Reflections on the Nexus Between Public Procurement Reforms and Economic Development in Nigeria

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Abstract

Corruption has widely been recognized as one of the impediments to the socio-economic cum political development of Nigeria. By 2000, it was observed that the conduct of government business in Nigeria had become difficult and expensive due to pervasive corruption, particularly procurement fraud. Although procurement fraud is one of the most common avenues of corruption in most countries, its incidence in Nigeria by 2000 was particularly widespread. To reverse this ugly trend, the Nigerian government initiated the public procurement reforms with a view that a corrupt-free procurement process will among other things, promote economic development in the country. Consequent upon the reform, the Public Procurement Act was enacted while the Bureau of Public Procurement was established to ensure due process, accountability and transparency in the award of government contract. In this light, this study evaluated the impact of the public procurement reforms on the economic development of Nigeria. We relied on documentary method of data collection and content analysis of data. Meanwhile, employing the basic propositions emanating from the Marxist theory of the Post-Colonial State, this study noted that the nature and character of Nigerian state undermined the procurement reform from achieving its expected goals. We however, recommended for the removal of the immunity in the constitution and strengthening of the anti-graft agencies in Nigeria.

Keywords: Corruption, Economic Development, Public Procurement, Reforms, Transparency.

Introduction

Over the years, there have been growing outcries across the globe that corruption and waste of public fund has continued to undermine socio-economic growth and development. Accordingly, the UN Secretary-General in his 2009 statement for the International Anti-Corruption Day underscoring how corruption negates societal development noted that:

When public money is stolen for private gain, it means fewer resources to build schools, hospitals, roads and water treatment facilities. When foreign aid is diverted into private bank accounts, major infrastructure projects come to a halt. Corruption enables fake or substandard medicines to be dumped on the market, and hazardous waste to be dumped in landfill sites and in oceans. The vulnerable suffer first and worst. Corruption hinders economic development by distorting markets and damaging private sector integrity (http://www.undp.org/content/undp/en/home/ ourwork/democraticgovernance/focus areas/focus anticorruption.html).

Also, Salih (2010) argued that the persistence of poverty in Africa particularly the sub-Saharan Africa cannot be divorced from the high rate of corruption which has slowed down the investments made to realize the millennium development goals in the region. Emphasizing further, World Bank (2010) noted that one major reason behind the low fertilizer usage among African farmers is the poor quality of fertilizers manufactured in the continent. According to the report, although manufacturers have the capability to produce good fertilizer, 43 percent of fertilizers in West Africa in the 1990s lacked the expected nutrients due to poor controls at the producer and wholesaler levels. Similarly, the UNODC South Eastern Europe on Corruption observed that corruption is a serious crime that undermines social and economic development and weakens the fabric of modern-day society. According to the organization, corruption hinders social and economic development and increases poverty by diverting domestic and foreign investment away from where it are most needed; weakens education and health systems, depriving people of the basic building blocks of a decent life; undermines democracy by distorting electoral processes and undermining government institutions, which can lead to political instability; and exacerbates inequality and injustice by perverting the rule of law and punishing victims of crime through corrupt rulings. Similarly, OECD (2014) in agreement with others posited that corruption is one of the main obstacles to sustainable economic, political and social development, for developing, emerging and developed economies alike. Overall, corruption reduces efficiency and increases inequality. Available statistics indicate that the cost of corruption equals more than 5% of global GDP valued at US\$ 2.6 trillion, with over US\$ 1 trillion paid in bribes each year (Irisova, 2014).

Meanwhile, the 13th United Nations Congress on Crime Prevention and Criminal Justice held in Doha between 12th and 19th April, 2015 provided a general overview of the negative effects of corruption in a state. According to the Congress:

Corruption is the single greatest obstacle to economic and social development around the world. It stifles economic growth, undermines the rule of law, and squanders talent and precious

resources. Where corruption is rife, companies are reluctant to invest as the costs of doing business are significantly higher. Ultimately, corruption prevents people, countries and businesses from fulfilling their potential. Corruption undermines democracy, governance and human rights by weakening State institutions that are the cornerstones of fair and equitable societies. Vote buying at elections distorts the democratic process and justice is challenged when criminals are able to bribe with impunity. With funds intended to provide essential services such as health care, education, clean water, sanitation and housing diverted by corruption, there is less provision of services. Crime and corruption degrade already weak state institutions, as criminals use resources from illicit activities to bribe law enforcement officials, neutralize courts, purchase or intimidate politicians and journalists, and engage business leaders in criminal activities. Cumulatively, corruption, crime and weak rule of law tear at the social fabric, undermining the legitimacy of the state, driving activity, and endangering public security (http://www.unis.unvienna. org/unis/en/events/2015/crime congress corruption.html)

Corruption has without doubt become systemic in Nigeria. The political-economic system has been so soaked in the blood of graft that even the social and cultural ways of many Nigerians have become corrupted. In other words, apart from the institutionalization of corruption in the Nigerian political-economy, many Nigerians have also become socio-culturally corrupt. According to Akindele (1990) cited in Aluko (2002: 395) "corruption in Nigeria include among others: Corruption ascendancy to political leadership through election rigging and genocidal political techniques; son of the soil philosophy; politics of expediency; doctrine of ten per centers, judicial fractionalization of human beings; political self-aggrandizement; political Hitlerism as a mechanism for retention of power; replacement of "we-feeling" by "me-feeling", contractor-controlled political machinery, uncurtailed lust for wealth, giving and receiving of kickbacks for government contracts, Police insistence on taking bribes as precondition for performing their duties, Bureaucrats indulgence in the act of falsifying accounts, false declaration of assets, violation of oaths of office, payment of money for government jobs not done or not well executed, pen-robbery and looting of the public treasury".

