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EFFICIENT PUBLIC PROCUREMENT PRACTICE AND NATIONAL DEVELOPMENT: WHAT NIGERIA SHOULD DO

By

Solomon I. Ifejika and Fatima O. Aliu, Abdulrahman Abubakar
Department of Political Science, University of Ilorin, Ilorin, Nigeria.

solomonifejika@gmail.com; rblawal@yahoo.com;
Mabdulrahman4sure@gmail.com

ABSTRACT

The role of effective and efficient public procurement system and practice as an inevitable tool for achieving overall growth and development in any political system is backed by huge empirical evidences in developed countries of the World. Indeed, unlike Nigeria and most other developing countries of Africa, where the subject of public procurement is yet to receive adequate attention by policy makers, academic researchers, professional bodies, civil societies as well as the general public, countries that have evolved robust public procurement system enjoy enviable development progress in all facets of life – socio-culturally, economically, politically, infrastructural wise, among others. Although many developing countries including Nigeria have severally undertaken reforms to reposition their public procurement systems in order to attain the desired development heights, most of them have not recorded meaningful progress due to corruption and high level deficiencies and inadequacies in their public procurement policies and practices. To be precise, Nigeria is yet to recognize public procurement as an administrative activity that requires serious attention and contributions by every segment or section of the population, hence, the country's appalling development state. This paper, therefore, primarily emphasizes the imperatives of a virile public procurement system and practice as an instrument for achieving rapid national development in any country. In view of this, it suggests what Nigeria should do in order to reposition and strengthen her public procurement practice for maximum performance and rapid attainment of her national growth and development.

Key Words: Efficiency, Effectiveness, National Development, Public Procurement.

Introduction

Governmental administration of the earliest times (ancient and medieval) differed considerably in structure and goals from state administration in the modern era. The present era is that of the administrative state. Modern public administration has taken up more and more functions within its scope. Obviously, facing a revolution of rising expectations of people, public administration is being increasingly loaded with additional works and responsibilities either in the name of promoting efficiency, egalitarianism, or rapid socio-economic development. Besides maintenance of law and order, collection of revenue, provision of security, etc., the modern state carries out a vast array of functions (Basu, 1994).

Today governments all over the world have received a great deal of attention as providers of essential services, such as health, education, defence and infrastructure. To be able to meet the demand for these services, governments purchase goods and services from the marketplace. In other words, governments are purchasers of works, supplies and services from the open market, placing their demands alongside those of the private sector. The business operations of governments in the marketplace or public procurement have thus both economic and political implications. Yet, until not too long ago, the subject of public procurement would have received little attention by academic researchers and policy makers, because it was considered an administrative function too mundane to worry about

(Wittig, 1998) especially in developing nations. Yet, states have not existed in isolation or self-sufficiency. They interact with one another as well as with the private sector to contract, purchase, supply, hire and obtain essential administrative, social, economic goods, services, and works to meet public demands.

The way by which states achieve this is through the public procurement system. The public procurement practice and systems have been acclaimed, based on empirical evidence, as the best means of guaranteeing the provision of public goods to the Citizens and public expenditure management (Onyema, 2011). It is a key aspect of delivery of social services and by extension, socio-economic development. Despite this fact, procurement reforms (involving legal framework for transparency, participation and enforcement) did not receive the required attention in Africa until recently. In Nigeria, for instance, the journey to reforms in the public procurement sector of the country began only when democracy was restored in the country in 1999 under the government of President Olusegun Obasajo, the first Nigerian President under the Fourth Republic.

The reforms were remarkable as they sought to introduce modern public procurement system in Nigeria. This necessitated the enactment of a new procurement law - the Public Procurement Act in 2007 to be the guiding rule for all public procurement activities in the

country. The PP Act on its own established the Bureau of Public Procurement (BPP) as the principal regulatory body responsible for overseeing the entire process involved in public procurement in the country. All this was done to ensure that country evolved a robust and vibrant public procurement policy and framework in line with modern public practice with the aim to speed-up the pace of development in the country.

