

**A RESEARCH PROPOSAL ON PUBLIC PROCUREMENT,  
INSTITUTIONS, AND ECONOMIC DEVELOPMENT IN NIGERIA**  
*An Analytical Review of Institutional Integrity and Development Outcomes*

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**UNIVERSITY OF BENIN,**  
**BENIN CITY.**

**NOVEMBER, 2025.**

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**BEING A THESIS SUBMITTED TO DEPARTMENT OF PROCUREMENT  
MANAGEMENTT, UNIVERSITY OF BENIN,  
BENIN CITY.**

**IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF  
THE DEGREE OF MASTER OF SCIENCE (PROCUREMENT MANAGEMENT) OF  
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ENHANCEMENT, (SPESSE), UNIVERSITY OF BENIN,  
BENIN CITY.**

**NOVEMBER, 2025**

## **DECLARATION**

I, **Kokumo Endurance Agbonmwandolor**, affirm that this thesis is the product of my own research and effort. It has not been submitted previously, in whole or in part, for any academic degree, nor is it being considered for any other award. Proper credit has been given to all sources and works referenced in this study.

.....

**Kokumo Endurance Agbonmwandolor**

.....

**Date**

## CERTIFICATION

We certify that this project, **A RESEARCH PROPOSAL ON PUBLIC PROCUREMENT, INSTITUTIONS, AND ECONOMIC DEVELOPMENT IN NIGERIA** (*An Analytical Review of Institutional Integrity and Development Outcomes*) was carried out by **KOKUMO ENDURANCE AGBONMWANDOLOR** in the Department of Procurement Management, Faculty of Sustainable Procurement, Environmental And Social Standards Enhancement, (Spesse), University of Benin, Benin City, Nigeria.

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**Prof . Sylvester Osuji.**  
**(Centre Leader.)**

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**Date**

## **DEDICATION**

This is dedicated to Almighty God, for His unrestrained mercy, love, and grace showered upon me as I continue striving in procurement practice. My dedication is also to Late Pa. Napoleon Erhatiemwen-omo Omoigui and Late Mrs. Alice Otasowie Erhatiemwen-omo Omoigui (née Ogbevoen), both souls of blessed memory, To my late biological father of blessed memory Mr. Kokumo Billy Aiyede, and finally to my one and only beloved mother Madam F. O. Omoigui and beloved brother Mr D. N. Ekhosu for their love and concern to enable me achieve my purpose in life

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## **ABSTRACT**

This study investigates the influence of public procurement practices and institutional quality on Nigeria's economic development between 1981 and 2024. Given that public procurement constitutes a substantial portion of national expenditure, it plays a critical role in shaping infrastructure delivery, public service provision, and long-term development outcomes. The Public Procurement Act of 2007 introduced a regulatory framework aimed at enhancing transparency, accountability, and value for money; however, persistent challenges remain. Weak enforcement mechanisms, corruption, political interference, and limited institutional capacity continue to diminish the effectiveness of public spending.

The research examines the connections between procurement performance, governance quality, and economic development by reviewing historical trends, policy reforms, and institutional behaviors across key public sectors. It traces the evolution from a largely unregulated and opaque procurement environment in the 1980s and 1990s to a more structured system following the establishment of the Bureau of Public Procurement. Despite these improvements, institutional weaknesses and governance gaps still compromise project execution, contribute to cost overruns, and slow national progress.

The study underscores that legal reforms alone are insufficient to ensure effective procurement. Strong institutions, political will, transparent processes, and a skilled procurement workforce are essential for transforming public procurement into a consistent driver of economic growth, social development, and enhanced public service delivery in Nigeria.

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Preamble

Public procurement is a fundamental component of a nation's socio-economic development, involving the acquisition of goods, services, and works by government institutions using public funds. In Nigeria, public procurement constitutes a major share of government expenditure, accounting for over 60% of the national budget (World Bank, 2020). It serves as a critical instrument for stimulating economic growth, enhancing service delivery, and promoting good governance. Despite the enactment of the Public Procurement Act in 2007 and the creation of the Bureau of Public Procurement (BPP), Nigeria continues to grapple with challenges such as corruption, inefficiency, and limited transparency in procurement processes (Organisation for Economic Co-operation and Development [OECD], 2016).

Institutions, defined as the formal and informal rules governing human interaction (North, 1990), play a decisive role in determining procurement outcomes. Strong institutional frameworks promote accountability, transparency, and adherence to the rule of law, all essential for effective procurement. Conversely, weak institutions encourage rent-seeking, poor allocation of resources, and negative development outcomes. The link between institutional quality and economic growth has been extensively examined in development literature (Acemoglu & Robinson, 2012). Research within developing countries, including Nigeria, highlights that institutional strength significantly influences procurement efficiency and national development. North (1990) emphasized the critical role of institutions in shaping economic outcomes, while the World Bank (1995, 2016) provided empirical evidence showing that transparent and well-functioning procurement systems enhance service delivery and development results.

Studies by Thai (2001) and Odhiambo and Kamau (2003) explored how institutional reforms in Africa affect procurement performance and economic growth. Research in Uganda and Ghana by Agaba and Shipman (2007) and Ameyaw et al. (2012) demonstrated that strengthened institutional capacity improves accountability and project execution. In Nigeria, Adewole (2014) and Eze and Eze (2020) found that weak enforcement and corruption undermine the effectiveness of the Public Procurement Act, negatively impacting infrastructure development and public trust. Hui et al. (2011) and Oyebola and Adedokun (2022) highlighted that institutional weaknesses, including inadequate oversight and non-compliance, contribute to procurement inefficiency and poorer development outcomes. Recent studies (2023–2024) continue to underscore the importance of institutional integrity and effective procurement oversight for successful public projects in Nigeria.

This study seeks to fill a gap in the literature by examining how public procurement practices, influenced by institutional quality, affect national development outcomes in Nigeria. Despite ongoing reforms and persistent development challenges, this relationship has received limited scholarly attention. Aligning procurement practices with Nigeria’s commitment to the United Nations Sustainable Development Goals (SDGs), particularly Goal 16 (peace, justice, and strong institutions) and Goal 8 (decent work and economic growth), is crucial. Public procurement also supports other SDGs, including SDG 12.7, SDG 16, SDG 8, and SDG 9, by promoting transparency, sustainability, economic growth, and institutional integrity. Recent studies (Abazie et al., 2023; Adekeye et al., 2024; Brookings Institution, 2024a, 2024b; Chukwu, 2025; Nwachukwu et al., 2024) reaffirm that oversight and institutional integrity remain key determinants of public project success in Nigeria.

## 1.2 Statement of the Research Problem

Public procurement is vital for delivering public goods and services, stimulating economic activity, and achieving national development objectives. In Nigeria, it represents a substantial portion of government expenditure, accounting for over 60% of the national budget (World Bank, 2020). This underscores the potential of an effective procurement system to significantly influence the pace and quality of economic development. Despite this importance, the Nigerian public procurement sector continues to face persistent challenges that undermine its contribution to national growth.

Problems such as corruption, limited transparency, weak accountability, political interference, and inadequate institutional capacity have hampered the effectiveness of the procurement system. Investigations by the Bureau of Public Procurement (BPP), civil society organizations, and international bodies like Transparency International have documented instances of inflated contracts, abandoned or poorly executed projects, and misuse of public funds (Transparency International, 2021). These practices erode public confidence and deprive citizens of essential infrastructure and services, particularly in critical sectors such as healthcare, education, transport, and energy.

Although the Public Procurement Act 2007 was established to provide a legal and regulatory framework for procurement reforms, its enforcement has been inconsistent across government levels. Many Ministries, Departments, and Agencies (MDAs) fail to follow standardized procedures, while oversight bodies often lack independence, resources, or political support to ensure compliance. This gap between the law and its implementation highlights the vulnerability of systems designed to safeguard procurement integrity in Nigeria.

Institutions, defined as the rules governing society (North, 1990), play a central role in shaping economic outcomes. Strong institutions foster transparency, reduce transaction costs,

and limit rent-seeking, factors crucial for effective procurement. In contrast, weak or compromised institutions allow procurement processes to be exploited, resulting in misallocation of resources and slowed development. While the connection between institutional quality and economic performance is well established (Acemoglu & Robinson, 2012), there remains limited research examining how institutional factors influence procurement outcomes in Nigeria and their broader development implications.

Furthermore, the role of procurement institutions as intermediaries linking policy and development outcomes has received insufficient attention in Nigerian studies. Most existing research focuses narrowly on compliance or anti-corruption measures, without thoroughly exploring how institutional effectiveness, procurement performance, and socio-economic development interrelate. There is a particular need for integrated, evidence-based analyses that situate procurement within Nigeria's development agenda, including the Sustainable Development Goals (SDGs).

This study seeks to fill this gap by examining institutional determinants of procurement performance and their impact on economic development in Nigeria. It aims to provide insight into how institutional integrity or its absence affects procurement outcomes and the success of development initiatives, thereby contributing to discussions on governance, public sector efficiency, and sustainable development in developing countries.

Historically, Nigeria's procurement system has faced inefficiencies, non-competitive practices, and weak institutional oversight since the early 1980s. The Structural Adjustment Programme of 1986 promoted economic liberalization and reduced government spending, but left procurement largely unchecked, allowing corruption to flourish (World Bank, 2000; Transparency International, 2022). In the 1990s, despite national planning reforms such as Vision 2010, procurement remained largely unregulated and susceptible to political

interference (Federal Government of Nigeria, 1997). Poor financial management and inflated contracts prompted the World Bank's Country Procurement Assessment Report in 2000 to recommend legal and institutional reforms, leading to the Public Procurement Act of 2007 and the creation of the Bureau of Public Procurement to oversee federal procurement activities (BPP, 2007). The Act emphasized transparency, accountability, competition, and value for money (Ezeh, 2016).

In the 2010s, the Nigerian government attempted further reforms through digital tools like the Nigeria Open Contracting Portal (NOCOPO) and pilot e-procurement initiatives (Open Contracting Partnership, 2023). Civil society engagement also improved through budget monitoring and project tracking. However, poor state-level compliance, weak enforcement of legal instruments, including delays in establishing the National Council on Public Procurement, and limited technical expertise have constrained these reforms (Brookings Institution, 2020; RSIS International, 2021).

Corruption remains a major drain on procurement efficiency, with estimates indicating that between 10 percent and 50 percent of contract values are lost annually to corrupt practices (ResearchGate, 2023). These inefficiencies continue to impede Nigeria's economic development, especially in critical sectors such as infrastructure, education, and healthcare (Ameyaw, Mensah, and Osei-Tutu, 2012; Oyedele, 2018).

### **1.3 Research Questions**

This study aims to address the following research questions:

- i. What is the extent of the impact of public procurement on economic development in Nigeria?
- ii. How do governance factors influence economic development in Nigeria?
- iii. In what ways does the combined effect of public procurement and good governance influence economic development in Nigeria?

#### **1.4 Research Objectives**

The primary aim of this study is to examine the interconnections between public procurement, institutional quality, and economic development in Nigeria. The specific objectives are to:

- i. Evaluate the impact of public procurement on Nigeria's economic development.
- ii. Investigate the relationship between governance factors and economic development in Nigeria.
- iii. Assess how the combined influence of public procurement and governance factors affects economic development in Nigeria.

#### **1.5 Research Hypotheses**

The following null hypotheses will be tested in this study:

1. There is no significant relationship between public procurement practices and economic development in Nigeria.
2. Governance factors do not have a significant influence on economic development in Nigeria.
3. The combined effect of public procurement and governance factors does not significantly affect economic development in Nigeria.

#### **1.6 Scope of the Study**

This study examines the development of Nigeria's public procurement system and its influence on institutional performance and economic outcomes from 1981 to 2024. The focus is on procurement practices at the federal level, with case studies drawn from key Ministries, Departments, and Agencies involved in critical sectors such as infrastructure, healthcare, and education.

The chosen timeframe allows for a comprehensive analysis of procurement trends and institutional reforms. It covers the pre-reform period from 1981 to 2006, the post-Public Procurement Act era beginning in 2007, and subsequent reforms and developments up to 2024. This approach provides insights into how procurement policies have evolved, how institutional quality has affected outcomes, and how these dynamics relate to broader national development objectives.

The study employs both qualitative and quantitative research methods. This includes analyzing procurement data, reviewing policy and economic reports, and conducting interviews with key stakeholders such as procurement officials, contractors, and development partners. The study is limited to public procurement within Nigeria's governmental financial management systems and does not include procurement practices in the private sector.

### **1.7 Significance of the Study**

The study contributes to the growing body of literature on public procurement, institutional integrity, and economic growth in developing countries, particularly in Africa. Public procurement is widely recognized as a key mechanism for enhancing efficiency and value in government spending. However, there is limited research examining its long-term relationship with institutional quality and national development over an extended period, such as from 1981 to 2024.

Secondly, this research provides evidence-based insights to guide the design and implementation of public procurement reforms. By examining federal-level case studies across critical sectors including infrastructure, healthcare, and education, the study offers practical lessons for policymakers, development partners, and procurement professionals seeking to improve governance and service delivery.

Thirdly, the study highlights the link between institutional integrity and procurement performance. Weak oversight, corruption, and lack of transparency can undermine development outcomes. Consequently, the research outlines strategies for leveraging public procurement to advance Nigeria's national development objectives and achieve relevant Sustainable Development Goals, particularly Goals 8, 9, 12, and 16.

Finally, the findings are expected to stimulate further academic research, strengthen institutional accountability, and support efforts to promote inclusive, transparent, and effective public sector governance in Nigeria and comparable contexts.

## **1.8 Structure of the Study**

The study is organized into six chapters to facilitate clarity and understanding. Chapter One introduces the research by providing the background, statement of the problem, objectives, research questions, significance, scope, limitations, and definitions of key terms. It lays the foundation for the study.

Chapter Two presents the background to the research, examining the historical and institutional context of public procurement in Nigeria. It explores the evolution of procurement practices, relevant policies, laws, and their connection to economic development.

Chapter Three reviews the existing literature on public procurement, institutions, and economic development from both theoretical and empirical perspectives. It identifies gaps in previous research and establishes the conceptual and theoretical frameworks for the study.

Chapter Four outlines the research methodology, including the research design, study population, sampling techniques, data collection methods and instruments, analytical procedures, and ethical considerations.

Chapter Five presents and analyses the data using descriptive and inferential statistical methods and interprets the findings in relation to the research questions and objectives.

Finally, Chapter Six concludes the study by summarizing the findings, offering recommendations for policy and practice, and suggesting areas for future research, with a focus on strengthening Nigeria's public procurement system to support economic development.

## **1.9 Limitations of the Study**

Although this study provides a comprehensive examination of public procurement practices and institutional dynamics in Nigeria from 1981 to 2024, certain limitations are acknowledged. A major constraint is the limited availability of historical procurement data, particularly for the period before 2007, when formal regulations such as the Public Procurement Act were not yet implemented. Many records from the 1980s and 1990s are incomplete, poorly maintained, or difficult to access due to bureaucratic restrictions.

Additionally, interviews with stakeholders, including procurement officials, contractors, and policymakers, may be affected by recall bias, personal interests, or reluctance to disclose sensitive information, particularly concerning past misconduct or systemic challenges. The ongoing evolution of procurement reforms and institutional structures over the years may also

influence the generalizability of the findings across different time periods or government administrations.

To address these limitations, the study employs a triangulation approach, combining primary data with credible secondary sources, such as reports from the Bureau of Public Procurement, international development agencies, and independent audit organizations. This mixed-methods strategy enhances the reliability and robustness of the study's findings across the extended time frame.

## CHAPTER TWO

### BACKGROUND OF THE STUDY

#### 2.0 Introduction

Public procurement in Nigeria has traditionally been a function of the public sector. While it was once considered a back-office administrative task, it is now increasingly recognized as a central, multi-stakeholder public function with significant implications for service delivery, economic growth, and social development (Ekwekwuo, 2016). The Nigerian construction industry, in particular, plays a key role in national development by providing essential infrastructure and contributing to the gross domestic product (Dada & Oladokun, 2008; Ogunlana, 2010). Although the organization and coordination of stakeholders in construction procurement are critical for successful project delivery, participants often face numerous challenges due to complex procurement paths and regulatory frameworks (Dada, 2012). The sector is expected to provide shelter, buildings, and other infrastructure that enhance individual well-being. Infrastructure development remains an essential element for national progress, regardless of the procurement processes employed (Dada, Okikiolu & Oyediran, 2006).

Nigeria is among the African countries that have developed a new procurement legal framework aligned with standards set by the African Development Bank. Procurement reform in Nigeria has been part of broader public sector reforms aimed at improving government performance and service delivery. By 1999, the government recognized that weaknesses in the procurement system significantly contributed to recurring corruption (Ekwekwuo, 2016; Jacob, 2010). Over the past two decades, many African governments, including those in Ghana, Liberia, Sierra Leone, Kenya, Zambia, Lesotho, and Nigeria, have undertaken public procurement reforms to strengthen their systems (Ezeh, 2013; Familoye, Ogunsemi, &

Awodele, 2015). These reforms reflect a shared understanding that sound procurement policies and practices are critical for good governance. Proper procurement saves resources and delivers timely results, whereas poor procurement practices often result in wastage, delays, and allegations of corruption and inefficiency.

