

2007 PUBLIC PROCUREMENT ACT AND ECONOMIC GROWTH OF NIGERIA: A PRE- POST EMPIRICAL EVALUATION

Leonard Ifeanyi Amaefule*

Department of Accountancy, Imo State University Owerri, Nigeria

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ABSTRACT

Until 2007, Nigeria did not have any specific regulation on public procurements; as such, mis-procurements and misappropriations were the order of the day, leaving a negative effect on the economic growth of the nation. This led to the enactment of the 2007 Public Procurement Act (PPA). Subsequently, a great deal of positive difference was expected in government's procurement of goods and services including economic and social community services, against the backdrop of their resultant effect on the nation's economic development index. But is this expectation supported by any cogent empirical evidence? This study therefore evaluates the effect of federal government's capital procurement in the area of economic and social community services on the real gross domestic product (RGDP) of Nigeria during the Pre and Post 2007 PPA. Data were sourced from the Central Bank of Nigeria Statistical Bulletin for the Pre-Procurement Act era (1997-2007) and Post Procurement Act era (2008-2018). Results of the Ordinary Least Square regression analysis conducted revealed that during the Pre-Procurement Act era, economic services did not show any significant effect on RGDP while social community services indicated a significant positive influence on RGDP. However, during the post PPA era, neither Economic services nor Social Community Services indicated any significant effect on the nation's RGDP. It is therefore inferred that mere change in the legal structure (framework) guiding public procurement in Nigeria does not automatically translate to better procurement procedures and improved economic fortune of the nation rather other factors such as the capacity of procurement officers and transparent conduct of procurement activities may be the key drivers of efficient government's procurement practices. The study therefore recommends that adequate capacity building of government officials and stiffer punishment for misconduct in procurement matters should be given ultimate attention by the government.

Keywords: Public Procurement Act, Economic Services, Social Services, Real Gross Domestic Product.

*Correspondence to: Leonard Ifeanyi Amaefule, Department of Accountancy, Imo State University Owerri, Nigeria, E-mail: leo4christ2002@yahoo.com