



## **DETERMINANTS OF THE SPECIAL GROUPS PARTICIPATION IN GOVERNMENT PROCUREMENT OPPORTUNITY IN TANZANIA.**

Tesha, A.K.<sup>1</sup> and Nsimbila, P.M.<sup>2</sup>

<sup>1</sup>*Department of Economic and Business Studies: Mwenge Catholic University; Moshi, Tanzania.*

<sup>2</sup>*Department of Procurement and Logistics Management, School of Business, P. O. Box, 6, Mzumbe University, Morogoro, Tanzania.*

<sup>1</sup>*ambrosetesha@gmail.com*

### **ABSTRACT**

**Purpose:** This study aimed to investigate the key determinants influencing special groups' participation in government procurement opportunities in Tanzania. The benefits that special groups participate in the government procurement opportunity have to offer in terms of enhancing Tanzanian government efficiency in eradicating poverty and reducing the unemployment rate, mean that we should act to surmount existing challenges.

**Design/ Methodology/ Approach:** A study involved a mixed research approach involving both quantitative and qualitative. The Snowball sampling technique was used to select 100 respondents as a sample size, of these, 94 responded to the questionnaire. However, data were collected through questionnaires and an interviews guide.

**Findings:** The result showed that information factors, financial factors and regulatory factors had significant effects on the special groups' involvement in the government procurement opportunity with P-values  $p=0.029$ ,  $0.014$ ,  $0.012$  respectively, while Technical factors and ethical factors had no significant effects on special group participation in the government procurement opportunity with P-value  $p=0.055$  and  $p=0.190$  respectfully. Perceptions of not winning by the special groups, and inferiority among special groups individually and collectively, however, hinder the involvement in the government procurement market.

**Research Limitations:** on the determinants of special groups' participation in the public procurement opportunity. Minority groups were included as new variables.

**Practical Implication:** The result of this study will be beneficial to the top governance, mutually at nationwide and organization levels in Tanzania, of the advantage that may accumulate from the full participation of the special groups in the Public procurements market.

**Social Implication:** The Tanzania Procurement policy for special groups should promote subcontracting, funding mechanisms and teaming for special groups to participate in the government procurement opportunity.

**Originality/ Value:** Perceptions of not winning by the special groups, and inferiority among special groups individually and collectively hinder participation in procurement opportunities.

**Keywords;** *Government; participation; procurement' procurement opportunity; special groups*



## 1.0 INTRODUCTION

### 1.1 Background

Historically, special groups have not participated in the development opportunities that were interested in various international conventions (Bolton, 2016). Knowing the significance of the minority groups in social and economic development, many local and international organizations that assist special groups have been initiated to foster the involvement of these groups in economic activities. One of the organizations which have been established was the ex-ante application for black humans' commodities in USA 1950s (McCrudden, 2007). Canada has also adopted a program for the disadvantaged groups in 1995 to enable them to participate in economic activities through taxes exceptions and free transport (Bolton, 2016). Federal Procurement Contract under US Federal Procurement Law (McCrudden, 2007). However, as early as 1919, the British government announced plans to use public contracts to encourage the recruitment of former military personnel with disabilities (McCrudden, 2007).

In African countries, including South Africa, Kenya, Uganda, Nigeria, and Tanzania, the government procurement policies, have been adjusted to provide an opportunity for the special group that were earlier not benefit from the government procurement opportunities to achieve fair sustainable development goals through public procurement (Mwangi, 2017). In 2016, Tanzania Procurement Rules have been amended to allow 30% of the government spending to be directed to the business owned by the special groups. According, to PPRA, (2016) all procuring entities should set aside 30% of their procurement budget for the special groups. Changes in law were aimed at promoting youth, women, and people with disabilities to participate in public procurement. This provision is one step toward the Millennium Development Goal of Tanzania (MDGs) (Mrope, Gregory, & Namusonge, 2017).

Supporting disadvantageous groups may be to boost the Millennium development objectives of 2025 which is to get rid of poverty and decrease the extent of hunger. The involvement of disadvantaged groups in public procurement could involve all individuals of the community and all people could be part of the millennium development. Saving in procurement can have an absolute contribution to the countrywide and institutional objectives. (Mrope, et al., 2017). Arguments display that minority groups' involvement in business reduces the extent of poverty and enhances human wellbeing in society Bakker, & Harland, (2006).

