the Cameroon Public Contracts Code of 2004.

Issue characteristics alone do not determine whether delegation occurs and what form it takes, quite often partisan politics do play a determinant role. When a divided government exists-one party controls the legislature and the other the office of chief executive-delegation becomes less likely (Gormley and Balla 2004: 59). Partisan politics is a major factor in determining the nature and degree of delegation in Cameroon. This has a direct impact as to how transparent public procurement is being managed. In Cameroon, it is the chief executive who appoints members of the bureaucracy, including those directly or indirectly responsible for the management of public procurement. When a public agent is not of the ruling party, no matter how qualified s/he is, it is unlikely that s/he will be delegated as a contracting authority. In such circumstances, Gormley and Balla ask the critical question, would these principals be better served by making policy themselves or by delegating authority to bureaucratic agents (2004: 60). In the case of Cameroon one may add, would the principal be better served by delegating contracting authority to political cronies who support them as opposed to competent public agents? Gormley and Balla conclude that the benefits of delegation, however, often proof too irresistible to be ignored. For principals then, the challenge is to capture these benefits without being unduly harmed by the actions of self interested agents.

3.2.2 Adverse Selection

After choosing and delegating powers to the agent, the principal faces two main difficulties. One of them according to the principal-agent theory is adverse selection. This difficulty arises when principals cannot directly observe important characteristics of agents but must rely on rough indicators. For instance, defendants cannot easily discern the true motivations and skills of attorneys and therefore must select legal representation on the basis of factors such as reputation and caseload. Although such proxies may have merit, they are not fool proof. In the end, principals run the risk of hiring agents not ideally suited for the task at hand (Gormley and Balla 2004:54). The situation is further compounded when it comes to public procurement in a country like Cameroon. This is because the principal has to choose a minimum of four public agents to constitute the tender board. These include the Minister, Governor or divisional officer depending on the level of the contract. They are direct representatives of the executive and are the heads of the tender boards. Other members include the contracting authority or delegated contracting authority, members of the technical service, the stores accountant and the reception committee members (The Cameroon Public Contract Code 2004:14-16). In such a scenario and even with the utmost precautionary measures, the principal still runs the risk of hiring some public agents not ideally suited for public procurement management.

The solution according to the Principal-agent theory lies in the use of screening mechanisms. The idea is that, principals must get agents to reveal their motivation and skills before hiring them. For example, employers routinely judge the qualifications of applicants through apprenticeships and examinations. The question is whether this is fool proof. Empirical evidence and literature attest to the fact that it isn't, consequently the need for other methods to enhance the screening mechanisms. The merit system which seeks to select the most technically capable person for the job at hand has often been criticised. As stated by Caiden (1981: 145) "In the quest to replace the evils of the spoils system with the virtues of the merit system, it was assumed too readily that clever people would also be moral people." When addressing the issue of adverse selection, the

principal may be willing to give up something in technical capability to get more of what might be called honesty or dependability.

Screening for honesty is one approach in the attempt to look for ways to predict which agents will be "honest." Increasingly the U.S government "pre-screens" contractors and institutions that might receive financial awards for their honesty and integrity. Employers can check individuals' work records for suspicious signs of previous misbehaviour. Psychologists have even developed tests of honesty, such as the Reid report and Trustworthiness Attitude Scale. Some evidence suggests that such tests have successfully predicted integrity on the job. According to the Wall street journal, sales of honesty tests in the U.S are booming (3 August 1981:17). Such tests are a long way off in most developing countries. Cameroon in theory relies on the merit system to select public agents to manage public procurement, while hoping it will minimise the negative effects of adverse selection. The reality however paints a different picture, with appointments based on non meritorious considerations like tribe and political loyalty.

Outside guarantees of dependability is another way of minimising the negative effects of adverse selection. It allows the principal to use the clan or tribe for credible information about the agent's honesty. The clan or tribe may also be employed to punish the agent who turns out to be dishonest. The principal who uses such networks to recruit agents may get a more dependable agent – and an agent with additional incentive to stay that way. Here nepotism and similar practices may appear to help overcome the principal-agent problem (Klitgaard 1988:76). He however goes on to state that such devices for selecting agents can easily backfire. The principal may well end up with people who are relatively incapable, technically and relatively dishonest. The ties of clan and tribe may turn out to strengthen the agents hand vis-à-vis the principal, encouraging a greater degree of illicit behaviour. Nevertheless, the principal may search for other ways of obtaining outside guarantees of dependability. For instance, agents can be brought in from another department noted for greater probity and discipline. The honesty of agents is most important in positions where discretion is unavoidable, monitoring is difficult and the stakes are high, as in public procurement management.

3.2.3 Moral Hazard

According to the principal-agent theory, the second difficulty faced by the principal is moral hazard. This difficulty arises from the fact that agents, once selected cannot be readily evaluated in their work environments. As such, principals must make inferences about the degree to which agents are effectively securing the outcomes they were hired to bring about. These inferences cannot give the full picture, thus giving rise to some uncertainties. As a result, agents may find it possible to shirk their duties, or even undermine the goals sought by principals, without being detected.

One of the ways to ameliorate the problem of moral hazard is institutional design. Here, principals place agents in situations in which they find it, in their self interest to work toward outcomes favoured by the principal. Corporations for instance commonly provide workers with a financial stake in company performance through devices such as stock options or linking pay incentives to extra ordinary performance (Butz 1999: 135). Low pay encourages corrupt behaviour. An opposite effect occurs if pay bonuses can be earned by discovering corrupt behaviour. There is also the distinction between moral satisfaction and moral costs. Although the subjective evaluation of illicit acts depends on many factors, some of them idiosyncratic, it may be the case that policies such as a code of ethics and changing an organisation's "culture" can raise or lower the costs. It is therefore important for Cameroon to elaborate a code of conduct for public service workers and see to its implementation if the fight to raise accountability in public affairs is to be won.

Oversight of agent actions is another way of mitigating the problem of moral hazard. It is worth stating here that, oversight as used in the principal-agent theory, has a different meaning from the day to day meaning of oversight, which implies overlooking or paying little or no attention to something. Oversight as used in the principal-agent theory implies monitoring agents at work. By so doing principals aim to identify and redirect behaviour inconsistent with their objectives. Principals can also use oversight as a deterrent. The mere possibility of being monitored may induce agents to forego activities that do not

serve principals well. However, there are instances were direct monitoring cannot be possible, at least not round the clock. This is the situation with public procurement management, where it will entail the principal to be overseeing the agent's every action, from the tender boards, through execution (or purchase) to handing over the project or supplies.

In this light, Gormley and Balla state that one of the main lessons of the principal-agent theory is that, delegation almost invariably leads to agency loss. This occurs when the behaviour of agents leaves principals unable to achieve their goals in an efficient manner or realize them at all. Agency loss, however, can be limited under the right circumstances. For principals then, the key task is to take steps that help bring such circumstances about (2004:55).

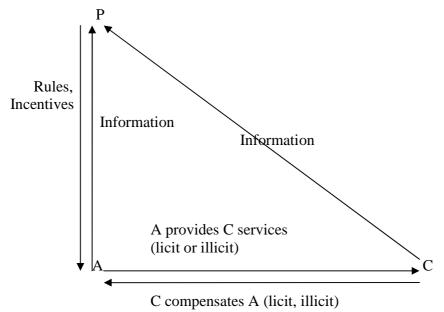
3.3 The Principal-Agent-Client Model

Klitgaard adds another concept to the principal-agent theory and that is the client, thus making it a three prong model of principal-agent and client. This model requires researchers to take an economic approach to corruption. An agent will be corrupt when in his judgement his likely benefits from doing so outweigh the likely costs. Similarly, a client will engage in bribery or other forms of illicit behaviour when the benefits to him outweigh the costs (Klitgaard 1988:69). This brings to light the concept of the satisfied customer relationship, where the bribe giver and the bribe receiver, are both satisfied with the illicit transaction, hence the need to be secretive.

The public official is an agent pledged to act on behalf of the principal to produce public services. But the agent can use his position to reap private benefits in transactions with the client. These transactions may create public 'bads'. The agent engages in them depending on the benefits to him. The principal's problem is to induce the agent to create the optimal amounts of public 'goods'. Suppose the agent is offered a bribe. The economic metaphor says that the agent faced with a bribe makes a calculation. He trades off the potential benefits to him, of accepting the bribe and undertaking a corrupt act,

against the potential costs to him of doing so. The same is true of the person offering the bribe.

If the principal has perfect information about the agent's productive and corruptive activities, he can easily persuade the agent to act as he desires. The principal simply pays the agent the value of his marginal product, in the case of his productive activities and in the case of his corrupt activities, the principal taxes such behaviour just as he would tax any externality-generating activities. The principal's problem becomes difficult when, as is usually the case in the public sector, he has limited information about the agent's activities, either productive or corrupt. Information therefore, is crucial in the principal-agent-client model as seen in the graphic presentation of the model below.



- 1. P selects A
- 2. P sets A's rewards and Penalties
- 3. P obtains information from A and C about efforts and results
- 4. P structures the A-C relationship
- 5. P affects A and C's moral costs of corruption

Figure 3.1: A Principal-agent-Client Model

The principal-agent model has been an active topic of research in economics for the past decade. For relatively simple situations, economists have analyzed how the principal

should pay and punish the agent and what information gathering strategy the principal should follow (Butz 1999:133). Banfield (1975: 587) used the principal-agent model in his analysis of why corruption would tend to be more severe in government than in the private sector. This theory was also applied in this study to analyse the management of public procurement in Cameroon, by the following stakeholders in the table below and to assess its applicability in enhancing accountability in this sector.

