

Corruption in public projects and megaprojects: There is an elephant in the room!



Giorgio Locatelli, Giacomo Mariani, Tristano Sainati, Marco Greco, *International Journal of Project Management*, 35.3 (2016), p252–268

KEYWORDS

- Corruption
- Project context
- Procurement
- Public projects
- Megaprojects
- Project performance

Article Highlight:

This article explores the impact of corruption in large, unique projects such as public projects and megaprojects, as well as the conditions and features that favour such corruption.

What does the paper cover?

In project management, corruption is the 'elephant in the room' and this paper summarises the key aspects of such corruption before suggesting a research agenda to improve understanding of this highly controversial area. It also introduces the concept of 'corrupt project context' and shows the impact of a corrupt context on megaprojects.

The paper focuses on two questions:

- Which project characteristics favour corruption?
- How does a corrupt context affect project performance?

Methodology:

The first question is answered with a critical literature review, while the second is addressed by a literature review alongside a case study of a series of megaprojects involving the construction of high-speed railways in Italy. These megaprojects are also compared with similar high-speed rail programmes in Europe and the rest of the world.

The Italian megaprojects were chosen because they are delivered in a corrupt project context and are technologically comparable to other European high-speed rail programmes. The case study is designed to highlight the relationship between the endemic phenomenon of corruption and lower project performance, showing how the project and project management performance evolves over the project lifecycle.

Research findings:

The first question aimed to understand which project characteristics favour corruption. Several were found, including project size, uniqueness, heavy involvement of the government, and technical and organisational complexity – all characteristics of megaprojects.

The second question – how corruption affects project performance – was addressed by the Italian high-speed rail programme case study, which found that corruption is harmful for both project management and project success. During the project phase, the infrastructure suffers extra costs and remarkable delays, while during the operation phase, the infrastructure fails to deliver the expected benefit, e.g. the high-speed railway system in Italy is underused.

Conclusions:

- The context of the public sector and procurement of large projects is ideal for corruption.
- A major contribution of this paper is to rethink the role of corruption in projects from a social and institutional level.
- Future research activities should deepen the correlation between corruption and project performances, comparing the costs of similar megaprojects in countries with different levels of corruption.
- It is necessary to develop tools and control systems to address the 'corruption performance' of a project.

Significance of the research:

Despite its relevance to project selection, planning and delivery, there has been very little research into corruption. This paper sets the background to a discussion on how to select, plan and deliver infrastructure in corrupt project contexts, explaining the different types of corruption and the types of project likely to suffer from it.

Comments from authors:

We hope that readers will enjoy reading this paper which we believe casts light on the role of corruption in projects both from social and institutional perspectives. We are keen to collaborate and explore this topic further with other academics, NGOs, private companies, government bodies, etc. If you want to work with us, please get in touch with Dr Giorgio Locatelli at [**g.locatelli@leeds.ac.uk**](mailto:g.locatelli@leeds.ac.uk)

Complete article

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Corruption:	According to Transparency International, corruption is defined as "the abuse of entrusted power for private gain".
Corrupt project context:	An environment in which the phenomenon of corruption is endemic.
Megaproject:	A project that's characterised by large investment commitment, vast complexity and long-lasting impact on the economy, the environment and society.
Procurement:	Procurement is the process by which products and services are acquired from an external provider for incorporation into the project, programme or portfolio.



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