Despite reforms and advantages for countries to include minority groups in the procurement markets, still, various authors have argued that the participation of minority groups in procurement in developing countries is very low (Emily, 2015; Johnson & Simba, 2015; Leticia 2018). Considering the contributions of involving disadvantageous groups in public procurement contracts for the countrywide economically, consequently, it's far crucial to undertake this study on the determinants for the participation of government procurement opportunities by the special groups in Tanzania, to come up with the recommendations to eliminate the existing problem.

### 1.2 Statement of the problem

The participation of special groups automatically affects all members of the target community and everyone benefits. Johnson & Simba (2015) stated that since this group comprises the majority of the country's population, it needs support and, in particular, should engage in



income-generating activities to support themselves and those around them. If this group is ignored due to income sources, the survival of the poor in society is at stake. Recognizing the advantage of the participation of the minority groups in public procurement, the 2011 Public Procurement Act, amended in 2016, introduced a priority extension in the procurement market to include special groups participating in the public procurement market in Tanzania

Despite the Tanzanian government's efforts to integrate minority groups in government procurement, special groups' participation in public procurement remains a barrier (Leticia, 2018). Minority groups' non-participation in the public procurement market impacted every country in the world (McCrudden, 2004; McCrudden, 2007, Fresh, 2007, Peparah, Mensah, & Akosah, 2020). Leticia, (2018) and Lucas, (2018) found that financial incapacity, illiteracy, and a lack of information all had a detrimental impact on women-owned businesses' non-participation in government procurement opportunities. Emily, (2017); Mwangi, 2017; Makena (2016); Basheka (2017), produces inconsistent findings on the determinants of minority participation in public procurement markets. However, the study conducted by Lucas and Leticia concentrated on women-owned enterprises and left out other minority groups (youth, elders, and people with disabilities). On that basis, this study was conducted to update the existing literature and, more importantly, to contribute to the existing literature on the determinants of special groups' participation in the public procurement opportunity. This study aimed to investigate the key determinants influencing special groups' participation in government procurement opportunities in Tanzania. The objectives are to identify the impact of the regulatory factor on special groups' participation in Tanzania's procurement opportunities; to find the impact of financial factors on special groups' participation in Tanzania's procurement opportunities, and to determine the impact of technical criteria on the involvement of special groups in Tanzanian procurement opportunities.

## **2.0 REVIEW OF LITERATURE**

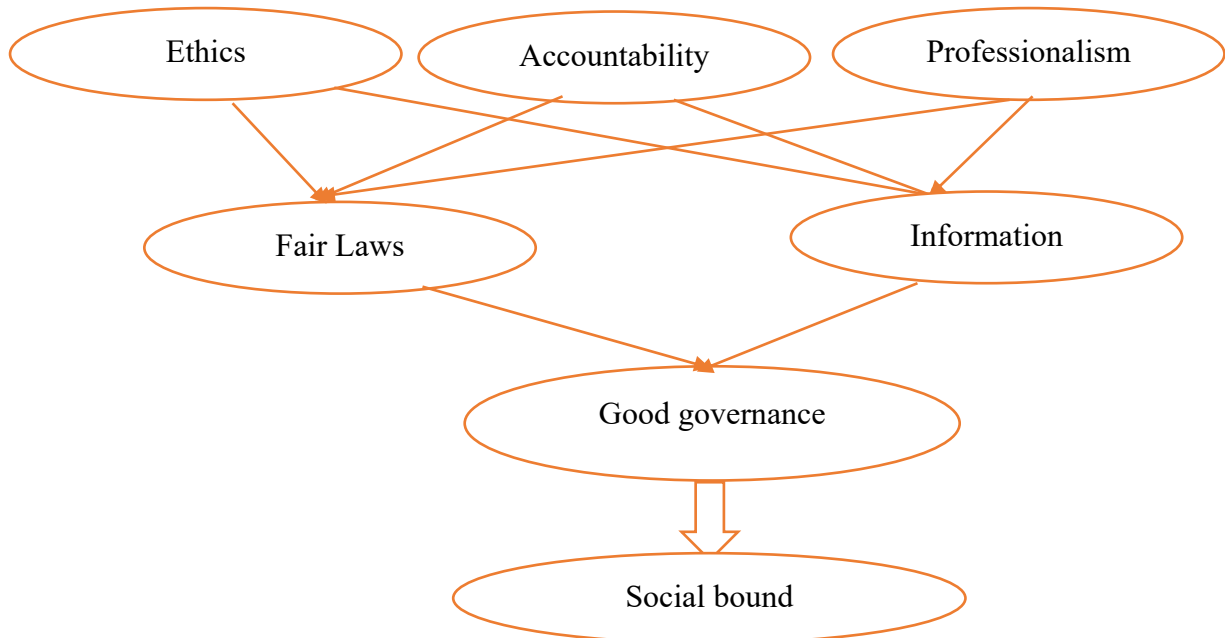
### **2.1 Theoretical review - The Social Bond Theory**

