

**RESEARCH ARTICLE****Empirical Investigation of Benefits for Small and Medium Enterprises Participation in Public Procurement Contracts in Enugu State Nigeria****Prof. Nicholas N. Igwe¹; Anichebe, Nnameka Augustine PhD²; & Odikey, Maryrose PhD³**¹*Department of Business Management, Godfrey Okoye University Enugu*²*College of Management Sciences, Evangel University Akaeze, Ebonyi State*³*Department of Vocational Education, Godfrey Okoye University Enugu, Enugu State, Nigeria****Corresponding Author: Prof Nicholas N. Igwe | Department of Business Management, Godfrey Okoye University Enugu****ABSTRACT**

SMEs are the “power house” of every economy. They account for nearly half of the total employment creation and play an important role in sustaining social cohesion. Given the paramount role SMEs play, governments are looking for ways to strengthen and enhance their contributions to economic growth. One of such ways is through the creation of level playing field to allow them participate in public procurement contracts. This study investigates the inherent benefits SMEs stand to gain through public procurement tendering. Data for the study was collected through questionnaire and interview instruments from registered SMEs in Enugu chamber of Commerce, Industry, Mines and Agriculture. Sample size was determined using Taro Yamane formula. Data collected were analyzed using frequency and standard deviation while, tests of hypotheses were conducted via Pearson Chi Square test. The results revealed that SMEs expressed enthusiasm and joy that their participation have aided them in job creation, poverty alleviation and getting prestigious endorsements from large firms in sub-contracts. It is therefore recommended that government should keep providing level playing field for more participation through favorable legislation that will speed up payment for services or job done through preferential treatments.

Keywords: *Small and Medium Enterprises Participation; Public Procurement Contracts; Enugu State*

Introduction

Development refers to the process, efforts or activities for change designed to enable individuals, communities, societies or nations to take charge of their destinies and realize full potentials especially through building in them self-confidence, pride, respect, material resources and information necessary to achieve individual goals and aspirations. For this to happen, a society must move from a given socio-economic condition to another more desirable socio-economic condition as a consequence of education in appropriate attitudes and skills (Kindle Berger and Herrick, 1997). Mohammed (2008), views development as the achievement of economic growth for improved living standards of people especially through the use of a country's human, material and institutional resources. One of the most applauded definitions of development was given by Todaro and Smith (2009). They see development as a multi-dimensional process involving the reorganization and reorientation of the entire socio-economic systems. For them, development

is a physical reality and a state of mind in which society has through some combinations of social, economic and political processes secured the way of obtaining better life for its citizens. Development can also be seen as encompassing processes which involve the systematic changes in the cultural, economic and political spheres of society in a way that increase production, empowers the people, protects the environment, strengthens institutions, improves quality of life and eventually promotes good governance. Development is distinct from growth because it is about people and how their lives and institutions can get better (Igbafen, 2012; Ihonvbere, 2012 cited by Olotu and Chikere, 2018).

SMEs are vital to most economies across the world especially developing and emerging economies like Nigeria. The World Bank states that formal SMEs contribute up to 60% of total empowerment and up to 40% of national income (GDP) in developing countries and these statistics would be significantly higher if it took into account informal SMEs.

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Again, the World Bank also estimates that 600 million workers will enter the global workforce over the next fifteen years especially in Asia and Sub-Saharan Africa. From this projection, four out of every five new jobs are expected to be created by SMEs (Ndiaye, Razak, Nagayev & Ng, 2018). Given the paramount role of SMEs in developing and emerging economies' growth and future, governments in these countries are looking for ways to strengthen SMEs and make them even more successful. One of such ways without fear of equivocation is through their participation in public procurement contracts. It is against this backdrop that this paper seeks to investigate the accruable benefits of participation for these SMEs in public procurement contracts with a view to enhancing their growth and increased contributions to the economies of the countries where they operate. In Enugu state Nigeria, these small and medium scale enterprises are copiously found in existence.

