Abstract

Corruption is an obstacle to the development of any society and the general welfare of the people. Among its dreadful effects include the compromise in economic efficiency, increase in the cost of doing business, and the deprivation of citizens' access to basic goods and services. Besides, corruption perpetuates poverty and undermines development.

Apparently, corruption remains a major problem in Zambia despite the existence of a number of anti-corruption watchdogs and rigorous changes in the law to curb the vice. The public service and particularly, the public enterprises rank amongst the most severely affected. Reviewing corruption trends in Zambia from 1964 to 2017 shows that corruption has increased since the transition into multiparty democracy and the subsequent economic liberalization of 1991.

In this regards, many studies have been conducted on corruption in Zambia. However, substantial amount of literature available show that most of the studies have been meant to confirm the existence of corruption in Zambia. Primarily so, most of the studies point to the existence of high levels of corruption in the public sector and Zambia as a whole. Little effort has been made towards establishing the determinants of corruption in the public enterprises even though they have remained as the heartbeat of the country's economy as justified by their importance in providing goods and services to the citizenry that the market would otherwise not optimally provide if left without government intervention.

With the knowledge about the determinants of corruption in the public enterprises missing, corruption has continued to ravage the public enterprise sector in Zambia. Sadly, the looting of public resources in the public enterprises is on the rise, making it a significant drain to the economy as they continue to operate below public expectations making repeated losses. In the wake of menacing levels of corruption in the public enterprise, and limited empirical research on the determinants (determining factors) of corruption in the public enterprises in Zambia, it is practically difficulty to come up with viable intervention programs to combat corruption.

Therefore, the major objective of this study is to establish the determinants of corruption in public enterprises in Zambia. To achieve this objective, the study uses a mixed approach, relying on both quantitative and quantitative techniques in its data analysis. The Auditor General's annual reports and the Anti-Corruption Commission (ACC) data set formed the point of reference on corruption in SOEs in Zambia.

Meanwhile, the study is guided by the public choice theory as postulated by Rose-Ackerman. This study asserts that corruption had found its place in the public enterprises in Zambia because the benefits realized from engaging in corruption were higher than the cost of being caught in the commission of the offence. According to this study, the major determinants of corruption in the public enterprises were lack of transparency and accountability, monopoly of power among some public officials, poor conditions of service, and the rampant culture of political patronage. Besides, based on the amount of money subjected to corruption in each public enterprise, and not the traditional approach of using the prevalence of corruption cases, the study establishes the most corrupt and the least corrupt public enterprises in Zambia. Clearly, this study fills the gap of lack of empirical studies on determinants of corruption in the public enterprises in Zambia.

The study finally recommends that the Government shows political commitment towards restructuring of public enterprises in Zambia and consistently engage the Auditor General's office and ACC to explore means of closing the gaps that facilitated corruption in the public enterprises. Lastly, the study offers prospective areas for future research.

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