The study was conducted according to the social bonding theory. This theory was used precisely because of the nature of research based on the social aspect of development. The social bonding theory was developed by Travis Hirsch in 1969 and is often referred to as a social theory. According to Hirsch (1969), social theory suggests that human relationships can be linked in a pyramid of trust, norms, commitment and good morals. The theory supported by the Manatee (2014) asserts that for individuals in a society to be constrained by the pyramid of development, they must obey the laws and rules of society and the state as a whole. Makena (2016) links social bonding theory with the procurement aspect and argues that: Procurement can be used as a connected pyramid that unites communities while respecting laws and regulations. This theory has aspects developed by Hirsch (1979), who argued that society should be limited by aspects of information, laws, rules, ethics, respect and responsibility to society.

This theory postulates that community participation in purchasing opportunities will increase if moral norms are internalized and purchasing agents become connected and interested in the wider community (Tukamuhabwa, 2012). The theory also emphasizes the information on



society of socio-economic development of society. Cheema (2005) has developed an improved social boundary model associated with ethics, participation, knowledge, money, responsibility, fair laws and regulations which were the variable under this study. On this ground, the theory was found very useful under the topic of the study.



*Figure 1: Social bound model*

*Source: Researchers' construction modified from Cheema (2005)*

## **2.2 Empirical literature review**

Chepkangor & Lubale (2016) conducted a study on the determinants of government procurement opportunities for disadvantaged groups in public entities using the Kenya Port Authority as a case study. The results of the study showed that the prequalification procedures, the registration process, and the lack of technical know-how negatively affected the participation of special groups in government procurement opportunities in public organizations in Kenya. Moreover, the study recommended training among procuring entities in Kenya as well as capacity building to generate awareness for those disadvantaged groups. For this view, the study tests the factors observed by Chepkangor & Lubale (2016), and validates the literature on the Tanzanian environment. As the study by Chepkangor & Lubale (2016), seems to fail to address the issues in the Tanzania context.

Mrope, Namusonge, & Iravo (2017) conducted a study to examine the influence of supply reservation activities on service delivery in Kenya. The government of Kenya through the AGPO program planned to spend Ksh billion 5 during the financial year of 2016/ 2017 to support minority groups through public procurement reservation schemes. Unfortunately, the study revealed that the expected amount remains unused and the implementation remains in documents rather than its intended purposes. Among other challenges, the study identified lack



of knowledge among procurement officers, corruption, low awareness among special groups enterprises, low knowledge of procurement procedures as well as lack of confidence to participate in government procurement opportunities negatively affect the implantation of reservation schemes in Kenya. Also, the study did not address the issuers in the Tanzania context which calls for the need to conduct this study in the Tanzanian environment

Makena (2017), conducted a sessional survey of public entities located in Nairobi Kenya, on factors influencing the participation of special groups in government procurement opportunities in Kenya. Study findings show that; information was an obstacle that caused low participation among the special group in procurement opportunities. Also, the study revealed that technical and financial aspects influence the participation of special groups positively. The study concluded that low awareness of the available procurement opportunities was the most obstacle in accessing procurement opportunities by special groups in Kenya. The study recommended that an awareness creation program should be in place to boost awareness among the special group on the available procurement opportunities.

Halams, (2014) researched the participation of SMEs in the public procurements market in Nigeria. The study employed organizational learning theory to study the relationships among the variables and collected data through survey design and application of a questionnaire to 214 organizations in Nigeria. The study results signify that financial capability is the key foundation and influences SMEs suppliers to participate in the procurements market. In a more concrete term, financial capability is the better contributor to SMEs joining the procurement market in Nigeria. In particular, the study showed the importance of information dissemination in influencing SMEs to participate in the public procurement market in Nigeria. For this reason, the study suggested proper provisions of information related to procurement opportunities to the public for SMEs to be able to obtain the relevant tender opportunities.