Table 3.2

Principal-Agent-client Model and Public procurement Stakeholders in Cameroon

PRINCIPAL	AGENT	CLIENT
1) The Executive	1) Members of the Tenders Board	1) Contractor
2) Parliament	2) Technical services (Engineers)	2) Supplier
	3) Stores Accountants	
	4) Reception Committee	

The principal-agent-client model suggests several conclusions with regard to corruption. Illicit activities will be greater when agents have monopoly power over clients (as in the award of contracts), agents enjoy discretion, and accountability is poor (as with contracts of supplies to public establishments). Clients will pay bribes when they reap monopoly rents from the services provided by the public agent. The principal has to analyse the extent of various kinds of corruption, assess their costs and possible benefits, and then undertake costly corrective measures, up to the point where, the marginal benefits in terms of reduced corruption match the marginal costs of the corrective measures.

Butz in an article titled "The Disconnection between Principal-Agent Theory and Empirical Work: A Review of Bernard Salanie, *The Economics of Contracts*" provides a rare critique of the principal-agent theory. He states that the conflict between

Shareholders (Principals) and Managers (Agents) is one of the most intensively researched applications of the Principal-Agent theory. At the centre of this research is the fundamental question: How well are managers (agents) motivated to maximise shareholders (principals) value? Attempts to provide answers to this question, using the principal- agent theory, have revealed a disconnection between theory and empirical work (Butz 1999:134).

One area of this disconnection is the relationship between agent's pay and the firm's performance. It is common practice to measure top managers' incentives by comparing the compensation they receive to their respective companies' stock returns. Convention holds that as shareholders' agent, a manager's objective, first and foremost, is to maximize the market value of a firm's equity. Thus the true test of the chief executive officer's (CEO's) worth is whether he or she increases the market capitalisation of the firms stock. Similarly, the true test of the procurement manger's worth is whether he or she realises the best quality of contract or supplies that the principal's money can buy. This depends on other parameters like, the overall performance of the country's economy, including inflation, customs clearance costs and others.

Another disconnection is the dichotomy between short-term versus long-term incentives. What is the appropriate time to link firm's profitability with agent's incentive? Some projects need long term to start yielding benefits to their principals. This may be due to many reasons, such as the need to limit tax liabilities, assume some of the agent's responsibility and accountability for the project, to signal to the CEO that the board recognizes the project's value (Butz 1999:136). Therefore, policies of punishment and incentive for the agent in procurement management should take into consideration the short and long term strategies of the agent.

A third way to investigate the agency conflict between shareholders and management is to examine managerial turnover. Do firms replace managers who fail to create shareholders wealth? Unfortunately, empirical work on managerial turnover is plagued by obstacles. In particular, movements in a firms stock price do not reflect the absolute

impact that a CEO has on shareholders wealth, but rather the impact is relative to what shareholders expected *ex ante* (Butz 1999: 136). The last critique of the principal-agent theory by Butz, stems from the fact that moral hazard has many dimensions. CEOs in many firms perform many tasks as such conflicts with shareholders can take many forms. A poorly motivated CEO may be reluctant to exert effort on shareholders behalf. He may not enthusiastically seek out suitable successors. A risk adverse CEO, whose compensation is linked to the firms stock market performance, may decline to pursue projects with high expected value but with high uncertainty. CEOs may withhold information reflecting poorly on themselves or their firms. Unfortunately, by adjusting compensation to mitigate one agency conflict, a firm can aggravate others. These criticisms of the principal-agent theory not withstanding, there was a clear connection between this theory and empirical evidence during this study, as shown in the table below.

Table 3.3
Link between Principal-Agent Theory and Empirical Work

PRINCIPAL-AGENT THEORY	EMPIRICAL WORK
	Public Procurement Stakeholders not
Adverse selection	usually selected on the basis of merit
	(favouritism, tribalism, political reasons).
	The giving and receiving of kickbacks by
Moral Hazard	clients (contractors & suppliers) result in
	poor quality of projects & goods supplied.

3.4 The Network Theory

A second theory that was used in this study, albeit to a limited extend, is the Network theory. The network theory explains relationships in terms of nodes and ties. The nodes represent the people and organization within the network, while the ties show the relationships between the people and organizations. This theory was used in explaining

the tightly knitted relationship that exists between the principal stakeholders, involved in the management of public procurement in Cameroon.

Laurence O'Toole defines interorganisational networks as structures of interdependence involving multiple organisations or parts thereof, where one unit is not merely the formal subordinate of the others in some larger hierarchical arrangement. The purpose of that relationship may be joint decision making or advocacy or information sharing or some combination of the above (Gormley and Balla 2004:115). For some sociologists the network theory has proved a useful concept for highlighting the surprising strength of weak ties between persons in social networks. For others it proved a helpful tool in understanding how organisations share information. More recently, students of public administration have seized upon the theory as a vehicle for understanding how government agencies interact with other agencies and with private sector organisations (Dalen et al 2006: 271).

In this study the network theory was used to identify the principal stakeholders involved in public procurement management in Cameroon, which were later confirmed by literature. As the study progressed, this theory threw more light on the reasons why seemingly weak ties between high ranking public agents like contracting authorities will have strong relationship with contractors and suppliers. Information sharing for kickbacks was at the centre of most of these relationships. The network theory views goals as more fluid. Although each organisation affiliated with a network undoubtedly has its own goals, the goals of the network itself evolve over time through a process of give and take. This is probably a realistic perspective. Yet because a network's goals are more tentative and dynamic, than those of an organisation and because a network's stakeholders are more numerous than those of a single organisation, it is more difficult to evaluate a network's success.

The network theory has many concepts that attempt to explain its manifold and different applications. They include amongst others concepts such as centrality, density, size, complexity, multiplexity and differentiation. The concept applied in this study is

centrality. It refers to the degree to which information flows through a single individual or organisation, strategically situated to serve as a clearing house or traffic cop. These are the members of the Tender's board around whom all public procurement revolves.

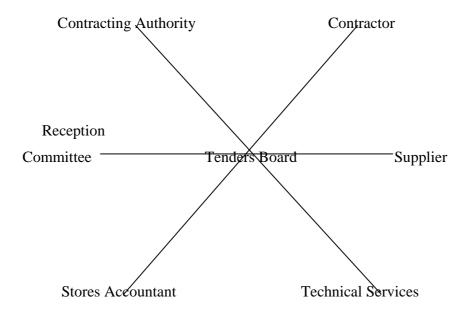


Figure 3.2 High Centrality Network

Source: Adapted from Gormley and Balla 2004:116

The Tender's board is the government organ established to study application files and award contracts worth 10.000\$ or more in Cameroon. It is therefore, at the centre of what ever network that revolves around public procurement management. It serves as the clearing house and all information with regards to a particular contract is assembled here. It is headed by the minister, governor or Divisional Officer depending on the magnitude of the contract. The contracting authority is merely represented in the board. A contractor or supplier who intends to gain unfair advantage through capture will have to maintain a good link with the tender board through this network. The technical services, stores accountants and reception committee members who might receive kickbacks, through the same network, may turn a blind eye as to the quality of the work or goods supplied. When the contract is less than 10.000\$, the network becomes smaller because it now

involves only the contracting authority, contractor/supplier and stores accountant. In both cases, where these networks have been successfully established, they are usually unofficial and covert networks usually trade efficiency for secrecy.

Network theory can be particularly useful in law enforcement. The relative centrality of different individuals in a crime network can help investigators determine whom to target first. As Sparrow (1991:266) notes, "The disruptive effectiveness of removing one individual or a set of individuals from a network depends not only on their centrality, but also upon some notion of their uniqueness. The more unique or unusual their role, the harder they will be to replace. The most valuable targets will be both central and difficult to replace." The concept of weak ties can also be instructive in that, it alerts investigators to the utility of focusing attention on communications channels that are seldom used but indispensable to the network's success. This may include unofficial correspondence between the suspected stakeholders.

The network theory has several advantages. First, it encompasses both hierarchical and non-hierarchical relationships. Second, it seeks to measure information flows, which need to be modelled and documented if complex relationships between organisations are to be understood. Third, it recognizes the extent of interorganisational bargaining not just over programmatic details but also, more fundamentally, over programmatic goals. Organisations that belong to a network have their own goals, which they can pursue and promote to a greater degree than agents can. Fourth, the network approach highlights problems of accountability that seem to be growing as we shift from hierarchical organisational forms to other, such as bottom-up decision making strategies (Giddens and Duneier 2000: 262).

CHAPTER FOUR

EMPIRICAL STUDY

The main objective of this study as stated in 1.6 of Chapter one, was to investigate in order to understand the challenges in ensuring accountability in the management of public procurement in Cameroon. In an attempt to achieve this, the objectives were formulated into four research questions as listed in 1.6.I-IV of chapter one. In order to provide answers to these questions, this study used the qualitative research method, with personal interview of key informants as the principal source of data. The study also applied content analysis of documents on Cameroon and the government's anti corruption strategies.