Despite this practical effort, Nigeria is still struggling with the issue of institutionalizing effective and efficient public sector procurement practice and system that would stimulate its rapid economic growth and make the attainment of development in the country more real and authentic for the good of the majority of her citizens. Hence, the conditions of living of a larger proportion of Nigerian citizens have continued to worsen on daily basis. Poverty is rife; people do not have access to basic economic and social infrastructures that facilitate good standard of living; corruption is rampant; and support for and trust and confidence in government has been eroded. Public procurement is very critical to national development of any country, if virile and viable it would lead to better development, but if deficient and inefficient it would constitute serious drain on the economy. This paper essentially examines the importance of efficient and effective public procurement practice as a valuable tool for engendering development in any country. Also, it suggests measure Nigeria should adopt to revamp and re-invigorate its public procurement system

and practice in order to accelerate the national development of the country.

Definition of Terms

To enhance adequate knowledge and understanding of the subject matter being considered in the paper, the important terms or concepts that demand proper definition or explanation are 'public procurement' and 'national development'. The paper examines them one after the other.

Public Procurement

Like other concepts, the term 'public procurement' has no single acceptable definition as it has been variously defined by different scholars and researchers. According to the World Bank (1995a), public procurement is broadly defined as "the purchasing, hiring or obtaining by any other contractual means of goods, construction works and services by the public sector". Alternatively, the World Bank defines public procurement as "the purchase of commodities and contracting of construction works and services if such acquisition is effected with resources from state budgets, local authority budgets, state foundation funds, domestic loans or foreign loans guaranteed by the state, foreign aid as well as revenue received from the economic activity of state. Public procurement thus means procurement by a procuring entity using public funds" (World Bank, 19995a). The Public Procurement Act (2007) cited in Public Private development Partner (2009) simply sees public procurement as procurement by procuring entities using public funds. According to the Act,

procuring entity means any public body engaged in procurement and includes a Ministry, Extra-Ministerial Office, government agency, parastatal and corporation. From the above, public procurement simply entails contracting, hiring and purchasing with public funds of goods, works, and services to ensure optimal governmental operations and the provision of essential developmental services to the citizens. Alternatively, public procurement can be described as the most visible business aspect of governmental operations that brings into direct contact with the private sector both locally and internationally for the exchange of goods, services, works or expertise skills for monetary considerations.

National Development

The concept of development is also by no means unproblematic (Sen, 1989). Apparently, in the recent years it has become fuzzy and difficult to define especially as the concept of sustainable development has gained currency (Afeikhena, 2004). However, attempts have been made by scholars to explain the meaning of the term. According to Stiglitz (2000), development is seen as a transformation of the society, a move from the old ways of thinking, and old forms of social and economic organization to new ones. In the opinion of Sen (1989), development involves economic, social, environmental and cultural dimensions. For him, while economic and social progress and the elimination of poverty are the key objectives of development, the

development well-being also encompasses freedom from fear and arbitrary arrest, free speech, free association, and the right to run for and hold political office. Similarly, development has also been referred to as a multi-dimensional process that seeks to reduce poverty and inequality, expand the real freedoms that people enjoy, accelerates economic growth, and renews social structures, popular attitudes and national institutions (Todaro 2000; Bryant and White 1982).

Premised on the foregoing, we, in this paper simply view the idea of national development as the condition of total well-being of a country in all spheres - socially, economically, culturally, humanly, infrastructurally, intellectually, among other aspects in such a manner that the country is unarguably listed among the comity of developed nations in the world. The struggle to achieve this status has been the focus of governments of most underdeveloped societies especially Africa, where several alien development models have been adopted in a bid to "catch-up with the West" as noised in the post-independence era. However, Afeikhena (2004) has observed that, "the lesson of the 20th century is that successful development ultimately derives from a homegrown strategy, not from imported theories". Indeed, most industrialized countries owe their success to having developed their own workable models. Developing countries needs to fashion their own brands (Afeikhena, 2004). Africa's over-dependence on imported development

paradigms is one major reason for the continent's development dilemma after more than five decades most of its states got their independence.

The role of Public Procurement in Development Process: A General Overview

The relationship between public procurement and development, or the role of public procurement in the development of any society is one of the issues that have obviously brought all the scholars in the field into a common consensus. Apparently, there exists theoretical and empirical evidences to the effect that efficient and effective public procurement practice and system is the arch-engine of socio-economic growth and transformation in both developed and developing countries alike. Unarguably, the immense potential of public procurement to facilitate growth and development in the various aspects of a country's national life cannot be overemphasized. The various views of scholars and authors on the role of vibrant and effective public procurement practice and system in the attainment of development goals and objectives of any society clearly lend full and strong support to this position.