In the numerous global ranking released by the Transparency International, Nigeria has continued to maintain a leading role in the global corruption index. For instance, in 2004, 2005, and 2006, Nigeria was ranked 3rd, 6th, and 18th most corrupt countries respectively. Meanwhile, despite the efforts made over the years, corruption has remained endemic in Nigeria and denudes the country of her socio-economic fortunes. Scholars such as Keeper (2011), Nageri (2013) and Nwankwo (2014) have exhaustively delineated the socio-economic implications of corruption on the development of Nigeria. Accordingly, the aforementioned scholars attributed the increasing poverty, unemployment, illiteracy, food insecurity, child and maternal mortality, institutional decay and poor infrastructural facilities to the high rate of corruption in Nigeria.

Nevertheless, the Nigerian government has evolved several efforts tailored at reducing the incidence of corruption. Essentially, the federal government of Nigeria adopted a comprehensive anti-corruption measures like the enactment of anti-corruption laws, establishment of specialized anti-corruption agencies and institutions (ICPC, EFCC, and

NEITI) and reform of the public sectors which culminated into the introduction of Treasury Single Account, privatization programs, and Integrated Personnel Payroll and Information System.

Particularly, the Nigeria's government commitment at fighting the menace of corruption was deeply expressed following the introduction of Public Procurement Reforms and the subsequent enactment of Public Procurement Act of 2007 leading to the establishment of National Council on Public Procurement (NCPP) and Bureau of Public Procurement (BPP). The philosophical basis underlying the initiation and subsequent enactment of Public Procurement Act is anchored on the notion that a corrupt-free process in the execution of government programs and policies among other things has the capacity to engender economic development. In the light of the above, the study evaluated the nexus between the implementation of Public Procurement Reforms in Nigeria and the assumed economic development derived from the process.

This study is unique in view of the dearth of literature on the subject matter. Also, extant studies have been obsessed with identifying institutional weaknesses as the constraining variable against the realization of the public procurement objectives in Nigeria. As a way of departing from the existing literature, we however implicated the nature and character of Nigerian state, which shall form the basis of our argument in the present study.

Theoretical Framework

We anchored our analysis on the basic proposition emanating from the Marxist theory of the Post-colonial state as enunciated, developed and used by scholars like Alavi (1972), Saul (1974), Ake (1985), Ekekwe (1985) and Ibeanu (1998). The Marxist theory of the post-colonial state arose as counteract to the Western/Liberal paradigmatic explanation of the state, which argued that the state is an independent force and a neutral entity that cater for the welfare of its citizens. Rather, the Marxist persuasion agreed that the state is a product and expression of the irreconcilability of class contradictions and antagonisms. Accordingly, the state arose as a powerful force, standing above the society and saddled with the responsibility of mediating and moderating the class struggle in order to keep them within the bounds of law (Engels, 1884; Lenin, 1918). Overtime, the state has absconded from this assumed role and, rather, positioned itself as a committee for managing the common affairs of the bourgeoisie and dominant class while subjugating the working class (Marx & Engels, 1848). Here, the state expressed its preference for the dominant class over the subjugated class by enacting, executing and adjudicating laws that sustains and intensifies the oppression, subjugation and exploitation of the latter.

The central focus of the theory is to explain the nature, structure, history, composition and character of the post-colonial state in order to ascertain the dynamics of social-economic and political development in the periphery and its implications on the public policy. The theorists argued that the post-colonial state is a creation of imperialism. As such, it has followed the developmental strategies dictated by the interest of imperialist and its local allies, not by those of the majority of the indigenous population. Contributing, Alavi (1973:146) noted that "the post-colonial states and its apparatus are instruments of primitive accumulation by the dominant class and their collaborators". In the same vein, Ekekwe (1986) argued that the post colonial states rest on the foundation of the colonial state, this, in turn, had incorporated some

important elements of the pre-colonial rudimentary state structures. The main goal of the colonial state was to create conditions under which accumulation of capital by the foreign bourgeoisie in alliance with the local elites would take place through the exploitation of local human and other natural resources. It was on this basis that the post-colonial state emerged.