Statement of Problem

The seed of industrialization in developed and developing economies can be traced to small and medium enterprises (SMEs). This is because the history of economic growth and development cannot be complete without the involvement of SMEs. A good number of them have extensive knowledge of resource diversifications, production and distribution of goods and services in any economy. These firms serve as chief suppliers of inputs to larger firms and even governments by provision of different kinds of products ranging from food, clothing, health care, educational resources, entertainment just to mention but a few. In general, these SMEs constitute important sources of local supplies and services rendered to larger firms and even governments. Without mincing words, SMEs constitute an invaluable power house to business, growth of economies of advanced and emerging nations. Researches have shown that in developed nations, SMEs are seen to have relative comparative advantage over their larger firm competitors in terms of innovative solutions, better customer care and after sales services as well as more prompt response to changing needs of customers. Thus, SMEs as suppliers of various inputs in public procurement are expected to improve productivity, job creation, increase response times, decrease costs and accelerate overall efficiency of government development projects. In emerging economies like Nigeria, this scenario is quite different. This is because SMEs face substantial hurdles in winning government procurements contracts. In fact, public procurement contracts ought to be one of the salient ways of improving the development and performance of these small and medium scale enterprises. In many states of Nigeria, bigger firms are used to replace them, severely due to open corruption, witnessed in advertising, selection and award of bids. For an effective supply side support, it is necessary to investigate the accruable benefits of SMEs' participation in public procurement in a developing country like Nigeria since the public procurement act came into force in 2007. However, not much is known in evidenced-based research in this area. Most researches on SMEs tend to focus on drivers in SMEs performance using diverse factors as variables. Despite the extensive studies on SMEs performance, a search of the literature shows a yawning gap in previous researches on SMEs performance and participation in public procurement. This study therefore seeks to expose an evidence-based understanding of the extent of participation of SMEs and the benefits that are accruable to them by their participation in Enugu State Nigeria. This study fills a gap since public procurement offers another source of funding small businesses through their participation in public procurement contracts.

Research Objectives

The objectives this study seeks to investigate are as follows:

- I. To examine the extent of participation by SMEs in public procurement contracts in Enugu State.
- II. To establish the benefits accruable to Enugu State SMEs by their participation in public procurement contracts.

Research Questions

- I. What is the extent of participation of SMEs in public procurement contracts in Enugu State?
- II. How does participation in government procurement contracts benefit SMEs in Enugu State?

Research Hypotheses

- I. SMEs participation in public procurement is high in Enugu metropolis
- II. SMEs participation in public procurement has a positive effect.

Theoretical Framework

Theory is very pivotal to the research credentials of any discipline. Within the field of public procurement, little is known of the role that theory has played to date. This assertion stands in contrast to the related field of supply chain management wherein theory is widely debated (Ketchen and Hult, 2011). No doubt, theories over the years had been recognized as integral to disciplinary developments in management sciences (Colquitt and Zapata-Phelan,

2007; Hambrick, 2007 and DiMaggio, 1995). Little is known of its use in public procurement field (Flynn and Davis, 2014). Research by this duo points to a very low level of theoretical grounding in public procurement research. From the surveyed literature it was revealed that public procurement is theoretically eclectic, that is its ability to choose from a wide variety of disciplines ranging from economics, psychology, sociology and even management is common place. Over the years, theories belonging to economics discipline has predominated. Microeconomic theories such as competitive auctions and bidding, principal-agent theory and transaction cost economic theory account for over half of all theoretical articles investigated by Flynn and Davis (2014). However, it is heart-warming that management science theories have become more widely used in recent past. The utility of management theories can be seen in relation to the role and position of procurement within the organization. Management theory that is of large relevance to public sector purchasing is the application of a theory of lean by Waterman and McCue (2012); Schiele and McCue (2011) which was used to explain the efficiency imperatives in public procurement. The observed preference for management theory in more recent years could be attributable to a number of factors such as more budding management researchers interested in public procurement or the new awareness of the strategic importance of public sector purchasing to organizations. It is now more significant that management theory has become quite indispensable in the understanding of public sector purchasing.