There is no gain saying the fact that improved public procurement systems would have a beneficial effect on economic conditions of the nation (Ladan, 2009:2). Public procurement often constitutes the largest domestic market in developing countries (Wittig, 2002), depending on how it is managed, the public procurement

system can thus contribute to the economic development of these countries (Arrowsmith, 1998). Lending credence to the above fact, Choi (2010) alludes that the size of public procurement is quite considerable. It accounts for a significant portion of the overall demand for goods and services and is increasingly seen as an attractive and feasible instrument for developing society and nation. A simple policy of public procurement can make a profound impact on a nation or industry.

Indeed, many governments use public procurement to support the development of domestic industries, overcome regional economic imbalances, and support minority or disadvantaged communities (Akech, 2006). As a matter of fact, public procurement has come to play a major role in enhancing the quality level of public and private sectors, and there has been much research into public purchasing and its efficient operations (Choi, 2010). Efficient and effective Public procurement systems significantly influences the provision of government services like the provision of roads, hospitals, health care, sanitation, telecommunication facilities, education, environmental protection, promotion of human rights etc. (Basheka and Mugabira, 2008:952). In this wise, public procurement is at the heart of the provision of essential developmental services to the public.

Capturing the dimension of its impact on governance, Kashap (2004:135) asserts that public procurement is one of the building blocks of good governance as it determines

whether public resources are used adequately in purchases of goods, works, and services by governments and other public entities by providing value for money. Governments have a genuine interest in ensuring that their public procurement systems operate in proper perspective. It is important for a country to set up an efficient system of government procurement in order to ensure the appropriate allocation of limited government resources, which come mostly from taxes collected from its citizens. Undoubtedly, "The procurement of goods and services by government agencies for their own purposes is a core element of the operation of governments" since it "secures the inputs that enable governments to fulfill their tasks" (World Trade Organization, 2010). Efficient public procurement systems enable governments to discharge their obligations towards implementation of economic projects and delivery of social services for their citizens (Mamiro, 2010). In support of the foregoing view, Okoduwa (2011:3) observes that, sound public procurement policies and practices are essential elements of good governance as they ensure the efficient and effective utilization of scarce resources to meet the needs of the people while poor policies and practices create room for corruption, wastage and sabotage of government's good intentions. To this extent, public procurement can serve as a yard-stick for measuring good governance or government effectiveness.

In furtherance of these opinions, Onyema

(2011) affirms that the public procurement practice and systems have been acclaimed, based on empirical evidence, as the best means of guaranteeing the provision of public goods to the Citizens and public expenditure management. The NPPPU (2005) points out that effective and efficient procurement policy, procedures and practices by public bodies can have a significant impact on the accountability and value for money aspects of the purchase of goods and services by the State. The potential for real savings from more effective procurement policies and practices is significant. Achieving savings is important as it frees up resources which can be redirected to the provision of services within an organisation. Hence, Kashap (2004) brings to bear the fact that procurement policy requires agencies to seek value for money in procuring goods and services for their entity. Value for money is the basis for comparing alternatives. So buyers can choose the most cost effective outcome. This requires careful comparison of costs, benefits and options. In any particular case, the benefits should at least be commensurate with the costs. This implies that value for money is the essential test against which agencies must justify any procurement made. The above views convey the idea that efficient and effective public procurement practice has the potential for ensuring or enhancing adequate management of public expenditures. Public procurement serves as a means by which the basic and essential needs of the society are met within the framework of appropriate public financial

resources management system with aim of enhancing capabilities for accelerated development in the society.

Governments all over the world have received a great deal of attention as providers of essential services, such as health, education, defence and infrastructure. To be able to meet the demand for these services, governments purchase goods and services from the marketplace. In other words, governments are purchasers of works, supplies and services from the open market, placing their demands alongside those of the private sector. The business operations of governments in the marketplace or public procurement have thus both economic and political implications (Wittig, 1998). Nevertheless, the success and survival of any nation depends on how well its public procurement is conducted. Public procurement is important because of its role in the development process, the amount of resources it consumes, and its susceptibility to undue influences.

