

Influence of Public Procurement Regulations on Economic Growth of a Country, a Case of Rwanda Public Procurement Authority, Evidence 2015-2019

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Abstract: - *This research uses recent growth theory and Statistics Packaging for Social Sciences (SPSS) techniques empirically test and indicate the causal link the Influence of public procurement regulations on Economic Growth in Rwanda. The objective of this study is to identify and understand the relationship that exist between independent variables and dependent variable for predict the accurate and strong planning and achieving to the needed Economic Growth in Rwanda in accordance with the adequate public procurement.*

The study covers the period of 2015 to 2019. It was considered explanatory variables such as contribution of public procurement regulations, public procurement value on awarded tenders and planned budget value through ethics in public procuring entities, public procurement professionalism in public entities.

National Gross Domestic Product (NGDP) in terms of Economic Growth is used as Dependent variable in the estimation while the Public Procurement Regulation is independent variable. The study used qualitative and quantitative analysis. The data analyzed in this study are primary data and secondary data obtained from RPPA, BNR, MINECOFIN reports and publications and data from World Bank Development Indicators.

The empirical analysis on basis of Linear regression test suggest that there is an existence of log run equilibrium relationship between Economic growth and public procurement regulations. Also, the core findings of this study shows that all variables (career development, empowerment, promotion) are statistically significant variables explaining economic growth in Rwanda. The effects of stochastic shocks of each of the endogenous variables are explored using correlation testing model through (SPSS). This study is provided on the contribution of public procurement regulations on Economic Growth in Rwanda.

In order to fully implement their objectives, the procuring entities must improve the procurement Ethics and Procurement Professionalism in order to achieve the value for money for needed works, supplies and consultancy services through competition, transparence, fairness and effectiveness on the various bidders where competency, capacity, control, cash, cost consistency through right quality, quantity, cost and place in due time should be used.

This research is helpfully to the researcher to obtain the Master's Degree of Procurement and Supply Chain Management and improving the knowledge related to the public procurement system to other academic research and social interest for facilitating the Decision makers, stakeholders and other partners on Economic Growth of Rwanda.

General Introduction

This study investigates the impact of public procurement regulation on economic growth of a country. A distinguishing feature of this research is that it considers two aspects of procurement regulation simultaneously. One is the reduction of

Trade barriers and the other is liberalization of the public procurement for improving the economic growth through the public procurement regulation.

There is a duty on procurers in Central Governments to apply the key principles of public procurement.

These require the delivery of value for money (VFM), appropriate quality and service to meet public needs and appropriate governance (i.e., adherence to government rules concerning the use of public money in procurement) as described in *Managing Public Money* (World Bank report, 2003).

The innovative procurement tools such as e-GP, performance measurement, framework agreements and the development of procedures and practices among many are implied in Southern Asia.

Public Procurement is closely interconnected with an implementation of the sustainable development goals on the practice. Given priority to environmentally friendly products and environmental safety services, which comply with green standards and rules, public procurement is the first efficient tool in solving of many economic, environmental and social challenges at different levels. February 2001, *Review of international economics*, 9 (1), 29-41).

Despite the important role played by the Procurement Law, it appears that government institutions in Rwanda go through a lot of lengthy bureaucratic processes in acquiring goods and services due to the passage of the Procurement law which leads to low productivity, inefficiency and loss of money and detrimental effect on the government budget instead of the Law improving public procurement regulations, it has rather weakened public procurement regulations in the country Nketia-Asante (2009).

Further, implementing e-procurement is often seen as the main solution to systemic procurement challenges, but a public procurement system will still require a solid legal and regulatory framework, qualified procurement officers, and an oversight mechanism among others to be well-functioning Maister (1987).

Specific objectives

- I. To find out the relationship that exists between the public Procurement regulation and
- II. Rwanda's Economic Growth; ii. To analyze the influence of Public Procurement Ethics on Rwanda's Economic Growth;

III. To assess the influence of Procurement Professionalism on Rwanda's Economic Growth.

Literature Review

Procurement

Procurement is the process of acquiring goods, works and services, covering both acquisitions from third parties. It involves option appraisal and the critical "make or buy" decision which may result in the provision of goods and services in appropriate circumstances PPB (2000).

