

**African Journal of Public Administration and Environmental
Studies (AJOPAES)**

ISSN 2753-3174 (Print) ISSN 2753-3182 (Online)
indexed by IBSS, EBSCO and SABINET. It is accredited by DHET (the South
African regulator of Higher Education)

Volume 3, Number 3, December 2024
Pp 309-329

**A Critical Analysis of the United Kingdom and South
Africa's Local Government Tendering Systems and their
Transformative Impact**

DOI: <https://doi.org/10.31920/2753-3182/2024/v3n3a15>

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Abstract

This paper critically evaluates the effectiveness of South Africa's local government tendering system in driving sustainable development and addressing historical injustices, drawing a comparative analysis with the United Kingdom's County Councils' tendering practices in the health and social care sector. Through a secondary data approach, this research benchmarks the two systems, using qualitative data from government reports, tender documents, and policy reviews. Grounded in the Public Choice Theory, the paper interrogates how public sector tendering fosters economic equity and service delivery efficiency. The research reveals that while South Africa's tendering framework promotes inclusive development, systemic corruption and

inefficiencies impede its transformative potential. The UK's model, conversely, demonstrates higher levels of accountability and market competitiveness, offering key lessons for reform. The paper argues for improved transparency, accountability, and stakeholder participation to recalibrate South Africa's tendering system for sustainable governance outcomes.

Keywords: *Public procurement, Tendering system, Local government, Sustainable development, Historical injustices, Accountability, Service delivery, Economic equity.*

Introduction

The tendering system is a cornerstone in public procurement, providing governments a way to promote transparency, efficiency, and equitable access to resources. In South Africa, tendering at the local government level serves as a critical mechanism for promoting sustainable development and addressing historical injustices. These injustices, rooted in apartheid, led to systemic inequalities that denied marginalised communities access to economic opportunities and essential services (Ramphela, 2017). Post-apartheid, public procurement—including the tendering system—became part of a broader strategy aimed at redressing these disparities and fostering inclusive growth. However, despite significant reforms, the effectiveness of South Africa's tendering system in achieving equitable development outcomes remains contentious, particularly within local government structures (Fourie & Malan, 2020). Persistent challenges such as corruption, inefficiencies, and capacity limitations have hindered the system's transformative potential, raising questions about its ability to deliver on its promises of equity and sustainable development.

Sustainable development is inherently multifaceted, incorporating economic, social, and environmental dimensions. In South Africa, local governments play a crucial role in this development by delivering essential services such as water, sanitation, and housing. These services are often procured through competitive and transparent tendering processes designed to open opportunities to historically disadvantaged groups (Ambe & Badenhorst-Weiss, 2012). However, the extent to which these processes successfully advance sustainable development and socioeconomic redress is debated. Whether tendering can truly dismantle entrenched inequalities and foster economic inclusion at the local level remains uncertain.

In contrast, the United Kingdom's tendering system within health and social care, overseen by local government authorities (County Councils), provides a different public procurement model. In the UK, tendering in public services like health and social care prioritises competition, cost-effectiveness, and service quality (Pitkänen, 2023). While South Africa's tendering system is closely linked to the pursuit of social justice, the UK's approach focuses primarily on optimising resources and achieving efficient service delivery. County Councils manage various health and social care services and use tendering processes to select providers that offer value for money and meet accessibility standards, particularly for vulnerable people (Flynn & Davis, 2017).

The discrepancy in aim between the two systems provides a unique environment for comparative analysis, as the UK model indicates avenues to increase accountability and efficiency within South Africa's tendering framework.

This study aims to evaluate the efficacy of South Africa's local government tendering system in advancing sustainable development and redressing historical injustices, drawing insights from the UK's County Council-led health and social care tendering model. Specifically, it addresses two core research questions: (1) 'To what extent has South Africa's tendering system promoted sustainable development and redressed historical inequalities?' and (2) 'What practical lessons can South Africa draw from the UK's County Council tendering processes in health and social care to improve its practices?' The study has three primary objectives: (1) to assess the effectiveness of South Africa's tendering processes in promoting equity and sustainable development; (2) to examine the operational structure of the UK's County Council tendering in health and social care; and (3) to propose recommendations for strengthening South Africa's local government tendering framework.

This research aims to fill a notable gap in the literature on how public procurement can serve as a tool for both social justice and efficient service delivery. Although much research has examined the role of public procurement in development, few studies directly compare South Africa's justice-orientated model with the UK's efficiency-driven approach in a manner that yields practical, actionable insights. Focusing on health and social care in the UK—an area managed by county councils, similar to how local governments in South Africa oversee essential services like water and sanitation—this study allows for a contextually relevant comparison of tendering practices within local government authorities. Identifying similarities in governance roles while

acknowledging differences in policy motivations—socio-economic redress in South Africa versus resource optimisation in the UK—this study provides a balanced, context-sensitive analysis. In doing so, the study provides South Africa practical guidance for improving both service delivery and equity within its tendering system, contributing to a more inclusive and sustainable public procurement framework.