The African Development Bank (AfDB) estimates, in a recent concept note, that public procurement accounts for as much as 70% of the budgets of Africa governments. This underscores the importance of public procurement. The strengthening of procurement systems is crucial for the additional reasons of minimizing the potential effects of financial or economic crisis and restoring a level of economic growth and development sufficient to reduce poverty. It is not possible to achieve

these objectives without securing the efficiency and integrity of procurement systems (Public Private Development Centre, 2011). Thus, to take advantage of this immense potential of public procurement, all that is required, therefore, is the institutionalization of sound public procurement practice in every society, whether developed or developing in nature.

The importance of evolving sound public procurement practice lies in the fact that public procurement remains a big part of the economy of developing countries, accounting for an estimated 9-13% of their gross domestic product. Nevertheless, it is an area in need of attention since resources are not being properly managed in many countries. Governing administrations in developing countries can reap benefits from improved management of their public procurement systems. With a more focused approach on the control of resources within this large internal market, greater value can be achieved in national budgets while developing local industry (Wittig, <http://www.imf.org/external/pubs/ft/wp/2006/wp06204.pdf>). Thus, insofar as public procurement has important economic and political implications, ensuring that the process is economical and efficient is crucial. This requires in part that the whole process is well understood by both the actors (the government, the procuring entities, the business community/suppliers) and other stakeholders, including the professional associations, academic entities and the general public (Odhiambo and Kamau, 2003). Public procurement

activities, therefore, ought to be given maximum and careful attention by both governments and the entire public' as it has overreaching implication for the economic and political situations in the society.

Public procurement is an important function of government for several reasons. First, the sheer magnitude of procurement outlays has a great impact on the economy and needs to be well managed. Indeed, in all countries, estimates of the financial activities of government procurement managers are believed to range from 10% - 30 % of GNP (Callender and Mathews, 2000). Efficiently handling this size of procurement outlays has been a policy and management concern as well as a challenge for public procurement practitioners (Thai, 2004). Second, public procurement has been utilized as an important tool for achieving economic, social and other objectives (Arrowsmith, 1998; Thai, 2001). In its report to the Congress, the Commission on Government Procurement states: "The magnitude of the Government's outlays for procurement and grants creates opportunities for implementing selected national policies" (Federal Acquisition Institute, 1999).

Third, in developed as well as developing countries, disregarding their economic, social, and political environment, a sound procurement system has accomplished two sets of requirements: management requirements and policy requirements. The procurement management requirements normally include; quality, timeliness, cost

(more than just the price), minimizing business, financial and technical risks, maximizing competition, and maintaining integrity. The procurement policy requirements normally include economic goals (preferring domestic or local firms), environment protection or green procurement (promoting the use of recycled goods), social goals (assisting minority and woman-owned business concerns), and international trade agreements (Federal Acquisition Institute, 1999; Thai, 2001). Finally, rapid developments in technology (which have led to new procurement methods), public procurement cannot be perceived as a mere 'clerical routine,' as procurement practitioners are and should be involved in strategic procurement planning (Office of Management and Budget, 1997; Hinson and McCue, 2004).

Agreeably, advances in computer technology have also widened the gains of public procurement as a lucrative tool for development. The emergence of the E-procurement mechanism holds a potential for linking procurement to the broader public financial management system, and creates new opportunities for measuring procurement performance. The use of e-procurement enhances the streamlining and simplification of procurement processes. E-Procurement has the potential to act as a catalyst for developing the procurement area. E-procurement is also a reliable tool in promoting good governance in public procurement as it reduces the human factor in the process thus limiting the ability for practitioners to engage in corrupt practices

(Sabiiti and Muhumuza, 2010). Through public procurement policies, many nations attempt to play the role of technological 'pacer,' stimulating long-term innovativeness in both the public and private sectors (Gregersen, 1992).

In other words, through public procurement, governments indirectly influence innovation in the technology manufacturing sector of the economy as they constantly make demand for certain technologies for their functional use. The demand for the manufacturing of specific military wares or equipments can serve as a very good example. More generally, public procurement fosters employment in the private sector. Regardless of the size of the entity, each award of a government contract keeps that enterprise in business thereby keeping its staff employed. Large contracts usually necessitate sub-contracting and the hiring of additional labour outside of the primary contractor. Especially in economies where unemployment is at undesirable levels, such contracts help resources to filter through and channel income into households at all levels of the society. This, in turn, fuels business activity for shops, utility companies, financial institutions and so on (Sinclair, 2006).