For this paper, the theory of lean by Waterman and McCue (2012) and Schiele and McCue (2011) were utilized. This is because their theory was anchored on efficiency imperatives for public procurement. The reason for the adoption is that allowing SMEs to participate in public sector purchasing would make the process more efficient and transparent for all stakeholders, contributes positively to job creation, economic growth and innovation by the participating SMEs. This no doubt will engender confidence and creation of level playing field for all participants. The above assertion is supported by Wittig (2002) and OECD (2012) who emphasized that most public procurement system seeks to achieve value for money by awarding contracts to the lowest cost suppliers able to meet technical specifications required in a project or service. Most empirical research in public procurement centers on whether contract award procedures and mechanisms result in realization of value for money goals with a specific objective on control of corruption and anti-competitive behaviors such as bid rigging.

Review of Related Literature SMEs and Public Purchasing Sector

Governments around the world purchase a wide range of products to provide public goods and services to citizens. Such procurement often accounts for a significant share in the Gross Domestic Products (GDP) and aggregate demand of the economy (Hoekman, Saab Djankov, Ghossein, Islam & Saliola, 2017). In low-income countries, public procurement constitutes 14.4 percent of GDP on average (Djankov, Ghossein, Islam and Salioha, 2017). Public procurement constitutes an estimate of an average of 13 percent of the Lebanese budget and 4 percent of GDP (Institutes finances Basil Fuleihan, 2014). However, this value is underestimated as it does not include procurement made at the local government levels or by autonomous agencies. In the Arab world, this share is estimated by the World Bank to be in the range of 15 – 20 percent of GDP.

SMEs are vital to most economies across the world especially developing and emerging countries. Just recently, the World Bank states that formal SMEs contributed up to 60 percent of total employment and 40 percent of national income (GDP) in emerging economies and these statistics would be significantly higher if it took into account informal SMEs (Ndiaye, Razak Nagayev and Ng (2018). In the Europe, public procurement accounts for one-sixth of the total GDP (Arrowsmith, 2010). The extent of public procurement above shows that it provides ample business opportunities for private sector. In 2009, SMEs alone accounted for almost 90 percent of all private productive units in Egypt and were the greatest source of job creation (African Development Bank, 2009). In 2004 over 99 percent of all companies in the European Union were SMEs. They accounted for 56 percent of gross value added (GVA), 67 percent of employees within the business sector excluding agriculture, fisheries and financial services and 58 percent of the company's turnover (DG Enterprise and Industry of the European Commission, 2007).

In Nigeria, the story is no doubt different, the seed of industrialization can be traced to SMEs. This is because a good number of them have extensive knowledge of resources, how goods and services are produced and distributed in the economy (Hassan, Aku and Aboki, 2017). SMEs also account for the chief suppliers of inputs to larger firms, they serve as customers to large firms, provide different kinds of products ranging from food, clothing, health care, education, recreation, entertainment amongst others (Etuk, Etuk, and Baghebo, 2014). They asserted that these enterprises help in economic development through industrial disposal and transformation of primary and intermediate products as well as supply other materials to larger firms. Collaborating these assertions (Ogbo and

Agu, 2012) contend that SMEs play significant roles in the growth and development of Nigeria which are also applicable to other economies of the world. These views have been supported by Okolo, Odike and Chime (2021).

Given the huge role of SMEs in developing and emerging economies growth and future, governments in these countries are looking for ways to strengthen SMEs and make them more successful. Public procurement participation may be one of the ways governments at Federal, States and even local councils could improve and enhance the performance of SMEs. SMEs' participation in public procurement may also be a sure tool of industrial policy or used to pursue sustainable development goals (UNIDO, 2017, Kattel and Veikol, 2010). This could be reflected in "buy national" policies, local content or technology transfer requirements for foreign bidders (Altenburg and Lutkenhorst, 2015) as cited by Hoekman, Saab and Tas (2014) and measures to facilitate the participation of SMEs. This is because a government contract can assist firms to invest more funds, expand employment and increase productivity – thus, in the long run helping to attain industrial development objectives (Ferraz, Finan and Szerman, 2015).