The main objectives of procurement include: supplying the organization with a steady flow of materials and services to meet its needs, to buy efficiently and wisely, obtaining by ethical means the best value and value for many.

Public procurement

Public procurement means the acquisition, by any procuring public entity, of goods, works or services or any combination of goods, works or services, by contractual means, in accordance with the Regulations relating to the public procurement.

Public Procurement is the acquisition of goods and services at the best possible total cost of ownership, in the right quantity and quality, at the right time, in the right place for the direct benefit or use of governments, corporations, or individuals, generally via a contract" RPPA annual report (2018),

It can be said to be the purchase of goods, services and public works by government and public institutions. It has both an important effect on the economy and a direct impact on the daily lives of people as it is a way in which public policies are implemented MINECOFIN (2007). Public procurement is a part of good governance through the good procurement regulations in the country because of its nature which prevents various forms of corruption such as included bribery, extortion, cronyism, nepotism, parochialism, patronage, influence peddling, graft, and embezzlement.

Supply Chain Management

Supply chain management is a path for influencing decision at three level such as on what and how much to buy, where to buy and when and how to buy. Logistics is part of the Supply Chain Management process that plans the implementation and controls the efficient, effective forward and reverse flow and storage of goods, services and related information between the point of origin and point of consumption in order to meet customers' requirements Michael Porter (1989): Porter's Diamond theory of National Advantage); Dr Peter Kalimba, UoK 2019: Post

Graduate Studies: Course of Strategic Management

The supply Chain Management is characterized by external functions (Making decisions regarding the structure of the supply chain, coordinating the movement of goods and delivery of services, sharing information between members of the supply chain, efficiency, effectiveness and five right (product, place, quantity, time, cost quality) and internal functions (processing, purchasing, production planning and control, quality assurance, and shipping).

<https://www.oxfordcollegeofprocurementandsupply.com>

The procurement, logistics and supply chain system are well realized when the Political environment, economic environment, social environment, technological environment, legal and environment (PESTLE), market and other economic environments are well realized (monopoly, pure and perfect competition) Francis Aguilar, Harvard Professor (1967): Scanning the business Environment

The factors contributing to supply chain vulnerability are the following: the globalization of supply chains, a focus on efficiency rather than effectiveness, focused factories and centralized distribution, trend to outsourcing, reduction of the supplier base, volatility and control procedures. While managing the risks in Supply Chain management, the public procurement uses the four main following ways: risk avoidance, risk transfer,

risk reduction and risk retention Noel Nsanzineza, lecturer, UoK (2019): Local and International procurement

Economic growth

As aforementioned, an economic growth can be measured by increase in GDP or increase in GNP/inhabitant. Economic Growth refers to a persistent quantitative increase of the volume of goods and services produced. It is measured after a long run, and an increase in GNP followed by proportionately equal increase in population, He defines Economic Growth as a sustained increase in the goods and services produced by a country over a given period of time Tayebwa (1998, p, 23).

Therefore, Economic growth is the increase in the amount of the goods and services produced by an economy over time. It is conventionally measured as the percent rate of increase in real gross domestic product, or real GDP IMF (2012, 22).

Theoretical Review about Finance and Public Procurement

Finance

Finance is concerned with determining an organization's long-term investments, how funds are obtained to pay for the investment, conducting the firm's everyday financial activities and managing the firm's risks. To finance is to ensure that an organization has enough funds to run the day-to-day activities of the organization. Financial control is the process of checking actual expenditure performance against plans or desired financial results Griffin and Ebert (1999) According to Rose (2001), finance, no matter the type, answers the following questions:

- A.** What long-term investment should the government take on? That is, what lines of economic activity is the government in and what sorts of buildings, machinery, and equipment will the Government need?
- B.** Where will the government get the long-term financing to pay for its investment? Will the Government bring in other owners or borrow the money?

C. How will the government manage its every day financial activities such as collecting taxes from citizens and paying wages and salaries?

In view of the above definitions by different authors, finance can be defined as the act of planning, obtaining and managing organization's day-to-day income and expenditure (assets and liabilities) in order to accomplish its objectives in the most effective and efficient manner. It involves the acquisition of investments and how to manage and sustain the acquired investments as well as managing monies accrued from investments: ensure sufficient fund is available when it is needed so that the organization does not go bankrupt Rose (2001).