4.1 Background Information on Cameroon

Cameroon is situated at the cross roads of West and Central Africa, it covers a land area of 475.000 square kilometres (Appendix II). Cameroon shares boarders with Nigeria, Chad, Central African Republic, Congo (Brazzaville), Gabon and Equatorial Guinea. The country is a mixture of semi arid plains in the north, mountains in the central regions, grasslands in the mid/western regions and tropical rain forests in the south. Cameroon was a German colony from 1884 to 1916 and then was administered by France (80% of the territory) and Britain (20% of the territory) until independence in 1960. Cameroon is therefore a bilingual country with English and French as the official languages (Lapuyade 2005, country profile 2, P1). Cameroon's ethnically-diverse population totals 15.7 million. Per capita GDP (PPP US \$) is 2.118. The country is ranked 148 out of 177 in the 'Human Development Index', life expectancy is 45.8 years. The combined gross enrolment is 55%, meanwhile 51% of the population live on 2 \$ per day (UNDP: 2005).

Cameroon's second Republic began in 1982 with the ascension of the country's second President since independence. The wind of change blowing from the east finally caught up with Cameroon. On the 26 of May 1990, the first opposition political party was launched in Bamenda despite a government ban. Six people were killed by the forces of

law and order (Ngoh 1996: 306). Since then, multi party elections have taken place in the country. However they have been described by many independent observers and opposition parties as neither free nor fair. Cameroon's human rights records leave a lot to be desired (UNDP: 2005).

4.2 Public Procurement - Items Procured

As stated in Appendix I.V public procurement as used in this study will entail the award, execution and handing over, of public contracts for construction projects and purchase of equipment and inputs for public offices. This will include, stationeries, furniture, electrical appliances and others, which are worth more than 10.000\$ thus governed by Art.112 of the Cameroon code of contract 2004. Construction contracts and purchases below 10.000\$, also constitute public procurement in this study.

The budget of Cameroon is allocated according to ministries, with major budget heads like expenditure on goods and services, debt, salaries and others. Items to be procured are not listed in the budget. However (an analysis of the financial law 2007: www.izf.net) contains information on construction and rehabilitation projects envisaged by the government for 2007. It is titled "Infrastructure envisaged in accordance with sectoral strategy of buildings and public works" these projects are:

- Maintain 4.519km of bitumized roads, 12.000km of principal overland routes,
 4.200km of rural roads and 100 structures.
- Rehabilitate 194km of classified roads, 2.445km of rural roads, 374 metres linear of bridges, Widen 374km of roads.
- Construct 132km of bitumized roads and 381metres linear of bridges
- Protect (such as clearing the road sides) 1.800km of bitumized roads.

This web site does not contain the supplies that government offices do procure.

Nevertheless a look at some of the equipment of two ministries, whose officials were interviewed for this study, can provide a fair representation of what is generally supplied.

These ministries are public health and education. Public institutions under the ministry of

health will procure items such as drugs, laboratory equipment, hospital beds, x-ray machines, computers and many others. Educational establishments will procure didactic materials like text books, chalk, ink and papers. They will also be supplied with benches, school laboratory equipment. Technical colleges will need sewing machines, construction, mechanical, electrical and carpentry workshop tools, computers and other items.

All these procurement (construction and supplies) entail much money, placed at the disposal of public procurement managers for the smooth functioning of public institutions. The management of these resources leave a lot to be desired as far as public accountability is concerned. Public procurement has been cited repeatedly as one of the sectors were corruption is rife (Transparency International: CPI Report 2002).

4.3 Fighting corruption within the public procurement sector

Cameroon's official position on good governance is contained in the book "The Way Forward for Good Governance" under the auspices of the Prime Minister. It states that "The fight against corruption' component cuts across the National Programme on Governance. Measures taken within the frame work of administrative reform, improving the functioning of justice, the need for accountability in financial, economic and social management as well as decentralisation all contribute to creating deterrent conditions against corruption" (2004:41). The document insists that it is imperative to reform the Public contract Award System. In this light the government of Cameroon created the public Contract Regulatory Board. This is an independent body charged with the responsibility of ensuring that, public contracts are advertised, awarded and executed in accordance with the public contract code of 2004. In 1997 the government of Cameroon elaborated an anti corruption plan with short term and medium term measures. The challenge in fighting corruption remains the implementation of existing anti corruption laws. However, the current anti corruption plan is a welcome tool in this fight.

4.4 The Cameroon Government's anti corruption plan

The plan is divided into short and medium term strategies

I. Short Term

public procurement sector.

Human resources management: Here the government intends to embark on a systematic positive vetting of future state personnel before they are recruited into the public service Cameroon: The Way Forward... (2004: 42). Concerning career management, appointments to duty posts should be based on objective criteria, taking into account competence, professional experience, probity and a high sense of public interest. This should include service heads and other contracting authorities who are de facto heads of the Tender Evaluation Boards. It also insists on the need to raise the purchasing power of public servants. This touches on the recurrent need for public servants like those involved in the management of public contracts to be given the incentives to do their duty with dedication (Auriol 2006:3). Meritorious workers should be rewarded while sanctioning corrupt public servants. Talking to most stakeholders, they gave the impression that at moment, there is little reward for meritorious service.

Promotions and lucrative appointments seem to be based on party loyalty and tribalism.

Improvement of administrative procedures: The procedure for the tender of public contracts is cumbersome, it should be simplified. The gap from the time the contract is advertised to tendering, award and disbursement should be shortened. This will reduce the chances of collusion or kickbacks (COMMISUD 2006: 9). Decentralisation of decision making power should be initiated with each region and ministry managing its recurrent and investment budget. The government should carry vast campaigns to raise awareness in the population on the merits of the fight against corruption. The government should encourage whistle blowing against corrupt acts and officials. Initiating reforms alone is not enough, they should be implemented else, they

will remain policy declarations with little effect at fighting corruption especially in the

II. Medium Term

Human resources management: It is surprising how the Cameroon public service has been functioning so far without a Code of Ethics. This is an indispensable instrument in ensuring minimal corruption within the public service. It enhances bureaucratic and professional accountability. The authors of "The Way Forward for Good Governance 2004" recommend that, the government has to draft a Code of Ethics for public servants. In order to raise the awareness of the population in the medium and long term, it is necessary to introduce civic education on corruption in school curricula (Hellsten 2003). Public education, in which the authorities publicize and punish high level corruption, will send the signal that the rules of the game are changing.

International cooperation: In this era of globalisation, any effort at fighting corruption cannot be limited to a country's borders alone. As such governments should foster international cooperation in the fight against corruption. The General Procurement Agreement remains the principal international instrument for the efficient management of procurement contracts for both goods and services and construction. Presently Cameroon has an observer status and will need to become a full member to make the agreement applicable in Cameroon. Nevertheless, such international cooperation has started yielding results. Due to pressure from international donors like OECD countries and the World Bank, some high ranking government officials have been arrested for embezzlement of state funds. These arrests are being followed with rapt attention by most Cameroonians.

Decentralisation and reform of institutions: it is important that more decision-making powers be granted to decentralized bodies with regards to public procurement. Anti corruption committees should be set up with an operational structure such as a squad or an operational unit. These institutions exist in Cameroon and include the Anti Corruption Ad Hoc Committee, the Anti Corruption Observatory, and Ministerial Anti -corruption Units. The problem is to render them effective in checking corruption especially in the public procurement sector. The generally held view by most Cameroonians is that these anti-corruption units are set up as a window dressing to impress on foreign donors, hence the lack of effective results. During the data collecting process, some members of the National anti corruption observatory stated that the observatory had to be reorganised because there was evidence that it has itself become

corrupt. The fight against corruption in Cameroon therefore, appears to be an uphill task that needs more political will and concerted effort.

Boosting the rule of law: In Cameroon; as in most developing countries, the problem is not the absence of anti corruption laws, but the inability to implement them. The Public Contract Code became law in Cameroon in 2004. Article 1.2 states that it shall lay down the rules applicable to the award, execution and control of public contracts. The rules established by this code shall be based on the principle of freedom of access to public procurement, equal treatment of candidates and transparent procedures. However the reality is different, as poorly constructed projects are accepted by reception committees, collusion and kickbacks rife. The fight against corruption should use all the legal instruments both penal and administrative to sanction corrupt behaviour.

Governments should raise the cost of dismissal for corruption. Even after all feasible structural and regulatory reforms have been implemented - strong leadership and law enforcement capacity are needed to fight corruption (World Bank Development Report 1996: 96). Therefore the political elite led by the president, should lead the crusade in the fight against corruption, they may begin by declaring their assets before assuming public office.

4.5 Qualitative Research Methodology

As stated above, this study made use of the qualitative research methodology. It has been described as a complex, changing and contested field – a site of multiple methodologies and research practices. Qualitative research therefore is not a single entity, but an umbrella term which encompasses enormous variety (Punch 2005:134). This study makes use of the personal interview as the principal source of empirical data. Though the personal interview is not limited to qualitative research, in this study it was used exclusively as a variety in qualitative research. Even interview questions like A4, B2&4, C3 and D3 (Appendix II) with numerical values expected from interviewees, were all analysed using qualitative methods. Their inclusion was to enhance the variety in the interviewing technique, in order to get a richer and multidimensional empirical data.

4.6 Public Procurement as a Case Study

This research made use of the case study. The obvious question is: what is a case study? Punch (2005:144) says the basic idea is that one case (or perhaps a small number of cases) will be studied in detail, using whatever methods seem appropriate. While there may be a variety of specific purposes and research questions, the general objective is to develop as full an understanding of that case as possible. He continuous to state that, the case study aims to understand the situation in depth, in its natural setting recognizing its complexity and context. It also has a holistic focus, aiming to preserve and understand the wholeness and unity of the case. Citing Goode and Hatt (ibid) he concludes that "The case study then is not a specific technique; it is a way of organising social data so as to preserve the social character of the object being study".

