

POLYCENTRIC CULTURAL FRAMEWORK FOR INFRASTRUCTURE PROCUREMENT IN NIGERIA

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The high failure rate of most infrastructures in sub-Saharan Africa is alarming, particularly in Nigeria, where the dearth and deterioration of infrastructure constantly imposes severe constraints on economic growth and development. Consequently, existing institutions or strategies which are designed to reproduce effective infrastructures in areas that lack them have been mostly unsuccessful. A carefully conducted survey covering the six geopolitical zones in Nigeria identified inadequate maintenance and inconsistent procurement strategies as the major factors responsible for unsustainable infrastructure delivery. In view of the fact that a stable infrastructure is an essential prerequisite for sustainable development, this paper presents a polycentric cultural framework for infrastructure maintenance and procurement in Nigeria, a framework which emphasises the integration of infrastructure users throughout the process, from conceptualisation to actual delivery of infrastructure, by taking the recipients' culture, beliefs and values into account. It also emphasises the use of systemic referendum amongst users and stake-holders via the traditional consultative processes before the actual delivery of infrastructure and services.

Keywords: culture, infrastructure, maintenance, Nigeria, procurement, referendum.

INTRODUCTION

The main objective of this paper is to present an alternative procurement and maintenance strategy or framework for infrastructure and service delivery in Nigeria. This strategy is called the Polycentric Cultural Framework for Infrastructure and Service Procurement.

According to The United Nation Commission on International Trade Law UNCITRAL (1994) as cited in Omoregie (2006), procurement is the process used for the acquisition of goods, works and related services (i.e. transport, insurance, installation, training, maintenance and other similar services) required in the execution of a project, excluding consultancy services. A clear understanding of the meaning of works, goods and services relative to infrastructure procurement is important at this stage.

UNCITRAL in its twenty-sixth and twenty-seventh sessions in Vienna (1993) and New York (1994) defined a "good" as an object of any kind or description either in solid, liquid or gaseous form, including raw materials, products, equipments, electricity and services required to supply the goods, so long the value of such incidental services does not exceed the value of the goods. "Works" refers to all construction, reconstruction, demolition, repair or renovation of buildings, structures,

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site preparation, excavation, erection, building, installation of equipments or materials, decoration and finishing, as well as services incidental to construction such as drilling, mapping, satellite photography, seismic investigations and similar services provided pursuant to the procurement contract, so long as the value of these services does not exceed that of the construction itself. Services are also defined by the World Bank Group (2003) and African Development Bank (1997a) as any object of procurement other than goods or works. It is also proper at this stage to have a brief overview of international best practice for procurement.

International best practice for procurement as spelled out by the “UNCITRAL Model Law” on procurement of goods, works and services, should serve as a model for the evaluation and modernization of procurement laws and practices and the setting out of procurement legislation where none exists within member countries of the United Nations. This model legislation on procurement by UNCITRAL was a direct response to outdated and inadequate legislation governing procurement in member countries that has resulted in inefficiency, ineffectiveness, abuse and the failure to obtain value in return for the expenditure of public funds. Thus, the reform of the procedure and practices of the public procurement system is the foundation for the application of the “Model Law (Yearbook of the UNCITRAL 1994).

However, the inadvertent disregard for maintenance and procurement procedures and best practice for procurement has been identified as one of the root causes of infrastructure delay, cost escalation and failures in sub-Saharan Africa and developing countries in general (World Bank Group, 2003; Omorieg *et al.* 2005; Omorieg and Radford 2006). This apparent disregard negates basic international principles or policies that underpin the procurement of works and services. These basic principles as cited in the Yearbook of the UNCITRAL (1994), the World Bank Group (2003) and the African Development Bank (1997) include in summary:

- the need for economy and efficiency in the procurement of works, goods and services
- the importance of transparency, accountability, responsibility and objectivity in the procurement process
- equal opportunity aimed at maximising competition for all eligible contractors and suppliers from the developing and developed countries
- the encouragement of participation by indigenous contractors and suppliers in the procurement process