Many countries in both developed and developing regions have used public procurement to pursue broad range of goals. Indeed, government procurement is and has, for example, often been used to promote aims which are, arguably, secondary to the primary aim of

procurement. Examples include using procurement to promote social, industrial or environmental policies (Arrowsmith, Linarelli and Wallace, 2000; Cane, 2004; Turpin, 1989). A study undertaken for the European Community in 1995 (Watermeyer, 2000) indicates that procurement has been used by governments to: stimulate economic activity; protect national industry against foreign competition; improve the competitiveness of certain industrial sectors; and remedy regional disparities. It has also been employed to achieve certain more direct social policy objectives such as to: foster the creation of jobs; promote fair labour conditions; promote the use of local labour as a means to prevent discrimination against minority groups; protect the environment; encourage equality of opportunity between men and women; and promote the increased utilisation of the disabled in employment.

In Switzerland, for instance, a requirement of equal pay between men and women is a condition for public contracts to be performed in the country. Since 1996 in Canada, in contracts for which aboriginal populations are the primary recipients, procurement is to be restricted to qualified aboriginal suppliers. In Malaysia, in order to encourage greater participation of the bumiputeras (indigenous Malays), tenders from bumiputera companies receive preferential treatment in government contracts. In India, procurement rules stipulate that certain goods must be purchased from small and micro-

enterprises, even if prices are up to 15% higher than those offered by the competition. In Brazil, a new law in force since January 2007 establishes criteria that are meant to increase participation of smaller businesses in public procurement (United Nations, 2008:6). In Belgium, a regulation adopted in 1999 by the Brussels administrative region, provides for a social clause in their public procurement while in Brazil, state of Ceara, a "demand driven" form of preferential procurement where the state buys from small scale enterprises while at the same time providing technical assistance to them is used to promote growth of small enterprises and also as a technique of diminishing transaction costs Tender (1997) in Turyahikayo (2008).

Still on the role of public procurement as a policy tool, Roussel (1998) in Turyahikayo (2008) observes that varied forms of selective procurement policies have been used in the United States (USA) and South Africa (SA). In USA the policies compel those involved in the execution of the public procurement function to, for instance, hire minority contractors in public work projects. The different models of procurement used in the United States of America to promote growth of small businesses and in reinforcing the affirmative action in respect to women and the disabled include Set-asides, Procurement breakouts, Prime contracts, and subcontracting assistance. The same policy options are used to foster the implementation of the non-discrimination policy in employment. As for the United

Kingdom, existing literature indicates that public procurement is linked to enhancing a wider range of socioeconomic development goals and implementing regulatory aspects related to issues like tackling unemployment, promotion of fair working conditions and payment of fair wages by private sector Turyahikayo (2008).

In South Africa the law provides for use of selective public procurement contracts in favour of the Black Africans to alleviate social disparities occasioned by Apartheid, while in the Botswana republic the law enacted in 2001 provides for reservation and preferencing schemes in public procurement in order to promote citizen contractors or companies wholly owned and controlled by natives (McCrudden, 2004, cited in Turyahikayo 2008). In addition, targeted procurement was adopted as a means for enhancing attainment of constitutional objectives geared to redressing institutional discrimination and inequality. The same model is being used to foster growth of small Black African's business enterprises and tackling poverty and unemployment among the persons formerly disadvantaged by the apartheid regime (Watermeyer 2000, in Turyahikayo 2008). Furthermore, Hessel et al (2000) in Turyahikayo (2008) reveals how public procurement is used by large Municipal governments in Netherlands not only for social purposes but also to increase labour participation especially for those that have been unemployed for long periods of time. The role of procurement as a policy tool cannot be overemphasized. Public

procurement, "where properly employed, may prove a useful and effective instrument" (Arrowsmith, 1995). The use of procurement is "a valid and valuable tool for the implementation of social policies; and one which should not be denied to government(s) without convincing justification" (Arrowsmith, 1995: 247-248). Morgan (1996) portrays public procurement as a means through which both national developments as well as socioeconomic welfare of the citizens can be attained. Telgen (2006) gives a more focused viewpoint by asserting that public procurement is capable of playing a substantial role in delivering state objectives and that reforms associated with public procurement can be a lever for socioeconomic development in both the developed and developing countries. In addition Erridge and Fee (2001) re-emphasize that public procurement has a considerable impact on employment. As such promotion of equal opportunities through contract compliance can at the same time contribute directly to broader social policy objectives. The Commission for European Communities (1996) crowns this by stating that public procurement policy can have positive spin-off effects on community policies and can contribute significantly to realization of social and environment policy objectives.