Meanwhile, Ake (1982), Ekekwe (1986) and Ibeanu (1998) summed the fundamental characteristics inherent in the post-colonial states as follow: post colonial states are weak with weak institutions giving rise to the emergence of some powerful notables who are stronger than the state; the state is nothing but an instrument in the hands of the ruling class for primitive capital accumulation; the post colonial states are replete with political instability arising from the crisis of relevance among politicians; selfish interest rather than national interest is the driving impulse of politicians in the post colonial states; ambition rather than inspiration is the guiding principle in the quest for power among politicians in the post colonial states. Also, the Nigerian state has been variously described as exploitative, cruel and irresponsible (Ake, 1981, Okowa, 2005), weak, captured, dependent and hegemonic (Orugbani, 2002), illegitimate oppressive and repressive (Okoba, 2003), privatized and lacks autonomy (Ake, 2001), and lastly, the Nigerian State is a failed State, due to the glaring contradictions that defines the character of the Nigerian State. And just because the State lacks autonomy, it is been privatized and used as an instrument for the pursuit of parochial interests, against the pursuit of the public good. The idea is that, corrupt elements and amoral personalities in the State capitalize on the non-autonomous and weak nature of the State to wickedly direct State resources to their selfish interest cum aggrandizement. That is, in most cases, State resources in the civic public are diverted to infamous channels in the primordial public which benefits only a few categories of people in the society.

In applying this to our study, we argue that the Nigerian state is replete with the features intrinsic in the post-colonial state and as such, exhibit capitalist rent seeking behaviour, prebendalism, parochialism and patrimonialism. In this connection, the procurement processes in Nigeria since 1960, has largely been characterized by unethical practices which account for the large chunk of the corruption bedeviling our country. Also, despite the promulgation of the Public Procurement Act of 2007, the country has constantly experienced high degree of mismanagement of resources particularly in the area of public. There have been existing open abuses to rules and standards in the award and execution of public contracts in Nigeria. These were evident in over-invoicing, inflation of contract costs, and proliferation of white-elephant projects and diversion of public funds through all kinds of manipulation of contract system. Also, apart from shrouding the procurement process in secrecy, Nigerian government officials have been indicted of awarding public contracts to self, family members and cronies. Undoubtedly, the aforementioned sharp practices which characterize Nigeria as a post-colonial state have eroded public confidence, accountability and transparency in the procurement process and, by extension undermined the economic development of the country. The failure of the public procurement reforms to enhance economic development unfolded and can be explained from this binocular.

Conceptual Clarifications

Public procurement

Public procurement is a combination of two words-'public' and 'procurement'. While public has been variously used to denote government or people of a state or nation, the term procurement is the act of buying, acquiring, and obtaining goods and services from the external sources. Jointly, public procurement is loosely used to describe the process of buying, acquiring and obtaining goods and service for the people of a state or government. From this loose definition, they have been tendency by scholars to quantify or tie public procurement to purchase of goods and services. In this regards, agreeing with this definition is the United Nations Commission on International Trade Law (2014) which sees public procurement as the acquisition of goods, construction or services by a procuring entity. Also, OECD defines public procurement as the purchase by governments and state-owned enterprises of goods, services and works (http://www.oecd.org/gov/ethics/public-procurement.htm).

Similarly, World Bank (2005) conceptualized public procurement as the purchasing, hiring or obtaining by any other contractual means of goods, construction works and services by the public sector. It is alternatively defined as the purchase of commodities and contracting of construction works and services if such acquisition is effected by resources from state budgets, local authority budgets, state foundation funds, domestic loans or foreign loans guaranteed by the state, and foreign aid as well as revenue received from the economic activity of the state. Public procurement thus means procurement by a procuring entity using public funds (World Bank, 1995). Public procurement encompasses acquisition, contracting, buying, renting, leasing, and purchasing, to include functions such as requirements determination and all phases of contract administration (Thai, 2001).

Further, the Office of Government Commerce provided an exhaustive framework for understanding the gamut of activities involved in the public procurement. According to the agency:

Public procurement is the process whereby public sector organizations acquire goods, services and works from third parties. It includes much that supports the work of government and ranges from routine items (e.g. stationery, temporary office staff, furniture or printed forms), to complex spend areas (e.g. construction, Private Finance Initiative projects, aircraft carriers or support to major change initiatives). It also includes a growing spend where the private and third sectors provide key services directly to citizens in areas such as welfare-to-work, further education, social care and health. Such services may also be provided by the public sector directly, and in some cases even this public provision can be handled through procurement mechanisms. A public body may bid for government work against private sector firms through a formal competitive process (Office of Government Commerce, 2011:3)

Procurement encompasses the whole process of acquiring property and/or services and also extends to the ultimate disposal of property at the end of its useful life (Hui *et al.*, 2011). Departing radically from the purchase viewpoint of public procurement, Arrowsmith (1995), Knight et al. (2003), Bolton (2006), and Knight et al. (2007) portray public procurement as a tool, mechanism, instrument, or lever for promoting what they label as "policies" such as industrial and economic development and assistance to historically disadvantaged groups.