METHODOLOGY

The methodological approach employed for this study was centered on secondary research and the experience gathered during a primary data collection survey conducted in Nigeria. It forms part of a PhD dissertation in the Leicester School of Architecture, De Montfort University. The secondary research involves the critical evaluation of the UNCITRAL, The World Bank and The African Development Bank contract documents for international best practice for works and service procurement. It also involves an evaluation of the procurement systems in Nigeria. However it is important to state how the survey itself was conducted. A structured interview with the aid of a questionnaire was used in a two stage-stratified random sampling technique. The six geopolitical zones in Nigeria constitute the first specified stratum; afterwards respondents were randomly selected from the second specified stratum, the

respondent's sector or organisation in each of the six selected states with each from each geopolitical zone. The six geopolitical zones were the south-west (Lagos state), south-south (Edo state), south-east (Imo state), north-west (Kano state), north-central (Kaduna state) and north-east (Adamawa state) zones, and respondents were drawn from the public and private sectors and from non-governmental organisations. The sample size for this investigation was 600, divided into 100 potential respondents for each of the six geopolitical zones. A total of 443 (73.83 percent) respondents returned their questionnaires and 40 of these were randomly selected for validation. Thus, leaving behind 403 (67.17 percent) received questionnaires for analysis. Respondents were asked 6 personal questions, 13 questions on the current state of infrastructure in Nigeria: stability of infrastructure services, maintenance, quality, supply, staff of local infrastructure service providers and infrastructure monthly bills. Lastly, respondents were asked to rate 18 identified causes of infrastructure failures in Nigeria. The practical experience / challenges gathered by the primary research data collection team in Nigeria and evaluation of current procurement frameworks were central to the recommended polycentric cultural framework for infrastructure and service procurement.

CHALLENGES ENCOUNTERED DURING FIELD WORK

The first example to be reported in this study was in the North-West geopolitical region, where prospective respondents were initially very reluctant to communicate with the research data collection team. However, this attitude was eventually overcome because some members of the research data collection team understood the people, their culture, religion and language.

Another notable experience was at St. Saviours Road in Benin City, South-south Nigeria. The research data collection team observed a scene along the failed portion of this road involving some commercial bike riders (Scooter drivers). This road was in a complete state of disrepair and the research data collection team decided to take a photograph of it before thinking of a way to circumvent the failed portion. While the picture was being taken, some of the Scooters riders objected violently, demanding to know why the picture was being taken. They damaged one of the cameras beyond repair and seized the other. They were of the view that members of the research data collection team were journalists out to report their activities on the failed portion of the road. Because the failed portion of this road was seriously waterlogged and could not be traversed by four-wheeled motor vehicles, the Scooter riders were making a lucrative amount of money by transporting people across the failed section.

However, the seized cameras were later released after they were convinced that the team was made up of students and the information collected was purely for research purposes. Some of the Scooter riders confided to the team that their means of sustenance depends on failed infrastructure such as the one in St. Saviors Road to survive the prevalent poverty and unemployment. It was learnt that similar activities take place in parts of the city such as the Ugbowo area, Ogida quatres, Uselu quatres, Upper Mission and the Okhoro area.

Due to serious income disparity and unemployment some people have to resort to failed structures like the one at St Saviors Road to survive. It was not surprising to find the Scooter drivers apparently ready to fight anything that could compromise their only means of sustenance. This is anecdotal evidence of the degree to which failed infrastructure can affect the thinking and behaviour of the poor.

Another interesting event during field work occurred in Imo State, South-east Nigeria. The local council barred the team from taking any photographs in the town. Nonetheless, the level of infrastructure in this part of the country was the worst experienced in the survey, at least according to our observation. Initially, there were difficulties of data collection in the town as the response rate was extremely low (less than 10%). Potential respondents were very unwilling to return their questionnaires, which resulted in the extension of our stay in the town by three days. However, a similar technique used by the team in Kano State in North-west Nigeria produced the response the team had wanted and needed. It was observed that the people of this region respond quickly to anyone who could speak their language and understand their way of life. This observation was noticed throughout the team's stay in Imo town. Surprisingly, even the literate and enlightened amongst them exhibited these traits. While some respondents in this region demanded gratification for the return of the questionnaire during the first data collection exercise, these same persons became very accommodating during the follow-up. Their cooperation must have been due to the technique of bridging the communication gap with the use of their language, culture and value system. However, extreme care was taken by the team not to interfere with responses to the questionnaire.

PROCUREMENT SYSTEMS IN NIGERIA

The modes of procurement commonly used in Nigeria are competitive tendering and selective tendering (Esenwa 2004; Ogunje 2002; Mansfield *et al.* 1994). The World Bank's Country Procurement Assessment Report (CPAR) for Nigeria (2000) as cited in Ekpenkhio (2003) identified these gaps in the country's procurement system:

- the lack of a legal framework regarding a public procurement system
- the lack of a supervisory body to provide guidance and monitor procuring entities
- faulty implementation of existing regulations on procurement, which has created the opportunity for bribery and corruption
- gaps and deficiencies in existing laws and regulations
- proliferation, ineffective mandates, limited power and authorisation thresholds of the tender's board, which have encouraged abuses such as the splitting of contracts, delays and non-transparency
- cumbersome customs systems and procedure resulting in delays and corruption
- the lack of relevant training and skills on procurement procedures by those carrying out procurement duties