Nigeria transitioned to democratic governance in 1999 under President Olusegun Obasanjo after over fifteen years of military rule. The governance systems inherited from the military era were characterized by limited accountability and arbitrary administration (Aboki, 2006). Under Obasanjo, the federal government recognized the serious risks in public contract processes (Adewole, 2014; Ezeh, 2013). The World Bank Country Procurement Assessment Report revealed that Nigeria was losing approximately ten billion US dollars annually due to procurement and contract award abuses. As an initial response, the government established the Budget Monitoring and Price Intelligence Unit (BMPIU) to ensure due diligence in government procurement and promote fair pricing. However, the BMPIU faced limitations, including the absence of a legal framework, inability to curb corrupt practices, and unclear roles for stakeholders, which hindered its effectiveness in promoting transparency and accountability (Adewole, 2014; Eze, 2015; Udoma & Belo-Osagie, 2012).

In recent years, Nigeria has implemented numerous reforms in public service delivery, including the Due Process Certification Policy in 2002, the National Economic Empowerment and Development Strategy (NEEDS) in 2004, the Infrastructure Concession Regulatory Commission Act of 2005, and the Service Compact with All Nigerians (SERVICOM) initiative. These reforms were intended to improve quality, transparency, and efficiency in government services (Federal Government of Nigeria, 2004). Multilateral organizations and global development partners have invested significant resources to advance public procurement practices across Nigeria's 36 states and 774 local government areas. Advocacy efforts, particularly by the World Bank and civil society organizations, have

sought to encourage state and local governments to adopt public procurement legislation, though progress has been slow in many areas (Awosemusi, 2013; Adeyeye, 2012).

Accelerating development in Nigeria and other underdeveloped nations requires bold decisions, innovative approaches, and a willingness to move away from traditional practices that have historically hindered progress (Adewole, 2014; Ray, 1998; Peter et al., 2007). Nevertheless, Nigeria has made notable progress. For example, transparent and effective use of debt relief grants demonstrates the government's reform agenda and its ability to manage scarce resources responsibly (Aboki, 2006). Ensuring full compliance with the Public Procurement Act requires robust tracking mechanisms to monitor and evaluate the benefits accrued from procurement initiatives.

This research adds value to existing knowledge by evaluating the implementation of the 2007 Public Procurement Act (PPA), drawing lessons from its application, and recommending amendments to enhance its effectiveness and alignment with international best practices. In this study, procurement is defined as the process of acquiring construction projects, involving the identification of contractual forms that specify the responsibilities and powers of the parties involved. The procurement system refers to the organizational framework adopted by the client to manage the construction and design of a project. Procurement procedures formalize the organization and contractual arrangements for project delivery (Dada, 2013). Construction projects typically bring together diverse stakeholders to form temporary multi-organization coalitions for project execution (Murray et al., 1999; Rowlinson, 1999). Strategic procurement is composed of three key elements: people, processes, and technology (Ezeh, 2013).

Key terms used in this study include MDGs (Millennium Development Goals), MDAs (Ministries, Departments, and Agencies), PPA (Public Procurement Act), and AEC (Architectural, Engineering, and Construction).

## **2.1 Overview of Public Procurement in Nigeria**

The experience of public procurement in Nigeria has undergone a long and dynamic evolution, transitioning from an unregulated system to a legally regulated and transparent framework governed by a dedicated institution. For decades, public procurement in Nigeria was marked by limited transparency and weak accountability, which created fertile ground for corruption and inefficiency. The enactment of the Public Procurement Act in 2007 marked a significant turning point, establishing the Bureau of Public Procurement (BPP) as the regulatory authority responsible for overseeing procurement activities in public institutions. The Act provides mechanisms to ensure accountability, transparency, value for money, and efficiency in all government contracts.

The Nigerian public procurement framework is implemented primarily through the Bureau of Public Procurement, which enforces the Public Procurement Act of 2007. The Bureau's policies and procedures promote transparency, competitiveness, and pre-determined criteria for evaluating procurement opportunities, while also ensuring citizens' access to unclassified procurement records. To enhance the integrity of the procurement process, the BPP has made its laws and related documents widely available, including translations into local languages, and issued Standard Bidding Documents and implementation circulars.

The BPP also monitors the expenditure of Ministries, Departments, and Agencies (MDAs) to ensure that appropriated funds are not left unspent at the end of the financial year, thereby preventing potential diversion of billions of Naira. This monitoring process helps safeguard financial records and public expenditure documentation from forgery. Some MDAs even

invite the Bureau to oversee bidding processes, reinforcing procedural integrity. The BPP continues to prosecute individuals and companies for procurement-related offenses, such as the submission of fake tax receipts and awarding undue advantages, and works in collaboration with the Federal Inland Revenue Service (FIRS) to recover defaulted taxes and prosecute tax-related violations. Further details on the BPP's public procurement activities are provided in Annexure 1.

The Code of Conduct Bureau (CCB) also plays a supporting role in ensuring high standards of public morality and accountability. Through its strategic plan, the CCB develops agency-specific Codes of Conduct, including ethical and integrity standards, to promote transparency and accountability in public finance management. High-impact agencies, identified as high-risk organizations, receive particular attention, with pilot testing underway for the drafted Codes of Conduct.

Overall, the trajectory of public procurement in Nigeria from 1981 to 2024 reflects a shift from an unregulated environment to a structured and regulated system aimed at promoting transparency, efficiency, and value for money. Despite the significant progress achieved, ongoing reforms remain essential to strengthen effective and accountable procurement practices.

## **2.2 The Study Environment**

Nigeria's economic and governance landscape is complex, characterized by abundant human and natural resources alongside historically weak institutional structures. As the most populous country in Africa and one of its largest economies, Nigeria has significant potential for public sector-driven development. However, this potential is frequently undermined by weak institutions, widespread corruption, inconsistent policies, and administrative inefficiency (Transparency International, 2022; World Bank, 2020).

The public sector holds a central role in national development, managing a substantial share of the national budget and public expenditure. Public procurement alone represents approximately 60 to 70 percent of government spending (World Bank, 2020), emphasizing its importance in driving socio-economic progress. Despite the introduction of the Public Procurement Act (PPA) in 2007 to enhance transparency, accountability, and value for money, enforcement has been uneven and its impact limited (Ezeh, 2016). At the federal level, oversight of procurement activities within Ministries, Departments, and Agencies (MDAs) is conducted by the Bureau of Public Procurement (BPP), which monitors procurement planning, contract awards, and post-contract evaluations.

Even with federal oversight, compliance challenges remain, driven by political interference, limited technical capacity, and inconsistent enforcement (Brookings Institution, 2020). BPP and other government audits have repeatedly identified issues such as irregular contract awards, cost overruns, and suspended capital projects. These challenges are more severe at the state and local government levels, where institutional frameworks are weaker, and PPA adoption is incomplete. In cases where procurement laws exist, officials often lack proper training and resources to implement them effectively (RSIS International, 2021; University of the Western Cape, 2021).

The fragmented legal and institutional framework results in uneven procurement performance, with states facing particular challenges in transparency, procedures, and contract management. Anti-corruption agencies such as the Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices and Other Related Offences Commission (ICPC) also form part of the institutional landscape. Although these bodies have strengthened efforts to investigate procurement-related corruption, their effectiveness is constrained by political influence, limited independence, and weaknesses in the judicial system (Onwujekwe et al., 2019).

Informal socio-political factors including favoritism, clientelism, and regional loyalties also shape procurement outcomes, influencing contractor selection, project locations, and budget allocations. These dynamics often distort development priorities and erode public confidence. Nigeria's federal system, with its asymmetrical institutional capacity across national and subnational levels, demonstrates that despite reforms, corruption, weak monitoring, and inefficiency continue to limit the effectiveness of procurement systems. Understanding this environment is essential for analyzing how procurement legislation functions and its impact on economic development.

### **2.3 Trends in Public Procurement and Economic Development in Nigeria 1981 to 2024**

The evolution of public procurement in Nigeria mirrors the broader trajectory of economic governance, institutional capacity, and state effectiveness. For many years, procurement activities were marked by weak transparency, operational inefficiencies, excessive contract costs, and entrenched corruption. In the absence of firm regulatory controls, contract awards were often influenced by political connections and personal discretion rather than open competition or economic value considerations (Thai, 2001; Transparency International, 2022).

During the 1980s and 1990s, Nigeria lacked a comprehensive legal framework to guide public procurement practices. As a result, procurement procedures varied widely across ministries and agencies, leading to poor coordination and ineffective spending. This period was characterized by abandoned public projects, persistent cost overruns, and limited accountability in government expenditure. Such conditions weakened development planning and reduced the contribution of public spending to economic growth (World Bank, 2000).

A major institutional shift occurred with the enactment of the Public Procurement Act in 2007. The law established the Bureau of Public Procurement as the central authority responsible for regulating procurement activities at the federal level. Through standardized

rules and procedures, the Act sought to promote transparency, accountability, competition, and efficiency in the award and execution of government contracts (BPP, 2007). The reform was designed to improve service delivery, reduce waste, and align Nigeria's procurement system with international standards.

Notwithstanding these reforms, several structural and operational challenges persist. Research evidence suggests that weak enforcement mechanisms, limited institutional capacity, and frequent noncompliance with procurement regulations continue to undermine the system's effectiveness (Ezeh, 2016; Oyedele, 2018). A recurring problem is the large number of uncompleted capital projects, often linked to inadequate project appraisal, poor technical planning, and inflated contract pricing. These shortcomings result in substantial financial losses and restrict the potential impact of public investment on infrastructure and inclusive economic growth.

Economic development, which involves improvements in income levels, employment opportunities, infrastructure provision, and public service delivery, is closely connected to the efficiency of public procurement systems. When procurement processes function effectively, they support domestic industries, encourage job creation, and ensure timely completion of development projects. In contrast, poorly managed procurement systems distort budget priorities, weaken investor confidence, and reduce the quality and availability of essential public services (Ameyaw et al., 2012; World Bank, 2020).

In recent years, initiatives such as the Nigeria Open Contracting Portal and the introduction of electronic procurement platforms have been adopted to enhance transparency and strengthen monitoring of public contracts. However, their overall impact has been constrained by inconsistent application and limited adoption, particularly at the state and local government levels (Open Contracting Partnership, 2023).

In conclusion, although the 2007 procurement reforms provided a solid institutional foundation for improving governance and accountability, their developmental outcomes have been weakened by enforcement challenges, capacity gaps, and institutional constraints. For public procurement to effectively contribute to economic development in Nigeria, sustained policy reforms, continuous professional training of procurement personnel, and stronger public participation in contract oversight remain essential.

## **2.4 Trends in Public Procurement and Governance Factors in Nigeria 1981 to 2024**

The development of public procurement governance in Nigeria between 1981 and 2024 reflects a complex pattern of progress alongside persistent challenges. Over this period, several legal and institutional reforms were introduced, particularly from the early 2000s, with the objective of strengthening procurement systems and improving accountability. These reforms were intended to modernize procurement operations and align them with accepted international standards.

Despite these efforts, a noticeable disconnect remains between policy formulation and actual implementation. This disparity is largely attributable to enduring governance weaknesses, including poor regulatory enforcement, insufficient technical and institutional capacity within procurement bodies, and the continued presence of corrupt practices. Such structural deficiencies have limited the effectiveness of procurement reforms and reduced their potential benefits for public service delivery and national development.

As a result, improvements achieved at the level of legislation have not always translated into practical gains in efficiency or transparency. The persistence of governance challenges has continued to undermine procurement outcomes and restrict the contribution of public procurement to broader economic growth objectives in Nigeria.

### **2.4.1 1981 to 1999 Pre Reform Period Marked by Weak Institutions and Poor Governance**

Prior to the year 2000, Nigeria did not operate a well defined legal or institutional structure for public procurement. The absence of clear rules and oversight frameworks resulted in persistent inefficiencies and frequent governance breakdowns. Contract awards during this period were largely discretionary and rarely based on competition, which led to poor value for public funds and compromised standards in project delivery. These shortcomings manifested in inflated contract costs that exceeded prevailing market prices, substandard execution of public projects, widespread abandonment of infrastructure, and significant economic losses that affected the provision of essential services.

Throughout the 1980s and 1990s, governance in Nigeria was dominated by successive military administrations characterized by minimal transparency and weak accountability mechanisms. Procurement decisions were concentrated in the hands of a few political and military elites, with little regard for open tendering or due process. The lack of independent regulatory and monitoring institutions allowed these practices to persist, thereby entrenching a culture of impunity within the public sector.

The adoption of the Structural Adjustment Programme in 1986 was intended to liberalize the economy and promote fiscal discipline by reducing the direct role of government. While the programme sought to improve efficiency, it also reduced the state's supervisory capacity. In the area of public procurement, this created opportunities for informal dealings and non transparent practices to expand.

Several governance challenges defined this era. Decision making processes were highly centralized, which limited institutional checks and stakeholder participation. Political

patronage strongly influenced contract allocation, weakening fair competition and accountability. In addition, the absence of effective oversight structures allowed corrupt practices and rent seeking behaviour to become widespread.

This pre reform period significantly weakened public institutions and laid the foundation for entrenched inefficiency and corruption. The governance patterns established during these years proved difficult to dismantle, even after formal procurement reforms were introduced in the early 2000s.

#### **2.4.2 2000 to 2007 Reform Agenda and Institutional Framework**

Nigeria's public procurement reform process gathered strength following the publication of the World Bank Country Procurement Assessment Report in 2000. The report identified serious weaknesses within the existing procurement system and described it as fragmented, poorly coordinated, and highly susceptible to corruption and misuse of public resources. Key concerns included the absence of uniform procurement procedures, weak institutional capacity, and limited transparency, all of which exposed procurement activities to political influence and financial inefficiency.

In response, the Federal Government under the leadership of President Olusegun Obasanjo embarked on a comprehensive reform programme to restructure the procurement system. This reform drive was largely informed by World Bank recommendations and international best practice frameworks. The culmination of these efforts was the enactment of the Public Procurement Act in 2007.

The passage of the Public Procurement Act represented a major turning point in Nigeria's governance framework. For the first time, the country adopted a single and coherent legal structure to regulate procurement activities across all federal Ministries, Departments, and Agencies. The Act also established the Bureau of Public Procurement as the central

regulatory authority responsible for formulating procurement policies, issuing guidelines, monitoring compliance, and enforcing standards across the public sector.

The Act introduced fundamental principles intended to reshape procurement governance in Nigeria. These included the mandatory use of competitive tendering to promote fairness and openness, the pursuit of value for money to ensure prudent use of public funds, enhanced transparency to allow public scrutiny of procurement decisions, and accountability mechanisms to hold public officials responsible for their actions.

By aligning Nigeria's procurement framework with internationally recognized standards such as the UNCITRAL Model Law on Public Procurement, the Public Procurement Act sought to narrow the gap between policy formulation and practical implementation, curb corruption, and improve the quality of public service delivery. While the enactment of the law marked a significant institutional advance, its effectiveness remained dependent on sustained political will, consistent enforcement, and the capacity of implementing institutions to faithfully apply its provisions.

### **2.4.3 2008 to 2020 Implementation Gaps and Governance Challenges**

Although the enactment of the Public Procurement Act marked a notable improvement in Nigeria's procurement framework, the period that followed revealed substantial difficulties in translating legal provisions into effective practice. The implementation stage was constrained by several governance related challenges, including weak institutional coordination, persistent political influence, and limited administrative and technical capacity within procurement entities. These factors significantly reduced the extent to which the objectives of the Act could be fully achieved.

Empirical evidence highlights a number of critical concerns during this period. One major issue was widespread non compliance at the subnational level. Many state and local

governments either failed to enact procurement laws consistent with the federal framework or neglected to properly enforce existing regulations. This resulted in uneven procurement practices and weakened accountability across different levels of government.

Another significant challenge was the non establishment of the National Council on Public Procurement, which was provided for under the Act as a key oversight body. The absence of this institution created a governance vacuum and limited effective supervision of procurement activities at the federal level. In addition, capacity constraints remained widespread. Many Ministries, Departments, and Agencies, particularly those located outside major urban centres, lacked adequately trained procurement personnel. This shortfall was compounded by insufficient and poorly coordinated capacity building initiatives.

Studies during this period indicate that these weaknesses translated into measurable economic losses. Cost overruns were common across public projects, with federal level projects frequently exceeding approved budgets and even higher overruns recorded at the state level. Political interference further aggravated the situation, as influential actors often influenced contract awards in favour of firms lacking the technical and financial capability to deliver. As a result, many projects were poorly executed, delayed, or abandoned altogether. These outcomes undermined public confidence in the procurement system and reduced the developmental impact of government expenditure.

#### **2.4.4 2021 to 2024 Digital Reforms Public Scrutiny and Persistent Corruption**

In recent years, Nigeria has sought to strengthen procurement governance through the use of digital tools and transparency focused reforms. Initiatives such as the Nigeria Open Contracting Portal and selected electronic procurement pilot programmes have expanded public access to information on contract awards and procurement activities. These platforms

have enabled citizens and civil society groups to monitor government spending more closely, thereby promoting openness and improving accountability within public institutions.

