

Policy Directions on Women Inclusion in Public Procurement in Ogun State

RCE Policy Brief 2021/01

[Policy Brief from Regional Centre for Expertise (RCE), Ogun Public Workshop on ‘Women Inclusion in Public Procurement for Social and Economic Progress in Ogun State’]

1 Background

Public procurement is the process through which the government acquires goods, works, and services needed to fulfil its public functions. Public contracts in Nigeria are governed by the general law of contract regulated through financial regulations issued by the Minister of Finance. These regulations were supposed to impose on procuring authorities certain requirements, restrictions, and guidelines in relation to the procurement process. In Nigeria, government is the highest spender with an estimated 80% expenditures on procurement¹. Figure 1 shows the public procurement procedure in Nigeria.



Figure 1: The public procurement process
Source: Lawson (2021:9)

Closely associated is the electronic procurement, commonly referred to as *e-procurement*. It is the automation of the procurement process using web-based applications. The *e-procurement* system enables government agencies nationwide to procure goods and services from their suppliers electronically. Suppliers can receive, manage, and process government purchase orders, and receive payment from government agencies online by using the mechanism. The main advantages of *e-procurement* include cost reduction, process re-organization, improved contract performance, elimination of sycophancy, promotion of merit and many other benefits (Andrade et al., 2010). The popularity and security issues of the system are major concerns for potential adopters. The wide-use of *e-procurement* systems also depends on the availability of supporting infrastructures such as sufficient broadband coverage. Inadequacies in government policies and legislation are areas to be highlighted in the system. The standard procedure for governmental

¹https://www.researchgate.net/publication/259494047_Development_of_Electronic_Government_Procurement_e-GP_System_for_Nigeria_Public_Sector

tendering process which mandates the buying of printed tender documents in physical offices by interested parties in person is a good example. Figure 2 shows the e-procurement cycle.

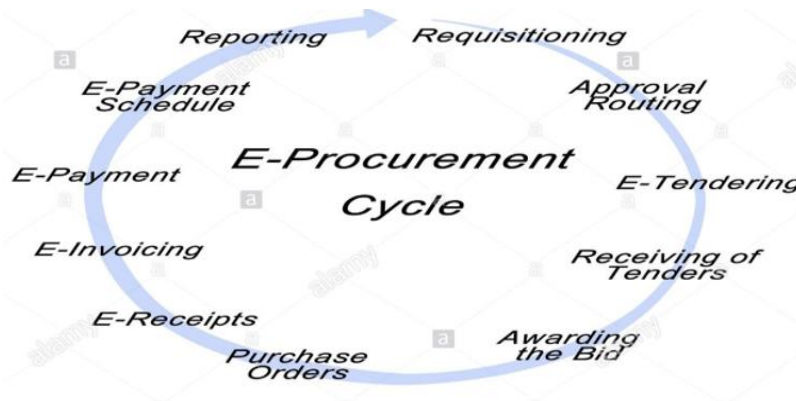


Figure 2: E-Procurement Cycle
Source: Lawson (2021:11) from Alamy Stock Photo

2 Women in Public Procurement

According to the World Bank (2019), about 49% of Nigeria’s population are women and economically empowered women contribute highly to an improved quality of life to men, women, families and communities. According to the World Bank, every year governments in developing countries spend 15-22% of their GDP on procurement². The United Nations defines a women-owned business as *a legal entity in any field that is more than 51-per-cent owned, managed and controlled by one or more women*. Classification of women-owned vendors allows for collection of data, but also to target assistance and preferential treatment to women-owned businesses, enabling them to compete for contracts and enter the procurement market. Women entrepreneurs face unique challenges as a result of discriminatory practices and attitudes. Women form 65% of small scale trades in Africa in Nigeria we call it petty trading. This hinders capacity to meet the requirement of large government contracts. Limited education and exposure subdue knowledge of procurement opportunities and its procedure. Women are also set back for lack of access to finance and other assets required for procurements. Women don’t own land or inherit land in Africa and of course in Ogun State by the norms and practices. Figure 3 details of the United Nations statistics on the contribution of women in different parameters.

