PROFESSIONALIZATION OF PROCUREMENT AND HOW THIS WILL IMPACT ON THE AFRICAN ECONOMIES
PRESENTATION OUTLINE

- AFRICA-A BRIEF PICTURE
- STATE OF AFRICAN ECONOMIES
- PROCUREMENT PROFESSIONALISATION
- ROLE OF PROCUREMENT PROFESSIONALISATION IN IMPROVING AFRICA ECONOMIES
- CONCLUDING REMARKS
Africa
About Africa

- Africa’s development situation is always paradoxical
- Richest continent in terms of natural resources **BUT** remains the poorest and the least developed region of the world.

- Africa has:
  - Abundance of natural resources
  - A young and growing population
  - Large potential market
  - An incredibly excellent climate
  - Brilliant people
The Continent

- is the world's second-largest and second-most-populous continent BUT:
  - **It remains the world's poorest and most underdeveloped continent** so how can we use procurement to turn around this negative picture?
- Africa has **54 fully recognized sovereign states** whose economies vary in terms of strengths and problems
In Africa, there exists

- Bad Corrupt governments where it is common to hear of:-
  - Failed development projects
  - Serious human rights violations
  - Failing health care and education systems
  - High levels of illiteracy
  - Lack of access to foreign capital
  - Frequent tribal and military conflict
  - Uncommitted Procurement ‘professionals’???
Common to hear of:-

- Procurement Fraud and corruption
- Procurement delays and bureaucracy
- Procurement professional integrity questions
- Weak procurement associations
- Uncoordinated professionalization efforts
Africa is the world's poorest inhabited continent, as measured by GDP per capita-some parts have made significant gains over the last few years.

**BUT** African countries consist of the fastest growing economies in the world.

During 2011, Sub-Saharan economic growth was 4.9%, just shy of the pre-crisis average of 5%.

Excluding South Africa, which accounts for over a third of the region's GDP, growth in the rest of region was 5.9%, making it one of the fastest growing developing regions.
Procurement in Africa

- Globally, Procurement is one of the fastest growing profession
- Africa has a sizeable number of procurement professionals in the world
- Professionals are diverse in terms of:
  - Age
  - Gender
  - Experience and exposure
  - Educational attainment
  - Level of Professionalization
History of Professions

- Classically, there were only three professions:
  - Divinity
  - Medicine
  - Law

— the so-called "learned professions"
Milestones that mark a profession

- An occupation became a profession once:
  - It became a full-time occupation
  - The first training school was established
  - The first university school was established
  - The first local association was established
  - The first national association was established
  - The codes of professional ethics were introduced
  - State licensing laws were established.
What is a profession?

- The concept is used in a broad and limited sense
  - Broadly, the concept is used to refer to any occupation which requires expertise acquired by specialized training
  - In a more limited and traditional sense, the concept refers to those occupations which have powers of self regulation
A profession is a vocation founded upon specialized high educational training, the purpose of which is to supply objective counsel and service to others, for a direct and definite compensation, wholly apart from expectation of other business gain (source: Wikipedia).
Professions are typically regulated by statute, with the responsibilities of enforcement delegated to respective professional bodies, whose function is to define, promote, oversee, support and regulate the affairs of its members.

These bodies are responsible for the licensure of professionals, and may additionally set examinations of competence and enforce adherence to an ethical code of practice.
Professions enjoy a high social status, regard and esteem conferred upon them by society.

This high esteem arises primarily from the higher **social function of their work**, which is regarded as vital to society as a whole and thus of having a special and valuable nature.

All professions involve technical, specialized and highly skilled work often referred to as "professional expertise."
Characteristics of a profession

- Professions have:
  - Professional associations
  - Cognitive base
  - Institutionalized training
  - Licensing
  - Work autonomy
  - Colleague control
  - Code of ethics
  - High standards of professional and intellectual excellence
Professions …

- Comprise "an exclusive elite group’
- Have high degree of systematic knowledge
- Have strong community orientation and loyalty-
  Public service and altruism
- Have self-regulation, Exclusion, monopoly
  legitimacy and legal recognition
- Have a Code of professional conduct or ethics
As a member of CIPS, I will:

- maintain the highest standard of integrity in all my business relationships
- reject any business practice which might reasonably be deemed improper
- never use my authority or position for my own personal gain
- enhance the proficiency and stature of the profession by acquiring and applying knowledge in the most appropriate way
- foster the highest standards of professional competence amongst those for whom I am responsible
- optimise the use of resources which I have influence over for the benefit of my organisation
- comply with both the letter and the intent of:
  - the law of countries in which I practise
  - agreed contractual obligations
  - CIPS guidance on professional practice
declare any personal interest that might affect, or be seen by others to affect, my impartiality or decision making

ensure that the information I give in the course of my work is accurate

respect the confidentiality of information I receive and never use it for personal gain

strive for genuine, fair and transparent competition
not accept inducements or gifts, other than items of small value such as business diaries or calendars
always to declare the offer or acceptance of hospitality and never allow hospitality to influence a business decision
remain impartial in all business dealing and not be influenced by those with vested interests
Professionalization requires:

- Professional responsibility
- Continuous Professional Development
- Being Professionally relevant to organizations
- Belonging to a professional body and following ethical code of conduct
- Give professional advice
- Value addition engagements
- Being of service to society—directly or indirectly
Procurement can improve African economies

- **Narrowly By:**
  - Reducing wastes and inefficiencies
  - Reducing the costs of litigation caused by professional negligence
  - Reducing supply chain bottlenecks and risks
  - Improving professional status
  - Contributing to employment and support to SMEs
Contributing to successful project performance through
Contributing to expansion of private sector through reduced technicalities
Enforcing tax compliance policies of government
Ensuring sustainability through green procurement practices
Contributing to corporate social responsibility
Broadly, this can be looked through following lenses:-

- Procurement and improvements in the Roads sector
- Procurement and improvements in Education sector
- Procurement and improvements in the Health sector
感应和私营部门
- 感应和建筑业
- 感应和环境
- 感应和国防服务
- 感应和能源部门-石油和天然气
- 感应和中小企业改善
- Procurement and infrastructure Development
- Procurement and regional integration
  - Role of public procurement in regional projects
  - Role of Public Procurement in Regional trade
- Public Procurement and Financial expenditures of government
- Establishing foundations of a good public procurement system
- Public procurement and accountability
By design, procurement should be:

- Efficient
- Effective
- Accountable
- Transparent
- Rule-based
- Corruption free
- Contribute to better service delivery
In reality,

- Development partners are not all that happy with the state of public procurement
- Politicians/policy makers now openly blame the function for failed projects and seem to have increased this hostility
- ‘Bureaucrats’ accuse procurement of being ‘very bureaucratic’ and too much rule based hence affecting service delivery.
- The suppliers and academicians have their serious issues with this function of government
Public service ‘disease’ is entering public procurement-onslaught on meritocracy and entrenchment of patronage systems

Most accounting officers want their ‘own people’ to manage the public procurement processes.

It now gets open hostility in academic debates for its unending facilitation of inefficiency in public administration.
Painful to hear that...

- Resources meant for procurement activities are underutilized and heavily misused
- Institutions put in place to be the eyes and ears of the people are ineffective in facilitating the very individual and collective action needed to resolve these problems.
- Informal structures and networks seem to beat formal structures and in some cases proving to be more influential.
- There is a clear systematic patronage building up in the award of government contracts at all levels.
Why has it been the case?

- Legal recognition of the procurement profession
- Failure at political and administrative levels to recognize procurement as a profession like other professions
- Behavior of individuals who run the bureaucracy
- Mistakes made by certain members of the profession
- Continuous misuse of professionals by political and administrative staff
- Lack of stringent disciplinary measures by the profession
We now see....

- Services range from poor to non-existent
- Infrastructure cannot be maintained
- Drug supplies for the health facilities are openly looted
- School buildings, textbooks etc are in a mess
- Promising projects remain uncompleted
What is required?

- Attitudinal change
- Change of behavior
- New skills set
- Competence –based professional development
- True autonomy
- Legal recognition
- Enforced code of conduct
- Constant research
- Influencing Policy
Conclusion

- Africa needs a new breed of people in all sectors
- Procurement has a great potential for improving African economies

We must:
- Know what we want, by when and how
- Know stakeholders who may support our cause
- Know stakeholders who may frustrate our efforts
- Build consensus and partnerships on how to lobby policy makers
- Know how to Influence agenda setting for policies