Public Finance

A public finance is the field of economy that deals with planning, budgeting, revenue collection and expenditure control of a public sector entity, usually government institutions. It is concerned with identification of the required expenditure of a public sector entity, sources of that entity's revenue, and budgeting process. Public finance is related to attempts made by a government to ensure that consistently the budget is either a balance or a surplus budget Prest, (1985).

These are achieved through ensuring adequate receipts from taxes and non-taxes sources, and reducing expenditure levels. Fiscal policy is the deliberate exercise of the government to tax and spend for the purpose of bringing total output of all sectors of the economy and employment to desired levels. These are done through the assessment of expenditure policies, revenue and tax reforms among others Adjei (2009).

Procurement regulations

Procurement Regulations is concerned with accounting for and controlling the sources and uses of the funds that an organization employs in its operation. It aims at providing the needed money in the most economical way from borrowing owner's investments or sale. Procurement regulations regulates the use of the money to produce the greatest output. Management is a process that decides on the specific goals of an organization and directs the

efforts of other people to accomplish actions needed to meet the goal Burke and Bittel (1991).

Procurement Regulations is the managing of public and private resources so as to meet their goals and objectives. Financial managers are responsible for collecting overdue payment and making sure that the organization does not lose too much money to bad debts (people or organizations that do not pay). Financial planning and control are aspects of procurement regulations. It ensures accountability to citizens for the use of public resources Nickel (1999). Financial planning involves analyzing short-term and long term money flows to and from the organization.

Effective procurement regulation involves careful planning and efficient use of resources. Proper procurement regulations can ensure that financial priorities are established in line with organizational goals and objectives; spending is planned and controlled in accordance with established priorities and sufficient financing is available when it is needed Pride (2002).

Public procurement regulation is an attempt made by Government to ensure that consistently the budget is either a balanced or a surplus budget. These are largely achieved through ensuring adequate receipts from taxes and non-taxes sources and reducing public expenditure levels.

These are done through the assessment of expenditure policies, revenue drive or revenue diversification and tax reforms among others. The key objectives of procurement regulations are to create wealth for the organization, generate cash and provide an adequate return on investment World Bank (2001).

Financial managers must ensure that their organizations have enough funds on hand to purchase the materials and human resources that they need to produce goods and services Griffin and Ebert (1999).

Public procurement and trade

Transparent and accountable public procurement systems have the power to catalyze private sector

development by opening access to business opportunities, improving the business and Investment Environment, enhancing competition, and promoting Economic Growth Colin Kirkpatrick & David Parker Edward Elgar Publishing 2007 ISBN: 1845424123, 286 pages: Regulatory impact assessment (RIA); University of Manchester, UK

The largest challenge facing African countries remains the conduct of fair, transparent, and competitive multistage bidding. The absence of fair and transparent bidding hinders competition due to the high transaction costs incurred by bidders. Other relevant challenges include raising the technical standards of project preparation, management, and execution Mayring (200): Procurement reforms in African.

These challenges can deter private participation in public procurement, particularly for small businesses that may opt out due to unclear bidding procedures. An open and fair multistage bidding process can help reduce the risk of collusion, ensure the facilitation of higher value projects, and give small businesses the chance to participate UND Assembly (2007).

Another challenge is the lack of adequate planning and preparation with the requisite technical, legal, and financial transaction advisors. Public procurement and international treaties play a significant role in enhancing the investment climate by improving competitiveness and introducing reciprocity to the procurement negotiation table. International treaties can address transparency, competition, and corruption in public procurement in the form of bilateral trade investment Hunja (2003).

Public Procurement Procedure Strategies

The procurement approach and procedure must be relevant and appropriate for what is being purchased, and the market must be able to provide it at an affordable price. According to Cane (2004), contracting authorities are required to promote sustainable development objectives through procurement in a way that is consistent with value for money and the legal framework for public procurement Wanyama, (2010). Procurement strategy contains options analysis and

recommendations around a range of issues depending on the precise nature of the procurement Fawcet, (2007).

Typically, for a complex procurement, it would include discussion of the contracting process itself; the number and nature of the supplies required; the length and type of contract; contract and supplier management issues. Considerations are also given as to whether an existing contract could be available for wider use (Eyaa, 2011). Other strategic issues can include whether and how to use Prime Contracting, whereby a lead supplier manages sub-contractors as part of the delivery chain Funer (2004).