Since public entities are goal setters who must hold close and in focus the vision of its nationals, procurement has huge potential roles for them. Procurement personnel therefore have a lot to do in rethinking the

way public procurement processes and activities are organized or handled to ensure effective tapping of these potential roles (Turyahikayo, 2008). As Homer-Dixon (2000) in Turyahikayo (2008:1145) puts it, if governments wish to develop an economy based on sustainability principles, they have to develop strategies for facilitating the transition. This indeed will require reasonable amount of ingenuity, and innovation. In particular, if they are to deliver cost effective interventions, inventiveness and creativity must be capable of being functionally effective within the framework of the already existing systems and practices. Public procurement therefore offers a very reliable springboard towards enhancing attainment of desired socio economic development outcomes. This is much more important in the case of developing economies where public expenditure is the driving force towards economic prosperity, improved social transformation, innovation and redirection of investment into vital sectors of the economy (Turyahikayo, 2008).

Therefore, provided that the use of procurement as a policy tool has measurable targets; the processes used are verifiable, auditable, and transparent; and the use of procurement as a policy tool takes place within a competitive environment, procurement can to a large extent contribute to the development of growing enterprises that are able to participate equitably in the global economy (Shezi, 1998; Watermeyer, 2000). Preferential procurement policies can also offer advantages over more direct

methods of assistance because "it does not raise public spending directly...is less likely to be channeled into the purse of organized crime...(and is) more efficient than tax-financed State aid which barely reaches recipients" (Martin and Stehmann, 1991: 238). Procurement can furthermore be used to achieve anti-discrimination objectives in workplaces. Contracts can be denied to employers who make use of discriminatory practices. This, in turn, fosters fair competition because contracts are awarded on merit and not to contractors who violate anti-discrimination laws (Bolton, 2006).

In South Africa, for example, suppliers, service providers and contractors, in so far as their labour is concerned, are bound by various statutes: the Labour Relations Act (66 of 1995), the Basic Conditions of Employment Act (75 of 1997), the Employment Equity Act (55 of 1998) - hereafter the EEA, and the Occupational Health and Safety Act (85 of 1996). Section 53(1) of the EEA aims to ensure this and provides that "every employer that makes an offer to conclude an agreement with an organ of state for the furnishing of supplies or services to that organ of state or for the hiring or letting of anything must (i) if it is a designated employer, comply with [the chapters on the prohibition against unfair discrimination and affirmative action in the Act; or (ii) if it is not a designated employer, comply with the chapter on the prohibition against unfair discrimination." Failure by an employer to comply with the relevant chapters may, in terms of section 53(4) of

the EEA, serve as a ground for the rejection of its offer or the cancellation of the agreement. Government procurement has, in other words, been recognized as a tool to correct South Africa's history of unfair discriminatory policies and practices. When procuring goods and services, organs of state are today required to take account of a number of factors when awarding contracts. It is particularly the notion of "empowerment" that plays an important role in determining whether or not a contract is awarded to a particular contractor (Bolton, 2006).

Other benefits of improved public procurement involve improving administrative services provided to the public, establishing a "launch market" base for small and medium enterprises (SMEs), by creating reciprocal export opportunities within regional trading groups or in the global public procurement marketplace. The extent to which a country pursues international procurement opportunities for its suppliers is a national decision. However, how well this decision can be properly framed for the best resolution will depend on the level of procurement professionalism within the government. The more focused the management of public procurement the better a country can take advantage of its purchasing power to help development efforts. However, the national marketplace, more than the regional and international market places, is normally the largest and offers the best opportunity for local suppliers to increase their sales through government contracts. It

is a market relatively well known to the supplier. It also can involve selling to an entity that is using the supplier's taxes for the purchase so there seems to be special satisfaction in doing business locally and knowing how well government resources are being managed (Wittig, 1999).