²www.open-contracting.org/gender

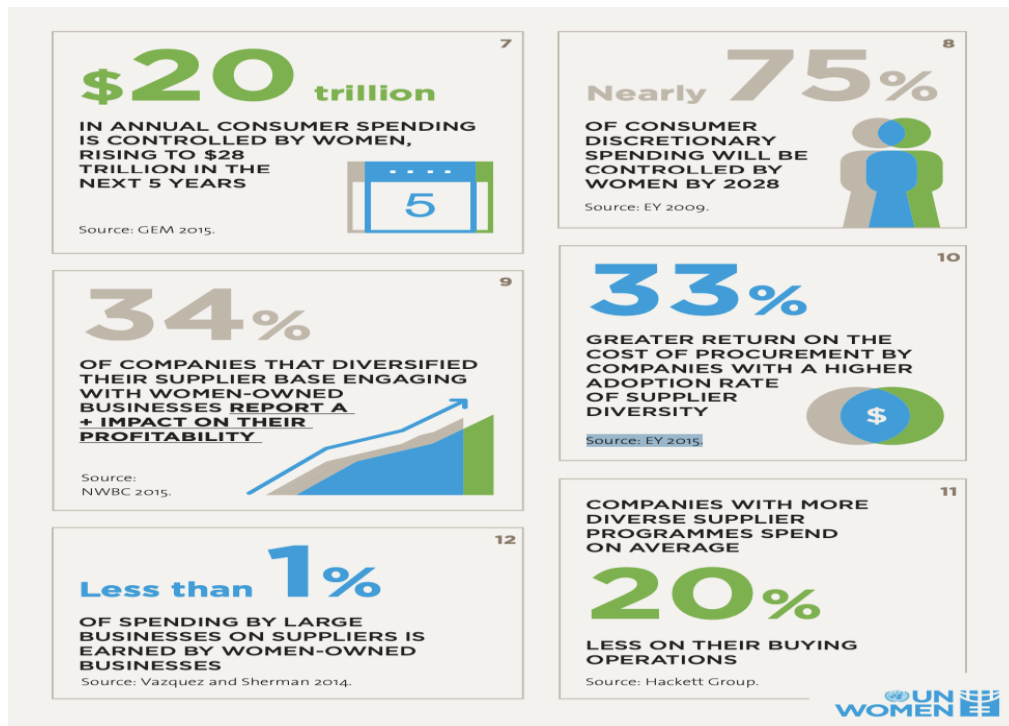


Figure 3: United Nations Statistics on the Contributions of Women
Source: Lawson (2021:15)

3 Learning Outcomes from Other Countries

- Colombia’s is advancing towards a more gender-balanced public procurement by promoting the inclusion of women through requirements in public procurement processes which gave additional points to businesses which had a 10% participation of breadwinning moms.
- Dominican Republic³ has employed gender-responsive procurement to improve the inclusion of women-led businesses. Over the past few years, the country’s new public procurement strategy led to a 16% increase in contracts awarded to smaller businesses led by women, from 10% of these deals in 2012, representing spending of US\$41 million, to 26% in 2019 with a value of US \$125 million.
- Kenya has 30% of contract for Youth, Women and Persons with Disability (YWPD).
- South Africa is earmarking 40% of all contracts for Women.

4 Women and Barriers in Public Procurement in Ogun State

A common complaint among women-owned businesses is that they are not aware of and do not know how to access public procurement opportunities. Also, women entrepreneurs interested in doing business with the government do not have the financial literacy to properly maintain their records and accounts audited every year. In addition, financial requirements such as performance

³ <https://www.open-contracting.org/2020/09/23/women-win-one-in-four-contracts-in-the-dominican-republic-thanks-to-inclusive-procurement-reforms/>

bond and fees for tender documents, are also beyond the reach of some women-owned businesses. For instance, from a cross-section of 72 participants at the Women for Public Procurement Workshop organised by the Regional Centre of Expertise (RCE) Ogun, statistics shown in Figure 4 reveal that 80.56% are married, 21.13% have Secondary School Certificate qualification, 55.56% have family size of between 4 and 6, 84.29% are self-owned businesses; 59.15% have unregistered business and 67.12% indicate finance as a major challenge to the business and public procurement.