Yin as cited by Punch (2005:145), insist that the case study is a 'bounded system' with boundaries. Therefore, the researcher needs to identify and describe the boundaries of the case as clearly as possible. In this study, the case is the management of public procurement within the context of public accountability in Cameroon. This study is confined to the management of public procurement. It includes the award, execution and handing over of public contracts for construction or supplies of appliances worth more than 10.000\$ thus governed by the Public Contract Code of 2004. Also included in this study is public procurement that is worth less than 10.000\$. Empirical data was therefore collected from both sources.

As stated by Welman and Kruger (2001:183) with a case study, one is directed towards understanding the uniqueness and idiosyncrasy of a particular case in all its complexity. Public procurement is unique not just by its shear size in terms of public expenditure; it equally brings together the public and private sector in an intricate network of relationships. In an attempt to understanding the idiosyncrasy of public procurement in all its complexity, the study was done within the wider context of public accountability. In this light the importance of accountability in public bureaucracies, the many faces of public accountability were examined as in 2.3 and 2.4 respectively of chapter two. Data

was also collected on public accountability and its analysis threw more light on these complexities.

A common criticism of the case study concerns its generalizability. "This study is based on one case, so how can we generalize?" (Punch 2005:145). This concern has been addressed in 1.10 of chapter one namely that findings from one case study will not be generalised for the whole of Cameroon. They are two types of case studies where generalization will not be the objective.

- The instrumental case study: here a strong argument is made about studying the negative case. This is where a particular case is so different from the general pattern of other cases or completely opposite, thus creating the need to understand why this case is so different (the logic here is, study the atypical to learn the typical)
- The intrinsic case study: here the case may be so important, interesting or misunderstood that it deserves to be studied in its own right, for instance public procurement management. Or it may be unique in some important respect thus worthy of study. The instrumental and intrinsic cases are referred to, as Stake's (1994) examples of case study. The intention of such studies is not to generalize it is rather, to understand the case in its complexity, entirety and context (Punch 2005:146).

This study is an example of an intrinsic case study. Public procurement management is very important as a socio economic policy instrument of every nation. As stated in section 1.8 of Chapter One, public procurement accounts for 21% of Cameroon's 2006 budget. That is why it is also considered an instrument of social change. Public procurement management is equally unique because it brings together the private and the public sector in a delicate network of public procurement stakeholders. It is in this light that, this study is undertaken and one cannot but agree with Denzin that; "Generalization should not necessarily be the objective of all research projects, whether case studies or not" (1983). This research is a case study because it seeks to investigate the challenges of enhancing accountability in 'public procurement' as a sector, unique and different from others like education, taxation, customs or any other. That is why the case study has been adopted in this research, in order to understand the uniqueness and idiosyncrasies of

Cameroon's public procurement management in all its complexity. Secondly, for logistic reasons the interviews for this study where conducted in two cities of Cameroon — Bamenda and Yaoundé, not in all major towns of the country. These two cities are located in the English and French speaking parts of Cameroon respectively. It is therefore hoped that, findings from these two cities, can give a fair representation of the perception of Anglophones and Francophones on the issue of corruption within the public procurement sector. Thirdly, as a case study, this research will attempt to test the applicability of the hypothesis that, the Principal Agent theory as stated by Gormley and Balla and the Principal-Agent-Client framework as presented by Klitgaard can be used in enhancing accountability in Cameroon's public procurement management.

The study identified four groups of persons who are directly involved or affected by public procurement management. These are 1) Public agents such as contracting authorities, technical control agents, stores accountants and members of reception committees. They constitute the members of the very important Tenders' Board. 2) Suppliers and contractors of government contracts. 3) Civil society organizations dealing with governance issues also form part of the population of study. Some are directly involved in procurement management as members of reception committees. 4) Ordinary Cameroonians who are directly affected by the efficient or inefficient management of public procurement. Five members of each group were interviewed personally by the researcher, giving a total of twenty personal interviews for this study.

4.7 Study Design

The study design was guided by the research objectives and the research questions as identified in chapter one. Public accountability is at the root of every successful development endeavour, be it private or public and public procurement, the focus of this study was no exception. The main source of data was personal interviews and literature review to a lesser extent. This was guided by two theories - the network theory and the principal agent theory. These theories were also instrumental in the analysis of the data collected in order to arrive at the findings and conclusions of this study. Figure 3.1 gives a graphic presentation of the steps followed in realising the study objectives.

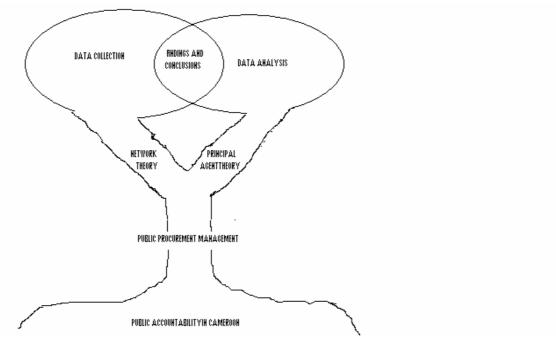


Figure 3.1

4.8 Personal Interview

Personal interview is defined as a face to face, interpersonal role situation in which an interviewer asks respondents questions designed to elicit answers pertinent to the research hypotheses. The questions, their wording, and their sequence define the structure of the interview (Chava and Nachmias 2000: 213). There are many types of personal interviews, Minichiello et al (1990) cited by Punch (2005:169) provides a continuum of interviewing methods. To the extreme left there is the structured interview, it is inflexible as all respondents are asked the same questions and required to give specific answers to questions. To the extreme right there is the unstructured interview which is quite flexible, where probing and follow up questions are allowed. In between we have the semi structured interviews which attempts to combine the two.

With so many different types of interviews, it is a data collection tool of great flexibility, which can be adapted to suit a wide variety of research situations. The type of interview selected should therefore be aligned with the strategy, purposes and research questions (Punch 2005: 170). This study makes use of the semi structured interviewing technique.

As shown in Appendix III, there were four sets of questions meant for four groups of persons directly involved in public procurement management or directly affected by the effective or poor management of public procurement.

The first set of questions was used to interview public agents (government officials) involved in public procurement management in Cameroon. Most of the questions generally sought to know the opinion of the public agents, as to the transparent management of public procurement. However question (A 4) required the interviewee to give a score on five, as concerns government's effort to fight corruption within this sector. With five meaning the government was doing very well and zero or one meaning the government was doing little or nothing to fight corruption within the public procurement sector.

Contractors and suppliers constitute the main private sector partners in the management of public procurement. Five questions were also addressed to them, these were however different from those meant for public agents. Questions (B 2&5) required the contractors and suppliers to assess how transparent public procurement was, with a score on five. The third set of interview questions (Appendix III C) was directed to members of the civil society who are increasingly involved in the management of public procurement as watch dogs. The interview sought to know their contribution in enhancing accountability in the management of public procurement. Question (C 3) required them to score these efforts on five. Appendix III D contains interview questions for the ordinary Cameroonian, since they are the people directly affected by the mismanagement of public procurement. Like the other groups, question (C 2) required them to give a score on five as to government's anti corruption efforts within the public procurement sector.

A total of twenty interviews were conducted with five individuals from each of the groups mentioned above. With Cameroon being a bilingual country i.e. English and French, a conscious attempt was made to have the views of interviewees from the two sides of the linguistic divide. According to Chava and Nachmias (2005: 217) an interview may combine structured and non structured elements depending on the purpose of the

study, for example, a researcher may use the structured interview for most questions but rely on the non directive format for questions that are particularly sensitive. Studies like this, on accountability and corruption are particularly sensitive, hence the justification for the use of the two methods of interview as stated above.

4.9 Advantages and disadvantages of the personal interview

The use of the personal interview as the principal method of data collection for this study met with some challenges and difficulties. The cost of carrying out the personal interview was significantly higher than anticipated. As stated in (4.8) there was the need to carry out the interview in the French and English speaking parts of Cameroon. This entailed the travelling to Yaoundé which is the Capital and situated in the French speaking part of the country and to Bamenda the largest English speaking town in Cameroon. Interviewer bias was the second major challenge to be overcome. The very flexibility that is the chief advantage of personal interviews leaves room for the interviewer's personal influence and bias. Sometimes respondents may give socially admirable but potentially misleading answers in order to please the interviewer (Chava and Nachmias 2000:219). This was constantly at the back of the mind of the researcher during the process of selecting individuals for the interview, which was mainly by snowball sampling, giving preference to key informants on account of their position or experience (Welman and Kruger 2001:189). The lack of anonymity was a serious challenge also, as respondents sometimes felt threatened or intimidated. This was more evident when interviewing government officials involved in procurement management, as they considered the aspect of accountability or corruption within the sector as sensitive. In such circumstances the researcher explained the ethical considerations of the research, insisting on preserving the anonymity of the respondent and stating clearly that the study was strictly for academic purposes.