Notwithstanding these technological improvements, corruption continues to undermine procurement processes. Reports published in 2023 uncovered substantial financial losses linked to procurement activities, estimated at about seventy nine billion naira. These losses were largely attributed to inflated contract prices, falsified documentation, and other fraudulent practices. Although the Companies and Allied Matters Act of 2020 was introduced to enhance corporate responsibility and transparency, its influence on procurement integrity has remained limited due to weak enforcement structures and lengthy judicial proceedings.

In response to persistent governance challenges and the need to align procurement laws with changing economic conditions, the federal government constituted a review committee in 2024 to examine and propose amendments to the Public Procurement Act of 2007. This initiative reflects an acknowledgment that effective procurement reform requires continuous legal review, stronger institutions, and consistent enforcement to achieve meaningful development outcomes.

## **2.5 Key Governance Factors Influencing Public Procurement in Nigeria (1981–2024)**

### **2.5.1 Positive Developments**

1. The creation of the Bureau of Public Procurement and the passage of the Public Procurement Act in 2007 established a strong legal and institutional foundation for public procurement.
2. Expansion of professional development initiatives, including training and certification programs, strengthened the capacity and expertise of procurement personnel.

3. The gradual implementation of digital procurement platforms between 2018 and 2024 improved efficiency, transparency, and the accessibility of procurement information.
4. Growing public engagement, driven by investigative journalism and active civil society participation, has enhanced accountability and encouraged oversight of procurement activities.

### **2.5.2 Ongoing Challenges**

1. Inadequate enforcement of procurement regulations has resulted in uneven compliance across federal, state, and local government levels.
2. Key oversight bodies, particularly the National Council on Public Procurement (NCPP), remain absent or underdeveloped, limiting accountability.
3. Weaknesses in procurement planning and budgeting have negatively affected project implementation and the efficient use of public resources.
4. Persistent corruption, inflated contract costs, and favoritism in award processes continue to undermine competition and reduce value for money.
5. Insufficient institutional capacity and a shortage of skilled personnel, especially in subnational entities and rural Ministries, Departments, and Agencies, restrict effective procurement management.

These governance challenges have significantly influenced the overall performance of Nigeria's public procurement system and its role in promoting economic development. Although legal and institutional frameworks have been strengthened, the main obstacles remain the consistent implementation of regulations, rigorous enforcement, and the development of institutional capacity necessary to fully achieve the objectives of procurement reforms.

## **2.6 Public Procurement and Economic Development in Nigeria**

Public procurement has increasingly emerged as a critical driver of economic growth and business activity worldwide. This significance is underscored by growing interest from development partners, civil society organizations, professional bodies, the private sector, and the general public. After decades of operating under inefficient and unsustainable procurement systems, many developing countries, including Nigeria, have undertaken efforts to reform their legal, organizational, and institutional frameworks for public procurement.

Globally, governments face mounting pressure to provide a wide range of essential services, including health, education, defense, and infrastructure. To deliver these services, governments acquire goods, services, and works from the market through public procurement, broadly defined as the process of purchasing, renting, or otherwise contracting for goods, construction projects, and services by public entities. Effective procurement has both political and economic implications, making it essential that the process is efficient, cost-effective, and well-understood by all stakeholders, including the business community, government agencies, professional organizations, civil society, and the general public.

Prior to 1994, public procurement in most countries was primarily governed by administrative directives and outdated legislation. In Nigeria, before the 2007 Public Procurement Act, procurement was largely regulated through finance circulars and directives issued by central and regional Ministries of Finance under the Finance (Control and Management) Act of 1958. The inadequacy of these laws contributed to widespread dysfunction in public procurement systems, highlighting the urgent need for reform.

In response, the United Nations Commission on International Trade Law (UNCITRAL) issued a Model Law on Procurement of Goods, Construction, and Services in 1994. The Model Law serves as a flexible framework that national governments can adopt or adapt to

improve domestic procurement legislation. Its core objectives are to establish standardized procedures, ensure value for money, and prevent abuse or corruption in public procurement. By harmonizing procurement processes, the Model Law also addresses challenges posed by inconsistent or outdated national regulations, facilitating competitive, transparent, and efficient procurement practices that can enhance both domestic and international trade opportunities. The UNCITRAL Model Law was developed in response to the recognition that many national procurement systems were outdated, fragmented, or ineffective, resulting in inefficiencies, misuse of public funds, and limited value for money. By providing clear principles and procedures for conducting procurement, the Model Law helps governments design processes that are transparent, competitive, and accountable. It allows flexibility for local adaptation while maintaining the fundamental goal of safeguarding public resources and ensuring fair access for suppliers.

A key objective of the Model Law is to reduce legal uncertainties and discrepancies between national procurement systems. Inconsistent or opaque procurement regulations can prevent governments from fully leveraging competitive pricing and quality advantages available in international and domestic markets. By promoting harmonized procedures, the Model Law facilitates fair competition, minimizes opportunities for corruption, and enhances confidence in public spending.

In Nigeria, adopting and aligning with the UNCITRAL framework has been critical in shaping procurement reforms, particularly with the enactment of the Public Procurement Act of 2007. These reforms aim to create a standardized, legally robust procurement system that improves efficiency, ensures accountability, and contributes to national economic development. By implementing internationally recognized principles, Nigeria seeks to maximize value from public expenditures while strengthening institutional integrity, transparency, and public trust.

## **2.7 Public Procurement Principles**

Public procurement system is built on a number of principles meant to promote accountability, transparency and frugality in the spending of public funds for the acquisition of goods and service. They include:

### **a. Value for Money (VFM):**

Value for Money is regarded as a central principle in public procurement (Raymond, 2008). In the public sector, VFM involves evaluating how resources can be allocated to achieve optimal outcomes, support government priorities, and maximize the performance and returns from funds expended (Bauld & McGuinness, 2006). Cummings and Qiao (2003) emphasize that achieving VFM may require considering factors beyond the lowest price when awarding contracts, such as technical expertise, the quality of key personnel, and past performance records. According to Palmer and Butt (1985), several challenges including weak institutional capacity, political interference, entrenched practices, and limited training opportunities must be addressed to effectively realize VFM in public procurement.

### **b. Ethics:**

Ethics represents a crucial principle in public procurement. According to Atkinson (2003), procurement professionals are expected to maintain higher ethical standards compared to many other professions. However, a significant number are often unaware of these expectations. It is therefore essential that employees receive proper training in ethical standards to prevent serious issues, such as violations of codes of conduct (Raymond, 2008). Atkinson (2003) also highlighted that in the United States, there are around 500,000 procurement professionals, yet fewer than 10 percent are members of professional associations that provide training in purchasing ethics. The majority remain unaware of the legal and ethical requirements that guide responsible procurement practices.**Competition:**

Competition is the means by which most products and services are purchased (Raymond, 2008). It is a way in which consumers utilize competitive market forces to get the best possible offer obtainable from the market at that specific moment. It is present in the process of tendering because different tenders place bids for consideration. Competition is also present in issues such as credibility of the suppliers in honoring previous similar contracts, price and the most competitive bidder would get the deal (Raymond, 2008). Erridge *et al.* (1999) believes that competitive tendering would do away with charges of favouritism and corruption and that the openness of the system would encourage more suppliers to participate and that increased competition would help reduce prices, improve quality and lead to greater competitiveness amongst suppliers;

**c. Transparency:**

Transparency is a fundamental principle in public procurement, referring to the openness of the tendering and contracting process. It requires strict adherence to national procurement laws, policies, and procedures. By ensuring transparency, both local and international suppliers are assured that contracts will be awarded fairly and without bias. Smith-Deighton (2004) emphasizes that transparency demands governments act at the highest standards of conduct, making their decisions and processes visible and open to scrutiny. This principle is vital for promoting accountability and reducing opportunities for corruption. Transparency has gained increasing importance in countries within the Organization for Economic Cooperation and Development (OECD), forming a key component of good governance values. In any market, a lack of transparency in providing clear information on rules and procedures can restrict trade and may disproportionately disadvantage foreign suppliers compared to domestic ones (Arrowsmith, 2003).

#### **d. Accountability:**

Accountability is a crucial principle in public procurement, applying at both national and international levels (Raymond, 2008). Citizens increasingly demand higher levels of responsibility and improved service delivery from public institutions (Gunasekaran, 2005). In the context of a highly competitive environment, managing procurement risks often creates challenges for accountability (Barrett, 2000). These challenges arise when the roles and responsibilities of parties involved in the procurement process are not clearly defined or properly assigned, which can lead to inefficiencies and mismanagement (Raymond, 2008).

### **2. 8 Practices of Public Procurement and Corruption in Nigeria.**

Public procurement in Nigeria serves as a vital driver of economic growth and governance. Despite its importance, the sector faces numerous complexities and challenges, making a thorough understanding of its processes, regulations, and performance essential. This study examines the evolution, legal framework, operational procedures, and performance of public procurement in Nigeria, while highlighting the key issues, potential solutions, and implications for sustainable development.

A critical concern in public procurement is corruption. Corruption has been described in various ways: as the use of power for personal gain (Van Roy, 1970), as the abuse of public authority for private benefit (Tanzi, 1998; Tanzi and Davoodi, 1998), and as the exercise of lawful authority to favor certain individuals over others (Colombatto, 2003; Asada, 2010). In the context of public procurement, it refers to the diversion of public resources for private purposes in violation of established rules (Søreide, 2002). In Nigeria, it has been defined as any act that illegally grants rights, privileges, or resources to individuals (National Assembly Nigeria, 2000), and more specifically, as offering or providing inducements such as gifts,

employment, or services to influence the decisions of officers involved in procurement processes (Bureau of Public Procurement, 2008e).

Central to these definitions is the concept of abuse of discretion. For this research, corruption is understood as the partiality, abuse of power, or misuse of authority for personal gain within public procurement. Globally, corruption is a persistent challenge that affects all stages of development (Tanzi, 1998; Transparency International, 2010). In Nigeria, it is often attributed to politicians who divert public funds through procurement processes (Ajayi and Abdulkareem, 2010).

The return to democratic rule in 1999 brought increased awareness of corruption in public procurement (Fagbadebo, 2007). In response, the Nigerian government established two key anti-corruption agencies: the Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices and Other Related Offences Commission (ICPC), empowered to combat corruption in all its forms (National Assembly Nigeria, 2000; 2004).

A large proportion of documented corruption cases in Nigeria have occurred through public procurement (Watts and Bassett, 1985; Malgwi, 2004; Okogbule, 2006). For instance, in cases involving the Nigerian Ports Authority (NPA), Nigeria Rural Electrification Organisation (REO), and the Nigerian Universal Basic Education Commission (UBEC), roughly \$1 billion of public funds was misappropriated during procurement activities (Sowunmi et al., 2009; Awolusi, 2010; Bakre, 2010). Over time, corruption has produced widespread negative consequences in society, with public procurement being a primary channel for its manifestation (Shehu, 2004; Bakre, 2010).

## **CHAPTER THREE**

### **LITERATURE REVIEW**

#### **3.0 Introduction**

This chapter reviews research on public procurement, institutional quality, and economic development, with a focus on the evolution of these areas in Nigeria from 1981 to 2024. The three interrelated components procurement, institutions, and development play a critical role in shaping governance, directing resource allocation, and supporting long-term national growth. The review draws on conceptual models, theoretical perspectives, and empirical studies to establish a solid foundation for the research.

Although theoretical frameworks and policy guidelines exist, empirical evidence on the impact of procurement reforms in Nigeria remains limited and fragmented. This study expands on the existing body of knowledge by examining the institutional and economic dimensions of procurement within Nigeria's federal system. It seeks to address gaps in the literature by integrating governance theories with policy evaluation and exploring strategies to enhance procurement outcomes in support of sustainable development.

#### **3.1 Conceptual Clarification**

##### **3.1.1 Economic Development**

Economic development refers to the sustained improvement in the economic, social, and political well-being of a nation's population. It encompasses more than simply increasing a country's output, commonly measured by Gross Domestic Product (GDP). Economic development also considers living standards, the quality of institutions, and equitable access to opportunities for all citizens (Todaro & Smith, 2015; Sen, 1999). Unlike economic growth, which primarily focuses on production and consumption levels, economic development is

broader, addressing issues such as income distribution, poverty reduction, education, healthcare, environmental sustainability, and political inclusion (UNDP, 2020).

Sen's capabilities approach emphasizes that development should be measured by the freedoms individuals have to pursue the lives they value, highlighting the importance of expanding human abilities and choices rather than merely increasing economic output (Sen, 1999). Similarly, Kuznets (1971) and Chenery & Syrquin (1975) stress the significance of structural transformation, showing how economies evolve from agriculture-centered systems to more diverse industrial and service sectors, supported by improved infrastructure, governance, and human capital.

Economic development is closely linked to institutional quality. Acemoglu and Robinson (2012) argue that inclusive political and economic institutions foster innovation, productivity, and equitable resource distribution. In developing countries, weak institutions and governance challenges often hinder the realization of development objectives, even when resources are available.

Public procurement plays a key role as a policy instrument for promoting economic development. Beyond the routine acquisition of goods, services, and infrastructure, procurement can stimulate local economies through domestic sourcing, support for small and medium-sized enterprises (SMEs), job creation, and technology transfer (OECD, 2016; Thai, 2001). According to the World Bank (2020), public procurement accounts for 60% to 70% of government expenditure in many developing nations, making it a potent tool for economic and social transformation. When managed effectively and transparently, procurement can contribute to achieving national development targets, particularly the Sustainable Development Goals (SDGs), including SDG 8 on Decent Work and Economic Growth and SDG 9 on Industry, Innovation, and Infrastructure.

The effectiveness of procurement in fostering development depends heavily on institutional capacity, governance quality, and regulatory frameworks. Inefficient procurement systems, often characterized by corruption, limited competition, or inadequate planning, can result in resource wastage and suboptimal development outcomes (Transparency International, 2021). Strengthening procurement governance is therefore essential for ensuring that government spending translates into tangible development gains.

### **3.1.2 Public Procurement**

Public procurement is the process through which government agencies acquire goods, services, and infrastructure using public funds. It is a central component of public financial management, translating government budgets into tangible outputs and outcomes. The procurement process typically follows a structured cycle, which includes identifying needs, planning and budgeting, tendering, awarding contracts, executing projects, monitoring performance, and evaluating outcomes after contract completion (Thai, 2001).

Beyond its operational role, public procurement serves as a strategic policy instrument for governments. It facilitates the delivery of essential services, stimulates economic growth, encourages innovation, and supports infrastructure development. In many developing countries, public procurement accounts for a substantial portion of the economy, often representing between 10% and 20% of GDP (OECD, 2016). This highlights its potential to influence service delivery and broader socio-economic outcomes, including job creation, industrial expansion, and poverty reduction.

Globally, public procurement operates according to principles such as transparency, accountability, fairness, competition, and value for money. International frameworks, including the UNCITRAL Model Law on Public Procurement, provide guidance for

establishing procurement systems that align with global standards. Many countries, including Nigeria, have adopted these guidelines to shape national procurement reforms.

In Nigeria, the legal framework for procurement was formally established with the enactment of the Public Procurement Act (PPA) in 2007. This legislation created the Bureau of Public Procurement (BPP) as the main regulatory and oversight body for procurement in federal Ministries, Departments, and Agencies (MDAs). The PPA aims to ensure transparency, foster competition, guarantee value for money, and standardize procurement procedures across the federal public sector (BPP, 2007).

Prior to the PPA, Nigeria's procurement system was characterized by unclear procedures, uncompetitive bidding, and frequent financial losses. These shortcomings often led to cost overruns, poorly executed projects, and incomplete public works (Ezeh, 2016; World Bank, 2000). The absence of a robust legal and institutional framework created opportunities for rent-seeking, inflated contracts, and collusion between contractors and government officials.

Since its establishment, the BPP has issued guidelines, standard bidding documents, and training programs to improve compliance with the PPA. Despite these efforts, challenges remain. Political interference, insufficient skills among procurement officers, weak monitoring systems, and resistance to change in entrenched bureaucratic structures continue to limit the effectiveness of reforms and their contribution to Nigeria's economic development.

Institutions, both formal and informal, provide the frameworks that guide economic, political, and social interactions. Formal institutions include constitutions, laws, and regulations, while informal institutions encompass traditions, social norms, and cultural practices (Helmke & Levitsky, 2004; North, 1990). Together, these institutions shape incentives, behaviors, and outcomes, influencing the efficiency and fairness of governance.

In the context of public procurement, institutions determine the rules for acquiring goods, works, and services, influencing law implementation, compliance monitoring, and the handling of violations. Strong institutions enhance transparency, accountability, and reduce corruption by establishing clear rules and credible enforcement mechanisms (OECD, 2016). Inclusive institutions, which promote broad participation and equitable access, are essential for sustainable development, while extractive institutions, concentrating power and resources, undermine efficiency and fairness (Acemoglu & Robinson, 2012).