Maheshwari, Gokhale, Seth, Agarwal, & Makena (2020), conducted a study on the challenges facing women-owned businesses to participate in procurements contracts in developing countries concluded that fear mong woman-owned businesses participating in the tender opportunity was the major challenge for a woman to participate on public procurement, also the study pointed out that bureaucratic tendering processes discourage woman to participate on public procurements opportunity in Rwanda. The study recommended that shortening the time spent in the tendering process will minimize the fear of the woman participating in public contracts.

Njeri & Getuno, (2016), conducted a study on determining youth access to government procurement opportunities in Kenya. The study explained that lack of capacity and lack of finance was the main challenges for youth to access procurements opportunities in Kenya. Moreover, the study revealed unethical practices among bidders and public officers discourage the access of youth to government procurement opportunities. Leticia (2018) conducted a study to determine the hindering factors in the implementation of special groups' reservation schemes in Tanzania. The study indicated that low knowledge among procurement officers and special groups hinders the implantation of special reservation schemes and the participation of special groups in the public procurement market. These findings from Leticia, (2018) previous were observed by Mamiro (2017), who studied the hindrance issues affecting women's participation in public procurement in Tanzania and indicated that lack of effective information dissemination on the available procurement opportunity was a key challenge for women to participates on government procurement opportunity as well as lack of financial support and

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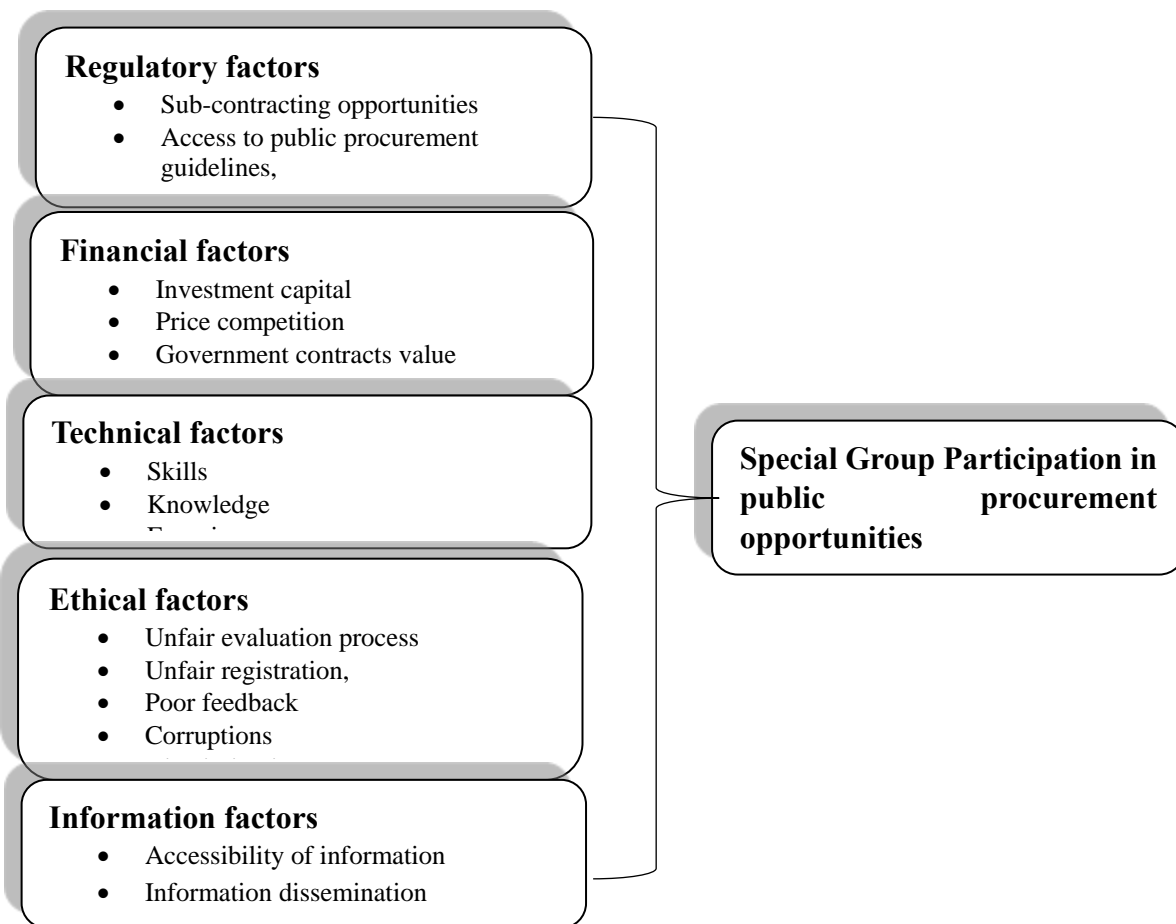
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low knowledge on the procurement proceedings greatly affect the participation of women-owned firms in the procurement market in Tanzania.