As a working definition for the study, we synchronize the existing definitions and see public procurement as the systematic and whole gamut of government's procedures, activities or processes involved in the authoritative allocation of values to the people of a state. This definition is germane in all aspects as it captured the entire elements fundamental to the understanding of the concept of public procurement. First, public procurement is methodical rather than a haphazard processes. Secondly, it incorporates range of activities rather than just a single step. Thirdly and most importantly, public procurement is state-centric as it deals with government efforts at discharging its responsibility of delivering essential services to the people.

• Economic development

Economic development is one of the over-stressed words from time immemorial till the present epoch. In fact, the 21st century has become obsessed with the usage of the concept as it is seemingly difficult to find any state or international organization without prioritizing economic development as the centerpiece of her policy. No wonder the University of Iowa's Center for International Finance and Development noted that: 'Economic development' is a term that economists, politicians, and others have used frequently in the 20th century. This is largely unconnected with the notion that every government or international institution has increasingly devoted attention on issues relating to people's welfare, poverty reduction, qualitative access to health care, GDP growth and increase in literacy level and standard of living, and many others.

Owing to the premium attached to the concept of economic development in the present age, many a scholar has made significant commitment at offering a suitable definition that will aid in the understanding of the concept. For instance, Todaro defined economic development as an increase in living conditions, improvement of the citizen's self-esteem needs and free and a just society. He suggests that the most accurate method of measuring economic development is the Human Development Index which takes into account the literacy rates & life expectancy which in-turn has an outright impact on productivity and could lead to Economic Growth. Closely related to this definition is the notion that economic development is the process whereby simple, low-income national economies are transformed into modern industrial economies (Krueger & Myint, n.d). Also, Sen (2001) sees economic development as creating freedom for people and removing obstacles to greater freedom. Greater freedom enables people to choose their own destiny. Obstacles to freedom, and hence to development, include poverty, lack of economic opportunities, corruption, poor governance, lack of education and lack of health. In the same vein, Blakely et al (2002) conceptualize economic development as those activities that lead to greater resource productivity, a wider range of real choice for consumers and producers, and broader clientele participation in policy formulation (related to the economy)

As a working definition for this study, we view economic development as the continuous and determined actions of states and decision-makers that improve the standard of living and economic health of a specific locality. It is the qualitative and quantitative transformation or alteration in an existing economy. It entails increase in literacy level, life expectancy general welfare of the citizens, safety; decline in poverty rate, child and maternal mortality; improvement of health and safety, critical infrastructure; and, human capital development.

Many occasions, the economic development and economic growth are interchangeably used in the extant literature. However, for the purpose of clarity, it will be essential to delineate the fundamental difference between the two concepts. Economic growth can be viewed as a sub category of economic development. Economic development is a government policy to increase the economic, social welfare and ensuring a stable political environment. Economic growth on the other hand is the general increase in the country products and services output.

Overview of the Public Procurement Reforms in Nigeria

There are growing global responsiveness to socio economic transparency in old and emerging economies like Britain and China where Contracts entered into by public administrative units are by rule and requirements of law regulated by the public procurement laws. Again, it has been argued that a transparent 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, 2010). However, prior to the promulgation of the Public Procurement Act of 2007, the Nigerian public procurement practice has largely been unprofessional, inefficient and ineffective as the process was anchored on the Treasury Circulars of 1958 which provided only guidelines on public expenditure management. The guidelines of these circulars on public procurement practice were grossly inadequate and created rooms for malpractices and high level corruption in contract management (Onyema, 2010).

Meanwhile, attempts to facilitate due process in the proceedings by public procurement has met stiff resistance from a corrupt and rogue political Class and Civil Servants which sees politics and governance as the springboard for self aggrandizement and sudden wealth. The Investigative and implementation processes have been deliberately stultified and made unworkable. This has been attributed to the political history of Nigeria with its Interventionist Military dictatorships that facilitated the institutionalization of corruption.

Upon assumption into office in 1999, the then President Olusegun Obasanjo observed that the time-tested approach in conducting government business had degenerated to such an extent that the Public Service Rules, Financial Regulations and Ethics and Norms of the Service were jettisoned either due to sheer ignorance or for selfish reasons. This was further reinforced by a World Bank Country Procurement Assessment survey conducted in 1999 which established link between poor/weak public procurement procedures and corruption as well as its far reaching negative consequences on national development especially in the area of infrastructural development in Nigeria (BPP, 2007). The Assessment Report revealed that 60k was being lost to underhand practices out of every N1.00 spent by Government and that an average of ten Billion US Dollars (\$10b) was being lost annually due to fraudulent practices in the award and execution of public contracts through inflation of contract cost, lack of procurement plans, poor project prioritization, poor budgeting processes, lack of competition and value for money and other kinds of manipulations of the procurement and contract award processes (World Bank, 1999).

In order to address the above shortcomings, the Federal Government initiated the Public Procurement Reform as part of its Economic Reform agenda designed to restore due process in the award and execution of federal government contracts. This led to the setting up of the Budget Monitoring and Price Intelligent Unit (BMPIU known as Due Process) in 2001 to implement the Federal Government's Public Procurement Reform Policy aimed at minimizing

open abuses to known rules, processes and standards in the award and execution of public sector contracts in Nigeria.