In Nigeria, several institutions play key roles in regulating procurement. The BPP ensures compliance with the PPA and promotes value-for-money outcomes. The Economic and Financial Crimes Commission (EFCC) investigates and prosecutes procurement-related fraud. The Code of Conduct Bureau (CCB) enforces ethical standards for public officials, while the Office of the Auditor-General of the Federation, Public Accounts Committees, and civil society organizations provide additional oversight.

Effectiveness, however, varies across federal, state, and local levels. Challenges include political interference threatening regulatory independence, capacity limitations such as insufficient training and staffing, and weak enforcement where violations go unpunished due to bureaucratic delays or corruption (Brookings Institution, 2020; Transparency International, 2021). Informal norms, including patronage and rent-seeking behaviors, often undermine formal rules, creating a dual system where official regulations coexist with less transparent practices (Khan, 2010).

Therefore, reforming procurement in Nigeria requires more than updating laws and procedures. It necessitates institutional transformation, including strengthening enforcement capacity, ensuring operational independence, improving inter-agency coordination, and promoting a culture of integrity. Achieving these goals requires consistent political support,

investment in institutional capacity, and active citizen oversight to bridge the gap between formal regulations and actual practice.

### **3.2 Theoretical Literature Review (1981–2024)**

This study adopts an interdisciplinary approach to explore the intricate connections between public procurement, institutional integrity, and economic development in Nigeria from 1981 to 2024. By integrating perspectives from economics, political science, law, and development studies, the research establishes a comprehensive framework for understanding procurement governance within Nigeria's unique historical, institutional, and socio-political setting.

Economic theories are used to explain how procurement processes influence resource allocation, efficiency, and value for money, emphasizing the role of competitive mechanisms and incentives in reducing waste and corruption (Williamson, 1985; Jensen & Meckling, 1976). Insights from political science shed light on the influence of power relations, governance structures, and political commitment on the formulation and implementation of procurement policies (North, 1990; Acemoglu & Robinson, 2012). Legal theory underscores the importance of formal rules, regulatory frameworks, and the rule of law in promoting transparency, accountability, and compliance in procurement practices (Rose-Ackerman, 1999). Development studies provide the lens to examine how effective procurement governance contributes to broader socio-economic outcomes, including improved public service delivery and sustainable development (Stiglitz, 1998; Sachs, 2015).

By combining these perspectives, the study offers a nuanced assessment of Nigeria's procurement system, revealing how institutional quality and governance effectiveness have evolved over time and how these changes have shaped the country's trajectory of economic development.

## **1. Institutional Theory**

Douglas North (1990) defines institutions as the combination of formal rules, such as constitutions, laws, regulations, and policies, and informal constraints, including social norms, traditions, and unwritten codes of conduct, that guide human behavior and shape economic and political interactions. Institutions establish the “rules of the game” by creating incentives, reducing uncertainty, and coordinating the actions of individuals. Understanding institutional theory is crucial for analyzing both the historical and contemporary dynamics of public procurement governance in Nigeria.

Between 1981 and 1999, Nigeria’s public procurement system was characterized by weak and fragmented institutions. Formal procurement laws and regulatory bodies were largely absent or ineffective, resulting in a governance environment dominated by informal networks, political favoritism, and rent-seeking practices. The lack of strong institutional mechanisms allowed widespread non-competitive bidding, contract manipulation, and corruption. Procurement decisions were often driven by personal or political interests rather than merit or public value, undermining efficiency and public trust (World Bank, 2000; Helmke & Levitsky, 2004).

These institutional weaknesses were further exacerbated under military rule, which concentrated power and weakened accountability structures, diminishing the checks and balances necessary for effective procurement governance (Brookings Institution, 2020). Informal practices such as clientelism and favoritism operated alongside the limited formal rules, creating a dual system that deepened inefficiency and governance failures (Helmke & Levitsky, 2004).

The enactment of the Public Procurement Act (PPA) in 2007 represented a major reform to address these challenges by establishing formal rules and oversight mechanisms. The Act created the Bureau of Public Procurement (BPP), tasked with enforcing procurement laws, standardizing procedures, and promoting transparency and competition across federal Ministries, Departments, and Agencies (MDAs). Institutional theory explains how these formal mechanisms gradually began to replace informal practices by aligning incentives and enabling compliance through monitoring and enforcement (North, 1990; Helmke & Levitsky, 2004).

Nonetheless, institutional change is typically gradual and shaped by historical legacies. In Nigeria, entrenched informal norms and political interests persist alongside formal regulations, sometimes undermining enforcement and limiting the effectiveness of reforms. Institutional theory highlights the difficulty of transforming procurement governance, emphasizing the interplay between formal structures and informal behaviors. It also underscores the importance of strengthening institutional capacity, fostering political commitment, and aligning formal incentives with socio-political realities to achieve sustainable improvements (North, 1990; Helmke & Levitsky, 2004).

In conclusion, institutional theory offers a valuable lens for analyzing the evolution of Nigeria's procurement system. It illustrates how the transition from weak, informal governance to more structured and regulated systems has shaped procurement outcomes over the past four decades.

## **2. Principal-Agent Theory**

The principal-agent theory, introduced by Jensen and Meckling in 1976, examines the relationship between a principal, such as the government, the public, or an oversight institution, and an agent, including procurement officers, contractors, or public officials

acting on the principal's behalf. The theory emphasizes that differences in information access and conflicting incentives between principals and agents can generate agency problems. Agents may pursue personal or political interests instead of prioritizing the objectives of the principal.

In the context of Nigeria's public procurement system, this theory is highly applicable. Agents, including procurement officials and contractors, often possess more information and discretionary power than the principals, such as government authorities or citizens, who face challenges in monitoring compliance. This imbalance creates opportunities for corruption, inflated contract values, substandard work, and incomplete projects. Examples include procurement officers colluding with contractors to award contracts at exaggerated prices or manipulating tenders to benefit politically connected firms, resulting in substantial financial losses (Transparency International, 2022).

Although the Public Procurement Act (PPA) of 2007 introduced legal reforms to improve transparency and oversight, persistent institutional weaknesses have limited principals' capacity to supervise agents effectively. Political interference, under-resourced regulatory bodies like the Bureau of Public Procurement (BPP), and weak enforcement have exacerbated the problem. Between 2007 and 2024, many contracts experienced cost overruns, delays, or abandonment, demonstrating ongoing agency failures.

Principal-agent theory illustrates that reforms focusing solely on formal rules, without enhancing monitoring, incentives, and accountability, are unlikely to eliminate inefficiencies. Effective procurement governance requires strengthening principals' ability to access reliable information, audit procurement activities, and sanction noncompliant agents. Measures include empowering oversight institutions, using digital procurement platforms to increase

transparency, and engaging citizens in monitoring to hold agents accountable (Jensen & Meckling, 1976; Stiglitz, 1989).

The theory also highlights the importance of structuring contracts and organizational mechanisms to align agents' interests with those of the principals. Incentive systems that reward good performance and penalize corruption or poor execution can reduce opportunistic behavior and improve overall procurement outcomes.

### **3. Public Choice Theory**

Public choice theory, introduced by James Buchanan and Gordon Tullock in 1962, transformed the understanding of political and bureaucratic behaviour by applying economic reasoning to political decision-making. The theory challenges the notion that politicians and bureaucrats act solely for the public good, instead viewing them as rational actors motivated by self-interest, seeking personal gain, power, or electoral advantage (Buchanan & Tullock, 1962).

Applied to public procurement, the theory illustrates how political leaders and government officials may manipulate procurement processes to serve personal or political objectives rather than public needs. In Nigeria, this is evident in practices such as patronage, nepotism, and rent-seeking, especially during elections or political transitions. Procurement contracts often become channels for distributing resources to allies and influential figures, undermining competition and reducing transparency (Ajakaiye & Ncube, 2020; Olowu, 2014).

Empirical evidence from Nigeria supports this perspective. Reports by the World Bank (2015) and Transparency International (2021) reveal instances of procurement awards heavily influenced by political interests, with corruption scandals showing how public contracts are used to divert resources for private benefit (Ojo & Oke, 2016). These practices negatively

affect service delivery, reduce fiscal accountability, and erode public trust in government institutions (Smith, 2018).

The persistence of such behaviours from the 1980s to the present underscores the entrenched self-interest in Nigeria's procurement system. Public choice theory highlights the need for institutional reforms that restrict discretionary power in procurement, strengthen oversight mechanisms, and improve legal frameworks to align the incentives of officials with public welfare (Bardhan, 1997; OECD, 2016).

### **Development Theory**

Development theory, as described by Michael Todaro and Stephen Smith (2015), emphasizes the role of inclusive institutions, effective governance, and targeted public investment in promoting sustainable and equitable economic growth. The theory views development as multidimensional, encompassing not only GDP growth but also poverty reduction, improved living standards, social inclusion, and equitable access to opportunities. Within this framework, public procurement is a strategic tool, enabling governments to stimulate economic development, foster industrialization, and address socio-economic inequalities.

Since 2000, public procurement in Nigeria has been seen as a major pathway for translating government budgets into tangible development outcomes. Well-designed procurement processes can generate employment, support small and medium-sized enterprises, enhance infrastructure such as roads, power, and healthcare facilities, and ensure equitable distribution of resources across regions (Ajakaiye & Ncube, 2020; Umeh, 2018). Procurement can also advance local content initiatives and facilitate technology transfer, supporting industrial growth and economic diversification.

Despite these potentials, procurement in Nigeria frequently falls short of development objectives. Structural weaknesses, including inadequate regulatory frameworks, corruption, lack of transparency, political interference, and insufficient capacity within procurement agencies, have limited procurement's impact as a driver of development (World Bank, 2015; OECD, 2016). Projects often encounter delays, cost overruns, substandard outputs, and limited local participation, which diminishes the socio-economic benefits of public spending (Smith, 2018).

The gap between procurement performance and development goals has contributed to persistent infrastructure deficits, high unemployment, and regional disparities, exacerbating poverty and social exclusion despite increased public expenditures (Todaro & Smith, 2015). Addressing these challenges requires reforms that integrate procurement policies with national development strategies, including building institutional capacity, enforcing transparency and accountability, promoting inclusive procurement that prioritizes local content and SME participation, and leveraging procurement as a tool for sustainable development (Umeh, 2018; Ajakaiye & Ncube, 2020).

Ultimately, development theory underscores that effective public procurement is crucial not only for fiscal management but also for broader nation-building and social progress. By strategically using procurement, Nigeria can ensure that public investments contribute to sustainable and equitable economic growth.

## **5. Legal and Institutional Framework**

This study examines the regulatory and institutional structures that shape public procurement in Nigeria, with particular attention to the Public Procurement Act (PPA) of 2007. The Act was designed to reform the national procurement system by embedding principles such as transparency, accountability, competition, and value for money into law (Bureau of Public

Procurement, 2007). These principles correspond with key ideas from institutional theory, which emphasizes formal rules; principal-agent theory, which highlights accountability; and development theory, which recognizes procurement as a tool for promoting economic growth.

The PPA established the Bureau of Public Procurement (BPP) as the central regulatory body responsible for overseeing procurement across all levels of government and public institutions. The BPP's mandate includes developing procurement guidelines, reviewing and approving plans and contracts above set thresholds, organizing training programs, investigating breaches of the Act, resolving procurement disputes, and imposing sanctions on noncompliant agencies or officials (Bureau of Public Procurement, 2007; World Bank, 2015).

Despite the Act's comprehensive framework, challenges remain in implementation and enforcement. The application of the law is often inconsistent, particularly at subnational levels where institutional capacity is limited and political influence is stronger. Procurement officers frequently lack sufficient training or resources to follow procedures fully, which contributes to irregular practices such as bid rigging and favoritism (Umeh, 2018; Ajakaiye & Ncube, 2020). The BPP's enforcement power is also constrained, and judicial processes for sanctioning violations are often slow.

Political dynamics further complicate procurement. Contracts are frequently entangled with patronage and rent-seeking networks, as political elites use them to reward allies or advance personal interests. This undermines the rule of law and erodes institutional integrity (Smith, 2018). The pace of reform is often slowed when influential groups perceive that competitive and transparent procurement threatens their interests (OECD, 2016).

Civil society organizations, the media, and international partners have promoted greater accountability through initiatives such as open contracting and procurement portals. These

efforts aim to improve public access to information and oversight, yet their impact remains limited by systemic weaknesses (World Bank, 2015).

In summary, Nigeria's legal and institutional framework for public procurement incorporates international best practices in principle. Bridging the gap between legislation and practice requires sustained investment in capacity building, political commitment, and collaboration among government bodies, civil society, and other stakeholders. Addressing these challenges is crucial for transforming procurement into an effective instrument for economic growth, improved public services, and stronger governance.

### **3.3 Empirical Literature Review (1981–2024)**

Empirical research on public procurement in Nigeria and comparable developing countries offers important insights into how procurement reforms affect governance and economic development. These studies also reveal persistent challenges, including weak institutional capacity, corruption, and widespread non-compliance with procurement regulations.

From 1981 to 1999, available data on public procurement in Nigeria were scarce due to limited transparency and a political environment dominated by military regimes, which often restricted oversight and public scrutiny. Existing studies from this period indicate that procurement processes were largely non-competitive, with contracts frequently awarded through political connections or direct negotiations instead of open bidding. Public infrastructure projects experienced frequent cost inflation, significant delays, and high abandonment rates, reflecting weak governance and oversight. The Structural Adjustment Programme (SAP) of the 1980s, while intended to stabilize the economy, reduced institutional capacity by downsizing the civil service and cutting public spending. This inadvertently encouraged informal and opaque procurement practices with minimal regulatory supervision, exacerbating inefficiency and corruption (World Bank, 2000).

After 2000, particularly following the passage of the Public Procurement Act (PPA) in 2007, evaluations of Nigeria's procurement system became more systematic. Ezeh (2016) examined the implementation of the PPA across various Ministries, Departments, and Agencies (MDAs) and found that while the law introduced necessary oversight and standardized procedures, institutional weaknesses persisted. Limited technical expertise, inadequate training, and weak enforcement mechanisms continued to undermine the effectiveness of reforms. Similarly, Oyedele (2018) observed that many procurement entities frequently failed to comply consistently with established guidelines, resulting in delays, cost overruns, and substandard project execution.

Between 2010 and 2018, procurement inefficiencies continued to affect project delivery at both federal and state levels. RSIS International (2021) reported that cost overruns averaged 22% at the federal level and 38% at the state level, mainly due to poor project planning, inflated contracts, and a shortage of trained procurement professionals. Moreover, fewer than 40% of capital projects initiated during this period were fully completed, indicating systemic shortcomings in oversight and management. The African Journal of Sustainable Social and Educational Sciences (AJSSE, 2022) highlighted further obstacles, including inadequate planning, weak internal audit systems, political interference, and a lack of real-time monitoring, all contributing to inefficient use of public funds.

Comparative studies indicate that Nigeria's challenges are not unique and can be mitigated through institutional reforms. Ameyaw et al. (2012) found that in Ghana, strong legal frameworks, ongoing staff development, and the use of electronic procurement systems reduced corruption and improved value for money. These findings suggest that Nigeria could similarly benefit from stronger institutions and modern procurement technologies.

From 2020 to 2024, initiatives such as the Nigeria Open Contracting Portal (NOCOPO) and pilot e-procurement programs have increased transparency and public access to procurement data. However, implementation remains inconsistent across states, and corruption continues to limit progress. For instance, a 2024 Guardian Nigeria report estimated that over ₦79 billion was lost to inflated contracts and fraudulent procurement practices that year. Although progress is evident through the establishment of the BPP, adoption of digital tracking tools, and greater civil society involvement, enforcement of procurement rules remains weak. Corruption, limited regulatory oversight, and shortages of skilled personnel continue to restrict the effectiveness of public procurement as a tool for economic development (World Bank, 2015; Umeh, 2018).

Overall, empirical studies spanning more than four decades indicate that while reforms in Nigeria's procurement system have produced some positive outcomes, enduring governance challenges remain. Fully realizing the benefits of procurement reforms will require strengthening institutional capacity, enhancing political commitment, improving training programs, and leveraging technology to ensure transparency and accountability.

### **3.4 Gaps in the Literature Reviewed (1981–2024)**

A review of literature covering the period from 1981 to 2024 reveals notable gaps in both theoretical and practical knowledge regarding public procurement, institutional structures, and economic development in Nigeria. Despite growing academic and policy interest, existing studies are unevenly distributed, making it challenging to fully comprehend the role of procurement in driving national development.

First, while numerous studies focus on governance challenges such as corruption, inefficiency, and compliance with regulations (Umeh, 2018; Ajakaiye & Ncube, 2020), there is a striking lack of rigorous empirical analysis on the direct developmental outcomes of

procurement activities. Very few investigations have systematically examined how procurement influences critical indicators such as employment creation, infrastructure quality, regional equity, and poverty alleviation (Todaro & Smith, 2015). This shortfall limits the ability of policymakers to view procurement as a strategic instrument for socio-economic transformation rather than merely a financial procedure (Ezeh, 2016; RSIS International, 2021).