This has advantages of clear contract ownership, but requires a Prime Contractor capable of doing this effectively; otherwise the authority can become involved in difficult arguments in the supply chain. Long-term operational service contracts require strategies for handling the inevitable changes through the life of the contract, so should incorporate effective change control processes, and will usually require supplier performance incentivisation mechanisms Larson (2009).

The Gaps and weakness summary in reviewed theories

Arguably, however, the performance of the new regulatory state remains under researched, especially in the context of developing countries with their own peculiar economic and social problems and institutional characteristics. Building effective regulatory structures in developing countries is not simply an issue of the technical design of the regulatory instruments, it is also concerned with the quality of supporting regulatory institutions and capacity World Bank (2002: 152).

Although earlier studies have looked at governance as a cause of cross-country productivity or income differences. The results confirm that “good” regulation is associated with higher economic growth; the theories differ in concentrating on regulation rather than wider governance issues. Olson, et al., 1998; Kauffman and Kraay (2002).

Many of the institutions that support markets are publicly provided, and the effectiveness of these

regulatory institutions was an important determinant of how well markets function. The quality of regulatory governance will affect regulatory outcomes, which in turn can be expected to impact on economic growth. (Kirkpatrick, C. & Parker, D. (2004). 'Regulatory Impact

Assessment and Regulatory Governance in Developing Countries' Public Administration and Development 24, 4: 333-344)

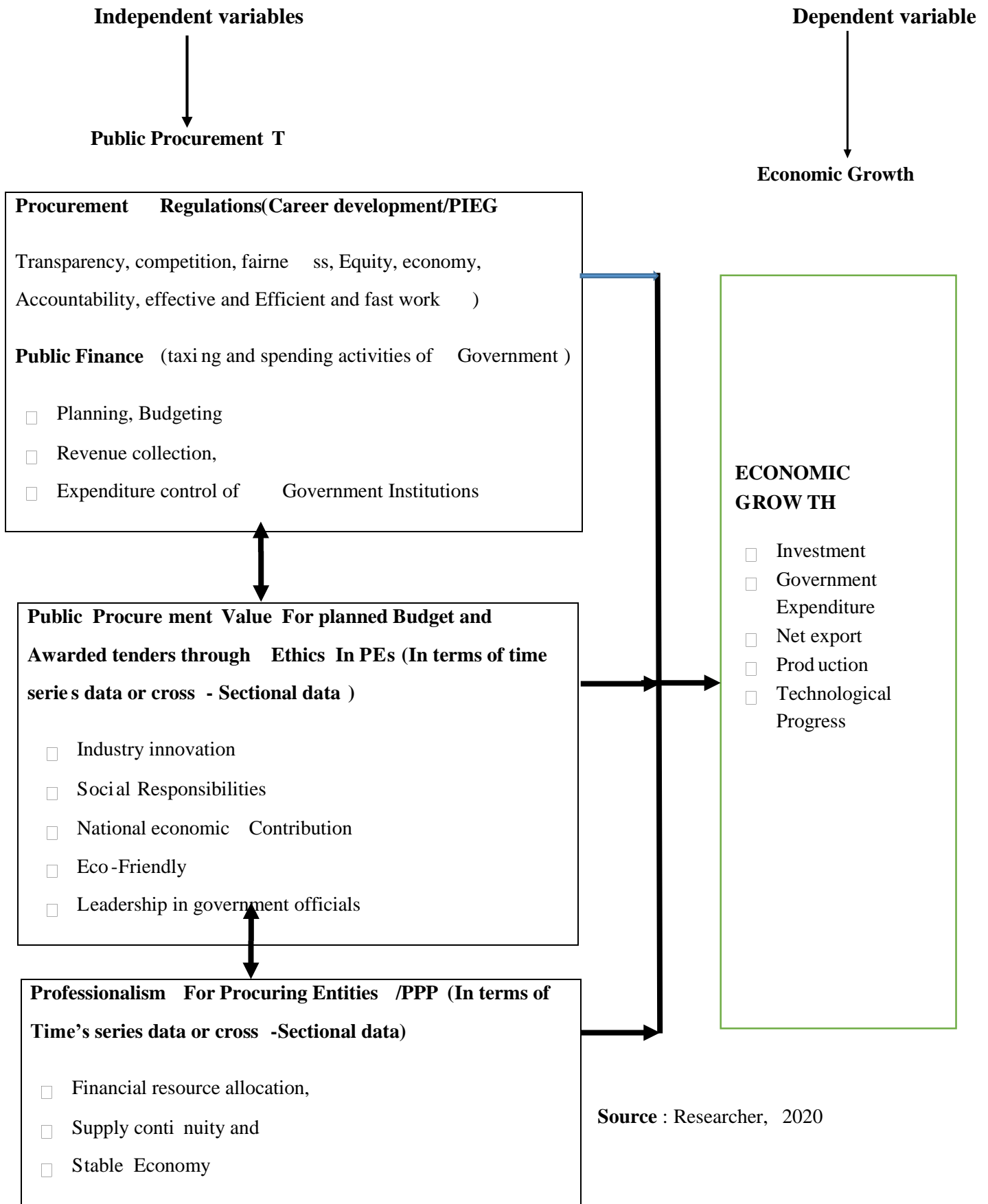
Based on the previous literature reviews, extensive case analysis with primary, secondary data, and interviews with Rwanda Public procurement Authority officials, impact of public procurement regulation on economic growth is developed to describe the deep aspect related to adequate efficient, coordination in public procurement, improving the public procurement performance, public procurement legal consultancy services and compensate existing capacity gaps in turnover of public procurement staff.