### 2.3 Conceptual framework

According to Kothari (2004), the conceptual framework defines the relationship between the dependent variable and the independent variable. For the independent variable, regulatory factors, financial factors, technical factors, ethical factors, and information factors were used, and for the dependent variable, the degree of participation of a special group was used.



*Figure 2 conceptual model*

Source Researcher, (2020)



### **3.0 RESEARCH METHODOLOGY**

#### **3.1 Research Design**

This study used a cross-sectional design that integrated qualitative and quantitative approaches. For this study, a mixed-method approach was considered important because it increases the validity of the results. Aziz (2016) argued that a blended approach allows researchers to triangulate research data to ensure data validity and reliability.

#### **3.2 Sample size and Sampling Technique**

The study included businesses owned by individuals with a disability, youth, women and elders in Tanzania. Since the list for special groups was difficult to obtain, hence the researchers used 100 special groups owned enterprises as a sample size. Pallant (2005) suggested that 100 respondents' sample size in any kind of regression model is sufficient for enabling the provision of a convergent and sufficiently proper solution. Snowball sampling technique was adopted to select respondents whereby first identified special group-owned firms linked the researchers to other special groups owned firms.

#### **3.3 Data Collection**

The structured survey was conducted with a special group of companies surveyed. 100 questionnaires were distributed to companies belonging to specific groups, of which 94 returned complete questionnaires. Special groups owned firms in the Morogoro region were surveyed to collect data and it was the appropriate region to study because the recent special groups' registration list from PPRA (2020) showed that the region has dominated the list with 10 registered special groups which is a large number compared to other regions. Also, according to Mvomero data, it showed that the region has more than 4000 special group teams which makes the region the leading region by having more special group teams.

#### **3.4 Data analysis**

The dependent variable was regarded as a binary response measuring the involvement of a special group. In this case, a dummy variable representing 1 = yes and 0 = no was formulated. Before running the binary logistic regression model, the researchers loaded the variables using confirmatory factor analysis (CFA). The variable "Financial factor" was measured by using four items which were; the special group's investment capital, price competition, Government contracts value and payment mechanism. The variable "Technical factor" was measured by using five items which were; skills in the bidding process, knowledge to meet the requirements, Knowledge of using TANePs, knowledge to reply on tender, knowledge of tender requirements and Knowledge to implement public contracts. The variable "Ethical factor" was measured by using five items which were; Unfair evaluation process, Poor services provision from registration, Poor feedback from previous bid submission, Corruption and Discrimination against disadvantaged groups. The variable "Regulatory factor" was measured by using five items which were; Lack of sub-contracting opportunities, Lack of access to public procurement guidelines, Lack of adequate enforcement mechanisms, Bureaucratic registration procedures and Lack of guidelines to influence Special Group involvement. The variable "Information factor" was measured by using three items which were; accessibility of information's from contracting bodies, information dissemination mechanisms and Inadequate advertising of contract opportunities. All factors were measured continuously using a 5 Likert scale; 1-Strongly disagree, 2-Disagreed, 3-Neutral, 4-Disagree and 5-Strongly agree.



## 4.0 PRESENTATION OF RESULT

### 4.1. Sex of the respondents

The gender-specific distribution of participants showed that (59)62.8 per cent of participants were male and (35)37.2 per cent of participants were female (see Table 4.1).