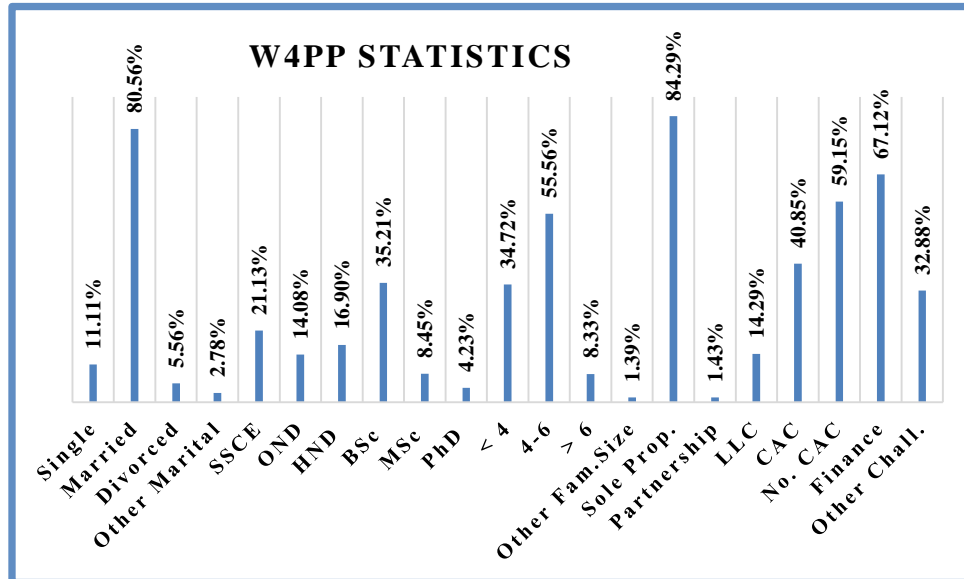


Figure 4: Demographics of Women Participants at the W4PP Workshop
Source: RCE Ogun, 2021

Other challenges faced are:

- Women tenders are often smaller compared to those from men.
- Women tend to be in less-profitable sectors, such as retail sales and services.
- Women led businesses have owners who tend to have more family and care responsibilities.
- Sexual harassment and discrimination - certain positions are not easily attained by women especially unmarried women.
- Logistic issues and challenges.
- Bureaucratic tendencies in registration and licensing.
- Delay in payment for services rendered.
- Patriarchal norms entrenched in some institutional set up.
- Educational gaps and religious dictates.

5 What Can Policy Makers Do?

- Define what a women-led business means in your context and identify women-led businesses in data from procurement systems and/or company registers.

- Publish information about the planning, tender, award, contract and implementation of public contracts to demystify the process and empower businesses with access to information.
- Simplify application procedures and tender requirements by streamlining and standardizing tender documentation and prequalification procedures.
- Ensuring prompt payment can give women-led businesses more confidence to bid. If businesses are not paid on time, they may have difficulty getting access to bridge financing.
- Facilitate the creation of a gender-responsive public procurement market by engaging diverse stakeholders
- Foster an inclusive public procurement market and entrepreneurship ecosystem by generating spaces for the joint development of initiatives that strengthen women's entrepreneurship and support gender-responsive procurement programs.
- Increase capacity building for women.

6 Concluding Remarks

In summary, through digital and financial literacy, women entrepreneurs can be positioned to fully reap the benefits of public procurement in Nigeria. Also, women should foster more networking which centers around meeting like-minded people leading to sharing information and access to new business opportunities. More so, networking which can be informal or formal helps to build mutually beneficial connections with others for career development or business growth. For the most part, collaboration and partnership will grow networking among women intending to bid for public procurement.

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