The increased challenges of debarred Contractors in public procurement, lack of professionalism in

public procurement sector, lack of unrealistic procurement professionalism for tender to be awarded in public procuring entities, lack of value for money and many delayed contracts in public procurement, all are among the causes which are negatively affect the Economic Growth of a country.

Having reviewed the literature reviews, the gaps and weakness related to the impact of public procurement regulation on Economic Growth are summarized through the relationship between procurement regulations, procurement professionalism and procurement professionalisms value for construction works, goods and services in Public Procuring Entities. The researcher examines the impact of public procurement regulation on Economic Growth in Rwanda, case of Rwanda Public procurement Authority RPPA report (2010-2011): The summary report on assessment of public procuring entities on compliance/performance with procurement law and procedures during the financial year 2010-2011, April 2012.

Figure 3: Conceptual framework



Conceptual Framework

The above scheme indicates the relationship between the Influence of Public Procurement Regulation and Economic Growth. As shown the scheme is hypothesized to be mediated by procurement regulations, procurement professionalism for public procurement and procurement professionalisms value in the Procuring Entities. Procurement regulations Amendment Act, (2007); (Law N0 62/2018 of 25/08/2018 Governing Public procurement);

Such as a bridge which mediates public procurement regulation and Economic growth, the procurement regulations resource is allocated in public procuring for procurement professionalism of public procurement FM amendment Act (2007);

The second influence of public procurement regulation on Economic Growth is shown by the procurement professionalism for public procurement allocated in various public procuring entities. That impact is shown by the planed budget related to the construction works, Goods/ supplies, consultancy services and non- consultancy services during the period of given time. (Law of public procurement N0 62/2018 of 25/08/2018 in its article 6 and 16;

The third influence of public procurement regulation on economic Growth is shown also by total procurement professionalism value for all construction works, goods/ supplies and consultancy services in given period of time.

Research Methodology

Research Techniques

Documentary sources (library and internet search) has been used in order to collect secondary data while the Primary Data were also obtained through structure and unstructured of research in Rwanda Public Procurement Authority, MINECOFIN, NBR, MIFOTRA etc.

Documentary Techniques

Documents were used as material, which contain the information about a phenomenon that researchers wish to study. In this study the documents that targeted are number of documents available in the

library, on the internet, books, journals and annual reports of the RPPA, NBR, MINECOFIN and Local/ Central Government Entities have been consulted for the purpose of obtaining secondary information relevant to the subject matter.

Research Methods

A method is a set of Intellectual operations which enable to analyze, understand and explain a given reality of fact GRAWITZ, (1996). Then is a collection of steps which put together in a logical manner a purpose of achieving a given objective.

Historical Method

This method helped for collecting and interpreting the past facts in order to understand the present ones and proposes how they could be in the future. This method helped the researcher look the evolution of Government expenditure from 2015-2019.