*Table 1: Respondents' gender*

Variables	Frequency	Per cent
Male	59	62.8
Female	35	37.2
Total	94	100.0

*Sources: Field survey data (2020)*

Based on these results, the majority of the participants were male more than female respondents. This was either because most of the companies which formally exist are owned by males more than females. According to different studies such as Kayongo, (2014), pointed that the majority of female businesses do not formerly exist compared to male businesses. From this view, the same reason can hold since the study was focused on formally existing companies owned by youth, females, elders or persons with disabilities.

### 4.2 Business experience

Among the experience categories provided in the survey, respondents were asked which group they belonged to. The results show that (39) 41.5% of respondents have been in business for nearly 2 years, (48) 51.1% of respondents have business experience of 35 years or more, (2) 2.1% of respondents have 610 years of experience, (5) 5.5% of respondents have 1,115 years of experience while none of the respondents has been in business for more than 15 years.

*Table 2: Business experience*

Variables	Frequency	Per cent
At most 2 years	39	41.5
3-5 years	48	51.1
6-10 years	2	2.1
11-15 years	5	5.3
Total	94	100.0

*Sources: Field survey data (2020)*

The presented result pointed out that the majority of the firms owned by special groups are immature in the business field. This can be since the procurement act started to recognize special groups owned firms in 2016 which in one way or another boosted the establishments of special groups owned businesses to take the opportunity. Tanzania had a high employments rate which boosted the establishment of small businesses to substitute the employment by the majority of youth who graduated from universities. There was no statistical evidence to support the argument that a high rate of unemployment boosted the establishment of small businesses, but only the experience of the researcher during data collection as the majority of special groups owned firms were the youth who recently graduated from universities.





### 4.3 Special group category

Among the special categories provided in the survey, the respondents were required to indicate which category of the special group they belonged within. According to PPRA (2017), special groups are categorised as youth, women, elders and persons with disabilities, the definition of these items is found in chapter two of this study. The results showed that (56)59.6 per cent of respondents were youth. 23(24.5%) were women, 5(5.3%) were people with disabilities while 10(10.6%) were elders owned firms.

*Table 3: Special group category*

variables	Frequency	Per cent
Youth	56	59.6
Women	23	24.5
People with disability	5	5.3
Elders	10	10.6
Total	94	100.0

*Sources: Field survey data (2020)*

From this result, it can be pointed out that the majority of special groups who responded to the survey link were youth more than other groups followed by women-owned businesses. This is to say youth are more responsive than other groups under the special groups' categories.

### 4.4 Binary logistic regression

The variables with a factor loading above 0.6 were subjected to a binary logistic regression model to test the relationship.

#### 4.4.1 Testing for Goodness fit

The study variables were subjected to different model fit assessments; specifically, The Omnibus Tests, Hosmer and Leme show Test, Cox & Snell, and Nagelkerke R square was used to assess the goodness fit for the model.

*Table 4: Hosmer and Lemeshow Test*

Step	Chi-square	Df	Sig.
1	6.907	8	.547

*Sources: Field survey data (2020)*

According to Pallant (2020), for the HosmerLeme show-fit quality test, a significant value less than 0.05 indicates a poor fit, so values greater than 0.05 should support the model. In this study, HosmerLeme had a test value of 6.907 for Chisquare and a significance level of 0.547. This value is greater than 0.05, indicating that the model predicted the outcome well.

*Table 5: Cox & Snell, and Nagelkerke R square*

Step	-2 Log-likelihood	Cox & Snell R Square	Nagelkerke R Square
1	99.951 <sup>a</sup>	.227	.309

a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

*Sources: Field survey data (2020)*



The results of Cox and Snell and Nagelkerke's R-squared estimate showed that the overall model explains between 22.7% and 30.9% of the variance predictable in the explanatory variable. The log probability of a two-variant is 99.9, which is less than 100, explaining that the lower the two-log probability, as Pallant (2020) argued, the better the model.

Table 6: Omnibus Tests of Model Coefficients

	Chi-square	df	Sig.
Step	24.165	5	.000
Block	24.165	5	.000
Model	24.165	5	.000

Sources: Field survey data (2020)

Table 4.3 above gives an overview of how well the model performs. For this result set, the result must be less than 5%, such as 0.05. The value in this study is 0.000 (meaning  $p < 0.05$ ). Therefore, a model with a set of variables was used as the predictor. For chi-square, the result is 24.165 at 5 degrees of freedom.