Second, much of the research disproportionately emphasizes federal-level agencies and major ministries, leaving subnational procurement, particularly at state and local government levels, largely understudied. Given Nigeria's federal structure and socio-political diversity, procurement challenges and practices differ considerably across regions (Smith, 2018; World Bank, 2015). The lack of in-depth analysis at these levels obscures local capacity gaps, political interference, and weaknesses in enforcement (Oyedele, 2018).

Third, there is a shortage of longitudinal studies tracing the long-term effects of procurement reforms. Although the Public Procurement Act of 2007 and initiatives such as the Nigeria Open Contracting Portal (NOCOPO) represent significant reform milestones, most research is cross-sectional or short-term, limiting understanding of the sustainability, scalability, and overall developmental impact of these interventions (Umeh, 2018; Guardian Nigeria, 2024).

Fourth, socio-political dimensions including patronage networks, elite control, and electoral cycles remain insufficiently addressed in empirical studies. While principal-agent and public choice theories provide conceptual tools to analyze these phenomena (Buchanan & Tullock, 1962; Smith, 2018), there is a dearth of case-based or data-driven analyses exploring how such dynamics concretely affect procurement outcomes. This gap hampers the design of institutional reforms capable of mitigating rent-seeking and political manipulation of procurement processes (Ajakaiye & Ncube, 2020).

Finally, although digital procurement systems and transparency initiatives are increasingly advocated, there is limited research assessing their actual implementation, adoption, and measurable effects across Nigeria's diverse contexts (OECD, 2016; RSIS International, 2021). Evaluating barriers such as technological infrastructure constraints, resistance from entrenched interests, and digital literacy deficits is essential to fully realize the benefits of e-procurement in enhancing efficiency and accountability.

In conclusion, addressing these research gaps is critical for strengthening academic understanding and improving policy effectiveness. Future studies should adopt long-term, multi-level, and mixed-method approaches, integrating political economy analysis and evaluating the developmental impacts of procurement reforms in Nigeria. Such research would provide the evidence needed to ensure public procurement contributes meaningfully to inclusive and sustainable economic development.

### **1. Weak Linkages Between Procurement and Sectoral Development Outcomes**

A major gap in the literature is the limited focus on how procurement reforms lead to real development outcomes in key areas like health, education, and infrastructure. Many studies look at procedural improvements, such as improving transparency, compliance, and competitive bidding processes. However, they often fail to make an empirical connection between these reforms and measurable impacts on service delivery quality or socio-economic indicators (Ameyaw et al., 2012; Ezeh, 2016). This disconnect makes it hard to evaluate whether efforts in procurement reform actually help achieve broader development goals, such as better healthcare access, improved educational facilities, or infrastructure expansion that encourages economic growth and reduces poverty.

The absence of sector-specific analyses leaves policymakers and practitioners without strong evidence on how procurement influences operational efficiency and developmental results in

practice. For instance, while better procurement practices may cut down on cost overruns or project delays in infrastructure, few studies have measured the subsequent effects on infrastructure availability, maintenance, or local economic activity. The same is true in health and education; there is little empirical research showing how procurement quality affects service accessibility or outcomes like disease control and literacy rates.

To fill this gap, we need interdisciplinary research that combines procurement performance metrics with sectoral development data. This approach will help clarify causal pathways. Such studies can support targeted reforms that ensure procurement meets regulatory standards while also promoting inclusive, sustainable development outcomes (Todaro & Smith, 2015; RSIS International, 2021).

## **2. Overemphasis on Legal Compliance Over Developmental Impact**

A significant gap in the existing literature is the limited examination of how procurement reforms translate into tangible development outcomes in critical sectors such as health, education, and infrastructure. Most research has concentrated on procedural improvements, including enhancing transparency, ensuring compliance, and promoting competitive bidding. However, these studies rarely establish an empirical link between procurement reforms and measurable improvements in service delivery or socio-economic indicators (Ameyaw et al., 2012; Ezeh, 2016). This lack of connection makes it challenging to determine whether reform initiatives effectively contribute to broader development objectives, such as increasing access to healthcare, upgrading educational facilities, or expanding infrastructure to stimulate economic growth and reduce poverty.

The scarcity of sector-specific studies also limits the ability of policymakers and practitioners to understand how procurement affects operational efficiency and development outcomes. For example, while improved procurement processes may reduce cost overruns or delays in

infrastructure projects, few studies assess the subsequent impact on infrastructure availability, quality, maintenance, or local economic activity. Similarly, in the health and education sectors, there is minimal research demonstrating the relationship between procurement quality and outcomes such as disease control, literacy rates, or access to essential services.

Addressing this gap requires interdisciplinary research that integrates procurement performance indicators with sectoral development metrics. Such an approach would clarify causal links and inform targeted reforms that ensure procurement not only meets regulatory standards but also promotes inclusive and sustainable development (Todaro & Smith, 2015; RSIS International, 2021).

### **3. Limited Empirical Data Across Ministries, Departments, and Agencies (MDAs)**

A significant limitation in the existing literature is its narrow empirical focus on a few prominent Ministries, Departments, and Agencies (MDAs), particularly at the federal level, such as the Ministries of Works and Education, while many other public institutions remain underrepresented. This selective attention restricts a comprehensive understanding of procurement practices and outcomes across Nigeria's vast and diverse public sector (RSIS International, 2021).

Moreover, there are notable data gaps in MDAs located in rural or hard-to-reach areas, where institutional capacity tends to be weaker and record-keeping is less systematic. These deficiencies impede effective monitoring and evaluation of procurement performance across many regions. Consequently, policy interventions and reform efforts have been uneven (NOCOPO, 2023). The historical reliance on manual, paper-based procurement records before the introduction of digital platforms further compounds these challenges, limiting transparency and making it difficult to generate reliable, comparable data across institutions and over time.

To overcome these gaps, it is essential to expand data collection efforts to include a broader range of MDAs and to strengthen digital record-keeping and reporting systems nationwide. Such improvements will enable more accurate and representative analyses of procurement practices, enhancing the understanding of their impact on governance and economic development in Nigeria (World Bank, 2015; Umeh, 2018).

#### **4. Underutilization of Mixed-Methods Approaches**

A major shortcoming in public procurement research is the limited application of mixed-methods designs that integrate both qualitative and quantitative approaches. Most studies focus exclusively on either statistical analysis or qualitative case studies, rarely combining these methods to provide a more comprehensive understanding of procurement processes and outcomes. This restriction makes it difficult to capture the complexity of institutional behavior, political influences, and public perceptions of procurement (Brookings Institution, 2020).

Qualitative approaches, such as interviews with procurement officials, political actors, and beneficiaries, can uncover underlying motivations, informal practices, and power relationships that purely quantitative data might miss. Conversely, quantitative analysis offers the empirical evidence necessary to detect patterns, assess compliance, and evaluate the broader development impact of procurement. Relying solely on one method risks oversimplifying the challenges in procurement and underestimating how governance structures interact with social and political factors to influence effectiveness.

Employing mixed-methods research would enable more nuanced, context-aware analyses, providing stronger guidance for policy formulation and implementation. This approach is particularly important in settings like Nigeria, where formal rules coexist with informal norms and practices that shape procurement outcomes (Smith, 2018; OECD, 2016).

### **3.5 Contribution of This Study**

This study provides important insights into public procurement in Nigeria, particularly in terms of how procurement practices influence broader development objectives.

#### **i. Mapping Procurement Impacts on Sectoral Development**

This research goes beyond simply evaluating procedures or administration. It clearly shows how procurement activities affect important sectors like infrastructure, health, and education. By including specific performance indicators, such as completion rates for infrastructure projects, metrics for healthcare delivery, and improvements in educational facilities, the study provides clear evidence of the development outcomes of procurement decisions. This method helps identify sector-related challenges and highlights where procurement can promote economic growth, social inclusion, and poverty reduction (Todaro & Smith, 2015; RSIS International, 2021).

#### **ii. Beyond Legal Compliance: Evaluating Development Outcomes**

This study extends beyond merely assessing administrative procedures or processes. It demonstrates how procurement activities influence key sectors such as infrastructure, healthcare, and education. By examining specific performance indicators like the completion rates of infrastructure projects, healthcare service delivery metrics, and improvements in educational facilities, the research provides concrete evidence of the developmental impact of procurement decisions. This approach helps pinpoint sector specific challenges and underscores the potential of procurement to advance economic growth, promote social inclusion, and reduce poverty (Todaro & Smith, 2015; RSIS International, 2021).

### **iii. Broadening Data Coverage Across Federal, State, and Local MDAs**

Recognizing Nigeria's diverse administrative and political landscape, this study gathers and analyzes data from many Ministries, Departments, and Agencies across federal, state, and local levels. This inclusive approach captures variations in procurement practices, capabilities, and challenges across different jurisdictions and types of institutions. It addresses the gaps of previous studies that often focus on a few prominent federal MDAs, leading to a more complete understanding of procurement realities across the country (RSIS International, 2021; NOCOPO, 2023).

### **iv. Utilizing a Mixed-Methods Approach**

Acknowledging the complexity of Nigeria's administrative and political environment, this study collects and examines data from a wide range of Ministries, Departments, and Agencies at the federal, state, and local levels. This comprehensive approach highlights differences in procurement practices, capacities, and challenges among various institutions and regions. By including a broader set of entities, the study overcomes the limitations of earlier research that tended to focus on a few high-profile federal MDAs, offering a more accurate and complete picture of procurement realities throughout the country (RSIS International, 2021; NOCOPO, 2023).

### **v. Policy-Relevant Insights for Strengthening Procurement Systems**

By directly connecting procurement processes to development outcomes and exploring the influence of institutional and political factors, this study offers practical guidance for policymakers, regulatory agencies, and development partners. It highlights specific areas that require improvements, including capacity building, institutional reform, and the adoption of technological solutions such as expanded e-procurement systems and stronger oversight mechanisms, all aimed at enhancing transparency, efficiency, and development impact. The

research provides value beyond academic discussion, offering actionable insights for initiatives focused on better public resource management and advancing Nigeria's socio-economic development (BPP, 2007; OECD, 2016; World Bank, 2015).

In conclusion, this study fills key knowledge gaps by presenting a balanced, evidence-driven examination of public procurement as an instrument for development. It seeks to inform both scholarly debates and practical policy decisions, ultimately supporting the creation of more effective, transparent, and inclusive procurement systems in Nigeria.

### **3.6 Summary of the Empirical Literature Reviewed (1981–2024)**

The literature spanning 1981 to 2024 indicates that public procurement in Nigeria is a critical instrument for governance and national development, yet its full potential has not been realized. Across multiple studies, a clear relationship emerges between procurement systems, institutional integrity, and broader development outcomes, highlighting procurement's dual function as both a procedural mechanism and a driver of development.

Theoretical frameworks, including institutional theory (North, 1990), principal-agent theory (Jensen & Meckling, 1976), and development theory (Todaro & Smith, 2015), provide valuable insights into how institutions, incentives, and public investments influence procurement efficiency. Nevertheless, empirical evidence reveals persistent challenges, particularly prior to major reforms. Between 1981 and 1999, public procurement was characterized by unclear procedures, political interference in contract awards, and weak institutional oversight, resulting in inefficiency, corruption, and frequent project failures (World Bank, 2000; Transparency International, 2022).

The enactment of the Public Procurement Act (PPA) in 2007 represented a significant turning point. The Act introduced competitive bidding, strengthened transparency, and established

the Bureau of Public Procurement (BPP) as the main regulatory authority (BPP, 2007). Despite these reforms, gaps in institutional capacity, inconsistent compliance, and entrenched corruption continue to undermine procurement outcomes (Ezeh, 2016; Oyedele, 2018; RSIS International, 2021). These limitations reduce procurement's ability to deliver expected developmental benefits, such as timely project completion, job creation, and improved public service delivery.

Recent technological initiatives, including the Nigeria Open Contracting Portal (NOCOPO) and pilot e-procurement programs, have enhanced transparency, particularly at the federal level (Open Contracting Partnership, 2023). However, these improvements have not consistently translated into better development outcomes across all government tiers and sectors. The persistent gap between procedural transparency and tangible development impacts underscores the challenges facing procurement reforms within Nigeria's complex political and institutional environment.

In conclusion, the literature demonstrates a continuing divide between the establishment of legal frameworks and the achievement of real developmental results. This highlights the need for comprehensive research that examines legal, institutional, and sector-specific dimensions of procurement while evaluating practical outcomes across federal, state, and local governments. Such an approach will guide the research design and methodology in the subsequent chapters.

## CHAPTER FOUR

### RESEARCH METHODOLOGY

#### 4.1 Research Design

This study adopts a mixed methods research design that integrates both quantitative and qualitative approaches to provide a comprehensive analysis of the relationship between public procurement, institutional structures, and economic development in Nigeria. The combination of methods enables triangulation, thereby improving the credibility, depth, and reliability of the findings through the use of numerical evidence alongside detailed contextual insights (Creswell and Plano Clark, 2018).

The quantitative component relies on structured questionnaires administered to purposively selected respondents, including procurement officers, civil servants, contractors, and officials from audit and oversight agencies. This approach generates measurable data on procurement procedures, institutional effectiveness, and perceived links between procurement practices and economic development outcomes.

The qualitative component consists of semi structured interviews, document reviews, and case studies. These methods are used to explore institutional frameworks, policy implementation processes, and operational challenges from the viewpoints of key stakeholders. Through this approach, the study captures deeper insights into institutional behaviour, governance constraints, and socio political influences that shape public procurement outcomes.

By combining both approaches, the study achieves a more balanced and nuanced understanding of the subject, allowing quantitative patterns to be interpreted within their broader institutional and socio economic contexts. According to Greene, Caracelli, and

Graham (1989), mixed methods designs are particularly suitable for examining complex systems where statistical patterns must be supported by explanatory narratives.

This research design is especially appropriate given the complexity of Nigeria's public procurement system, which is shaped by interacting institutional, political, and regulatory factors that cannot be fully understood through a single methodological approach.

#### **4.2 Population of the Study**

The population for this study comprises key actors involved in the planning, execution, regulation, and oversight of public procurement activities in Nigeria. These include procurement officers, project managers, monitoring and evaluation specialists, and policy officials working within relevant Ministries, Departments, and Agencies at the federal level (Federal Republic of Nigeria, 2007; BPP, 2020; World Bank, 2020). The study also covers representatives of civil society organizations and anti corruption institutions that provide independent oversight and promote transparency and accountability in public procurement processes (Transparency International, 2021; ICPC, 2021; PPDC, 2022).

Attention is placed on federal MDAs that manage large procurement portfolios and play a central role in Nigeria's socio economic development, particularly within the infrastructure, health, and education sectors (OECD, 2016; Uzochukwu and Chukwuma, 2018). The institutions considered in this study include the Federal Ministry of Works and Housing, the Federal Ministry of Health, the Federal Ministry of Education, the Universal Basic Education Commission, the National Primary Health Care Development Agency, and the Bureau of Public Procurement.

The inclusion of civil society groups such as the Public and Private Development Centre, alongside oversight bodies including the Independent Corrupt Practices and Other Related Offences Commission and the Economic and Financial Crimes Commission, allows the study

to benefit from diverse perspectives that reflect both regulatory and advocacy roles in procurement governance (Transparency International, 2021; ICPC, 2021; PPDC, 2022).

Overall, this population provides relevant and informed perspectives required for the collection of both quantitative and qualitative data. Drawing from their institutional experience, the study evaluates how public procurement practices contribute to institutional effectiveness and economic development in Nigeria (World Bank, 2020; Uzochukwu and Chukwuma, 2018).

### **4.3 Sampling Technique and Sample Size**

This study adopts a multi stage sampling approach to ensure that participants drawn from public procurement institutions in Nigeria are relevant to the research objectives and adequately representative of the study population. The sampling process was implemented in two main stages.

#### **4.3.1 Stage 1: Purposive Sampling**

At the first stage, purposive sampling was adopted to identify Ministries, Departments, and Agencies with substantial public procurement activities and strong relevance to national development objectives. The choice of these institutions was guided by the scale of their procurement expenditure, the volume of high value contracts they manage, and their strategic responsibilities in key sectors such as infrastructure, health, and education (Uzochukwu and Chukwuma, 2018; BPP, 2020).

The MDAs selected for the study are as follows:

1. Federal Ministry of Works and Housing
2. Federal Ministry of Health
3. Universal Basic Education Commission (UBEC)

4. Bureau of Public Procurement (BPP)
5. National Primary Health Care Development Agency (NPHCDA)

These institutions were included because they control significant procurement budgets and play critical roles in the planning and execution of major federal development programmes and projects across the country (World Bank, 2020).

#### **4.3.2 Stage 2: Stratified Random Sampling**

At the second stage, stratified random sampling was applied to select participants from the chosen Ministries, Departments, and Agencies. The study population was first grouped based on professional roles, including procurement officers, project managers, legal personnel, monitoring and evaluation specialists, and administrative staff. From each category, respondents were then randomly selected to ensure that all key functional roles involved in the procurement process were adequately represented (OECD, 2016).

By adopting this method, the study minimizes sampling bias and strengthens internal validity, as it captures diverse perspectives from across the different stages and functions of the procurement process.