Further, the Korean experience also provides a typical case of a socio-economic and political context where sound public procurement practice has demonstrated huge potential as a veritable tool for achieving real and authentic change in the society. The public procurement practice has had robust and concrete development impacts on virtually every sphere or facet of the country's national life. Choi (2010) observes that public procurement has immensely contributed to Korean social, economic and political development. According to him, the role of public procurement in Korean national development can be classified into five categories namely; national economic contribution, leadership in government officials, social responsibilities, eco-friendly activities, and industry innovation.

Aside all these, the introduction of the new concept and idea of 'Sustainable Public Procurement' is also a ground-breaking development and has come to add more value to the field of public procurement globally. At its most basic level, sustainable public procurement (SPP) is about ensuring that the products and services purchased by the government are as sustainable as possible, both in the sense of lowest

possible environmental impact and in terms of producing the most positive social impacts. Through re-designing its procurement policies and procedures, governments can see many multiplier benefits internally and across society as a whole, including efficiency gains, energy usage reductions, financial savings, improved access to services and better working conditions. More than that, SPP should be seen as a tool in the wider development and support of domestic market growth and value adding (International Institute for Sustainable Development, 2013). Sustainable public procurement is the evaluative aspect of public procurement that seeks to weigh the impact of government procurement activities.

Due to its significant spending patterns, public sector procurement is a major contributor to industry growth and stability across a wide range of sectors, providing finances and contracts that drive markets for goods and services. Harnessing and strategically directing that public investment can see governments use their purchasing power as a long-term incentive to stimulate green investment, production and innovation across domestic and global value chains, thereby creating jobs, diversifying industry and preparing domestic enterprises to compete internationally on green and equitable products and services. Each jurisdiction needs to design sustainable public procurements policies that are suited to their legal and institutional governance structures (International Institute for

Sustainable Development, 2013). Presently, SPP has been embraced by public authorities across the world, especially in the OECD countries, with the USA, Canada, Japan, and Australia all particularly active. The OECD itself has recommended that "Member countries should take greater account of environmental considerations in public procurement". The Plan of Implementation from the World Summit on Sustainable Development in Johannesburg, 2002 also encourages public authorities at all levels to "promote public procurement policies that encourage development and diffusion of environmentally sound goods and services" (Hidson and Clement, 2008:574).

In general, procuring sustainably requires a thorough understanding of material inputs, processes and impacts. A variety of tools and methods are available, such as life-cycle costing in procurement decisions, integration of social and environmental standardization when preselecting suppliers or in technical criteria of procurement tenders and the use of product lists, which are regularly updated to support innovation in product technology and design (International Institute for Sustainable Development, 2013). Sustainable public procurement constitutes a significant lever for governments to accelerate the shift towards more sustainable consumption and production patterns, and more generally to contribute to the achievement of sustainable development goals (United Nations, 2008:12). For example, Indonesia, like any other developing countries, is trying to push

economic development, while at the same time the government has to face, consider and overcome other issues such as *health, unemployment, International debt, poverty, corruption, human resource, education and environment*. Sustainable Public Procurement concept is believed to be able to address part of those issues, while executing development in an effective way (Sadikin, 2008:598).

To strengthen the idea and practice of SPP, a number of programmes and initiatives all aiming to support the deployment of sustainable public procurement practices are currently on-going, which provides an opportunity for countries wanting to engage in sustainable public procurement to adopt successful practices while avoiding mistakes or delays in implementation that have been observed in other countries (United Nations, 2008:12). Thus, as Sadikin (2008:598) asserts, public procurement is no longer a clerical job that focuses only on buying goods, services, construction and saving money. The procurement professionals has to deal not only with market, technologies evolution and financial aspect, but also has to take into account the related issue such as human rights, labour, environment protection, women empowerment, corruption etc. The important role of public procurement has now become more and more recognized that many countries give special attention in developing the concept, regulations as well as institutional building.

On the basis of the above, it can be rightly stated that efficient and effective public

procurement practice is synonymous with growth and development in any society. To this extent, therefore, this paper argues that the phenomenon of underdevelopment that plagues most parts of the world, especially the developing countries like Nigeria, has its roots in the lack of sound public procurement policies and practices. Public procurement is an indispensable business activity of government that involves the management, control and utilization of public financial resources to meet the overall needs and demands of a nation. Thus, the extent to which a country evolves and employs pro-active policies and strategies in coordinating and managing its public procurement activities determines how well it achieves its development dreams and set goals and vice-versa. Public procurement is indeed an indispensable instrument for transformation and advancement in any society. It is a tool for good governance and effective administration.