#### 4.4.2 Contribution of predictors to the dependent variable

Also, similarly with regression analysis binary logistic regression model show the contribution and significance of each predictor to the dependent variable. Result presented on table 4.4 show that financial factor had  $p = 0.014$ , Wald = 7.425, B = -0.406, OR = 0.067. Technical factor had  $p = 0.055$ , Wald = 3.679, B = -0.145, OR = 1.156. Ethical factor had  $p = 0.190$ , Wald = 1.715, B = -0.131, OR = 1.140. Regulation factor  $p = 0.012$ , Wald = 6.338, B = -0.565, OR = 0.784 while information factor had  $p = 0.029$ , Wald = 4.749, B = 0.416, OR = 0.454.

Table 7: Variables in the Equation

Predictors	B	S.E.	Wald	Df	Sig.	Exp(B)	95% C.I. for EXP(B)	
							Lower	Upper
Financial	-.406	.099	7.425	1	.014	.067	.878	1.296
Technical	.145	.075	3.679	1	.055	1.156	.997	1.340
Ethical	.131	.100	1.715	1	.190	1.140	.937	1.387
Regulations	-.565	.097	6.338	1	.012	.784	.648	.947
Information	.416	.191	4.749	1	.029	.660	.454	.959
Constant	2.834	1.159	5.979	1	.014	17.006		

a. Variable(s) entered on step 1: financial, technical, Ethical, regulations, information.

Sources: Field survey data (2020)

According to Pallant (2020), a p-value less than 0.05 is indicating the significance of the predictor in predicting the dependent variable; therefore, in our case Financial, Regulations and information had a significance value less than 0.05 indicating significance in predicting the participation of special groups in government procurement opportunity. While technical and ethical factors had a significant value above the cutting point symbolizes the variable is not significant in predicting the involvements. According to Tabachnick & Fidel (2007), the odds ratio (OR) "increases (or decreases if the ratio is less than 1) the probability of belonging to the same outcome category when a predictor value increases by one unit." from our case financial



factor, regulation and information had the OR ratio less than 1 means that The odds ratio for this variables, however, is 0.67, 0.784, 0.660 respectfully, this indicates that the more the financial mechanisms provided to the special groups, the more the information provided to the special groups and the more the harmonization of regulations the less they will report an involvement problem, all other factors being equal with 95% confidence ranging from 0.8-1, 0.6-0.9, 0.4-0.9 respectful. But OR ratio higher than one only shows the probability of people answering yes compared to those who answered NO. In our case, the probability of people who answer No for the technical factor is 1.15 higher than those who said yes while the probability of respondents who answer No for the ethical factor is 1.14 higher than those who answered yes for that factor. Furthermore, the information provided in table 4.4 shows the direction by looking at the B value. In our model, the B values of the financial factor and the regulatory factor are both negative. A value of B indicates that an increase in the scores of these variables leads to a decrease in the probability of a case scoring 0 in the dependent variable. This means that increased regulatory and financial costs decrease the number of respondents who choose No in the categorical variable. In other words, increase engagement.

## **5.0 DISCUSSION**

### **5.1 Financial factors**

The financial factor attracted the highest Wald values of Wald =7.425, at the significance level of  $p=0.014$ ,  $B=-0.242$ ,  $OR=0.067$ . However, the B value for the financial factor had a negative value. This means an increase in financial problems will result to minimize the number of respondents who picked yes in the categorical variable. In other words, will decrease the level of participation. The financial factor has been a cry to many minority firms winning government contacts in Africa and the world at large. A study conducted by (Amaechi, 2016; Legat Namusonge, & Berut, 2016; Makena, 2016) both argued that Financial incapability among minority-owned firms hinder participation in the government procurement opportunity, whereby both studies supported the findings of this study which reveals that financial factor negatively affects the participation of special groups in the government procurement opportunity. Contracts values are very high to handle, for example, construction contracts. Akenroye, & Aju (2013), argued that minority groups are facing cost disadvantage compared to non-minority owned firms which lead to bidding a higher price than those owned by the non-minority firms hence eliminated in the competition race. The larger the tender value, the less likely it will be awarded to special group owned enterprises since they lack the financial muscle to undertake such contracts.

