



The Role of Public Procurement in Enhancing Growth of Small and Medium Sized- Enterprises: Experince from Mbeya Tanzania

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Abstract

This empirical study examined the role of public procurement towards the growth of SMEs in Mbeya, Tanzania. The study was guided by three specific objectives: To examine the role of preferential among SMEs in accessing public procurement opportunities, to ascertain the competency of SMEs towards public procurement performance, and to identify the challenges facing SMEs in accessing public procurement. The study adopted descriptive research design and purposive sampling to collect data from 72 SMEs and 37 procuring entities in Mbeya region. The output of the study was achieved through descriptive statistics with the help of Statistical Package for Social Sciences (SPSS). The study revealed that, 43% of the respondents reported having given no of preference at all in public procurement, compared to 4% who argued that are given preference treatment to a great extent. SMEs are competent to enhance public procurement performance to a moderate extent ($3.45 \leq \text{mean} \leq 3.86$). Furthermore, the study revealed that bureaucratic process, lack of fairness in public procurement, insufficient fund, complex legal requirements, lack of policy that support SMEs access public procurement opportunities and corrupt practices in public procurement are the key challenges that hinders SMEs to access public procurement opportunities and their growth. The study recommended on the need to strengthen internal and external legal framework to combat corrupt and nepotism practices, enhance entrepreneurial training and education among SMEs owners, the need to enhance joint bidding among SMEs owners and large firms. It is concluded that public procurement play significant role toward the growth of SMEs by providing market for SMEs' products and services.

Keywords: Procurement, Public Procurement, SMEs, growth of SMEs, and Mbeya Tanzania.