Notwithstanding the seemingly progress that governments in Nigeria have made in addressing the challenges facing SMEs in this part of the world, there are still, areas that need to be fully addressed. One such all important area is the issue of participation of SMEs in public procurement contracts. A search through the reviewed literature revealed that SMEs participation in public sector purchases leaves more to be desired (Akenroye, 2013).

Benefits Accruable to SMEs from Participation in Public Procurement Contracts

The public sector is facing an unprecedented request to become more efficient and effective in the light of tight budgets and financial cut-backs at each governance level on one hand, the rising demand for services, goods and furniture to be procured by public sector agencies on the other hand (Saussier and Valbonesi, 2018). These developments became imperative during the global pandemic coronavirus (COVID-19) that threw the entire world into serious economic and governance challenges. Governments all over the world were then under pressure from citizens to purchase a wide range of products to provide public goods and services for citizens that could alleviate the sufferings experienced. Such public procurement often accounts for a significant share of GDP and aggregate demand (Hoekman, Saab and Tas, 2019). Given that SMEs are the backbone of many economies in both developing and developed nations, they can never be relegated to the background. They account for more than half of total employment globally and play a vital role in improving and sustaining social cohesion and integration (OECD, 2018).

Following a review of different strategies used in various countries to promote SMEs' engagement in public procurement and summary of surveyed literature on the determinants and economic effects of participation of SMEs in government procurement this study highlights the probable accruable benefits to SMEs from participation in public procurement contracts. Several reasons have been adduced why involvement in public procurement could be profitable to SMEs by Saastamoinen, Reijonen and Tammi (2017):

- I. The public sector has buyers that may be committed to long-term controls such as framework agreements that span over several years. Their participation would certainly lead to the long term survivability of these firms in the economies where they are domiciled thus improving the value added to the economy through innovations, more job creation and income accruable to them.
- II. Public sector buyers often make prompt, and timely payments to contractors which invariably may reduce the volatility of cash flows and risks. This will open more access to financial resources which had always been one of the major challenges impeding their performance and contribution to economic growth. Some countries have even introduced legislation that the public sector pay their contractors within a prescribed time frame (PWC, 2014). SMEs participation in public procurement and subsequent prompt payments to them may also serve as a shield towards recessionary periods which is very common in private sector economic activity (Procurement Research Group, 2012).
- III. Many SMEs that serve as sub-contractors to large firms in public procurement might receive greater financial rewards when they contract directly with the public sector (ACCA, 2009).
- IV. Furthermore, increasing their performance and visibility in public procurement contracts, SMEs may likely obtain prestigious references and endorsements from the public sector (Procurement Innovation Group, 2009).
- V. Recently, the importance of enhancing participation visibility amongst SMEs in public procurement sector has been recognized by EU policy makers and specialist. The essence is to identify and disseminate good practices among EU member countries (European Commission, 2011). The commission believes that more visible participation of SMEs would improve competition, inter-organizational learning and consequently

increase value for money in procurement. This would invariably lead to job creation, economic growth and innovation among such SMEs.

- VI. Other benefits accruable from their participation include improved efficiency, better access to market knowledge, more extensive creation of added value and an increase in the number of innovative solutions in contracting (Van Ham and Koppenjan, 2002).

Methodology

The research design adopted for this study was the ex-post facto design. It is the design where the researcher deals with non-manipulative independent variables such as sex, location, religious affiliations etc. in order to observe the impact of variables of interest in a study. The population on the study was three hundred and fifty-eight (358) members of Enugu Chamber of Commerce Industries Mines and Agriculture (ECCIMA) as at June 2021. The population was obtained from the brochure of 32nd Enugu international trade fair as organized by the chamber. Using the Taro Yamane’s (1964) formula for the determination of sample size for a finite population, the sample size obtained was 189. To obviate possible attrition arising from “no response” syndrome, the instrument was administered on 240 (two hundred and forty respondents). Each of the six (6) research assistants who participated in the collection of data was given a quota of forty (40) respondents. All the research assistants utilized were post-graduate students of the Faculty of Management and Social Sciences and had undertaken some research work during their undergraduate studies. They were assigned to different locational areas of Enugu metropolis namely Abakpa-Nike, Coal Camp, Emene, Independence Layout/GRA, Trans-Ekulu and Uwani/Achara Layout. Thus, the sampling technique was a combination of non-proportional quota and convenience sampling. Convenience sampling was adopted because of the nature of the research which is highly technical. Again, not all members of the chamber of Commerce were involved in public procurement contracts.