Following the growing Public demand that the reforms are sustained and institutionalized with legal backing, a Public Procurement Bill was articulated in 2003/2004 by the Leadership of BMPIU and presented to the National Assembly. The Public Procurement Bill was thereafter passed by the National Assembly on the 30th of May, 2007 and subsequently signed into Law by Late President Umaru Musa Yar'adua on the 4th of June, 2007. The Public Procurement Act 2007 among other things established two regulatory institutions namely; National Council Public Procurement and Bureau of Public Procurement, saddled with the responsibilities of monitoring and oversight of public procurement, harmonizing the existing government policies and practices by regulating, setting standards and developing the legal framework and professional capacity for public procurement in Nigeria. Accordingly, section 1(1-5) of the PPA encapsulated the membership of the Council and the modalities for the appointment of the Director General while section 2 (a-f) outlined the functions of the NCPP.

Meanwhile, the objectives underlying the creation of the Bureau of Public Enterprise as captured in the section 4 (a-d) of the Act of 2007 are to: harmonize existing government policies and practices on public procurement and ensure probity, accountability and transparency in the procurement process; establish pricing standards and benchmarks; ensure the application of fair, competitive, transparent, value-for-money standards and practices for the procurement and disposal of public assets; and attain transparency, competitiveness, cost effectiveness and professionalism in the public sector procurement system.

Also, section 5(a-s) of the same Act prescribed the following functions of the Bureau of Public Enterprise and listed below:

- a. Formulate the general policies and guidelines relating to public sector procurement for the approval of the Council;
- b. Publicize and explain the provisions of the procurement act;
- c. Subject to thresholds as may be set by the Council, certify Federal procurement prior to the award of contract
- d. Supervise the implementation of established procurement policies;
- e. Monitor the prices of tendered items and keep a national database of standard prices;
- f. Publish the details of major contracts in the procurement journal;
- g. Publish paper and electronic editions of the procurement journal and maintain an archival system for the procurement journal;
- h. Maintain a national database of the particulars and classification and categorization of federal contractors and service providers;
- i. Collate and maintain in an archival system, all federal procurement plans and information;
- j. Undertake procurement research and surveys;
- k. Organize training and development programmes for procurement professionals;
- 1. Periodically review the socio-economic effect of the policies on procurement and advise the Council accordingly;
- m. Prepare and update standard bidding and contract documents;
- n. Prevent fraudulent and unfair procurement and where necessary apply administrative sanctions;

- o. Review the procurement and award of contract procedures of every entity to which the procurement act applies;
- p. Perform procurement audits and submit such report to the national Assembly biannually;

Other core issues enshrined in the Act include the fundamental principles guiding the procurement; approving authority for the conduct of public procurement; procurement planning and implementations; establishment of Tender Board; Prequalification of Bidders; Modalities for procurements; offences relating to public procurement; and among others. Essentially, the Act was designed to enhance the credibility of public procurement in Nigeria so as to catalyze the development programmes of the government at all level.

Public Procurement Reform and Economic Development in Nigeria: An Assessment

They appear to be wide consensus among scholars that the *raison d'être* for the institutionalization and continued existence of government all over the world is to provide basic services that would enhance the well-being and welfare of the citizens on one hand, and create the conducive and necessary environment for people as they struggle to meet with their material means of existence, on the other hand (Fayomi, 2013; Okolie & Nnamani, 2015). In discharging this core function; emphasis is constantly placed on achieving the greatest happiness for the greatest number of people. To actualize this mandate, the process leading to the provision of those services must align with the principles of accountability, credibility, transparency, fairness, equity and probity.

Viewed from this line of thought, the Nigerian government in a bid to justify its existence has evolved reforms aimed at repositioning the public sector in order to discharge their functions effectively and optimally. One of the recent attempts is the public procurement reform which was seen as a veritable good governance mechanism seeking to streamline, legalize and institutionalize globally accepted practices in the conduct of government businesses. The need for this reform was basically due to the observed unethical practices that have continued to mar and undermine the capacity of the Nigerian government to deliver on its promises of meeting the economic needs of the people. As seen in the figure below, it was equally observed that sharp practices continue to characterize all the levels of the procurement processes in Nigeria:



Fig. 1: Chain of Corruption in the Project Contract Awards in Nigeria

Source: The Researchers.

In the same vein, there have been valid arguments in certain quarters that efficient and effective management of public funds affects different elements of society. On one hand, it affects the citizens who need material support that is provided through public projects (e.g. roads, hospitals, desks and educational supplies etc). On the other hand, it affects the business community or actual or potential suppliers to satisfy government's identified requirements. Most fundamentally, several organizations like World Bank and Organization of Economically Developed Countries have established causal relationships between a credible and transparent public procurement process and economic development. Correspondingly, the Western oriented scholarship has attributed the economic prosperity of the developed countries to the institutionalization of best practices in the procurement processes. Particularly, a study conducted by Moerenhout & Roy (2012) maintained that "strategic government spending can trigger market demand for sustainably produced goods and services that meet or exceed environmental and social standards. When done properly and sustainably, public procurement; i.e. Sustainable Public Procurement (SPP) creates synergies between innovation, market growth and sustainable development". This is further reinforced by the study of Aighevisi & Edore (2015) which interrogated the nexus between public procurement, governance and economic growth and found that sound public procurement is a vital ingredient for economic growth and development. The study also argued that faulty or weak public procurement systems and practices characterized by corruption and lack of accountability, transparency, competition and fairness, is a symptom of bad governance and as such, undermine the pace of economic growth and development.