Nevertheless the personal interview was preferred despite these difficulties, because of a number of advantages inherent in it. Top amongst these advantages is the flexible nature of the personal interview. This facilitates the understanding of the complex behaviour of people without imposing any *a priori* categorization which might limit the field of inquiry (Punch 2005:172). In this study the flexible nature of the personal interview

allowed the researcher to determine the wordings of the questions in line with the research objectives and research questions, to clarify unclear terms and where necessary, to probe for additional information. The response rate in a personal interview is usually higher than the impersonal mail questionnaire. It is equally true of people who have difficulties understanding the language (Chava and Nachmias 2002:218). This was very evident during the personal interviews with French speaking Cameroonians for this study. The researcher had to explain, translate and interpret certain concepts to Francophones, who barely had a working knowledge of English, yet very knowledgeable in matters of public procurement management in Cameroon. Collection of supplementary information is also possible with the personal interview. It may include information about the subject under study, the respondents' personal characteristics and their environment which may help the researcher in interpreting the results (Chava and Nachmias 2001:218).

Table 4.1
Summary of participants and data collection techniques

PARTICIPANT	DATA COLLECTION TECHNIQUE
Government officials or public agents (5)	Personal Interview, Appendix II Q A1-5
Contractors and suppliers (5)	Personal Interview, Appendix II Q B1-5
Civil Society Organisations (5)	Personal Interview, Appendix II Q C1-5
Ordinary Cameroonians (5)	Personal Interview, Appendix II Q D1-4
The Researcher	Content analyses; official gov't documents e.g. the public contract code 2004, finance law of 2004, Newspaper articles.
The Researcher	Observation; uncompleted and poorly executed contracts.

4.10 Method of data analyses

There is no single right way to do qualitative data analysis, no single methodological framework. Much depends on the purposes of the research. Nevertheless the baseline is the transforming, interpreting and making sense out of qualitative data. Citing Coffey and Atkinson, Punch (2005: 194,195) states that "what links all the approaches is a central concern with transforming and interpreting qualitative data in a rigorous and scholarly way - in order to capture the complexities of the social worlds we seek to explain." The method of data analysis used in this study is the Miles and Huberman framework for qualitative data analysis.

This method consists of three operations, coding, memoing and drawing conclusions. Coding is the process by which responses are classified into meaningful categories (Chava and Nachmias 2000:305). Comparing is essential in identifying these abstract concepts and categories. In this study, the researcher proceeded by comparing responses from each of the respondents in one group. In other words, all the responses from government officials were constantly compared to one another to derive the initial concept from government officials as a group of stakeholders. This process was repeated with all the other groups, contractors, civil society organisations and the ordinary Cameroonian. Memoing was the logical second step which aimed at finding more abstract and higher concepts from the initial concepts got through coding. This was done through comparing and abstracting. Chava and Nachmias describe such analysis as inductive coding – in which researchers identify categories from data as opposed to deductive coding in which codes are derived from theory (2000:304).

Some of the questions like A4, B2&4, C3 and D2 where close ended and required respondents to give a score on five. All the responses from each group were added and an average sought by dividing the sum by the number of respondents. Quite often the response gave surprising results that were further compared with those from other groups to get higher concepts. Combining these responses with the concepts derived from the open ended questions, the researcher arrived at the conclusions and propositions presented in this study.

CHAPTER FIVE

FINDINGS AND ANALYSIS

In section 1.6 of chapter one, the four main objectives of this study were stated. To achieve these objectives, four research questions were elaborated. These research questions were translated into personal interview questions that constituted the principal source of empirical data for this study. The results of the findings are reported and the data analysed. As stated in 4.10 of chapter four, the method of analyses adopted for this study is the Miles and Huberman framework for qualitative data analysis. This approach entails three steps in the analysis of data, namely: coding, memoing and conclusions/ propositions. This chapter seeks to address the research questions in turn, analyse and present relevant findings.

The research questions formulated in chapter one were as follows:

- 1. Who are the principal stakeholders and what are their respective functions in the management of public procurement?
- 2. How accountable is public procurement management (PPM) in Cameroon?
- 3. What are the current measures at enhancing accountability in public procurement management in Cameroon?
- 4. What can be done to improve public accountability in Cameroon's public procurement management?

As stated in section 4.8 of chapter four, a total of twenty personal interviews were conducted for this study. These were divided evenly amongst four groups of stakeholders involved in public procurement management: 1) Government officials or public agents 2) Contractors and suppliers 3) Members of the civil society and 4) Ordinary Cameroonians. This study also made limited use of literature as a source of data. Presentation and analyses of results were combined, so as to maintain an orderly flow of discussions according to the order in which each question appeared.

5.1 Stakeholders and their Roles in Public Procurement Management

This research question is pretty straight forward, as it sought to identify the main actors managing public procurement in Cameroon and their respective functions. In an attempt to answer this question, the researcher consulted official government documents dealing with public procurement. The Public Contract Code of Cameroon (2004) identified seven main stakeholders directly involved in the management of public procurement. These are the tenders' board, the contracting or delegated contracting authority, the contractor, supplier, members of technical services, stores accountants and members of the reception committee.

The functions of the members of the tenders' board, the contracting authority, delegated contracting authority and stores accountants are stated in Appendix I. It will therefore be an unnecessary duplication to repeat them here. However, the contractor and supplier are private sector clients of the government. They enter into a contractual agreement with public agents to undertake construction work or supply goods as specified in the contract. Members of the technical services are engineers who inspect the technical quality of the project both during construction and upon completion. Meanwhile the members of the reception committee are charged with the reception of the completed project on behalf of the project owner i.e. the state or local community otherwise called the principal.

Question B1 of appendix III sought to know from contractors and suppliers, if they were familiar with the procedure for the award of contacts, and by implication those involved in its management? In analysing and thematising their answers, two concepts were discernible. These were individual responsibility and collective expectations. Implying that, if all the main actors involved in public procurement management in Cameroon, were doing their job well, there would have been an internal alignment of these concepts, leading to an effective and accountable management of public procurement.

All the stakeholders with a vital role in the management of public procurement in Cameroon have their personal values that define their responsibility toward others. The contractor who is awarded a contract sometimes has strong views about his personal responsibility towards the head of the tenders' board. S/he may equally feel this responsibility towards the members of the technical committee who assess the technical quality of the project. The same is true of suppliers who do feel responsible to contracting authorities and stores accountants. In such circumstances they were often tempted to give kickbacks, so as not to be excluded from future contracts. The distinguishing characteristic of responsibility, therefore, is that it is personal and individual in nature and it stems from the values and beliefs of individuals. In the same vain Abelmann et al (1999:3) state that, individual conceptions of responsibility may come from a number of sources – from the life experience and moral background of the individuals, from their education and training, from their beliefs and from their interaction with others. Four out of the five contractors/suppliers interviewed, used the term adventurers or opportunists to describe their colleagues. They went further to decry the practice of high ranking government officials who pose as contractors, using a family member while pulling the strings from behind. Such a scenario is bound to influence the individual conception of responsibility of the contractor/supplier who wants to be transparent. S/he will have to play by the prevailing rules in order to stay in business. The responsibility of each actor in the public procurement sector therefore, is determined by personal interest and how to maximise it, either through giving bribes by the contractor and supplier or receiving same by the public agents.

Expectations, by contrast are collective in nature and they characterize the shared norms and values of public procurement actors, developed to get the work of procurement done. They were formed out of relationships among individuals and they operate in often powerful ways to shape individuals' behaviour and values. It is worth noting that expectations are beliefs about others' behaviour. Members of the tenders' board have the shared expectation that contractors will carry out the construction as specified in the contract. Contracting authorities and stores accountants have the shared expectation that suppliers will deliver the best quality of goods as specified in the official price list. The

collective of contractors and suppliers have the expectation that only the most qualified bidder will be awarded the construction or supply contract. In this light, the president of the North West contractors union, in an interview for this study stated that, the main objective of the union is to make it a strong and united syndicate, capable of defending their collective expectations. This is because the extent to which each group's expectations were met depended on the strength of the relationship within the network and for what purpose the network was formed. This is due to the fact that though expectations are collective in nature, they are not necessarily consensual.

5.2 The Degree of Accountability within the Public Procurement sector

Accountability mechanisms as used in this study are, literally, the variety of formal ways by which people involved in public procurement management give an account of their actions to someone in a position of formal authority, inside or outside the sector. Internally, the members of the technical services i.e. engineers, are responsible for ensuring that, contracts meet the technical specifications as stated in the bidding documents. Stores accountants are also responsible for controlling the quality of goods delivered to government institutions by suppliers. Questions A) 1, 2, 3, B) 2, C) 1, 4 and D) 1 of appendix III were asked during personal interviews, in a bid to assess the degree of accountability within the public procurement sector in Cameroon.

While analysing the data from these questions, two divergent views were discernible. This divide was not along the Anglophone/Francophone cultural dichotomy as one would have thought. It was rather between the public agents and the contractors/suppliers on the one hand and civil society members and ordinary Cameroonians on the other. Public agents managing procurement and contractors were of the view that there was some degree of accountability within the sector. They cited the creation of the public contract regulatory board, the enactment of the public contract code in 2004 to justify this view. This convergence of views between the public agents and contractors cannot be too surprising. They belong to the same network of public procurement stakeholders, either by default or design as principal stakeholders in Cameroon's public procurement

management. However, using follow up questions, it emerged repeatedly that unannounced technical – control - visits to construction sites were too few to be effective. This had a negative impact on internal accountability. Contractors took advantage of the absence of surprise visits to lower the quality of work in order to maximise profits. When surprise visits were sparingly made, errors were overlooked after the engineer's "palms have been greased" i.e. s/he has been given a bribe to approve of the technical quality despite the deficiencies. This view was widely supported by members of the civil society and ordinary Cameroonians interviewed. Civil society organisations are part of the follow up committee for the execution of the public investment budget. They state that a contractor needs to be well connected with the members of the tender's board in order to be awarded contracts. It goes to lend credence to the network theory mentioned above. All five ordinary citizens interviewed, hold the view that, the degree of accountability within the procurement sector was very low. They used phrases as rampant corruption, no transparency and cited abandoned and uncompleted projects to support their views.