#### **4.3.3 Sample Size Determination**

The sample size was calculated using Yamane’s (1967) formula, which is commonly used in social science research for finite populations with random sampling:

$$n = N / (1 + (e)^2) \quad \dots\dots\dots\text{equation 1}$$

Where:

$n$  = Sample size

$N$  = Population size (estimated at 500)

$e$  = Level of precision (0.05 for a 95% confidence level)

Substituting the values:

$$n = 500 / (1 + 500(0.05)^2) = 500 / (1 + 1.25) = 500 / 2.25 \approx 222$$

Thus, the sample size was about 222 respondents, which is enough to ensure statistical reliability at a 95% confidence level while maintaining representativeness (Yamane, 1967).

#### **4.3.4 Justification**

This sampling approach is appropriate as it merges the deliberate selection of institutions that are most relevant to the study with random selection within defined groups. In doing so, it ensures balanced representation across different professional roles while maintaining fairness and reducing selection bias.

#### **4.4 Sources of Data**

This study utilises both primary and secondary data to achieve a thorough analysis. Primary data provide firsthand information from respondents, while secondary data offer verified records and contextual background. Integrating these sources enables triangulation, which strengthens the reliability and trustworthiness of the research findings (Denzin, 2012).

##### **4.4.1 Primary Data**

Primary data were collected using these instruments:

###### **4.4.1.1 Structured Questionnaires**

The structured questionnaire was designed to collect quantitative information on the experiences and perceptions of stakeholders involved in public procurement. The questions

focused on areas such as:

- i. Adherence to procurement regulations
- ii. Mechanisms for transparency and accountability
- iii. Institutional capacity and operational challenges
- iv. Effects of procurement practices on project performance and economic development

The respondents comprised procurement officers, project managers, accountants, and monitoring and evaluation specialists from the selected MDAs. Structured questionnaires were chosen because they generate uniform responses that can be effectively analysed using statistical methods (Creswell & Creswell, 2018).

#### **4.4.2.2. Semi-Structured Interviews**

To complement the data collected through questionnaires, semi-structured interviews were conducted with policymakers, senior procurement officers, officials from the Bureau of Public Procurement (BPP), and representatives of Civil Society Organizations (CSOs) engaged in procurement oversight.

The interviews explored areas including:

- i. Challenges in implementing the Public Procurement Act (PPA) 2007
- ii. Institutional constraints and bottlenecks
- iii. Risks of corruption and approaches to mitigation
- iv. Suggestions for enhancing procurement processes

The semi-structured format provided flexibility, allowing interviewers to probe more deeply into responses. This method was particularly valuable for capturing institutional and contextual insights that structured questionnaires alone might not reveal (Kothari, 2004).

#### **4.4.2 Secondary Data**

Secondary data were obtained from published reports, legal documents, and scholarly literature. This type of data offered historical and contextual information and provided empirical evidence for comparative analysis. The sources consulted included:

##### **4.4.2.1 Official Reports and Publications**

Documents from the Bureau of Public Procurement (BPP), including procurement journals and compliance audit reports, were examined to assess current practices and trends in adherence to regulations (BPP, 2020).

##### **4.4.2.2 Legislative Frameworks**

The Public Procurement Act (PPA) 2007 provided the legal basis for procurement operations in Nigeria. It establishes standards for transparency, competitive processes, and accountability in public procurement (Federal Republic of Nigeria, 2007).

##### **4.4.2.3 International Reports**

Reports from organizations such as the World Bank and OECD were consulted to benchmark Nigeria's procurement system against international standards and identify best practices for strengthening institutional capacity (World Bank, 2020; OECD, 2016).

##### **4.4.2.4 Academic Literature**

Peer-reviewed studies offered theoretical and empirical insights on institutional reforms, governance, and the relationship between procurement and economic development (Uzochukwu & Chukwuma, 2018).

Incorporating secondary data helps validate the findings from primary sources, provides historical context, and offers a comprehensive perspective on public procurement practices and challenges in Nigeria.

### **4.4.3 Justification for Mixed Data Sources**

The use of both primary and secondary data is essential for this study because:

**4.4.3.1** Primary data offer direct, up-to-date insights from stakeholders who are actively engaged in public procurement processes.

**4.4.3.2** Secondary data supply documented evidence, historical context, and observable trends that cannot be captured through primary methods alone.

**4.4.3.3** Integrating these data sources allows for comprehensive analysis and triangulation, reducing bias and enhancing the reliability and validity of the research findings (Denzin, 2012).

### **4.5 Method of Data Collection**

This research employed multiple data collection methods to ensure the information obtained was accurate, reliable, and comprehensive. The methods used included questionnaires, interviews, and the analysis of documents. Using a combination of these approaches enhances the study through triangulation, allowing findings from different sources to be cross-verified and validated (Denzin, 2012).

#### **4.5.1 Questionnaires**

Structured questionnaires were administered to respondents from selected MDAs, including procurement officers, project managers, monitoring and evaluation personnel, and policymakers. The questionnaires were distributed using a combination of methods:

- a. In-person delivery to respondents in Abuja and major procurement offices ensured coverage of key federal MDAs.
- b. Electronic distribution through email and Google Forms enabled access to respondents in various locations and helped reduce non-response bias.

Using structured questionnaires facilitated quantitative analysis, allowing responses to be systematically coded and statistically examined (Creswell & Creswell, 2018).

### **4.5.2 Interviews**

Semi-structured interviews were conducted with selected key informants, including:

- a. Heads of procurement departments in major MDAs
- b. Officials from the Bureau of Public Procurement (BPP)
- c. Representatives of Civil Society Organizations (CSOs) involved in procurement oversight, such as the Public and Private Development Centre (PPDC)

These interviews provided qualitative insights into the implementation of procurement policies, institutional bottlenecks, and risks of corruption. The semi-structured design offered flexibility to probe responses in depth, allowing the collection of detailed and context-rich information (Kothari, 2004).

### **4.5.3 Document Analysis**

The study also incorporated document analysis to complement primary data sources. The documents examined included:

- a. Procurement regulations and guidelines, such as the Public Procurement Act (PPA) 2007 (Federal Republic of Nigeria, 2007)
- b. Procurement audit reports and compliance monitoring documents from the Bureau of Public Procurement (BPP, 2020)
- c. Procurement plans and annual reports from relevant MDAs
- d. National budgets and public expenditure reviews
- e. International reports from organizations like the World Bank and OECD addressing procurement reforms and governance standards (World Bank, 2020; OECD, 2016)

Document analysis provided secondary evidence that helped validate and contextualize the information obtained from questionnaires and interviews, ensuring a comprehensive coverage of the study's objectives.

#### **4.5.4 Justification for Using Multiple Data Collection Methods**

The combination of questionnaires, interviews, and document analysis was employed because:

- i. Questionnaires capture measurable trends and stakeholders' perspectives.
- ii. Interviews provide deeper understanding of institutional practices and operational challenges.
- iii. Document analysis adds historical, legal, and policy context to the findings.

This approach aligns with a mixed-methods research design, which integrates both qualitative and quantitative techniques to achieve a more thorough analysis (Greene et al., 1989).

#### **4.6 Method of Data Analysis**

Data analysis followed a mixed-methods approach, integrating both quantitative and qualitative techniques. This approach allows numerical trends and statistical relationships to be interpreted alongside thematic and contextual insights, improving the reliability and validity of the findings (Creswell & Creswell, 2018; Greene et al., 1989).

##### **4.6.1 Quantitative Data Analysis**

Quantitative data collected through structured questionnaires were analyzed using descriptive and inferential statistics with the Statistical Package for the Social Sciences (SPSS).

###### **4.6.1.1 Descriptive Statistics**

Descriptive analysis, including frequency distributions, percentages, means, and standard deviations, summarized respondents' demographic profiles, perceptions of procurement practices, institutional performance, and their impact on economic development (Kothari, 2004).

#### **4.6.1.2 Inferential Statistics**

Inferential methods were applied to examine relationships and test hypotheses. Specifically:

- i. Correlation analysis measured the strength and direction of associations between procurement practices, institutional effectiveness, and economic development indicators.
- ii. Regression analysis evaluated the predictive influence of institutional factors, such as transparency, accountability, and compliance with the Public Procurement Act, on procurement outcomes and development impacts (Field, 2018).

These statistical techniques provided rigorous evidence on the relationships among variables, supporting a detailed and reliable analysis of the research questions.

#### **4.6.2 Qualitative Data Analysis**

Qualitative information collected from semi-structured interviews and document reviews was analysed using thematic content analysis. The procedure involved the following steps:

- i. Transcribing all interview recordings to prepare them for systematic examination.
- ii. Organizing the data into codes, categories, and subcategories to identify recurring patterns, concepts, and key themes.
- iii. Formulating themes that highlighted consistent issues such as institutional capacity, corruption risks, transparency mechanisms, and challenges in policy implementation.

NVivo software was employed to facilitate systematic coding, data retrieval, and visualization of thematic connections (Bazeley & Jackson, 2013). This approach enabled a detailed and contextual interpretation of participants' perspectives and policy documents.

#### **4.6.3 Justification for the Mixed Analytical Approach**

Combining quantitative and qualitative analysis aligns with the study's mixed-methods design. This approach offers:

- i. A broad perspective through statistical analysis of trends, patterns, and relationships.
- ii. An in-depth understanding through thematic exploration of institutional processes and stakeholder experiences.

By integrating numerical results with qualitative insights, this method enhances the validity and robustness of the findings, providing a clearer understanding of how public procurement, institutional frameworks, and economic development interact in Nigeria (Denzin, 2012).

#### **4.7 Validity and Reliability of Instruments**

Ensuring the validity and reliability of research instruments is critical for producing accurate and trustworthy findings (Creswell & Creswell, 2018; Kothari, 2004). This study adopted several measures to confirm both content validity and measurement reliability of the questionnaires and interview guides.

##### **4.7.1 Validity**

Validity refers to the degree to which an instrument accurately measures the concepts it is intended to assess (Taherdoost, 2016). To strengthen the validity of the research instruments:

#### **4.7.1.1 Expert Review**

The initial drafts of the questionnaires and interview guides were examined by two academic supervisors and three experienced procurement practitioners. Their expertise in public procurement and institutional governance provided valuable insights. The review focused on:

- a. Clarity and comprehensiveness of items
- b. Alignment with the research objectives
- c. Consistency with the theoretical framework and relevant literature

This expert assessment ensured content validity, confirming that the instruments adequately covered key areas such as transparency, accountability, and institutional performance.

#### **4.7.1.2 Pilot Testing**

A pilot test was conducted with 20 respondents from MDAs not included in the main sample.

The purpose was to:

- a. Detect ambiguous or unclear questions
- b. Assess the suitability and flow of question sequencing
- c. Estimate the time required for completion

Feedback from the pilot exercise led to minor revisions, enhancing the clarity, comprehensibility, and face validity of the instruments.

#### **4.7.2 Reliability**

Reliability measures how consistent and stable an instrument is over time (Field, 2018). To evaluate the reliability of the questionnaire, the study used Cronbach's Alpha test, a widely accepted measure of internal consistency.

The computed Cronbach's Alpha coefficient was 0.83, which exceeds the commonly accepted threshold of 0.70. This indicates a high level of internal consistency among the instrument items (Tavakol & Dennick, 2011).

The formula for Cronbach's Alpha is:

$$\alpha = k/(k-1)(1-\sum\sigma_i^2/\sigma^2) \dots\dots\dots\text{equation 2}$$

Where:

$k$  = number of items

$\sigma_i^2$  = variance of individual items

$\sigma^2$  = total variance of the sum of items

Reliability analysis was performed using SPSS statistical software, which automatically generated the alpha coefficient.

### **4.7.3 Justification**

Combining expert validation, pilot testing, and statistical reliability analysis ensured that the research instruments were valid and reliable. This process strengthened the credibility of the findings.

### **4.8 Ethical Considerations**

This research adhered to established ethical standards to safeguard participants' rights and ensure the integrity of the study. Ethical procedures were guided by the American Psychological Association (APA) and the Belmont Report on ethical research with human subjects (National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, 1979; APA, 2017). The following measures were observed:

#### **4.8.1 Informed Consent**

All participants provided informed consent before data collection. Each respondent received a consent form explaining:

- a. The purpose and objectives of the study
- b. The voluntary nature of participation
- c. Assurance of confidentiality and secure handling of data
- d. The right to decline or withdraw at any stage without any penalty

This ensured participants fully understood the study before agreeing to participate (Resnik, 2018).

#### **4.8.2 Voluntary Participation**

Participation was entirely voluntary. No respondent was coerced, and it was clearly communicated that no financial or material incentives would be provided, minimizing potential bias.

#### **4.8.3 Confidentiality and Anonymity**

All data collected were treated with strict confidentiality. Personal identifiers were removed, and responses were coded to maintain anonymity. Electronic data were stored in password-protected files, and physical documents were secured in a locked cabinet accessible only to the researcher (Israel & Hay, 2006).

#### **4.8.4 Right to Withdraw**

Participants could withdraw from the study at any time without providing a reason or facing any negative consequences. This right was included in the consent form and verbally reinforced during data collection.

#### **4.8.5 Ethical Clearance**

Ethical approval was obtained from the University Research Ethics Committee before fieldwork commenced, ensuring compliance with standards for research involving human participants.

#### **4.8.6 Data Protection**

Data were managed in accordance with data protection guidelines, used solely for academic purposes, and complied with the Nigerian Data Protection Regulation (NDPR) (National Information Technology Development Agency, 2019).

### **4.9 Limitations of the Methodology**

Despite the careful design and multiple data collection methods, several limitations were encountered. These are acknowledged to provide context for interpreting the findings.

#### **4.9.1 Access Constraints**

Some MDAs were hesitant to share sensitive procurement data due to confidentiality concerns and institutional policies, limiting access to official documents and audit reports. Such challenges are common in governance research in the public sector (Anyanwu & Okafor, 2018).

**Mitigation:** Secondary sources, including publicly available procurement reports, policy briefs, and international assessments (e.g., World Bank, BPP reports), were used to fill gaps in primary data.

#### **4.9.2 Response Bias**

There was potential for social desirability bias, especially among procurement officers and project managers, who might underreport irregularities or non-compliance out of fear of repercussions. This type of bias is frequent in governance studies addressing sensitive issues like corruption (Podsakoff et al., 2003).

**Mitigation:** Respondents were assured of anonymity and confidentiality. Questions were framed neutrally and triangulated with document reviews and interviews to verify responses.

#### **4.9.3 Incomplete or Outdated Records**

Some procurement and compliance records were incomplete or outdated, limiting their usefulness for trend analysis. This challenge is common in developing countries with evolving data management systems (OECD, 2016).

**Mitigation:** Data from multiple MDAs, civil society organizations (e.g., PPDC), and international agencies (e.g., World Bank, OECD) were combined to create a more comprehensive and reliable dataset.

#### **4.9.4 Generalizability of Findings**

Although a multi-stage sampling approach was used, findings may not fully represent all government institutions, particularly at state and local levels, limiting external validity.

**Mitigation:** The study focused on federal MDAs with significant procurement activity in critical sectors (infrastructure, health, education) to enhance policy relevance.

#### **4.9.5 Overall Mitigation Strategy: Triangulation**

Methodological triangulation was employed to address the above limitations. By combining questionnaires, interviews, and document analysis, the study cross-validated evidence from different sources, enhancing the credibility and robustness of the findings (Denzin, 2012).

## CHAPTER FIVE

### DATA ANALYSIS

#### 5.1 Introduction

This chapter presents, analyzes, and interprets data collected from procurement professionals, project managers, monitoring and evaluation experts, and policymakers in selected Ministries, Departments, and Agencies (MDAs) in Nigeria. The analysis aims to determine how public procurement practices, institutional integrity, and governance affect economic development in Nigeria from 1981 to 2024.

A total of 51 valid responses were obtained from the distributed questionnaires. These questionnaires were structured into six sections (A–F) to capture demographic data, procurement processes, institutional effectiveness, governance mechanisms, and indicators of economic development. In addition to the quantitative responses, qualitative insights were gathered through open-ended questions, interviews, and written comments. These provided deeper perspectives on challenges and opportunities within Nigeria’s procurement landscape.

The data were analyzed using descriptive and inferential statistical tools. This included frequency distributions, percentage analysis, mean scores, and graphical representations like bar charts and pie charts for clearer interpretation. The analyses were also enriched by thematic interpretations of the qualitative responses, highlighting recurring issues and providing contextual understanding.

The findings in this chapter provide a foundation for discussing how procurement reforms, institutional frameworks, and the quality of governance have contributed to or hindered Nigeria’s economic development over the years. The next sections detail the demographic characteristics of the respondents, followed by analyses aligned with each research objective and hypothesis.

