

Corruption in the Public Construction Sector

Ming Shan · Yun Le · Albert P. C. Chan ·
Yi Hu

Corruption in the Public Construction Sector

A Holistic View

 Springer

Ming Shan
School of Civil Engineering
Central South University
Changsha, Hunan, China

Yun Le
School of Economics and Management
Tongji University
Shanghai, China

Albert P. C. Chan
Department of Building and Real Estate
The Hong Kong Polytechnic University
Kowloon, Hong Kong

Yi Hu
School of Economics and Management
Tongji University
Shanghai, China

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Preface

According to the well-recognized Bribe Payer's Index released by Transparency International, the public construction sector has been found the most corrupt sector in the world. Such a judgment is not new and is mainly due to the unique characteristics of the public construction sector. For instance, contracts in this sector are usually large and construction projects in this sector are often exclusive and unique, making it difficult to benchmark for costs and time, and thereby making it easier to hide and inflate additional expenditure. Furthermore, the public construction sector is a fragmented sector often involving many parties such as government, clients, contractors, subcontractors, consultancies, and suppliers, making the tracing of payments complex and challenging as well. Apart from that, the public construction sector is relatively more prosperous in developing countries where established legal systems may lack, which also 'encourages' the corruption in the sector largely.

The costs of corruption in the public construction sector are also extremely damaging. Poor procurement, contract, and investment decisions caused by corruption easily cheat the public out of their money. Also, they are harmful to the long-term growth prospects of countries, particularly in the developing countries where the public construction is so important. Corruption can also affect the quality of projects in the public construction sector, which will further threaten the safety and health of the public who are using the public buildings and facilities every day. More importantly, corruption in the public construction sector will tarnish the government and deprive the government of the trust of public, causing social stability issue eventually.

This book presents a holistic view on corruption in the public construction sector and was structured into nine chapters. Chapter 1 introduces the motivation, scope, and objectives of this book. It also presents the significance and the structure of this book. Chapter 2 provides a comprehensive review of the corruption research in the area of construction engineering and management. The review covers a broad range of topics including forms of corruption, impacts of corruption, and the prevailing anti-corruption strategies. Chapter 3 systematically investigates the underlying factors of corruption in the public construction sector. Chapter 4 explores the

principal causes of corruption in the public construction sector. Chapter 5 assesses the effectiveness of the prevailing anti-corruption strategies in the public construction sector. Chapter 6 proposes an assessment model that can measure corruption in the public construction projects. Chapter 7 conducts a systematic examination of collusive practices in the public construction projects. Chapter 8 develops an artificial neural network model that can assess the collusion risks in the public construction projects. Lastly, Chap. 9 provides a comprehensive summary and lists up specific recommendations for the future research of corruption.

Although corruption is a critical problem in the public construction sector and has attracted considerable attention from various parties including authorities, industries, and academics, there remains a lack of books on this issue. Therefore, this book bridges the knowledge gap and contributes to the current body of knowledge of corruption research. Furthermore, the findings from this book can enhance the policymakers and industry practitioners' understanding of corruption in the public construction sector, thus benefiting the practice as well.

Changsha, China
Shanghai, China
Kowloon, Hong Kong
Shanghai, China

Ming Shan
Yun Le
Albert P. C. Chan
Yi Hu

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