The members who participated were asked these questions in the consent form which accompanied the cross-sectional survey (questionnaire). The characteristics which the researchers sought to unravel were found in the organizations selected across the metropolis. Therefore, it was a waste of time and resources going very far to reach every member of the Enugu Chamber of Commerce, Industry, Mining and Agriculture (ECCIMA) (Onyeizugbe, 2013). The first section of the questionnaire sought data on the demographics of the respondents which constitute the independent, variables namely age, sex, marital status, age of organization. The second part of the questionnaire sought data on the respondents’ attitude on their participation in public procurement contracts. This was measured on a five-point Likert scale. Reliability of the test instrument was done using Cronbach’s alpha, the result which gave 0.857 suggests that the scale was reliable.

Descriptive statistics such as frequency, arithmetic mean, standard deviation were used for computation. Pearson chi-square test was the analytical tool for testing the hypotheses. All statistical tests were conducted at the five percent level of statistical significance.

Table 1: Questionnaire Response Rate

<i>Questionnaire</i>	<i>Number</i>	<i>Percentage (%)</i>
<i>Questionnaire shared</i>	240	100
<i>Questionnaire returned</i>	232	96.7
<i>Questionnaire not returned</i>	08	3.3
		100
<i>Badly filled questionnaire</i>	30	13.0
<i>Used questionnaire for analysis</i>	202	87.0
		100

Source: Field survey, 2021

The researchers distributed a total of two hundred and forty copies of questionnaire. Two hundred and thirty-two were returned (96.7%) while eight copies (3.3%) were not returned.

Again, during sorting of the copies of questionnaire thirty copies (13:0%) were found to be badly filled and were rejected. The usable copies of the questionnaire 202 (87.0%) were used for data analyses.

Table 2: Profile of the Respondent

Characteristics	Frequency	Percent
Sex Distribution of Respondent		
Male	170	84.2
Female	32	15.8
Total	202	100
Marital status of respondents		
Single	45	22.3
Married	130	64.3
Widowed	10	5.0
Separated	15	7.4
Divorced	2	1.0
Total	202	100.0
Age Distribution of Respondents		
Less than 30	20	9.9
30 – 40	75	37.1
41 – 50	60	29.8
51 – 60	35	17.3
Greater than 60	12	5.9
Total	202	100.00
Religious Affiliation of Respondents		
Christianity	190	94.0
Muslim	2	1.0
African traditional religion	10	5.0
Total	202	100.00
Academic Qualification of Respondents		
PhD	21	10.4
MSc/MA/MBA	137	67.8
HND	22	10.9
ND	5	2.5
NCE	17	8.4
Total	202	100.00
Revenue/Capital formation of the Respondent/Asset		
Less than N10m	24	11.9
N11m to N30m	22	10.9
N31m to N50m	55	27.2
N51m to N70m	35	17.3
N70m to N90m	30	14.9
Greater than N91m	36	17.8
Total	202	100.00
Market focus (% share of total sales) local/Geopolitical zone of the Respondent		
National	200	99.0
International	2	1.0
Total	202	100.00

Source: Field Survey 2021

Table 2 shows the demographics of the respondents. It highlights the characteristics of the respondents in terms of gender, age, marital status, religious affiliation, academic qualification, revenue/capital formation, and market focus to the survey participants, as shown in Table 1. It may be determined from the response that there were more male respondents than female respondents in the research area. Males made up 84.2% (170) of the responses, while females made up 15.8% (32). This indicates that SMEs in the Enugu city are dominated by men. Because of the deteriorating nature of business in Nigeria, this discrepancy is to be expected. It takes courage and emotional resilience to persevere in the face of adversity.