As a way of tackling the problems identified from the study, the following recommendations were made in the CPAR:

- the need for a procurement law based on UNCITRAL
- the need to establish the Public Procurement Commission (PPC) to serve as the regulatory and oversight body on public sector procurement
- the need for revision of some key areas of the financial regulations in order to make them more transparent

- the streamlining of tender boards and the strengthening of their functional authority and powers to award contracts
- a critical need to rebuild procurement and financial management capacity in the public sector
- a comprehensive review of the businesses related to export, import and transit regulations, procedures and practices, including the automated system for customs data (ASYCUDA)

In response to the recommendations in the CPAR, the Nigerian government issued new policy guidelines on public procurement and contract award procedures in 2002. The new guidelines (tagged: Circular No. F. 15775) is cited in Ekpenkhio (2003). The CPAR was accepted by the government, with due exceptions for the registration of contractors and the involvement of political office holders like ministers / commissioners in the awards of contracts.

OBSERVATIONS

The recommendations of the World Bank CPAR for Nigeria and the efforts by the present federal government to reform the Nigerian procurement system based on the CPAR report are commended. These recommendations are aimed at building sustainable and supportive institutions to strengthen the existing procurement framework in Nigeria, thereby ushering efficiency, accountability, transparency and integrity into the Nigerian procurement system. As well-intentioned as these objectives are, the findings gathered from this study (most especially the survey) revealed that these efforts are likely to fail.

The experience of the data collection team points to the fact that the average Nigerian may have a divided loyalty to his country; the order of allegiance is from the small to the large scale – i.e. firstly to his immediate family, then his ethnicity and then his religion. Allegiance to his country is in the last of his priorities, hence, the spate of corruption, religious conflicts and other malpractices such as favouring a particular ethnic group or community over others. Sometimes, census figures are manipulated to justify the increase in revenue allocation, dominance in the military, political positions and even contract award. This presents an obvious contrast to some parts of the world. In the west, for example, patriotism is commonly seen as overriding other interests.

This variation in the level of commitment to one's country or place of birth from one region or country to another reveals a difference in perceptions, trust in society, beliefs and value systems. Policies, guidelines or strategies underpinning infrastructure and service delivery ought to reflect these differences. On the appropriateness of procurement systems Kumaraswamy (1994) as cited in Mcdermont (1999) and in Rowlinson and Mcdermont (1999) argues that sustainable and synergistic procurement strategies must evolve from the people for which the project was intended. He discusses further the inappropriate nature of superimposing developed countries' procurement strategies or mechanisms on developing economies. Procurement systems must be appropriate to circumstances. Thus, it is the view of the present study that when the users of infrastructures or services are not involved in its conceptualisation and delivery, there is little if any chance of success. Who are the users? The people – and what makes a people? Culture, common religion, language or inherited condition of life (American Heritage dictionary 2000; Liu and Fellows 1999; McDermott 1999). Ng (1994), as cited in Martins and Taylor (1996) and in

Mcdermott (1999) on the role of culture in institutions, argues that the people's participation in the procurement process is essential for community development. On the review of public procurement regulations of the European Communities (EC), the World Trade organization (WTO), the World Bank and the United Nations (UN), Craig (1996) as cited in Mcdermott (1999) is of the view that they were designed to promote competitive tendering and to prevent the use of technical standards. He argues that it was only the WTO and the General Agreement on Tariffs and Trade (GATT) that discriminated positively for developing countries. Even contractual arrangements and forms of contracts currently being practiced in many developing countries like Nigeria are out of date in the various environments for which they were designed. Fellows (1989) observed that this has been the cause of the major problems of the construction industry worldwide. For example, the standard forms jointly developed by the Joint Contract Tribunal (JCT) and the Institution of Civil Engineers (ICE) has been used extensively (whether appropriate, amended or not) in areas for which they were not designed (Mcdermott, 1999).

The Latham Report (1994) emphasised the need for a thorough re-examination of the JCT forms in the UK. Consequently, the engineering and construction contract has been encouraged as an alternative. Even the ICE Conditions of Contract are constantly being amended to meet the prevailing conditions within the UK construction industry (Hill 1991 as cited in McDermott 1999). It is the view of the author that as long as there is a variety of cultures and people, international best practice and appropriate international implementation procedures for procurement, contractual arrangements and forms of contract that are universally applicable are futile. Every instance of the delivery of infrastructure and service must bear in mind the uniqueness of its intended users. Rowlinson and Root (1997) have emphasised cultural uniqueness in the analysis of procurement systems.