Synthetic Method

According to GRAWITZ, (2003), it is synthesized, that is to say globalized information and data into a coherent whole. This method allowed the research to synthesize the information gathered from RPPA, MINECOFIN and other Public Procuring Entities.

Analytical Method

This method helped the researcher to make a deep analysis and understand theoretical consideration of the data collected and other information pertaining to the research, it has been used also to analyze information and data that have been collected case by case.

Statistics Method

Statistics method is a set of mathematical methods which, from the collection and analysis of real data, it can develop probabilistic models allowing predictions, the statistical method offers the opportunity to measure and quantify the results of research. GRAWITZ, (2003).

Statistics method has been used in analysis and presentation of data in types of tables, graphs and figures (Charts, histograms, scatter grams).

Study Population

$$n = N / (1 + N * e^2)$$

Population is a group of individuals, objects or items from which samples are taken. A population refers to an entire group of persons or elements that have at least one thing in common. This study is carried out to analyze the influence of public procurement regulation on Economic Growth Kombo & Tromp (2006).

The study population comprised of 61 RPPA staff employed in divisions that are closely related to the area of research such as institutional planning, finance and accounting department, internal audit, Procurement regulations Development unit, e-procurement project, legal investigation, Audit and Monitoring Procurement Unit and Independent review panel Unit and any other persons that might provide relevant information such as members of procurement committee (RPPA chart, organization (2015).

Thus both Qualitative and Quantitative, Primary and Secondary data were collected from the sample of respondents and statistics respectively. Primary data collection was involved the researcher going into the field to collect the necessary data from respondents, whereas on secondary data the researcher will consult relevant statistical documents. The combination of the two research approaches which is called triangulation, added value to the data collection process. The need to triangulate comes in that no research method can exclusively disagreed the other Leedy (1993, p. 143)

Sample size and sampling Technique

Sample size

A sample is a part of an entire population that possesses attitude opinion, habit or characteristics that you wish to study. The appropriate sample size is influenced by the purpose for conducting the research. Inappropriate, inadequate or excessive sample size can highly influence the quality and accuracy of results of the study. Marketinell (2012). The sample size of this study is 38 determined by using the YEMAN's formula which is a random sampling technique formula to estimate sampling size, stated as follows:

Where n stands for samples size; N=Total population; e= Error tolerance; 1= Constant number Therefore, for this study: N= 61 e= (10%)

$$n = 61 / (1 + 61 * (0.1)^2) = 38 \text{ staffs}$$

This is a technique with regard to which item should be included or exclude in the sample rest on the researcher's judgment and intuition. Purposive technique enabled the researcher to choose respondents basing on the fact that they have desirable characteristic and variables related to the issue being studied. Mannheim and Richard (1995).

Sampling Technique

This technique has the property that every possible combination of objects in the population has an equal chance of being selected. In that case the researcher includes everyone in the study considering that all respondents have common observable characteristics.

Summary, Conclusion and Suggestions

Summary of findings

The main objective of this research was to find out the Influence of Public Procurement Regulation on Economic Growth of Rwanda. The results were presented based on the specific objectives, which are to find out the relationship that exists between the public Procurement

Regulations and Rwanda's Economic Growth; to analyze the influence of Public Procurement Ethic on Rwanda's Economic Growth and to assess Procurement Professionalism improvement in Rwanda's Public Procurement. The researcher attempt to examine an economic analysis of Influence of Public Procurement Regulations on Economic Growth function in the case of Rwanda Public Procurement Authority, evidence 2015-2019. The overall combined score between the Dependent variable and Independent variable is approximately explained by all predictors at 87.9% (R²=0.879). Procurement is not enough to be based on rules guaranteeing very fair and **non-discriminatory conditions** of competition.

To find out how Procurement Regulations contribute to Economic Growth of Rwanda

As pointed out by the respondents in table 4.5 in relation to perception of respondents on influence of procurement regulation on economic growth, 32.8% of the total respondents strongly agree that There is influence of Public procurement regulation on Rwanda's economic Growth, 67.1% of total respondents agree with the statement with a mean 4.80 and standard deviation of 0.40, regarding the statement which is says that The Economic Growth increases due to any increased level of planed Budget for public procurement institutions, 61.4% of total respondents strongly agree with the statement and 38.5% agree with the statement, with a mean of 4.16 and standard deviation of 0.36.