The study of the respondents' academic qualifications found that 10.4% (21) had a PhD certificate, 67.8% (137) had a Masters degree, 10.9% (22) had a BSc/HND, 2.5% (5) have a Diploma/Certificate, and 8.4% (17) had an NCE. This demonstrates that the respondents were literate, which accounted for their adequate knowledge of the topic at hand.

Table 3: SMEs Public Procurement Participation

<i>Characteristics</i>	<i>Frequency</i>	<i>Percent</i>
<i>To what extent do you agree that your organization has secured a government contract in the past five (5) years</i>		
<i>Strongly Agree (SA)</i>	103	51.9
<i>Agree (A)</i>	64	31.7
<i>Undecided (U)</i>	5	2.5
<i>Disagree (D)</i>	20	9.9
<i>Strongly Disagree (SD)</i>	10	5.0
Total	202	100.0
<i>Has your organization sold goods or services to government agencies in the past five years</i>		
<i>Strongly Agree (SA)</i>	100	49.5
<i>Agree (A)</i>	65	32.2
<i>Undecided(U)</i>	14	6.9
<i>Disagree (D)</i>	10	5.0
<i>Strongly Disagree (SD)</i>	13	6.4
Total	202	100.0
<i>Has the organization been a sub-contractor for another firm that was granted a public procurement contract</i>		
<i>Strongly Agree (SA)</i>	151	74.8
<i>Agree (A)</i>	30	14.9
<i>Undecided (U)</i>	5	2.5
<i>Disagree (D)</i>	6	3.0
<i>Strongly Disagree (SD)</i>	10	5.0
Total	202	100.0

Source: Field Survey 2021

Table 3 shows the results of the question on determining the extent of participation of SMEs in public procurement contracts. The findings verified the high degree of participation of SMEs in public contracts in Enugu. Only 167 of the 202 chief executive officers, managers, and other knowledgeable employees of small and medium firms questioned admitted to having ever engaged in a public procurement contract in Enugu, representing 82.7% while the remaining 35 (17.4%) respondents disagreed. In the last five years, 82.7% of respondents agreed that their organization had sold goods or services to government agencies, and 181 respondents (89.7%) agreed that their organization had been a subcontractor for another firm that had been awarded a public procurement contract.

Data presentation for research question 1

Research question 1 revealed the benefits of participation in public procurement contracts to SMEs. To answer this question, simple descriptive statistics of mean and standard deviation were computed, using SPSS. The mean and standard deviation of the four benefits of participation in public procurement contract to SMEs in Enugu, Nigeria is presented in Table 3.

Table 4: Benefits of participation in public procurement contracts to SMEs

<i>Variables</i>	<i>Frequency</i>	<i>Mean</i>	<i>Std. Deviation</i>	<i>Ranking</i>
<i>Leads to long term survivability of SMEs in their domains</i>	202	1.2178	.53910	Fourth
<i>Opens more access to finance for SMEs</i>	202	1.3564	.74090	Third
<i>SMEs get prestigious references and endorsement from public sector agencies through contract</i>	202	1.7030	1.34973	First
<i>Improves overall competition, inter-organizational learning and value for money in procurements.</i>	202	1.3713	.88423	Second

The mean for all four benefits of participating in public procurement contracts to SMEs in the questionnaire ranged from 1.23 to 1.7. variables related to long-term viability, more access to finance, prestigious references and endorsement from public sector agencies, and improvement of overall competition, inter-organizational learning, and value for money in procurements received mean scores of 1.2178, 1.3564, 1.7030, and 1.3713 respectively. The acquisition of prestigious references and endorsement from public sector agencies had the highest mean score

(1.7030), indicating that this is one of the most highly regarded benefits of participating in public procurement contracts for SMEs.

Hypothesis One

H₀: There is no significant relationship between public procurement participation and improved value added to economy through innovation and income.