On the basis of the foregoing arguments, the Nigerian government implemented the public procurement reforms as a way of curbing the institutionalized corruption in the businesses of government through the enactment of Public Procurement Act of 2007 with a view to sanitize the process so as to engender economic development. The Act among other things established two regulatory bodies with powers to oversee all matters relating to the award of government contracts. Similarly, the Act equally stipulated the guidelines prescribing direction for the procurement of public goods as well as penalties for offenders.

Nevertheless, despite the implementation of public procurement reforms, the process has continued to be marred by irregularities and unethical practices. For example, an information from the Director General of Bureau of Public Procurement revealed that a whopping \$10billion was being lost yearly by the Federation to fraudulent practices in the award and execution of public contracts through inflation of contract, cost of procurement plans, poor projects prioritization, poor budgeting processes, lack of competition and value for money and other kinds of manipulation of the procurement and contract award processes (Nnabugwu, 2014). In the same vein, another report indicated that a former Director General of Pension Transitional Arrangement Directorate, Mrs. Nelly Mayshak, is currently undergoing investigation and prosecution following an allegation that she committed procurement fraud. According to the information filed by the Economic and Financial Crime Commission, Mayshak is been prosecuted for allegedly awarding several fictitious contracts to her cronies at PTAD, one of whom was her sister-in-law. In one instance, Mayshak allegedly approved N25, 410,000 for the supply of 121,000,000 litres of fuel in one day when in fact there was no corresponding storage capacity, as PTAD only has a storage capacity of about 11,000 litres, which lasts for about a month. Also, between December 8 and 30, 2014, she awarded multiple contracts to one company, Interactive Wide Nigeria Limited to the tune of N29, 377,993.26.

Contracts for the supply of office materials, air conditioners, and conference materials to the tune of N375, 704,287 were awarded to Belzacode, Hosley Nigeria Limited, and Pabak Nigeria Limited (Akinkotu & Onuba, 2016). Consequently, investigations revealed that the ex DG awarded contracts without complying with the Public Procurement Act of 2007.

Also, an investigation launched into the activities of the Niger Delta Development Commission has shown that the Board and Management of the body circumvented, breached and abused the procedural guidelines for the award of government contract. On February 25, 2014, the Managing Director, Dan Abia, awarded a N882million contract, above his statutory approval limit of N2.5million, for the purchase of 40 luxury vehicles. The contract was awarded to Automatt Global Services, located at 167 Aba Road, Port Harcourt, Rivers State, with a Local Purchase Order, LPO, no: 15301. The order included 18 Toyota Hilux 4×4 pickup vans, two armoured LX570 Lexus jeeps, two regular LX570 Lexus SUVs, two armoured Toyota V8 Land Cruiser SUVs and 16 regular Toyota V8 Land Cruiser SUVs. The Toyota Hilux van, which was bought by the commission at N156.5 million, with each costing N8.7million is sold for N6.5million at Carmudi, an online car shop. Equally, a regular Toyota V8 Land Cruiser SUV, which was supplied to the commission at N27.9 million each, sells for N18.5million at Carmudi while a regular Lexus LX570 SUV which it got for N32.4million is sold for N22.5 million at Carmudi (Isine, 2015).

Consequently, another report by Ogala (2015) uncovered series of fraudulent crude oil deals carried out under the administration of Goodluck Jonathan which were done with utmost disregard to the existing public procurement law and economic regulation in Nigeria. Accordingly, it was observed that the process leading to the contracts award were fundamentally flawed as they were bereft of advertisement and competitive bidding, an act that clearly violate Nigeria's procurement law. It was further revealed that rather than advertise the job as required by law, the NNPC only invited 13 companies (cronies of the then president) to participate in a private bid. Additionally, there was no evidence that the NNPC obtained certificate of no objection from the Bureau of Public Procurement clearing it for such selective, secret bidding.

More recently, both Nigerians and the international community are currently grappling with the reality of the ongoing investigation into the \$2.1 billion arms deal by the immediate past Nigeria Security Adviser, Colonel Sambo Dasuki. According to the official reports extracted from the Economic and Financial Crime Commission, Colonel Sambo Dasuki awarded fake contracts worth more than \$2 billion in order to procure weapons such as fighter jets, helicopters, bombs and ammunition essentially for the prosecution of wars against Boko Haram insurgency. However, government inquires into the activities of the Office of the National Security Adviser from 2012 to 2015 showed that the process for the awards of the said contract not only flouted the extant public procurement law in Nigeria, it was learnt that the weapons were never supplied to the Nigerian Air Force. Interestingly, it was noted that the amount of foreign currency spent on failed contracts was more than double the \$1bn loan that the National Assembly approved for borrowing to fight the insurgency in the North East. The Report further observed that contracts for purchase of 4 Alpha Jets, 12 helicopters, bombs & ammunition, awarded by former National Security Adviser, Colonel Sambo Dasuki, were fictitious (Akinwumi, 2016; Alli, 2016).