As concerns suppliers, empirical data revealed that the situation was not much different. Concepts such as substitution of deliveries, partial deliveries and non deliveries were easily discernible. Substitution of deliveries occurred when the supplier delivers goods of lower quality than those specified in the supply contract. Partial deliveries on the other hand takes place when, the supplier delivers fewer goods to public institutions than the quantity contained in the initial contract. Non-deliveries which is the worst of all three evils, happens when the supplier is paid for goods that are not supplied at all. There was the phenomenon of inflated bills also, where prices were increased beyond market prices and official price list. In all instances the stores accountant, who is supposed to be the government's internal watch dog, visas the goods as supplied in accordance with the contract. The booty is then shared between the supplier and the stores accountant to the detriment of the principal, who in this case is the tax payer.

Question B 2, addressed to contractors and suppliers, had a numerical value. They were asked to assess the level of accountability within the public procurement sector in Cameroon, giving a score on 5. Where, 1 meant very little accountability and 5, very high

accountability within the sector. They gave a score of 2.7. In a further probe they explained that the tenders' boards were making a conscious effort to be transparent and accountable, though much still has to be done. The major problem was with the public agents involved in the day to day management of public procurement and some unscrupulous contractors and suppliers. Empirical data revealed that, before the winner of the contract is announced, some public agents in the tenders' board will go round asking for kickbacks from vulnerable contractors in order to influence the board's decision to their favour, thus enhancing the concept of extortion. Even after the contract has been awarded, some public agents still harass contractors asking for bribes in order not to exclude them in future contracts. The same was true of some contractors who try to influence the decision of the tender board members in their favour. This brings to light the concept of capture.

Capture and extortion are therefore rife within the public procurement milieu in Cameroon. It was therefore, not surprising that ordinary citizens, members of the civil society and even some government officials interviewed for purposes of this study, agreed that corruption was high and widespread within the sector. Questioned on the level of accountability, they agreed it was very low. This confirmed the inverse relationship that exists between corruption and accountability as stated in section 2.1 of chapter two. This relationship reveals that, in a society where corruption is high, accountability is low and vice versa. According to Gormley and Balla (2004: 127) "Accountability suffers if government officials lack sufficient information [or good will] to distinguish between good and bad contractors. Accountability suffers if little or no competition exists. Accountability suffers if government has poorly defined the contractor's responsibilities. Accountability suffers if government officials adopt a laissez-faire position after the contract has been awarded". This sums up aptly, the situation of accountability within the public procurement sector in Cameroon as supported by empirical evidence collected for this study.

5.3 Current Measures at Enhancing Accountability

The third research question, sought to find out the current measures aimed at making public procurement more accountable in Cameroon. Empirical data and literature dealing with the broader issue of anti corruption measures in general and within public procurement in particular were analysed. Two themes kept recurring during the content analysis of documents, they were, institutional reform and non implementation of existing anti corruption laws.

The institutions meant to fight corruption and enhance public accountability in Cameroon are still relatively weak. Two of these institutions worth mentioning are the anti corruption commission and the public contracts regulatory agency. Both institutions are fairly new and were created out of pressure from donor governments and institutions. They lack both the financial and technical capacity to do their job effectively. These bodies depend for funding from the government; consequently they lack the independence to effectively check corrupt practices emanating from government. Concerning institutional reforms still, a Multi-Donor Governance and Anti-Corruption Mission to Cameroon's final report states that, institutional reforms to curb corruption and enhance accountability are circumvented, if not subverted by the informal "rules of the game". There is the lack of visible political contestation, despite the presence of opposition political parties and a parliament. No clear demonstration of check and balance institution (within or external to government) imposing constraints on the executive (OECD DAC Report: 2006).

The second theme that emerged in the content analysis of documents was that of non implementation of anti corruption laws. Cameroon has enacted or ratified many international conventions aimed at fighting corruption. For instance, on the 6th of February 2006 Cameroon ratified the United Nations Convention against Corruption (UNCAC). The major problem at moment is at the level of implementation. Some of these laws or institutions include the setting up of the anti corruption commission in 2004. An assessment by the public contract regulatory agency of the execution of major contracts in Cameroon in 2005 has not been published. This assessment would have

provided a blue print of performing and non performing contractors as a guide towards selecting contractors to bid for public contracts. The Cameroon constitution has provision for the declaration of assets by high ranking public officials, it has never been applied. The audit chamber of the Supreme Court that was recently created was given a very limited mandate. As such, it has not been able to carry any independent audit. In response to the endemic corruption in the court system (especially non enforcement of judgements) the employers association (GICAM) has set up an informal arbitration system, binding for its members.

Non implementation of anti corruption laws is impacting negatively on the level of accountability, not just within the public procurement sector but in Cameroon generally. In this light, the World Bank in its 2005 report, states that economic, administrative and political transparency in Cameroon lags behind most other countries in Africa. No wonder, the Multi-Donor mission to Cameroon of July 2006 concluded that "The mission found no reason to dispute the overall view that corruption is a profound problem in Cameroon and a fundamental constraint on development, growth and poverty reduction". However, the situation is not completely lost, as corruption has ceased to be a taboo subject as it was a decade ago, to a topic being decried by all from the highest level (Presidential address to the Nation, December 2005) to the man or woman in the street.

In order to collect empirical data concerning current efforts at enhancing accountability, questions A 4, B4, C3 and D2 (Appendix III) were addressed to government officials, contractors/suppliers, civil society and ordinary Cameroonians respectively. Five interviews were conducted for each group. They were asked to assess the various anti corruption efforts by scoring these efforts on 5. A score of 1 meant very little was done and 5 meaning so much was being done to curb corruption and enhance public accountability. The figures they gave are presented in the table below.

Table 5.1
Assessment of Anti Corruption Measures

	GOV'T OFFICIAL	CONTRACTOR/ SUPPLIER	CIVIL SOCIETY ORG.	ORDINARY CAMEROONIAN
	3.5	4	4	3
	3	3.5	2	2
	3	3	2	2
	2	2	1	1
	1.5	1.5	1	0
TOTAL	13	14	10	8

To get the score on 5 from each group of respondent, their total score was divided by the number of respondents (5), this is shown on the table below.

Table 5.2

Average Score from Each Group

GROUP OF RESPONDENTS	SCORE ON 5
Government Officials	$13 \div 5 = 2.6$
Contractors/Suppliers	$14 \div 5 = 2.8$
Civil Society Organisations	$10 \div 5 = 2$
Ordinary Cameroonians	8 ÷ 5 = 1.6

These groups of respondents were asked to score the various efforts at enhancing accountability within the procurement sector. Comparing the average score from each group of respondents, confirms the dichotomy observed in section 5.2 above.

Government officials and contractor/suppliers give a score above half, 2.6 and 2.8 respectively. It implies that the various methods at enhancing accountability within public

procurement are yielding some fruit and cannot be dismissed out right as worthless. Meanwhile members of the civil society and ordinary Cameroonians think these efforts fall short of expectations, which is why they both give a score of less than half, that is, 2 and 1.6 respectively. In fact, their combine score give a bare 1.8 on 5 as regards these efforts. A closer look at the table reveals an interesting sequence. Those who are directly involved in public procurement like, public agents and contractor /suppliers appear to give higher credence to the existence of accountability within the system. While 'outsiders' like civil society members and ordinary citizens paint a very gloomy picture. This may be due to the fact that, certain internal accountability measures leading to sanctions of defaulters are not known to the general public.

In order to have a complete analysis of the findings from all the respondents interviewed for this question on accountability, one needs to add the averages from the four groups and divide by four (number of groups).

Therefore: $9 \div 4 = 2.25$

This score which is less than half of 5 tells us that from the findings, respondents think that the current measures at enhancing accountability are not sufficient. Therefore, there is little wonder that, a concept that came up repeatedly during the interview was that of 'the culture of impunity'. Respondents stated that it has been entrenched in the psych of Cameroonians, thus rendering the anti corruption struggle an uphill task. To buttress their argument, they cited both government and independent newspapers that had published the names of Cameroon public servants who were billionaires, with foreign bank accounts. When such evidence is presented, yet the suspected public servants are not prosecuted, it becomes near impossible to think of enhancing accountability in any sector, least of all the public procurement sector, where huge sums are available. Reference was made of some top government officials, including a minister who had been arrested awaiting trial. However, two years on, no one has been brought to trial and subsequently; they might be released after the dust has settled. The general impression among respondents was that, these arrests where made, to placate international donors to facilitate Cameroon reaching the completion point of the HIPC (Heavily Indebted Poor Country) initiative, thus eligible for debt relief.

5.4 Proposals to Improve Accountability in Cameroon's PPM

The fourth and final research question for this study, intended to find out what possible proposals could be advanced for the improvement of public procurement management. The findings from empirical data revealed lots of proposals. After systematic coding and memoing, as required by the Miles and Huberman framework used in this study, these proposals were grouped into four broad headings, they are information gathering and sharing, strengthening the judiciary, financial incentives and conscientisation.

