

Title:

Public Procurement and Very Private Benefits

Word Count:

2221

Summary:

In every national budget, there is a part called "Public Procurement". This is the portion of

Keywords:

Article Body:

In every national budget, there is a part called "Public Procurement". This is the portion of

This, precisely, is the problem with public procurement: people are too acquainted with the pu

Procurement is divided to defence and non-defence spending. In both these categories - but, es

Government - from India's to Sweden's to Belgium's - fell because of procurement scandals whic

But the picture is not that grim. Most governments in the West succeeded in reigning in and fu

There are many problems with public procurement. It is an obscure area of state activity, agre

The truth is completely different.

True, some ministers use public money to build their private "empires". It could be a private

Then, there are problems of plain corruption: bribes or commissions paid to decision makers in

But, these, with all due respect to "clean hands" operations and principles, are not the main

The first order problem is the allocation of scarce resources. In other words, prioritizing. T

The second problem is the supervision, auditing and control of actual spending. This has two d

1.. How to make sure that the expenditures match and do not exceed the budgetary items. In s

2.. How to prevent the criminally corrupt activities that we have described above - or even

The most widespread method is the public, competitive, tender for the purchases of goods and s

But, this is not as simple as it sounds.

Some countries publish international tenders, striving to secure the best quality in the cheap

the size of the competing company, its track record, its ownership structure, its human rights

But all countries state in advance that they have no obligation to accept any kind of offer -

The tendering policies of most of the countries in the world also incorporates a second princi

Even if there is corruption in such purchases it is bound to cause less damage to the public p

So, in most countries, small purchases can be authorized by government officials - larger amou

Procurement policies, procedures and tenders are supervised by state auditing authorities. The

It is an unrelenting, very thorough and dangerous watchdog of the administration. It is consid

Another form of review of public procurement is through powers granted to the legislative arm. The most famous such committee is, arguably, the Congressional Budget Office (CBO). It is famous for its apparent - and real - neutrality makes its judgements and recommendations a commandment not to be disobeyed. Both bodies produce learned, thickset, analyses, reports, criticism, opinions and recommendations. Only a few other parliaments have committees that carry such weight. The Israeli Knesset have a similar body. But not all countries chose the option of legislative supervision. Some of them relegated part of the responsibility to the courts. In Japan, the Ministry of Finance still scrutinizes (and has to authorize) the smallest expenses. Britain opted to keep the discretion to use public funds and the clout that comes with it in the hands of the executive. Britain, under the previous, Tory, government also pioneered an interesting and controversial system of public procurement. Needless to say that no country officially approves of the payment of bribes or commission to officials. Yet, law aside many countries accept the intertwining of elites - business and political - as a necessary evil. Where there is money - there is wrongdoing. Humans are humans - and sometimes not even that. But these unfortunate derivatives of social activity can be minimized by the adoption of clear rules and procedures.

This is a demo version of txt2pdf v.10.1
Developed by SANFACE Software <http://www.sanface.com/>
Available at <http://www.sanface.com/txt2pdf.html>