POLYCENTRIC CULTURAL FRAMEWORK (PCF)

The identification of cultural importance to a sustainable infrastructure and service delivery implies the effective involvement of the users of that infrastructure, who would after all be the best custodians of their respective cultures, beliefs and value systems. They would be expected to be key players in the conceptualisation of the project, and they would identify the desired infrastructural type, quantity, quality, finance strategy, design, construction, ownership, operation and maintenance, and determine the best match between these criteria and what was available. They thus partake in managing its risks and opportunities and eventually become major stakeholders in the project. However, it is unlikely that users alone could bear these burdens, especially the financial ones. It is necessary, therefore, to take to account not only the likely users but also the public and private sectors involved. In the Polycentric Cultural Model for infrastructure and service delivery to be presented as an alternative proposal, the cross-section of users comprises the traditional institutions charged, among other things, with the responsibility of identifying cultural norms, beliefs, values and the coordination of elders within the various communities and villages that would benefit from the intended infrastructure, as well as the women, youths, non governmental organisations, trade unions and the various religious organisations. The framework is shown in Figure 2. It is also expected that this model would address some of the major causes of infrastructure and service failures in Nigeria.

The Polycentric Cultural Model or strategy is divided into three parts: the polycentric traditional model, the polycentric governmental strategy and the polycentric private model. For the purpose of this investigation only the traditional polycentric model or framework will be discussed. This model involves users as outlined in the preceding section and as shown in Figure 2. It is subdivided into three major stages: conceptualisation, identification of cultural norms and values affecting the project, and the infrastructure and service procurement referendum. However, the traditional institution¹ with the assistance of the government is expected to coordinate all meetings of the users' representatives – i.e. the elders, youths, women, non-governmental organisations, trade unions and religious organisations. As cited during the inauguration of the national constitutional conference by the then Head of State and Commander in Chief of the armed forces of the Federal Republic of Nigeria, General Sani Abacha (1994) was of the view that the traditional institutions are closely linked with the grassroots and so have an intimate understanding of the people's problems. He further argued that the institution serves as an instrument of peace, order and stability in the Nigerian society. On the issue of chiefs, constitutions and policies in Nigeria, Agbese (2004) was of the view that the traditional institution is more assessable to the ordinary people and more relevant to their daily lives, particularly to those in rural areas. Thus they are often used for mobilizing the citizens and for dissemination of government policies and views. Lawal (1989) as cited in Agbese (2004) observed that whenever policy makers are unable to carry the people along with them in their programs and dread the consequences of failure, the help of the traditional rulers are usually sought. For example, the total break down of law and order triggered by the annulment of the June 12, 1993 presidential election and the brutal execution of Ken Saro-Wiwa and eight others was prevented by the influence of the various traditional institutions in the country.

Miles (1993) and Ayeni (1985) as cited in Agbese (2004) maintain that the traditional institutions in Nigeria could encourage community solidarity and provide administrative services in situations where central government is ineffective, or even where it is disintegrating. They see traditional rulers as ombudsmen for communities, which gives them recourse for complaints against the state bureaucracy. The traditional institution is also expected to identify cultural norms and values of significance, and to coordinate the conceptualisation process. During conceptualisation, representatives are to discuss the type of infrastructure that is relevant to them and how to finance the project, bearing in mind the various stakeholders and the polycentric governing structure of the model. At this stage of conceptualisation, the design of the project and a suitable procurement procedure adaptable to the prevailing circumstances is discussed. Ownership or ownership structure, operation, and maintenance of the project, bearing in mind the polycentricism of this model, are also considered. After the conceptualisation stage, selected options are further subjected to a referendum tagged infrastructure service delivery referendum.

This referendum on the choice of infrastructure is an opportunity for every adult in the community, city or state in which the infrastructure would be located to have a say as to the type of infrastructure that would be provided to them. Thus, *transparency and accountability* are strengthened right from the conceptualisation stage of the project,

¹ As custodian of culture and traditions, the institution of traditional rulers still plays a critical role in the politics of the present day Nigeria. Because it forms an enduring part of the people's heritage, it was chosen for the purpose of the PCF.