Information gathering and sharing is at the centre of efforts to enhance accountability in the management of public procurement. Public contract documents should not be too confidential rather they should be made available, if not to the general public, to civil society organisations and the beneficiary communities. One example that was frequently mentioned during the data collection process was that of a contractor who was sued in the court by a civil society organisation. The reason was that, this contractor had done a poor maintenance job on a major and busy high way, at the expense of the tax payer. This was a first of its kind in Cameroon. The case became a *cause celebre* that the contractor went on exile. While interviewing the head of this organisation for this study, he said it was only possible because they had all the detail information concerning the cost and job description for the contract. If beneficiary communities are to effectively play the role of whistle blowers, then they need information about the contract. The information sought will probably not include survey data, economic indicators, and the like. More ingenious, indirect means must be devised such as, involving the public through devices ranging from hot lines to citizens' committees to random samples of clients.

The judiciary has a major role to play in enhancing accountability in the management of public procurement in Cameroon. It is important to make the judiciary completely independent from the executive. This will give it a free hand in prosecuting any stakeholder within the public procurement sector, who is engaged in corrupt practices. Legal action against corrupt officials should be systematic rather than selective as is the situation presently. Recently, due to pressure from international donors, some top government officials were arrested on corruption charges on the orders of the president of

the Republic. If the judiciary is made completely independent, it will be the duty of the state prosecutor to bring charges against these individuals in a court of law. Such an action will act as a deterrent to all, thus enhancing accountability in the management of public procurement where it seems to be very low. The audit chamber of the Supreme Court should be given a wider mandate and autonomy power to carry its duties effectively.

Linking financial incentive and performance will contribute in enhancing accountability in public procurement management. Klitgaard (1991:91) puts it succinctly when he states that, "The linkages between financial rewards and performance have become so weak as to eliminate economic incentive. Many poor countries have cut and compressed salaries to a degree unimaginable in the industrialised west. Among the predictable results are widespread incompetence and corruption in government." This view was widely discernible during the empirical data collection process. More than half of the twenty respondents interviewed for this study, talked of the need for the government to reconsider the present salary status of civil servants. It is worth mentioning here, as stated in section 1.3 of chapter one that, in 1993 the salary of public servants was reduced twice amounting to 65% cuts. This was followed by a 50% devaluation of the currency. It meant the prices of all imported goods rose by 50% and Cameroon is a net importer of most goods. If the government cannot effect a general pay increase, it should at least, link financial incentives to performance. In this way, public servants can earn something extra for performing some extra duties. In many developing countries, government officials must supplement their pay in some fashion in order to feed their families. An opposite effect occurs if pay bonuses can be earned by discovering corrupt behaviour (Klitgaard 19991:125). Such a measure will be effective in enhancing accountability in the public procurement sector. This is because, public agents out side the corrupt network, now have an incentive to discover and report corrupt practices by members of the network.

A direct appeal to the conscience of public procurement managers was very prominent during the interviews. It was echoed by all four groups interviewed in different forms. This implies that, there must be a concerted effort at awakening the conscience of all

involved in what may be termed 'conscientisation of public procurement stakeholders.' Hellsten (2003:64) warms of the conflict between public and private codes of conduct and insists on the danger of placing private moral commitments (which are often dubious) over public ethical codes. This is a clarion call to conscientisation. Unless people are willing to work with integrity, monitoring as required by the principal agent theory will only have a limited effect at enhancing accountability.

CHAPTER SIX

CONCLUSIONS

This study was undertaken as an attempt at understanding the challenges encountered in ensuring public accountability in the management of public procurement in Cameroon. The basis for the study was the findings from literature, which cited public procurement as one of the sectors with a high corruption incidence. This gave Cameroon the unenviable position of the most corrupt nation, two times consecutively, 1998 and 1999 by Transparency International. The conclusions of the findings are presented in this chapter. Meanwhile it is necessary to revisit the objectives of this study.

There were four objectives for this study. The first objective was to identify the principal stakeholders directly involved in the management of public procurement in Cameroon and what specific role, each played in the process. The second objective was to investigate the degree of accountability in public procurement management. The study also sought to assess the current anti corruption measures being put in place to make public procurement more accountable. The fourth objective sought to find proposals or recommendations for improving public accountability in the management of public procurement.

Findings from literature identified seven principal stakeholders directly involved in the management of public procurement in Cameroon. They include the members of the tenders' board. They are at the centre of public procurement management because they study the tender documents and award contracts above 10.000\$. The principal or government is represented by the contracting authority or delegated contracting authority. The contractors and suppliers are the private sector clients involved in public procurement. Members of the technical committee and stores accountants act as watch dogs of the principal. Finally there is the reception committee. The study revealed that, these stakeholders all have individual responsibilities and shared expectations. However, quite often they were motivated by the desire to maximise their self interest even at the

detriment of accountability in the management of public procurement. There is little wonder therefore that, the civil society is becoming increasingly involved in ensuring the transparent management of public procurement. They are now members in the follow up committee of the execution of the public investment budget.

The internal mechanisms of accountability in place are not yet functioning in full capacity. Members of the technical services (engineers) who are supposed to see to it that contractors execute projects according to the technical specifications, complain of the lack of logistics to effectively do their job. Contractors take advantage, to lower standards in order to maximise profits. Contractors sometimes give kickbacks to influence their decision. Stores accountants are supposed to control the effective delivery of goods supplied to government institutions. However, the reality as found in the study is different, there are partial deliveries, substitution of deliveries and sometime outright non deliveries, yet suppliers get complete payment, only to share the booty with the stores accountant. To make matters worse, the external instruments of accountability are equally weak. For instance the judiciary is not independent to freely prosecute malpractices in public procurement management. The consequence is the low level of accountability that prevails in the sector.

Findings from literature and confirmed by public agents and contractors/suppliers, indicate that the government has been making some attempts at enhancing accountability in the public sector generally and within public procurement in particular. It created the anti corruption commission, the public contract regulatory board, the public contract code of 2004. Cameroon has also ratified a number of international agreements aimed at fighting corruption, such as UNCAC on the 6th of February 2006. The main challenge facing the government is that of implementing these instruments aimed at enhancing accountability. Failure to implement these laws has led to a culture of impunity in Cameroon. The sporadic arrests without trial of some top government functionaries has not help matters much.

This study made extensive use of the Agent Principal theory by Gormley and Balla (2004) and the Agent-Principal-Client model by Klitgaard (1988, 1991). Here, one will attempt to assess the applicability of this theory and model in enhancing accountability in the management of public procurement in Cameroon. As stated in section 3.2 of chapter three, the Principal-Agent theory is an approach to understanding the causes and consequences of the difficulties which principals face in monitoring the agents to whom they have delegated authority. Two main difficulties identified by the theory are adverse selection and moral hazard.

Adverse selection as a challenge arises when principals cannot directly observe important characteristics of agents but must rely on rough indicators. When appointing members of the tender's board who are the managers of public procurement, the principal i.e. executive should be aware of this difficulty. The Principal Agent theory advocates screening as a possible solution, yet it is not a guarantee that the agent will turn out to be the best for the agency as the principal might have wished. The situation becomes more compounded if the principal relies on other criteria like tribe and political patronage, as it is the common practice in Cameroon. Accountability in the management of public procurement will be strengthened, if this theory is applied rigorously, especially in hiring influential members of the tender's board. This will include its chairperson, the engineers and stores accountant responsible for monitoring public procurement.

Moral hazard is a second difficulty that principals face in delegating powers to agents. This stems from the fact that once selected, agents may pursue their self interests rather than securing the outcomes for which they were hired. For instance, public procurement managers may receive kickbacks and award contracts to some one who hasn't got the capacity, thus compromising the quality of the final product. As a solution to this difficulty, the Principal agent theory recommends institutional design and oversight. Institutional design involves giving agents a stake in the company, like shares. This is possible in private business but cannot be applied in public procurement management. The second solution, oversight can be applied in Cameroon's public procurement management to an extent. It entails monitoring the principal stakeholders or monitoring

the monitors like engineers and stores accountants. Apart from the extra cost in monitoring, how far can monitoring the monitor go? Because this second monitors if they fail in their duties then, according to the theory they too will need to be monitored, thus going on and on. At best, monitoring can only achieve a limited degree of success. Public procurement managers will have to be duty conscious and work for the interest of the tax payer who is the ultimate principal.

The Principal-Agent-Client model states that, an agent will be corrupt if in his judgement his likely benefits of doing so out weigh the likely cost. The same applies for the client doing business with the agent on behalf of the principal. In order to apply this model in enhancing accountability in Cameroon's public procurement management, the principal will therefore have to raise the cost of possible corrupt acts by the agent or client. For the agent, this will include measures such as demotion, delayed promotion, punitive transfer to remote areas, suspension, dismissal in extreme cases and litigation with possibility of imprisonment. Concerning the client, measures to increase the cost of taking a bribe will include, naming and shaming which has the effect of black listing the company, remove its name from the list of companies authorised to bid for public procurement contracts and litigation with possibility of imprisonment. For such measures to be applied the principal needs information as demonstrated in figure 3.1 of chapter three.

Attempts to improve public accountability need a holistic approach, involving all sectors of public life. However, it is always important to start from some where, hence the need for this study, which focused on accountability within the public procurement sector in Cameroon. The Principal Agent theory and the Principal-Agent-client model can be applied to a large extent to strengthen accountability in this sector. From the study, it is evident that, no amount of theories or models can successfully eliminate corruption in Cameroon's public procurement management. What is needed is for public procurement stakeholders to work with their consciences for the common good. At the same time, the existing laws should be applied. This will deter defaulters within the sector and let others know that the period of impunity is over.