Others include the reported N64 Billion Abuja Airport Runway, the N10 Billion Nyanyan - Mararaba road dualization, and the N60 Billion Naira Abuja Stadium contract which are comparatively much higher than what obtains abroad or even in the West African sub-region. It has been said that the cost of contract/project in Nigeria is 35% higher than what obtains in other West African countries (Okoduwa, 2011).

The import and implication of the foregoing elaborations and illustrations is that despite the promulgation of the Public Procurement Act of 2007, unethical practices still pervade the processes leading to the award of government's contracts in Nigeria. Incontrovertibly, this ugly trend and development in the public sector has had serious effects on the economic development of the country. Notably, the citizens have continued to be denied access to basic amenities such as good roads, portable pipe borne water, quality health care services, standard education, effective and efficient transport system, and among others. Sometimes, where any of these facilities exist, they are usually substandard and may not last for years. Against this background, we have to reiterate that the corrupt practices connected with awards of government contracts often leads to cessation of certain social services, or non completion of a school, hospital, or road. The worsening and dearth of infrastructure and social services are directly linked to the high rate of corruption arising from non adherence to the provision of public procurement Act. The loss of public funds due to unscrupulous activities in the award of government contracts no doubt, translates inexorably to lack of drugs in the rural hospital; lack of access to education for millions of children; lack of potable drinking water and electricity; and lack of efficient and effective transportation system.

In this connection, the crisis of development in Nigeria cannot be divorced from the fraudulent practices inherent in the public procurement processes. For instance, available statistical data has revealed that the Nigerian state appeared helpless in the face of seemingly intractable economic challenges constantly threatening its existence as a corporate entity. This can easily be substantiated from the table below:

Table: Unemployment and Human Development Index of Nigeria, 2007-2014

Year	Unemployment Rate	Human Development Index
2007	12.7	0.511
2008	14.9	0.483
2009	19.7	0.419
2010	21.1	0.423
2011	23.9	0.467
2012	27.4	0.471
2013	24.7	0.500
2014	26.5	0.504

Source: Nnamani (2015).

The figures illustrated in the above table indicate the poverty rate and Human Development Index of Nigeria from 2007 to 2014. According to the UNDP (2012), the Human Development Index is the composite statistic of life expectancy, education index and standard of living measured in Gross National Product Per Capita. In terms of grading, countries with figures ranging from 0.811 to 1.0 are deemed to be having "Very High Human Development Index", those within 0.711- 0.810 are classified as having "High Human Development Index". Consequently, while countries with figures between 0.511 and 0.710 are known to be having Medium Human Development Index, those within 0.1 – 0510 are known to be having Low

Human Development Index (Nnamani, 2015). From the above table, it is discernable that Nigeria has not thrived in core indices of economic development. No doubt, the persistent decline in the Human Development Index in Nigeria can be situated in the burgeoning unemployment rate as demonstrated also in the table above.

Accordingly, we argue that there is clear and established correlation between practices such as bribery, kickback, inflated cost, and bid-rigging in the public procurement processes and the intensification of economic crises in Nigeria. At this juncture, it is safe to infer that the public procurement reform and the subsequent promulgation of Public Procurement Act of 2007 in Nigeria has less impact in curbing fraudulent acts been perpetrated in the contract award processes, hence, undermining economic growth and development of the country.

Unearthing the Impediment to the Realization of Public Procurement Reforms in Nigeria

Following the observed persistence of unethical practices amidst the public procurement Act of 2007, the attention of scholars have been drawn into interrogating the likely challenges that have continuously affected the performance and credibility of procurement function of the government. The rationale for their studies can be situated in the need to identify the fundamental challenges hindering a corrupt-free procurement process in order to reap the purported economic benefits therein. An exploration of the existing literature shows that scholars achieved consensus in identifying the key issues that militated against the effective adoption and implementation of the public procurement. Accordingly, they delineated lack of political will to implement to enforce the Act, institutionalized corruption inherent in Nigeria, political interference in the procurement process, absence of strong and compelling state institutions, low commitment of the political class to fight corruption, inability of the state and local governments to domesticate the procurement law, dearth of procurement professionals, (Achua, 2011; Onyema, 2011; Adewole, 2014; Ojo & Gbadebo, 2014; Jibrin, Ejura & Nworgu, 2014).

However, while we may not out-rightly ignore or discard the positions of the aforementioned scholars, we have to reiterate that such viewpoints may not be adequate to explain and understand the underlying reasons for the failure of public procurement reform in Nigeria. To us therefore, the incapacity of Nigeria to achieve a procurement process characterized by impartiality, transparency, accountability, and openness can be located in the nature and character of post-colonial state which has constantly denied the country of its development objectives. This is necessary as it is impossible to understand the dynamics of political and economic activities in the periphery without recourse to the historical role of colonialism and imperialism.