Table 5: The Organization has Secured a Government Contract in the Past Five (5) Years * Improves Value Added to Economy through Innovation and Income

		<i>Improves value added to economy through innovation and income</i>					<i>Total</i>
		<i>Strongly Agree (SA)</i>	<i>Agree (A)</i>	<i>Undecided (U)</i>	<i>Disagree (D)</i>	<i>Strongly Disagree (SD)</i>	
<i>The organization has secured a government contract in the past five (5) years</i>	<i>Strongly Agree (SA)</i>	103	0	0	0	0	103
	<i>Agree (A)</i>	31	33	0	0	0	64
	<i>Undecided (U)</i>	0	5	0	0	0	5
	<i>Disagree (D)</i>	0	2	5	11	2	20
	<i>Strongly Disagree (SD)</i>	0	0	0	0	10	10
	<i>Total</i>	134	40	5	11	12	202

Table 5a: Chi-Square Tests

	<i>Value</i>	<i>df</i>	<i>Asymptotic Significance (2-sided)</i>
<i>Pearson Chi-Square</i>	421.393 ^a	16	.000
<i>Likelihood Ratio</i>	274.227	16	.000
<i>Linear-by-linear Association</i>	171.102	1	.000
<i>N of Valid Cases</i>	202		

i. 17 cells (68.0%) have expected count less than 5. The minimum expected count is .12.

Table 5b: Directional Measures

		<i>Value</i>	<i>Asymptotic standardized Error^a</i>	<i>Approximate T^b</i>	<i>Approximate Significance</i>
<i>Ordinal Ordinal</i>	<i>By Somers' d</i>				
	<i>Symmetric</i>	.802	.027	13.491	.000
	<i>The organization has secured a government contract in the past five (5) years Dependent</i>	.891	.019	13.491	.000
	<i>Improves value added to economy through innovation and income Dependent</i>	.730	0.38	13.491	.000

- i. Not assuming the null hypothesis
- ii. Using the asymptotic standard error assuming the null hypothesis

Table 5c: Symmetric Measures

	Value	Approximate significance
Nominal by Nominal Contingency Coefficient	.822	.000
N of Valid Cases	202	

An examination of public procurement involvement, as well as the value provided to the economy through innovation and income, supported the hypothesis. Table 5a, b and c demonstrated that there was a strong association between variables, according to Chi-Square analysis. The Chi Square tests yielded significant results at the 5% alpha level. Tables 5b and c aid in determining the strength and direction of the association between variables; for example, the approximate significance value has 0.00 in its column, implying that the variables had a significant relationship.

Furthermore, the value statistics aid in determining the relationship's strength or direction; it can vary from -1 to 1, with negative values indicating a negative relationship and positive values indicating a positive association. The relationship between variables is very strong, as shown in tables 5b and c. The null hypothesis was rejected in the analysis of public procurement participation and improved value added to the economy through innovation and income. The study concludes that there is a strong link between public procurement participation and improved value added to the economy through innovation and revenue.

Hypothesis Two

H₀: There is no significant relationship between public procurement participation and creation of more jobs in the economy.

Table 6: The Organization has secured a Government Contract in the Past Five (5) years * it Creates more Jobs in the Economy

		<i>It creates more jobs in the economy</i>					<i>Total</i>
		Strongly Agree (SA)	Agree (A)	Undecided (U)	Disagree (D)	Strongly Disagree (SD)	
<i>The organization has secured a government contract in the past five (5) years</i>	Strongly Agree (SA)	103	0	0	0	0	103
	Agree (A)	45	19	0	0	0	64
	Undecided (U)	0	5	0	0	0	5
	Disagree (D)	0	0	8	12	0	20
	Strongly Disagree (SD)	0	0	0	0	10	10
	Total	134	40	5	11	12	202

Table 6a: Chi-Square Tests

	Value	df	Asymptotic Significance (2- sided)
Pearson Chi-Square	475.325 ^a	16	.000
Likelihood Ratio	269.089	16	.000
Linear-by-linear Association	171.114	1	.000
N of Valid Cases	202		