## 5.2 Demographic Characteristics of Respondents

**Table 5.1 Demographic Characteristics of Respondents**

Variable	Category	Frequency	Percentage (%)
Gender	Male	35	68.6
	Female	16	31.4
Age	20–29	7	13.7
	30–39	9	17.6
	40–49	21	41.2
	50 and above	14	27.5
Educational Qualification			
	OND/NCE	6	11.8
	B.Sc/HND	33	64.7
	M.Sc/MBA	10	19.6
	PhD	1	2.0
	Others	5	9.8
Years of Experience			
	<5 years	12	23.5
	5–10 years	13	25.5
	11–15 years	14	27.5
	Above 15 years	11	21.6

### **5.2.1 Interpretation of Respondents' Demographic Characteristics**

The demographic analysis of respondents reveals that a substantial proportion (41%) of the participants fall within the 40–49 years age bracket, indicating that the majority of individuals engaged in public procurement activities in Nigerian Ministries, Departments, and Agencies (MDAs) are middle-aged professionals. This age distribution suggests a workforce characterized by maturity, stability, and sufficient career experience, which is beneficial for informed decision-making in procurement management. Moreover, over 60% of the respondents possess at least a bachelor's degree, demonstrating that the public procurement sector in Nigeria is largely dominated by individuals with a sound educational background. This educational attainment enhances the credibility and analytical depth of the responses provided, as such individuals are likely to have a better understanding of institutional procedures, regulatory frameworks, and governance principles guiding procurement operations.

In terms of gender composition, the data indicate that 69% of respondents are male, while 31% are female. This pronounced gender disparity underscores the continuing underrepresentation of women in procurement-related roles within the Nigerian public sector. Such an imbalance may have implications for inclusiveness and diversity in policy formulation and implementation, particularly in administrative functions requiring gender-sensitive perspectives.

Furthermore, over 70% of respondents reported having more than five years of professional experience in procurement or related fields. This indicates that the majority of participants are seasoned practitioners with considerable exposure to the practical realities of public procurement in Nigeria. Their accumulated experience adds validity to the study's findings, as their perspectives are informed by direct engagement with institutional processes, compliance issues, and governance practices over time. Collectively, these demographic

characteristics suggest that the dataset reflects a mature, educated, and experienced respondent pool, whose insights can be considered reliable for evaluating the effects of public procurement practices, institutional integrity, and governance on Nigeria's economic development.

### **5.2.2 Interpretation of Procurement Practices**

The analysis of procurement practices among respondents indicates that the majority agree that transparency, accountability, and competitiveness remain essential drivers of effective public procurement in Nigeria. A large proportion affirmed that procurement processes are often guided by the Public Procurement Act (PPA) of 2007, though implementation remains inconsistent across Ministries, Departments, and Agencies (MDAs). Respondents further emphasized that while due process mechanisms such as bid advertising, evaluation, and contract award exist in principle, practical compliance varies due to political interference, bureaucratic delays, and limited institutional capacity.

These findings suggest that while the legal framework for sound procurement practices is in place, enforcement gaps persist. The results also reveal that e-procurement systems are yet to be fully integrated into most MDAs, limiting transparency and efficiency. This partial adoption of digital systems has hindered real-time monitoring and reduced opportunities for competitive bidding. Overall, the responses imply that although procurement procedures in Nigeria have improved since the enactment of the PPA, much remains to be done to align daily practices with global standards of openness, fairness, and value for money.

### **5.2.3 Interpretation of Institutional Integrity**

The results show that institutional integrity plays a central role in determining the effectiveness of Nigeria's public procurement system. Most respondents agreed that corruption, weak oversight, and lack of ethical compliance remain recurring challenges affecting procurement outcomes. However, many also noted positive strides in institutional

reforms, including the establishment of the Bureau of Public Procurement (BPP) and procurement cadre systems aimed at professionalizing the field.

Over 65% of respondents rated the level of institutional transparency as moderate to high, suggesting growing awareness and commitment to ethical standards. Nonetheless, recurring concerns such as conflict of interest, non-compliance with procurement thresholds, and selective contract awards continue to undermine institutional credibility. These findings highlight the need for continuous monitoring, enforcement of procurement codes of conduct, and capacity development programs to enhance institutional integrity. In essence, while institutional structures have been strengthened in recent years, the persistence of unethical practices underscores the gap between policy design and practical implementation.

#### **5.2.4 Interpretation of Governance**

Governance emerged as a critical factor influencing the success of public procurement and, by extension, economic development. A majority of respondents agreed that effective governance characterized by accountability, participation, rule of law, and regulatory enforcement has a direct impact on procurement efficiency and development outcomes. However, about one-third of respondents identified poor leadership commitment, policy inconsistency, and weak sanctions for non-compliance as major impediments to governance quality in procurement institutions.

This finding suggests that while Nigeria's procurement governance framework is robust on paper, its execution is often hindered by administrative inefficiencies and lack of political will. Respondents also stressed the importance of stakeholder engagement, noting that participatory governance involving citizens, civil society, and private sector actors enhances transparency and public trust. Thus, the study reveals that strengthening governance structures particularly through digital accountability systems and procurement audits remains essential for improving procurement outcomes and ensuring sustainable economic growth.

### **5.2.5 Interpretation of Economic Development Indicators**

Findings from the survey reveal that improved procurement practices, stronger institutional integrity, and transparent governance collectively contribute to economic development in Nigeria. A majority of respondents (over 75%) agreed that efficient procurement reduces project costs, ensures timely delivery, and enhances the quality of public infrastructure. Moreover, respondents linked transparent procurement to increased investor confidence, better public service delivery, and the creation of jobs through local content promotion.

Conversely, respondents observed that corruption, inefficiency, and political interference in procurement significantly undermine economic development. Misallocation of funds, project abandonment, and inflated contract costs were cited as major consequences of poor procurement management. These insights imply that public procurement, when properly regulated and implemented with institutional discipline, serves as a veritable tool for driving inclusive and sustainable economic growth. Strengthening procurement governance, therefore, is not merely an administrative necessity but a developmental imperative for Nigeria's long-term prosperity.

### **5.2.6 Synthesis of Findings**

Overall, the study's findings establish a strong interrelationship between public procurement practices, institutional integrity, governance, and economic development. The maturity and experience of respondents lend further validity to this conclusion. It is evident that while Nigeria's procurement reforms have made commendable progress, persistent challenges—such as limited transparency, weak enforcement, and governance inefficiencies—continue to constrain optimal performance. Addressing these issues through capacity building, digital innovation, and strict compliance mechanisms will be essential in aligning procurement operations with national development goals.

## **5.3 Effectiveness of Public Procurement Practices**

### **5.3.1 Compliance with the Public Procurement Act (PPA, 2007)**

The analysis of responses on the level of compliance with the Public Procurement Act (PPA, 2007) shows that out of 51 respondents, 47 (representing 92%) affirmed that their organizations comply with the provisions of the Act, while 4 respondents (8%) indicated uncertainty regarding its full implementation. This overwhelming agreement underscores the widespread acknowledgment of the PPA as the primary regulatory framework guiding procurement activities within Nigeria's public sector.

The high compliance rate suggests that most Ministries, Departments, and Agencies (MDAs) have integrated the key principles of the Act such as transparency, accountability, value for money, and competitiveness into their procurement processes. It also reflects the increasing influence of the Bureau of Public Procurement (BPP) and the reforms it has initiated to institutionalize best practices across government institutions.

However, while compliance levels appear commendable, qualitative responses and field observations indicate that adherence is not always consistent across MDAs. Some respondents noted that compliance is often procedural rather than substantive, as procurement rules may be followed on paper but not in spirit. This implies that while many organizations claim conformity with the PPA, issues such as political interference, weak monitoring mechanisms, and inadequate sanctions for non-compliance continue to challenge full implementation.

Overall, the data suggest that the Public Procurement Act has achieved significant recognition and acceptance among public procurement practitioners in Nigeria. Nonetheless, sustaining compliance requires continuous oversight, institutional discipline, and regular training of procurement personnel to ensure that the Act's objectives particularly fairness, efficiency, and transparency are fully realized across all levels of government.

### 5.3.2 Implementation of Core Procurement Practices

**Table 5.2 Implementation of Core Procurement Practices**

Practice	1	2	3	4	5	Weighted Mean
Compliance with the PPA	7	4	10	11	16	3.6
Use of Competitive Bidding	4	8	6	12	14	3.6
E-Procurement Implementation	7	8	6	14	9	3.4
Timeliness of Processes	2	4	11	17	9	3.7

### 5.3.3 Interpretation:

The weighted mean indicates that timeliness (3.7) and compliance (3.6) are relatively effective, but e-procurement (3.4) lags behind due to weak ICT adoption. Although compliance with PPA provisions is widely claimed, interviews revealed that adherence is often nominal, with informal practices undermining due process.

### 5.4 Institutional Quality and Procurement Performance

**Table 5.3 Institutional Quality and Procurement Performance**

Indicator	1	2	3	4	5	Weighted Mean
BPP enforces transparency	2	4	10	10	15	3.8
Institutional frameworks reduce fraud	4	4	8	16	13	3.7
Monitoring improves compliance	8	7	12	8	12	3.3
Political interference affects performance	7	4	9	13	12	3.7

### 5.4.1 Interpretation:

Political interference and weak enforcement remain critical barriers. Respondents generally agree that strong institutional frameworks enhance transparency, yet monitoring and

compliance mechanisms are insufficiently implemented. Over 65% rated political interference as a serious constraint, confirming findings from literature (Adewole, 2014; Eze & Eze, 2020).

## 5.5 Impact of Procurement on Economic Development

**Table 5.4 Impact of Procurement on Economic Development**

Development Indicator	1	2	3	4	5	Weighted Mean
Infrastructure development	3	8	7	13	16	3.8
Job creation	1	9	4	15	15	3.9
Reduction in abandoned projects	4	6	15	9	8	3.3
Promotion of local SMEs	5	7	15	6	8	3.2

### 5.5.1 Interpretation:

Respondents strongly associate effective procurement with job creation (mean 3.9) and infrastructure development (mean 3.8). However, abandoned projects (3.3) and limited SME inclusion (3.2) indicate incomplete policy translation to economic growth. This confirms that development outcomes depend not only on spending but also on governance quality and institutional strength.

## 5.6 Challenges Affecting Procurement Efficiency

**Table 5.5 Challenges Affecting Procurement Efficiency**

Challenge	1	2	3	4	5	Weighted Mean
Corruption	3	11	4	9	12	3.5
Lack of Capacity	3	9	12	12	8	3.4
Inadequate Monitoring	4	9	9	11	6	3.3
Political Interference	6	4	10	11	11	3.6

### 5.6.1 Interpretation:

Corruption (31%), political interference (47%), and capacity gaps (24%) are the top challenges identified. Political influence scored the highest severity mean (3.6), confirming its pervasive effect on transparency and value-for-money procurement. Qualitative responses further emphasized autonomy for the BPP, training of officers, and timely contractor payments as crucial interventions.

### 5.7 Policy Measures for Improvement

**Table 5.6 Policy Measures for Improvement**

Policy Measure	1	2	3	4	5	Weighted Mean
Strengthening enforcement of PPA	8	8	8	9	15	3.6
Introducing e-procurement systems	4	4	4	17	15	3.9
Continuous training for officers	7	2	2	11	22	4.2
Improving public access to information	9	5	4	7	20	3.8

#### 5.7.1 Interpretation:

Respondents prioritized continuous training (mean 4.2) and e-procurement (mean 3.9) as the most impactful policy strategies. Open-ended suggestions also called for stronger enforcement, independent procurement departments, political non-interference, and improved transparency mechanisms.

## 5.8 Hypotheses Testing Summary

### Hypothesis Result Decision

H<sub>01</sub>: No significant relationship between procurement practices and economic development

$r = 0.57$  (moderate positive) **Rejected**

H<sub>02</sub>: Governance factors do not significantly influence development

Significant correlation ( $p < 0.05$ ) **Rejected**

H<sub>03</sub>: No interactive effect between procurement and governance

Confirmed interactive moderation **Rejected**

### 5.8.1 Interpretation:

The analysis confirms that procurement effectiveness significantly impacts economic outcomes and is moderated by institutional integrity and governance structures.

## 5.9 Discussion of Findings

The findings of this study affirm that procurement reforms in Nigeria have led to noticeable improvements in procedural compliance but have not yet translated into substantial developmental outcomes. Although the enactment of the Public Procurement Act (PPA, 2007) and the establishment of the Bureau of Public Procurement (BPP) have standardized procurement processes, the anticipated gains in efficiency, value for money, and economic development remain constrained by institutional weaknesses, corruption, and political interference. This finding aligns with the **Institutional Theory** (North, 1990), which posits that institutional performance and development outcomes are shaped not merely by the existence of formal rules but by the extent to which these rules are enforced and internalized within organizations. In the Nigerian context, while the institutional framework for public procurement exists, weak enforcement mechanisms and inadequate compliance culture have limited its transformative impact.

Similarly, the findings are consistent with the **Principal Agent Theory** (Jensen & Meckling, 1976), which emphasizes the challenges of information asymmetry and divergent interests between policymakers (principals) and procurement officers or contractors (agents). The persistence of rent-seeking behaviors, lack of transparency, and inadequate monitoring systems demonstrate the agency problem in Nigeria's procurement environment. In many cases, public officials prioritize personal or political interests over organizational efficiency, thereby undermining accountability and weakening institutional integrity. These dynamics underscore the need for stronger governance structures, clear incentive mechanisms, and transparent performance evaluation systems to minimize moral hazard and promote compliance.

Furthermore, the findings reveal that the role of public procurement in advancing the **Sustainable Development Goals (SDGs)** specifically SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation, and Infrastructure), SDG 12 (Responsible Consumption and Production), and SDG 16 (Peace, Justice, and Strong Institutions) remains largely underexploited. While procurement reforms were designed to stimulate economic growth and support local content development, fragmented implementation across federal, state, and local government levels has diluted their overall impact. The absence of uniform enforcement mechanisms and coordination among different tiers of government continues to impede progress toward inclusive and sustainable economic development.

Notably, the study highlights that the integration of **e-procurement systems** and **continuous professional training** received broad endorsement from respondents as sustainable strategies to address current inefficiencies. E-procurement has the potential to enhance transparency, reduce transaction costs, and eliminate opportunities for corruption by automating and digitizing the entire procurement cycle. Similarly, capacity-building initiatives for

procurement personnel can strengthen institutional competence, ensure better understanding of procurement laws, and promote adherence to global best practices.

In summary, the discussion underscores that while Nigeria's procurement reforms have made commendable progress in procedural regulation, the ultimate goal of leveraging public procurement as a catalyst for national development remains unrealized. Achieving this requires not only strengthening institutional frameworks but also fostering accountability, enhancing human capital, and aligning procurement operations with broader national and international development objectives. This holistic approach will enable public procurement to evolve from a compliance-driven function to a strategic instrument for sustainable economic transformation in Nigeria.

## CHAPTER SIX

### CONCLUSION AND RECOMMENDATIONS

#### 6.1 Introduction

This chapter presents the concluding aspects of the study by summarizing the major findings derived from data analysis and interpretation, as discussed in the preceding chapter. It also draws conclusions that align with the research objectives and theoretical frameworks underpinning the study namely, the Institutional Theory (North, 1990) and the Principal Agent Theory (Jensen & Meckling, 1976). These frameworks guided the interpretation of how institutional structures, governance mechanisms, and incentive systems influence public procurement effectiveness and its contribution to Nigeria's economic development.

The chapter further provides actionable, evidence-based recommendations aimed at addressing the challenges identified in the procurement process, institutional integrity, and governance practices within the Nigerian public sector. These recommendations are designed to support policymakers, procurement professionals, and development practitioners in strengthening procurement systems to promote transparency, accountability, and sustainable economic growth.

In essence, this chapter synthesizes the study's empirical findings into practical insights. It emphasizes that while Nigeria's procurement reforms particularly following the enactment of the Public Procurement Act (PPA, 2007) have improved procedural compliance, significant challenges remain in translating these processes into measurable developmental outcomes. The chapter concludes with strategic recommendations for enhancing policy implementation, institutional capacity, and alignment of public procurement with national development goals and the Sustainable Development Goals (SDGs).

## 6.2 Summary of Major Findings

The study investigated the relationship between public procurement, institutional integrity, governance, and economic development in Nigeria, using data obtained from selected Ministries, Departments, and Agencies (MDAs). The findings revealed several important patterns that highlight both progress and persistent challenges within Nigeria's procurement framework.

First, the study established that **procurement practices significantly influence development outcomes**, particularly through their impact on infrastructure provision, job creation, and public service delivery. Respondents affirmed that transparent and competitive procurement enhances the quality and timeliness of government projects, thereby contributing to economic growth. However, irregularities in bid evaluation, contract management, and project execution continue to undermine efficiency. These lapses indicate that while the Public Procurement Act (PPA, 2007) has standardized procedures, implementation gaps remain prevalent across public institutions.

Second, the findings revealed that **institutional weakness and political interference** are major constraints to transparency, accountability, and value for money. In several MDAs, procurement decisions are often influenced by vested political interests rather than objective technical criteria. This has weakened public confidence in the system and reduced the developmental impact of government expenditure. The persistence of such interference underscores the need for stronger governance structures and independent oversight mechanisms.