When it come to the statement which said that there is a relationship between procurement professionalisms value and Rwanda's Economic Growth, 63.8% of total respondents strongly agree with the statement and 36.7% remaining agree with the statement. In relation to the statement which intended to know whether RPPA use electronic procurement 55.7% of total respondents strongly agree with the statement and 44.2% of total respondents agree with the statement with a mean of 4.86 and standard deviation of 0.45.

An essential element is procedures by which aggrieved bidders can challenge procurement decisions and obtain redress if decisions are made that are inconsistent with the established rules. And debar the bidders in public procurement for seven years is very big sanction. And it is negatively affecting Economic Growth.

To establish the effect of Public Procurement Ethic on Economic Growth of Rwanda

From the table 4.7, researcher asked the respondents to give their level of agreement to the statements relate to the procurement ethic, it was revealed that 34.2% strongly agree that they have heard about Public Procurement law in Rwanda and 65.7% agree with the with mean of 4.84 and a standard deviation of 0.42. In relation to the statement intended to know whether Rwanda Public Procurement Authority is

capable to avoid the issues related to the lack of ethical climate in Public institutions, 26.3% of total respondents strongly agree with the statement, 47.3% agree with the statement and 26.3% disagree with the statement. With a mean of 3.35 and standard deviation of 0.48.

31.5% of total respondents strongly agree that procurement unit carry out all procurements functions in compliance with the public procurement act, 55.2% of total respondents agree with the statement and 13.1% disagree with the statement, with a mean of 4.01 and standard deviation of 0.43. In this research 31.5% of total respondents strongly agree that procurement process in the RPPA involves no corrupt practices, 52.6% of total respondents agree with the statement and 15.7% of total respondents disagree with the statement with a mean of 4.09 and standard deviation of 0.42

Finally, 34.2% of total respondents strongly agree that Accountability has influence on the impact of public procurement regulation for improving the economic growth, 52.6% of total respondents agree with the statement and 13.1% disagree with the statement with a mean of 4.31 and standard deviation of 0.47. From the findings in table 4.7, most of respondents agree with the statement relate to procurement ethic and this is supported by the fact that all means of their responses are at very high range which indicate the existence of procurement ethic in RPPA. To promote transparency, the procurement process is created to public scrutiny. The transparency of the process is further reinforced when contract awards, and the overall procurement process itself, is subject to the scrutiny of national parliaments, external audit bodies and the media. The procurement systems are protected against abuse, fraud and corruption. Many mechanisms are available for helping anticipate and resolve these problems.

To show how Procurement Professionalism contribute to the Economic Growth of Rwanda

From the table 4.8, researcher asked the respondents to give their level of agreement to the statements relate to procurement professionalism in RPPA, it

was revealed that 34.2% strongly agree that employees inspect quality of the goods/supplies, construction works and or services, 52.6% agree with the statement and 13.1% disagree that employees inspect quality of the goods/supplies, construction works and or services with mean of 3.72 and a standard deviation of 0.45.

Regarding the statement on whether the RPPA Procurement staff are professionals, 5.2% of total respondents strongly agree with the statement, 57.8% agree with the statement and 36.8% disagree with the statement. The mean on whether RPPA Procurement staff are professionals was 3.00 with a standard deviation of 0.42. In relation to the statement on whether Professionalism in public procurement is often judged weak, 26.3% strongly agree with the statement, 28.9% agree with the statement and 44.7% disagree that professionalism in public procurement is often judged weak with a mean of 3.02 and standard deviation of 0.42. In this research, 36.8% of total respondents strongly that professionalism is not achieved because of insufficient salary for public procurement staff, 39.4% agree with the statement and 23.6% disagree that professionalism is not achieved because of insufficient salary for public procurement staff, with a mean of 4.07 and standard deviation of 0.41.

31.1% strongly that employees always respect the procurement cycle in Public Procurement activities, 26.3% agree with the statement and 42.1% disagree with the statement with a mean 2.67 and standard deviation of 0.67

Lastly, the 26.3% of total respondents strongly agree that procurement regulations allows change of facilities and increase the recognition of employees in RPPA, 36.4 % of total respondents agree with the statement and 36.4% disagree with the statement with a mean of 3.09 and standard deviation of 0.45. From the findings in table 4.8, though the big number of respondents agree with the statement relate to the procurement professionalism in RPPA, it is difficult to take decision on whether procurement professionalism exists in RPPA due to heterogeneity of means in table 4.8.