REFERENCES

- Abelmann, C. et al (1999) When Accountability Knocks, Will Anyone Answer,
 Consortium for Policy Research in Education, RR-42, Pennsylvania: CPRE
 Publication.
- An Analysis of the Financial Law, www.izf.net (21/05/07).
- Auriol, E. (2005) Corruption in Procurement and Public Purchase. International Journal of Industrial Organisation.
- Banfield, E. (1975) Corruption as a feature of Government Organisations. Journal of Law and Economics, 18 December, 587-605.
- Business and Politics (2006) No. 53, 28 February.
- Butz, A. D. (1999) The Disconnection between Principal Agent Theory and Empirical Work: A Review of Bernard Salanie, The Economics of contracts. International Journal of the Economics of Business, Vol. 6, No. 1, p.131-140, Michigan USA.
- Caiden, G. (1981) Ethics in the Public service: Codification Misses the Real Target.

 Public Personnel Management, 10 p. 145-152.
- Callender, G. and D. M. (2005) Procurement through the Ages, We've Come A Long Way. 20, Government Procurement April.
- Chava, F. N. and Nachmias, D. (2000) Research Methods in the Social Sciences (Sixth Edition). New York: Worth Publishers.
- COMMISUD, SeP, DED (2006) The PRSP and the Budget in the North West Province of Cameroon: An Analytical Guideline.
- Dalen, D. M. et al (2006) Contract Renewal and Incentives in Public Procurement, International Journal of Industrial Organisation, 24 P. 269-285.
- Fine, B. (2001) Social Capital Versus Social Theory: Political economy and social science at the turn of the millennium. London: Routledge Publication.
- Giddens and Duneier (2000) Introduction to Sociology (Third Edition) New York W.W Norton and Co. Inc.
- Gormley, T. W. and Balla, S. J. (2004) Bureaucracy and Democracy Accountability and Performance, Washington DC: C Q Press, A division of Congressional Quarterly Inc.

- Government of Cameroon (2004) Public Contracts Code, ARMP Publication.
- Government of Cameroon (2004) Way Forward for Good Governance ARMP Publication.
- Hellsten K. S. (2003) Trust Me: My Hands are Dirty also; Institutionalised Corruption and the Competing Codes of Public and private Ethics Professional Ethics, 2 (1).
- Hellsten, K. S. and Azaveli, L. (2004) Civic Ethics Hand Book for Development. Oxford: Oxford University Press.
- Klitgaard, R. (1988) Controlling Corruption. Los Angeles: University of California Press.
- Klitgaard, R. (1991) Adjusting to Reality Beyond 'State versus Market' in Economic Development, California: International Center for Economic Growth Publication.
- Korten, D. (1990) Getting to the 21st Century: Voluntary Action and the Global Agenda.

 Connecticut USA: Kumarian Press.
- Marshall, P.J. and Glenwyr, W. (1983) The Great Map of Mankind: Perceptions of New Worlds in the Age of Enlightenment. Harvard University Press.
- Ngoh, V. J. (1996) History of Cameroon Since 1800. Cameroon: Presbook publication.
- Noonan, T. J. (1984) Bribes, New York Macmillan.
- OECD DAC (2006) End of visit report issued in Cameroon.
- Poonam, S. S. (1995) Accountability in Development Organizations, London: Sage Publication.
- Punch, F. K. (2005) Introduction to Social Research: Quantitative and Qualitative Approaches (Second Edition) London: Sage Publication.
- Romzek, B. and Dubnick, M. (1987) Accountability in the Public Sector: Lessons from the Challenger Tragedy, USA: Public Administration Review 47.
- Salisu, M. (2003) Incentives structure, civil service efficiency and the hidden economy in Nigeria. Kayiri-Mugerwa (ed) Reforming Africa's Institutions. Helsinki: UNU/WIDER publication.
- Sparrow, M. (1991) The Application of Network Analysis to Criminal Intelligence: An Assessment of the prospects, Social Networks 13 p.266.

Welman and Kruger (2001) Research Methodology (Second Edition) South Africa: Oxford University Press.

.

Wen-Lin, T. et al (2006) A study on the effectiveness of the most advantageous tendering method in the public works of Taiwan, International Journal of Project Management.

World Bank (1996) World Development Report.

World Bank (2005) World Development Report.

World Bank (2006) Global Development Learning Network.

World Trade Organisation (1994) General Procurement Agreement. Marakesh.

APPENDIX I: Definition of Key Terms and Concepts

Operational definition of some key words and concepts used in this study

I. ACCONTABILITY

Poonam, 1995:35, citing Stufflebeam (1971:20) defines accountability as "The ability to account for past actions in relationship to the decisions which precipitated the actions, the wisdom of those decisions, the extent to which they were adequately and efficiently implemented and the value of their effects. In this study, it is used also to refer to the transparent management of public affairs.

II. CORRUPTION

Transparency International defines corruption as "the use of public office for private gain". Public here includes, private business and international institutions, (Hellsten and Lwaitama 2004)

III. DEVELOPMENT

David Korten says "Development is a process by which the members of a society increase their personal and institutional capacities to mobilize and manage resources, to produce sustainable and justly distributed improvement in quality of life, consistent with their own aspirations" (1990).

IV. MANAGEMENT

Daniel A, 1995: defines management as "an action that performs certain functions, to obtain the effective acquisition, allocation and utilization of human efforts and physical resources to accomplish some goal".

V. PUBLIC PROCUREMENT

This will entail the award, execution and handing over, of public contracts for construction projects and purchase of equipment and inputs for public offices. This will include, stationeries, furniture, electrical appliances and others, which are worth more than 10.000\$ thus governed by Art.112 of the Cameroon code of contract 2004. Construction contracts and purchases below 10.000\$, also constitute public procurement in this study.

VI. VOTE HOLDER

These are public officials who are sectional heads with control over budgetary allocations. They award contracts for construction and purchase below 10.000\$. When the contract is 10.000\$ and above they become the members of the Tenders Boards.

VII. CONTRACTING AUTHORITY

The head of a ministry or those ranked as such, the head of the executive of a regional or local authority, the Director General and Director of a public establishment and of a semi-public and public undertaking, representing the beneficiary of the services provided for in the contract. (Art.5 (f) Cameroon Public Contract Code 2004) They are some times referred to as project owners.

VIII. DELEGATED CONTRACTING AUTHORITY

Some body acting as a representative of the contracting authority and performing some of the duties of the latter. They include Provincial Governors, Senior Divisional Officers, Heads of Cameroon's Diplomatic missions abroad, empowered to conclude and sign contracts financed by credits delegated by a contracting authority and where applicable, the manager of a project benefiting from external funding, Public Contract Code (2004).

IX. TENDERS BOARD

The Cameroon Public Contract Code of 2004 defines Tenders Boards as the technical support structure placed under a contracting authority and delegated contracting authority for the award of contracts or the technical structure placed under the authority in charge of public contracts responsible for the pre-control of contracts award procedures.

(Art.5.m). These structures are not permanent, they are constituted each time a contract of 10.000\$ or above is to be awarded. When the contract has been successfully awarded and handed to the contracting authority they cease to exist.

X. STORES ACCOUNTANTS

They are public accountants and judges of the regularity of expenditure, they are thus charged with the acceptance and custody of property of any kind acquired for the benefit of the government services to which they are appointed as well as certify bills, enter the payment in the day book and distribute the supplies as directed by the credit manager.

APPENDIX II: Map of Africa showing Cameroon



SOURCE: Sandrine Lapuyade 2005; Cameroon Report, Country Profile Part II

APPENDIX III: Interview Questions

A) GOVERNMENT OFFICIALS

- 1. What is your opinion regarding the method of awarding government contracts?
- 2. Does the method give room for bribery and corruption? If yes, how? If no, why not?
- 3. Are you aware that bribery and corruption are rife in the award of government contracts? Can you please elaborate on that?
- 4. Would you say the government is doing enough in its fight against corruption within this sector? (Give a score on 5)
- 5. What in your opinion can be done to improve on the management of public procurement in Cameroon?

B) CONTRACTORS

- 1. Are you familiar with the procedure for biding for public contracts? If your answer is yes what can you say about the procedure? If your answer is no how have you been winning government contracts
- 2. How transparent is the procedure (give a score of 5)
- 3. What in your opinion are the consequences of corruption in the system?
- 4. In your opinion do you think the government is serious about fighting corruption? Give a score on 5.
- 5. What in your opinion can be done to improve on the management of public procurement in Cameroon?

C) CIVIL SOCIETY

- 1. What do you think about corruption in Cameroon in general and within the public procurement sector in particular?
- 2. What role do you think the civil society can play in the fight against corruption in the public procurement sector?
- 3. Do you think the civil society is doing enough in fighting corruption; give a score on 5
- 4. Any instances were you have successfully intervened to address the issue of corruption within the public procurement sector?

5. What are the challenges faced in fighting corruption in public procurement in particular and in society in general

D) ORDINARY CAMEROONIANS

- 1. What do you think about public accountability in Cameroon in general and within the public procurement sector in particular?
- 2. How can you assess the government's current effort at fighting corruption? Give a score on 5
- 3. What are the difficulties faced in fighting corruption within public procurement in particular and in society in general?
- 4. What in your view can be done to curb corruption in Cameroon in general and within the public procurement sector in particular?