### **5.2 Technical factor**

Technical factor had  $p=0.055$ , Wald =3.679,  $B=0.131$ ,  $OR=1.156$  which means that the technical factor is insignificant in explaining the involvement in public procurement by special groups owned firms. Akenroye & Aju (2013) reported a lack of skills to deal with tenders; insufficient knowledge of the procurement process; unnecessary administrative and documentation requests; Incompetence in individual and collective procurement requirements has affected SME participation in government procurement opportunities. Peprah et al., (2020), Emilly (2017), argue that businesses owned and operated by disadvantaged groups are classified as small and medium-sized enterprises (SMEs). They lack the operational skills and capacity to achieve levels that meet government standards and expectations. That said, it appears that a large number of companies belonging to particular groups do not participate in procurement opportunities simply because they do not know how to comply with procurement



procedures such as the RFP process, document request process and contract management. Furthermore, this indicates that these groups are not accessing sourcing opportunities due to a lack of sourcing knowledge, as the majority do not know how to access sourcing opportunities

### **5.3 Ethical factor**

The ethical variable had a p-value of 0.190, Wald = 1.715, B = -0.245, and OR = 1.140, indicating that it was not significant in explaining special groups' involvement in government procurement opportunities. This finding contradicted the findings of Odhiambo & Kamau (2003), who conducted a comparative study in Kenya and Tanzania and found that continuous corruption in the tender process, a lack of skills to submit yielding bids, and a lack of awareness about contract prospects are what deter most SMEs from participating in public procurement. According to Kalubanga & Kakwezi (2013), corruption and fraud remain a major challenge in the administration of public procurement around the world, but particularly so in developing countries, and if not addressed, both corruption and fraud can significantly impede the performance of public procurements. The survey also demonstrates that there is no discrimination among PEs who take advantage of government procurement opportunities for special groups.

### **5.4 Regulation factor**

The study result showed that the regulation factor had a significant effect on the participation of special groups in the opportunities for procurement with a p-value less than 0.05;  $p=0.012$ , Wald = 0.784, B = 0.565 OR = 0.784. Lack of subcontracting guidelines and registration bureaucratic procedures for special groups registration are the major hindrance factor to participation in the government procurement opportunity. For minority firms and small businesses, subcontracting provides a variety of great opportunities for work with the government. Some developed countries like the USA have used the strategy of subcontracting to develop and enhance the participation of minority contractors, e.g. African American owned firms. According to USA Federal Acquisition Regulations, Subpart 19.7 states that any contract exceeding \$650,000.00 issued to a large business requires a subcontracting plan for small businesses to be part of the contract through subcontracting strategy that they hire to assist with projects (Dempsey, Burton, & Selin, 2016). Okeahalam (2004) argued that most developing countries have weak procurement Policies that promote the participation of special groups in procurement opportunities.

### **5.5 Information factor**

With a p-value less than 0.05, the study found that the information variable had a significant effect on special groups' involvement in government procurement opportunity;  $p=0.012$  had  $p=0.029$ , Wald = 0.660, B = -0.416, OR = 0.454. Previous research has identified a lack of knowledge as a major factor limiting SMEs' capacity to win governmental contracts in Uganda (Commonwealth, 2010). The majority of special interest organizations have avoided participating in government procurement opportunities because they are afraid of losing.

## **6.0 CONCLUSION AND RECOMMENDATIONS.**

It is generally concluded that there were opportunities in place for involving special groups in the procurement opportunities, hence for those opportunities to be well utilized by the special groups there is the need for improved information sharing, provision of the fund, subcontracting and training to the special groups which will help to improve the efficiency of



the special group's tenderers. However, harmonization of registration procedures, increased transparency and accountability, among others collectively and individually if practised will increase the level of involvement to a very great extent. The involvement of special groups in the procurement market is to promote national development since these groups take about 70% and above of the national population. Therefore, if these populations participate effectively in the economy then there will be no unemployment.

### **6.1 Contribution to the Body of Knowledge**

This study concludes that perceptions of not winning by the special groups, and inferiority among special groups individually and collectively hinder participation in procurement opportunities. Therefore, Tanzanian legislators need to do more to improve the special groups' participation in government procurement opportunities. Although the government has already made major commitments to ensure the participation of the minority groups in government procurement opportunities, non-minority firms continue to dominate procurement opportunities, requiring policy review and restructuring of the registration process. It aims to minimize bureaucracy, provide funding mechanisms, and disseminate information to enhance involvement.

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