Essentially, Nigeria is a product of colonialism and as such, has continued to maintain a dependent relationship with the former imperial masters and its allied institutions who dictate the socio-economic cum political trajectory for the former. The process of colonialism and imperialism no doubt, integrated and sustained Nigeria into the mainstream of capitalism. As a result, the state pursues public policies that are compatible with the interest of the capitalist class simply because the state is controlled by this class. What this means is that contrary to the general assumption that the Nigerian state is an unbiased and neutral power broker in relation to the interest of capital and labour, the state in a capitalist society basically functions to foster, advance and defend capitalist accumulation and profit (Asobie, 1990). Because the

capitalist class monopolizes the instrumentality of the state at its will to shape its own interest, there has always been intense lobbying among the foreign capitals and their local surrogates to influence the decision-makers to adopt specific policies and general development paradigm that enhance their interest or to avoid policies and development plans that compromise their interest. Thus, we argue that the Nigerian state pursues policies for the interest of the foreign capitals and their local surrogates rather than that of the entire populace due to the direct involvement of members of the ruling class in the state machineries and economic processes, the state lacks independence or initiatory role since its power is entirely rooted in the economy dominated and controlled by the ruling class.

Also, another distinct feature crucial to the understanding of the failure of the public procurement reforms is the idea that in the process of colonialism, the imperial masters deployed the instrumentality of the state for primitive capital accumulation. In essence, the emergent leaders at Nigeria's independence were indoctrinated into the culture of primitive capital accumulation by the colonial rulers which the former has continued to sustain from that very era till the present epoch. Thus, the Nigerian leaders (local accomplice or surrogates) entered into unconventional cum unholy alliance with the foreign bourgeoisies and positioned itself as willing tools for facilitating policies that will improve their economic well being at the detriment of the majority.

Viewed from this perspective, we argue that the political elites capitalize their strategic positions and through bribes and other kickbacks, award government contracts to the foreign bourgeoisies. To achieve this and sustain the ensuing mutual relation, the Nigerian government officials usually amend the procurement processes to favour their foreign cronies since the former's economic interest is highly protected. Indeed, this account for the absence of transparency, accountability, and probity in the award and execution of government contracts. The absence of the aforementioned features is known to promote poor service deliveries which in turn, undermine economic development of Nigerian state.

Conclusion and Recommendations

Public procurement is at the hub of all government activities in virtually all the states, hence, the need to constantly reform the process in order to align with the internationally accepted practices. Fundamentally, a corrupt-free procurement process has been acknowledged globally as a strategic tool for enhancing efficiency, effectiveness, trust, and service delivery in the businesses of government. It is within this prismatic compass that this study attempted to evaluate the impact of the public procurement reforms on the economic development of Nigeria. To understand the dynamics of public procurement reform in Nigeria, we employed the basic propositions emanating from the Marxist theory of the Post-Colonial States to explicate on how the nature and character of the Nigerian state has continued to undermine efforts at humanizing the public sector for effective service delivery.

Meanwhile, a preliminary investigation revealed that the implementation of the public sector reforms which culminated into the promulgation of the Public Procurement Act of 2007 and the subsequent establishments of National Council on Public Procurement and Bureau of Public Procurement has not justified its promises of serving as a catalyst for engendering

economic development in Nigeria. This is because, the process has continued to be marred by irregularities and unethical practices which no doubt, has continued to sustain the economic crisis that characterize the Nigerian state. The study however, radically departed from the conventional viewpoints of scholars which implicated political interference in the procurement process, absence of strong and compelling state institutions, low commitment of the political class to fight corruption, inability of the state and local governments to domesticate the procurement law, dearth of procurement professionals as the impediments to the realization of a corrupt-free procurement process. Rather, we identified the nature and character of Nigeria state as undermining the public procurement reform in Nigeria. Accordingly, the study noted that the unholy alliance between the foreign bourgeoisies and their local surrogates who thrive on primitive capital accumulation has constantly impeded on various attempts aimed at enthroning transparency, accountability and probity in the public sector.

In the light of the foregoing, we make the following recommendations:

- That immunity clause in the Nigeria's constitution which gives the political class the leverage for primitive capital accumulation must be expunged.
- That the Nigerian leadership should fully implement the Local Content Act which will create platform for the optimum utilization of abundant and qualified human resources necessary for execution of contracts.
- Strengthening of the anti-corruption institutions and civil society groups to fully participate in all the processes leading to the award of government contracts
- That the chief and basic end of the State and politics in Nigeria and other should be focused on the basic needs of the citizenry, in which the desire to provide infrastructural facilities like pipe-borne water supply; good, quality and durable roads network; constant and regular electricity supply; adequate, quality and affordable housing facilities, quality and affordable health care delivery services and improved access to quality and affordable educational services, etc, should be the chief concerns of the State (Nigeria) in concrete terms. The State in Nigeria must therefore operate a rule or an ideology with which to tackle its concrete operational responsibilities.

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