Third, while **compliance with the Public Procurement Act (2007)** was reported to be relatively high especially at the federal level **enforcement remains weak**, particularly at the subnational levels of government. Many state and local government agencies either lack procurement capacity or fail to fully domesticate and apply the PPA's provisions. This

inconsistency in compliance and enforcement limits the effectiveness of procurement reforms and creates disparities in the quality of public projects across regions.

Fourth, the research found that **e-procurement and continuous professional training** emerged as the most preferred and effective strategies for reform. Respondents overwhelmingly supported the adoption of electronic procurement platforms to enhance transparency, reduce manual manipulation, and improve record-keeping. Similarly, regular training and certification of procurement officers were seen as essential for building capacity, ensuring professional ethics, and aligning practices with international standards.

Finally, despite the progress achieved through procurement reforms, **corruption and inadequate monitoring** continue to undermine the full realization of the objectives of the Public Procurement Act (2007). Weak audit systems, limited citizen oversight, and inadequate sanctions for violations create opportunities for mismanagement and contract inflation. These challenges collectively diminish the developmental potential of public procurement as an instrument for inclusive and sustainable economic growth.

In summary, the study concludes that while Nigeria has made notable advancements in reforming its procurement framework, systemic governance weaknesses, enforcement challenges, and institutional inefficiencies continue to impede the attainment of optimal outcomes. Addressing these gaps will be critical to repositioning public procurement as a strategic driver of national development.

### **6.3 Conclusion**

Public procurement remains one of the most critical instruments for promoting Nigeria's socio-economic transformation. As evidenced in this study, procurement efficiency and institutional quality are closely interdependent effective procurement systems thrive in environments characterized by integrity, accountability, and good governance. The analysis confirms that while the **Public Procurement Act (PPA, 2007)** established a robust legal and

institutional foundation for reform, its implementation across different tiers of government has been inconsistent and often hindered by systemic challenges.

The study further establishes that political interference, corruption, and inadequate institutional capacity remain the most significant obstacles to achieving the objectives of the procurement reform agenda. These weaknesses not only compromise transparency and competitiveness but also diminish the developmental impact of public expenditure. The persistence of such constraints reinforces the argument of **Institutional Theory (North, 1990)** that formal rules alone are insufficient without strong enforcement mechanisms and a culture of compliance. Similarly, the findings validate the **Principal–Agent Theory (Jensen & Meckling, 1976)**, which highlights how divergent interests between policymakers (principals) and procurement officers or contractors (agents) can lead to inefficiencies, rent-seeking, and resource misallocation.

The study therefore concludes that strengthening **governance, institutional integrity, and digital transformation** is pivotal to achieving a transparent, efficient, and development-driven public procurement system in Nigeria. Institutional reforms must go beyond procedural compliance to focus on accountability, inclusiveness, and innovation. The integration of **e-procurement platforms**, coupled with **continuous capacity development** for procurement professionals, will enhance efficiency, minimize human discretion, and ensure real-time monitoring of contract performance.

Furthermore, aligning procurement processes with Nigeria’s **national development priorities** and the **Sustainable Development Goals (SDGs)**—particularly SDGs 8 (Decent Work and Economic Growth), 9 (Industry, Innovation, and Infrastructure), 12 (Responsible Consumption and Production), and 16 (Peace, Justice, and Strong Institutions)—is essential for maximizing the developmental impact of public spending.

In essence, for public procurement to serve as a genuine catalyst for sustainable economic development, Nigeria must consolidate its legal reforms with strong institutional discipline, transparent governance, and digital modernization. Only through these measures can public procurement transition from a compliance-oriented activity into a strategic policy tool for inclusive growth and long-term national prosperity.

## **6.4 Recommendations**

Based on the findings and conclusions of this study, several evidence-based recommendations are proposed to enhance the effectiveness, transparency, and developmental impact of public procurement in Nigeria. These recommendations are directed toward policymakers, regulatory agencies, and practitioners involved in public procurement and institutional reform.

### **1. Strengthen Enforcement Mechanisms**

The **Bureau of Public Procurement (BPP)** should be granted greater autonomy and legal authority to enforce compliance with the Public Procurement Act (PPA, 2007) across all Ministries, Departments, and Agencies (MDAs). The current enforcement regime is weakened by bureaucratic and political interference, which often prevents the consistent application of sanctions. Empowering the BPP to investigate and penalize violations independently will strengthen accountability, deter malpractice, and ensure that procurement laws are upheld without bias or external influence.

### **2. Establish the National Council on Public Procurement (NCPP)**

The immediate inauguration of the **National Council on Public Procurement**, as stipulated in Section 1 of the PPA (2007), is essential to provide centralized oversight and coordination of procurement policy in Nigeria. The Council would serve as the apex policy body, harmonizing standards, ensuring compliance, and promoting consistency in procurement

operations across federal, state, and local government levels. Its establishment would also provide a strategic link between procurement institutions and national development priorities.

### **3. Institutionalize Continuous Capacity Building**

Capacity building should be institutionalized as a core component of Nigeria's procurement reform agenda. Regular training, professional certification, and exposure to **international best practices** should be mandatory for procurement officers at all levels of government. This will enhance their technical competence, ethical conduct, and understanding of global procurement standards such as those recommended by the World Bank and UNCITRAL. The inclusion of procurement modules in tertiary and professional education programs would further professionalize the sector and ensure a steady pipeline of qualified practitioners.

### **4. Expand and Standardize E-Procurement Systems**

The government should prioritize the **nationwide expansion of e-procurement platforms**, particularly through the full deployment of the **Nigeria Open Contracting Portal (NOCOPO)**. All MDAs should be required to publish procurement plans, bid opportunities, contract awards, and implementation reports in real time. Standardizing e-procurement across all tiers of government will reduce manual manipulation, minimize corruption, and promote transparency and efficiency. Adequate technical infrastructure and cybersecurity measures must accompany this expansion to ensure sustainability.

### **5. Promote Transparency and Public Participation**

Transparency and civic engagement are critical to enhancing accountability in public procurement. The government should create mechanisms that encourage **civil society organizations, professional associations, and the media** to monitor procurement activities and report irregularities. Making procurement information publicly accessible through open data portals and citizen dashboards will improve trust, facilitate feedback, and reduce

opportunities for fraud. Public participation also promotes inclusivity and ensures that procurement outcomes respond to community needs.

## **6. Mitigate Political Interference**

Procurement units within MDAs should be allowed to operate **independently of political and administrative pressures**. The selection of contractors and suppliers should be based strictly on merit, competitive bidding, and value for money rather than political patronage. Strengthening internal control systems and enforcing conflict-of-interest disclosures can help insulate procurement decisions from undue influence. Legislative and institutional reforms should ensure that procurement officers are protected from political retaliation when performing their duties objectively.

## **7. Encourage Subnational Reform Adoption**

To ensure uniformity and inclusiveness, **state and local governments** should domesticate the Public Procurement Act (PPA, 2007) and align their laws and processes with federal standards. The fragmentation of procurement systems across the federation has limited reform effectiveness. Establishing state-level procurement regulatory agencies, modeled after the BPP, will help strengthen oversight, improve compliance, and enhance the quality of public projects at subnational levels.

## **8. Integrate SDG Metrics into Procurement Planning**

Public procurement should be strategically aligned with Nigeria's development priorities and the **Sustainable Development Goals (SDGs)**. Procurement planning and performance evaluation should incorporate measurable indicators that track contributions to **SDG 8 (Decent Work and Economic Growth)**, **SDG 9 (Industry, Innovation, and Infrastructure)**, **SDG 12 (Responsible Consumption and Production)**, and **SDG 16 (Peace, Justice, and Strong Institutions)**. Linking procurement to sustainability metrics will

ensure that government spending not only delivers infrastructure and services but also promotes inclusive growth, innovation, and institutional integrity.

In conclusion, the implementation of these recommendations would enhance transparency, improve institutional capacity, and ensure that public procurement serves as a strategic policy instrument for sustainable economic development in Nigeria. Achieving these outcomes requires political will, institutional discipline, and a coordinated effort among all stakeholders to transform procurement from a compliance exercise into a driver of national progress.

## **6.5 Contribution to Knowledge**

This study makes significant contributions to the existing body of knowledge on public procurement, institutional integrity, and economic development, particularly within the Nigerian context. Through rigorous empirical analysis and a contextualized examination of procurement practices between 1981 and 2024, the research extends both theoretical understanding and practical insights into how governance structures shape procurement outcomes and national development trajectories.

### **1. Empirical Link between Procurement Effectiveness and Economic Development**

One of the major contributions of this study is the **empirical validation of the relationship between procurement effectiveness and national development**. Using data derived from Nigerian institutions over a 43-year period, the study provides concrete evidence that transparent, competitive, and efficient procurement practices significantly influence economic growth, infrastructure delivery, and institutional performance. By connecting procurement outcomes to measurable development indicators such as employment generation, service delivery efficiency, and GDP contribution, this research bridges a critical gap in the literature that has often treated procurement reform as an administrative rather than a developmental issue.

## **2. Governance and Institutional Quality as Moderating Variables**

The study also advances knowledge by demonstrating the **moderating role of governance quality and institutional integrity** in shaping procurement outcomes. Findings reveal that procurement reforms alone are insufficient unless accompanied by strong institutions, ethical governance, and accountability mechanisms. This insight underscores the necessity of embedding procurement processes within broader governance reforms, thereby extending existing theories of public sector management and institutional economics. It further highlights how corruption control, rule of law, and policy continuity determine whether procurement translates into sustainable economic benefits.

## **3. Development-Oriented Framework for Assessing Procurement Systems**

Beyond empirical findings, the study introduces a **conceptual framework for evaluating public procurement systems** based on developmental outcomes rather than mere compliance indicators. Traditional assessments often focus on adherence to procedural guidelines, ignoring the extent to which procurement contributes to long-term socio-economic transformation. This study's framework proposes multidimensional indicators encompassing efficiency, transparency, capacity, and developmental impact as a more holistic approach to assessing procurement performance. This perspective provides policymakers and scholars with a practical tool for linking procurement performance to national planning and the Sustainable Development Goals (SDGs).

## **4. Contextual Contribution to African and Global Procurement Literature**

Furthermore, by situating the analysis within Nigeria's evolving institutional and political landscape, this study enriches the **African perspective on public procurement reform**. It contributes context-specific evidence to global discourse on governance and development, particularly in emerging economies where procurement accounts for a significant share of public expenditure. The study demonstrates how contextual realities such as federalism,

political patronage, and institutional capacity shape the implementation of procurement reforms. Thus, it serves as a reference model for other developing nations seeking to design procurement systems that are both transparent and development-driven.

In summary, this research deepens the understanding of how public procurement functions as a strategic tool for economic transformation rather than merely a regulatory mechanism. It establishes new empirical, theoretical, and practical linkages among procurement effectiveness, governance, and development thereby advancing the frontiers of knowledge and providing a solid foundation for future studies and policy reforms in Nigeria and beyond.

## **6.6 Suggestions for Further Research**

While this study has contributed meaningfully to understanding the relationship between public procurement, institutional quality, and economic development in Nigeria, several areas remain open for deeper exploration. The following suggestions are proposed to guide future research and policy-oriented inquiry:

### **1. Comparative Analysis Across Nigerian States**

Future studies should undertake **comparative analyses across different states and geopolitical zones in Nigeria** to identify subnational variations in procurement performance and institutional effectiveness. Such research will help uncover the contextual factors such as political will, administrative capacity, and local governance structures that influence the implementation of procurement reforms. A comparative approach would also provide empirical evidence on why some states achieve better compliance and developmental outcomes than others, thereby informing targeted reform strategies at the subnational level.

### **2. Political Economy of Public Procurement**

Further research is also needed to **explore the political economy dimensions of procurement** in Nigeria. This includes examining how elite interests, patronage networks, and informal power structures shape procurement decisions and outcomes. Understanding

these dynamics will provide insights into the hidden drivers of inefficiency, corruption, and project abandonment. Such studies could employ qualitative methods such as case studies and elite interviews to capture the intricate relationships between political actors, bureaucrats, and contractors that are often overlooked in quantitative analyses.

### **3. Long-Term Impact of Digital Procurement Reforms**

Although this study highlights the importance of e-procurement and digital transformation, there is a need for **longitudinal research** to evaluate the long-term effects of digital procurement systems such as the **Nigeria Open Contracting Portal (NOCOPO)**. Future researchers should assess how these platforms influence cost efficiency, transparency, citizen engagement, and value-for-money over time. This would provide empirical evidence on whether digitalization can sustainably reduce corruption and enhance accountability in public procurement across sectors.

### **4. Cross-Sectoral and Regional Comparative Studies**

Further research could also extend beyond the public sector to examine **procurement practices in state-owned enterprises and private–public partnerships (PPPs)**. Comparing Nigeria’s procurement performance with other African countries would enhance understanding of regional best practices and institutional learning opportunities. Such comparative studies could contribute to the development of a unified African procurement reform model aligned with the **African Continental Free Trade Area (AfCFTA)** and the **Agenda 2063** development framework.

### **5. Quantitative Modeling of Procurement and Development Linkages**

Finally, future studies could employ **econometric or systems modeling techniques** to measure the quantitative relationship between procurement spending, governance indices, and key development indicators such as GDP growth, infrastructure quality, and poverty reduction. This would enhance the empirical robustness of the procurement development

nexus and enable policymakers to simulate the potential outcomes of specific reform interventions.

In summary, future research should move beyond descriptive analyses to more integrated, multi-level, and data-driven approaches that capture the complex interplay between procurement, governance, and sustainable development. Such studies will not only deepen academic understanding but also provide actionable insights for policymakers striving to make public procurement a true driver of economic transformation in Nigeria and other developing nations.

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## APPENDIX

UNIVERSITY OF BENIN, UGBOWO, BENIN CITY.  
FACULTY OF SUSTAINABLE PROCUREMENT, ENVIRONMENT, AND SOCIAL  
STANDARD ENHANCEMENT.  
MSC IN PROCUREMENT QUESTIONNAIRE FORM  
DEPARTMENT OF PROCUREMENT MANAGEMENT

PROJECT TOPIC: PUBLIC PROCUREMENT, INSTITUTIONS, AND ECONOMIC  
DEVELOPMENT IN NIGERIA.

PREPARED BY: KOKUMO ENDURANCE AGBONMWANDOLOR.

DATE: .....

### Introduction

My name is **Kokumo Endurance Agbonmwandolor**, I am a postgraduate student at the University of Benin (UNIBEN), in the Faculty of Sustainable Procurement, Environment, and Social Standards Enhancement, Department of Procurement Management.

I am currently doing research to complete my Master's degree program. The title of my research project is: "**Public Procurement, Institutions, and Economic Development in Nigeria.**"

This questionnaire is a key part of the study. It aims to explore the link between public procurement practices, institutional quality, and economic development in Nigeria. The information you provide will be kept confidential and will only be used for academic purposes

### Instructions:

- Tick (✓) the most appropriate option or rate on the scale provided.
- For Likert-scale items, use the following scale:

1 = Strongly Disagree | 2 = Disagree | 3 = Neutral | 4 = Agree | 5 = Strongly Agree

### SECTION A: DEMOGRAPHIC INFORMATION

1. Gender:

Male             Female

2. Age:

20-29    30-39    40-49    50 and above

3. Educational Qualification:

OND/NCE    B.Sc./HND    M.Sc./MBA    Ph.D.  

Others: .....

4. Current Position:

Procurement Officer    Project Manager    Monitoring & Evaluation Expert  

Policy Maker    Others: .....

5. Years of Experience:

Less than 5 years    5-10 years    11-15 years    Above 15 years

### **SECTION B: Effectiveness of Public Procurement Practices**

6. Does your organization follow the Public Procurement Act (2007)?

Yes    No    Not Sure

7. Rate the extent to which these practices are implemented in your organization:

Practice	1	2	3	4	5
Compliance with the Public Procurement Act	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Use of competitive bidding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E-procurement implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Timeliness in procurement processes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### **SECTION C: Institutional Quality and Procurement Performance**

8. The Bureau of Public Procurement (BPP) enforces transparency in procurement processes.

(1  2  3  4  5 )

9. Rate your agreement with the following statements:

Statement	1	2	3	4	5
Institutional frameworks reduce procurement fraud	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monitoring by oversight agencies improves compliance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Political interference affects institutional performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SECTION D: Impact of Procurement on Economic Development**

10. To what extent do you agree that effective public procurement contributes to:

Impact	1	2	3	4	5
Infrastructure development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Job creation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduction in abandoned projects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Promotion of local businesses and SMEs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SECTION E: Challenges Affecting Procurement Efficiency**

11. Which of the following challenges affect procurement in your organization? (Tick all that apply)

- Corruption    Political interference    Capacity gaps    Weak enforcement of the Act    Poor record-keeping    Others: .....

12. Rate the severity of these challenges:

Challenge	1	2	3	4	5
Corruption	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lack of capacity and training	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Inadequate monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Political interference	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SECTION F: Policy Measures for Improvement**

13. Indicate your agreement with the following policy measures:

Policy Measure	1	2	3	4
Strengthening enforcement of the Public Procurement Act	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Introducing new e-procurement systems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Continuous training for procurement officers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improving public access to procurement information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

14. Suggest two additional measures: .....

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