To support this research analyzed the professionalism in RPPA by taking into consideration Professionalism / Knowledge and training in procurement and number of trained over one month; the results were presented in table 4.9. And based on the results which are presented in table 4.10 Influence of Public Procurement Regulations on Economic Growth product is as follows: Dependent variable is approximately explained by all predictors at more than 87.9% ($R^2=0.879$).

Promoting investment and employment, increased Public Procurement can enhance the incomes of developing country citizens and the county citizens improve their livelihoods and access to essential services. Providing developing country states with an enhanced basis for tax revenue, increased trade can help the scaling up of the provision of social services. In this regard no Economic Growth and Economic Development without better using the National resources.

Conclusion

A basic principal of public policy is monitoring and controlling the Public Procurement Entities and predict their growth paths through Public Procurement Authority.

Based on the findings of the research, RPPA procurement practices are good and impact of the Economic Growth that indicated by the predictors and the big number of respondents agreed with the statements relate to Public Procurement regulations and it is indicated also by all hypothesis of this research were rejected. Dependent variable is approximately explained by all predictors at 87.9% ($R^2=0.879$).

Suggestions to RPPA

The researcher examined the Influence of Public Procurement Regulations on Economic Growth of Rwanda, a case of Rwanda Public Procurement Authority, evidence 2015-2019. The Results indicated that Public Procurement Regulations, Public Procurement Ethics Climate and public procurement professionalism have a positive and significant effect on Economic Growth of Rwanda.

The following suggestions should be done by Policy Makers:

RPPA is suggested to support the core Procurement Principle related to the Public Procurement Regulations on Economic Growth in order to use efficiently the Public Funds and improve Economic Growth in Rwanda in accordance with the Transparency, Competition, economy, Efficiency, accountability and improvement related to the ICT in Public Procurement or Rwanda Online Procurement System (RONEPS) should be done in order to avoid the corruption and collusion of the bidders in public procurement. This system will resolve the problems related to the delayed execution works services and delayed payment of successful bidders.

The researcher suggests that RPPA should improve the Employee's Professionalism as fact of procurement success. And RPPA should also be motivated its employees by improving the adequate wages in order to avoid the excess employee turnover in Public Procurement.

The researcher suggests that education related to the Public Procurement Ethics in various domains of public Institution should be done in order to improve Economic Growth of Rwanda.

The researcher suggests that Government of Rwanda should increase and allocate in due time the planed Budget to the Public Procuring Entities in order to avoid the delayed projects development related to the various Construction works, Supply of Goods and Services and their payments which are negatively affecting the Buyer, Contractor and Stakeholders in Public Procurement of Rwanda.

Suggestion on further research

Renew Policy attempts to improve the efficiency and management of Public Procurement Regulations of Rwanda. Thus going forward, the four pronged approaches are suggested to be improved:

The firstly, Public Procurement should be based on Accurate Rules guaranteeing fair and nondiscriminatory conditions of competition for improving Economic Growth. An essential element is procedures by which aggrieved bidders can

challenge procurement decisions and obtain redress if decisions are made that are inconsistent with the established rules.

The secondly, the research point to the fact that Public Procurement regulation has the potential to greatly increase GDP and promote the much need growth of the Rwanda Economy. Thus the Fiscal space must be created in Government Budget for finance greater Investment. This can arise by way of broadening the tax base, reducing exemptions and simplifying the tax system so as to include elements in the informal sector not currently captured by the tax system.

The thirdly, initiatives embarked on to improve the efficiency and quality of Public Procurement must be bolstered and revamped. This will help to ensure that the potential benefits of Capital Investment accrue within the shortest possible time. This come about owing to initiatives in various stages of the Production process.

The fourthly, a review of literature indicated that there has been limited amount of research on procurement and economic growth in Rwanda. Thus, the findings of this study serve as a basis for future studies on Public Procurement and Economic Growth. Procurement managers as a population, had not been widely studied which presented gaps in African and Rwandan contexts. The study has therefore contributed to knowledge by establishing that Public Procurement regulation has Influence on Economic Growth and it is needed further research to complete this research.

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