I. 17 cells (68.0%) have expected count less than 5. The minimum expected count is .20.

Table 6b: Directional Measures

			Value	Asymptotic standardized Error ^a	Approximate T ^b	Approximate Significance
Ordinal	By Somers' d	Symmetric	.739	.030	10.439	.000
		The organization has secured a government contract in the past five (5) years	.894	.020	10.439	.000
		It creates more job in the economy	.630	.045	10.439	.000

- I. Not assuming the null hypothesis
- II. Using the asymptotic standard error assuming the null hypothesis

Table 6c: Symmetric Measures

	Value	Approximate significance
Nominal by Nominal Contingency Coefficient	.838	.000
N of Valid Cases	202	

The hypothesis was accepted based on the available data in tables 6a, b, and c because the asymmetry values in the Chi Square test were less than 0.05. Tables 6b and 6c show that the high value statistics variables have a positive and strong relationship. This hypothesis centered on the considerable link between involvement in public procurement and the creation of more jobs in the economy. The null hypothesis was rejected, indicating that there is a link between public procurement participation and the creation of new jobs in the economy.

Discussion of Findings

The results of this investigation have shown that small and medium scale enterprises (SMEs) are very active in public procurement contracts in Enugu State, Nigeria. This has led to value and innovations added to the economy of the State by such participation. This finding is highly correlated with the writings of (Hassan, Aku and Aboki, 2017; Ogbo and Agu, 2012). Collaborating these assertions, Kattel and Veikal, 2010, Hoekman, Saab and Jas (2014) were of the view that giving SMEs procurement contracts by three tiers of governments, the three levels of governments could enormously enhance and improve the performance of these categories of businesses in their country (Okolo, Odike and Chime (2021).

The study also found that through participation in public procurement contracts in government businesses, SMEs create more jobs in the economy as analyzed by the second hypothesis. The study also reveals that SMEs get prestigious references and endorsements from public sector agencies through participation in sub-contracts to large firms. These efforts are observable through supplies and innovative products to large firms that normally use their extensive networks in securing government contracts. This finding is in agreement with the views of (Saussier and Valbonesi, 2018) who proposed that the public sector is facing an unprecedented request to become more efficient and effective in the light of the dwindling resources and financial cutbacks at each level of governance. The organization for Economic Cooperation and Development (OECD, 2018) had affirmed that SMEs accounted for more than half of total employers globally and subsequently play a vital role in improving and sustaining social cohesion and integration. (Saastamoinen, Reijonen and Tammi, 2017). Even the European Commission has reported that more visible participation of SMEs improves competition, inter-organizational learning and increased value for money in public procurement contracts which invariably would lead to job creation, economic empowerment and innovation amongst such SMEs in their country of operations (European Commission, 2011).

Conclusion

Small and medium scale enterprises (SMEs) have expressed great enthusiasm and joy that participating in public procurement contracts bring prestigious references and endorsement especially in the area of sub-contracts from bigger organizations. This has given them added impetus in job creation, alleviate poverty through youth empowerment generation in Enugu state. However, this propensity to get involved in public purchasing contracts could be reduced abysmally if quality procurement regulations are not adequately put in place. Thus, for sustainable

development of SMEs in Enugu metropolis which could translate into higher tax revenues to the government, timely payment of suppliers is basic for their survivability. This is because payment delays by a procuring agency will have a deleterious impact on cash flows of business executing a procurement contract. This no doubt will impede their ability to cover running costs and pay financial liabilities.

Recommendations

There is abundant evidence that the state government is interested in empowering SMEs through public purchasing agencies, the study recommends that for enhanced participation by SMEs the government should focus on improving the quality of regulations governing public procurement. This can be done through subdivision of contracts into small lot sizes that will favor all inclusive participation amongst SMEs.

For a sustained positive effect of SMEs participation in public procurement through job creation, innovations in supplies mechanisms and economic growth, the government should enact favourable legislations that will speed up payment of services/jobs done through preferential treatments. This can be done by dividing the contracts into small value lots for their easy affordability. This generally will impact on their participation and visibility in public purchasing businesses.

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