What Nigeria should do

As a developing nation, Nigeria is apparently in need of an efficient and sound public procurement policy and system that would enable her record profound success in her effort to achieve the desired level of development and maintain her status as the wealthiest and most populous black nation. Through the recent reforms in the procurement sector, Nigeria has adopted the modern public procurement system, but the new system has not made much concrete positive impact on Nigeria's development tract record, hence something needs to be

done. For Nigeria to reap the immense benefits of public procurement as a viable tool for all-round national development, policy makers and leaders in government must ensure that the following steps are urgently taken:

The Public Procurement Act of 2007 needs to be strengthened. The Act should be revisited to amend all its observed areas of weaknesses based on the experience of operation of the policy document so far in order to eliminate every form of deficiency and shortcoming that is capable of incapacitating the efficacy of the new public procurement practice.

Federal Government should hurriedly embark on full implementation of the provisions of the PP Act by taking quick actions to constitute the National Council on Public Procurement (NCPP) as stipulated in the Act. The inauguration of the NCPP is necessary if the new public procurement policy must produce the needed changes and transformations in the public procurement sector. Any delay with regards to this endangers the future and prospects of the new policy.

There is the need for the new federal/national public procurement policy and practice to be adopted at the State and Local Government levels. All the States and Local Governments across the country should be made to replicate the new procurement policy in their domains as that would help to evolve a uniformed public procurement system that would facilitate

the actualization of rapid and even development of the country at all levels and in every region.

The Bureau of Public Procurement must endeavor to ensure that itself and its members are themselves not a stumbling block to the success of the current public procurement practice. It must ensure that it does not violate or compromise the principles of the Act while carrying-out its official duty. Moreover, it should embark on in-house cleansing to guarantee that its members are men and women of integrity who would not sabotage the interest of the nation for their selfish or personal material gains.

Public procurement should be professionalized in government MDAs and each Ministry, Department and Agency should set-up a procurement cadre within them at all levels of government. Personnel and officials of the procurement cadre must through proper training be made to acquire requisite professional skills that would make for efficient and effective conduct of procurement activities in the MDAs at federal, states and local government levels.

The menace of corruption in the country's public procurement sector must be tackled and eliminated at all cost. The nation's special anti-corruption agencies – the EFCC and ICPC along-side the Bureau of public procurement must ensure successful fight against the canker-worm of corruption in the public procurement circle. The Civil Society Organizations (CSOs) representing

Nigerian citizens in the procurement sector should not be left out in this war.

Conclusion

The public procurement system and practice has enormous impact and implication for development in every country, whether developed or developing ones. Nevertheless, policy makers and leaders in government, especially in developing societies, including Nigeria have not paid needed attention to it. The manner of the conduct and level of viability of a country's public procurement policy and practice is a major determinant of the level of development achievement and success by that country. Effective and virile public procurement system and practice has immense potential to act as a veritable tool for all-round national development of a nation as the paper has advanced in its argument and vice-versa. Public procurement is an important instrument for checking the effectiveness and impact level of governance. It is a important tool for differentiating between good and bad governance cultures. It is used to determine the extent of socioeconomic welfare and level of standard of living of citizens of different countries.

The attainment of desired level of development has remained largely difficult in most developing countries such as Nigeria because of weak, poor and inadequate public procurement policies and practices, and not paying serious attention to issues relating to public procurement by

stakeholders in government. Although some of these nations appear to have realized the importance of public procurement in development as evident in the massive wave of reforms that swept through the public procurement spheres of majority of developing countries in the recent time, the efforts have not yielded expected results. Nigeria, for instance, recently carried-out reforms in her public procurement sector but reform out-comes or benefits have not simply matched with general expectation and efforts put in due to poor implementation of reform recommendations, leading to certain inherent deficiencies in the new procurement practice. The weaknesses of the current procurement policy has hindered concrete manifestation of the positive changes made by the reforms, thereby making it difficult for Nigeria to see any positive impact of the reform on its development conditions. Notwithstanding, this paper, is strongly convinced that with proper adoption and application of the major recommendations of this paper, Nigeria's new public procurement policy and practice would be strengthened to serve as potent instrument for aggressive growth and development of the country in all spheres.

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