since the various representatives or leaders are directly accountable to the people. It is also the users that make the final choice on the type of infrastructure and service to be delivered to them. This model has the potential to reduce considerable cases of *misallocated investments*, which have been identified as one of the major causes of infrastructure failures in Nigeria. As shown in Figure 2, the traditional polycentric model gives room for an independent monitoring and verification team. Members of this unit are selected from the representatives, from the local, state and federal levels of government and from the private sector. This team is given the responsibility of identifying and verifying areas of malpractice and of recommending ways of dealing with them. They monitor the procurement and construction process, operation of the infrastructure and the maintenance strategy. This type of supportive institutional arrangement of verification and monitoring of the infrastructure and service delivery process, in which the users / people are directly involved, could considerably reduce fraudulent acts and mass *corruption* currently being perpetrated, and which the survey identifies as one of the major causes of infrastructure failures. In the traditional polycentric strategy, responsibilities for maintenance are shared polycentrically amongst the end-users, the three tiers of government and the private sector. A polycentric maintenance strategy for infrastructure could also be extracted from the main Polycentric Cultural Model in Figure 2. According to this strategy, everyone is charged with the responsibility of maintaining a project, since they have all been part of its financing, thereby addressing the problem of *inadequate maintenance* already identified as one of the major causes of infrastructure failures. For sustainability, it is expected that one of the responsibilities of those awarded the project would be to play a key role in the training of local users in the provision of *technical and managerial skills*.

CONCLUSION

The disregard for culture, beliefs and value system - and indeed the users themselves of infrastructure and services, at all stages of the process from conceptualization to delivery – was identified as a major flaw in all international best practice for procurement. In this study, it is argued that as long as people have different cultures, value systems and beliefs, there is no such thing as “international best practice for procurement”, for the simple reason that some acceptable norms or values in the West might be unacceptable in the other parts of the world. Consequently, a procurement strategy that takes into consideration the uniqueness and complexities of the Nigerian system was developed; this was called “The Polycentric Cultural Model for Infrastructure and Service Delivery”. The application of this model is intended to address most of the major problems responsible for infrastructure and service delivery failures.

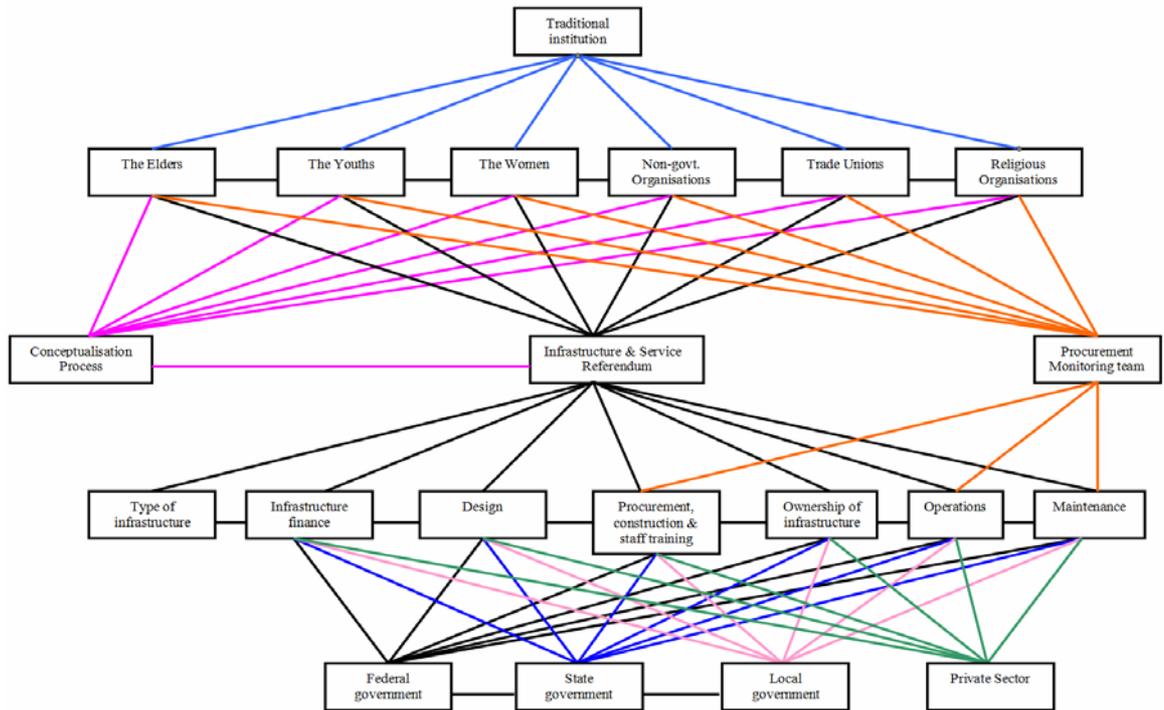


Figure 2: Polycentric cultural model for infrastructure and service delivery

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