Theoretical Framework

Public Choice Theory, founded by economists James Buchanan and Gordon Tullock in the early 1960s, examines how public decision-making processes are influenced by the self-interest of individuals within government institutions and among private sector actors (Buchanan & Tullock, 1962). This theory challenges the traditional notion that public officials act solely in the public interest, arguing instead that bureaucrats, politicians, and interest groups often pursue their interests, which can lead to inefficiencies, rent-seeking behaviours, and suboptimal outcomes. This perspective suggests that public policies and systems, such as procurement, can be distorted by the self-interest of those involved in the decision-making process, including the manipulation of tendering processes for personal or political gain. Public Choice Theory also emphasises the importance of designing institutional mechanisms that mitigate such behaviours through greater accountability, transparency, and competition.

When applied to public tendering systems, Public Choice Theory provides a critical lens for understanding how these processes can be influenced by individual incentives rather than the collective good. In South Africa, for example, the theory sheds light on how systemic corruption and inefficiencies within the tendering system may arise from the self-interest of public officials and private contractors (Mamokhere, 2022). Research by Grosse and Kwan (2018) has also highlighted how individual motivations can compromise public procurement outcomes, emphasising the need for reforms. Similarly, in the UK's health and social care tendering, while efficiency and market competition are driving forces, challenges persist due to the influence of special interest groups and the potential for regulatory capture (Flynn & Davis, 2017). Studies such as those by Allen and McNulty (2016) have explored how these dynamics can hinder service quality and equity within public services. In both contexts, Public Choice Theory is highly relevant, framing procurement as a process vulnerable to the personal interests of stakeholders, which can undermine efforts to promote sustainability,

equity, and service quality. For this paper, the theory will be used to evaluate how these individual motives affect the effectiveness of tendering systems, hence altering their ability to fulfil broader social goals.

Literature Review

This literature review explores tendering systems within public procurement, focusing on global practices, South Africa's unique socio-economic goals, and the comparative analysis of the UK's health and social care sector tendering. Key research on the efficacy of tendering systems highlights their role in promoting transparency, competition, and economic inclusion while addressing challenges such as corruption, inefficiencies, and political interference. The review of previous studies gives a comprehensive understanding of the strengths and limits of tendering processes across various socio-political contexts.

Tendering in the Public Sector: Global Perspectives

Public sector tendering, also referred to as public procurement, is a key mechanism through which governments across the globe acquire goods and services (Siyal & Xin, 2020). This process is crucial for ensuring that public resources are used efficiently, transparently, and equitably (Siyal & Xin, 2020). These systems are central to public services delivery, infrastructure development, and economic growth. While the principles of competition, transparency, and accountability are universally acknowledged, their implementation and effectiveness differ significantly across regions and sectors.

In developed countries such as the UK, the tendering process is generally more regulated, with strong institutional frameworks aimed at promoting value for money, competitiveness, and efficiency. For example, in the UK's National Health Service (NHS), public procurement has been used to promote innovation and improve service delivery while ensuring cost-effectiveness (Flynn & Davis, 2017). The European Union (EU) also enforces strict procurement directives, which mandate open competition and equal treatment of bidders, aiming to foster transparency and prevent corruption (Yang, 2023). These procurement frameworks often emphasise market-driven solutions, balancing public service provision with private sector involvement to improve efficiency and service quality.

In contrast, developing countries, particularly in Africa, face unique challenges in public tendering. In South Africa, for example, the tendering process is an important tool for addressing historical inequalities and promoting inclusive development, especially through policies such as Broad-Based Black Economic Empowerment (Mudau, 2022). However, systemic corruption and inefficiencies within local governments have undermined the transformative potential of the tendering system (Ambe & Badenhorst-Weiss, 2012). Similarly, countries such as Nigeria and Kenya grapple with procurement malpractices, where public officials often use tendering as a vehicle for rent-seeking, leading to inflated costs and substandard service delivery (Onwujekwe et al., 2020). Despite these challenges, public procurement reform efforts are underway in many developing countries, aiming to improve transparency, accountability, and public value.

Asia presents another spectrum of public sector tendering experiences. In China, for example, public procurement has been instrumental in supporting its rapid economic growth and infrastructure development. While the system is highly centralised, it is often criticised for lacking transparency and being prone to favouritism (Chen, 2009). On the other hand, India has made significant strides in reforming its public procurement system by implementing e-tendering platforms to reduce corruption and improve efficiency (Kumar, 2022). E-procurement systems have become a global trend, as they offer improved transparency and reduce human error or interference in the tendering process. Integrating digital tools into public procurement systems, as seen in countries like Brazil, Estonia, and South Korea, has led to improved procurement outcomes and strengthened governance structures (Neupane et al., 2014).

The Evolution of the Tendering System in South Africa and Its Role in Redressing Historical Imbalances

The tendering system in South Africa has undergone significant transformation since the end of apartheid, evolving from a mechanism primarily focused on procurement to a tool for promoting social justice and economic redress. Public procurement is now regarded as a key policy instrument to address the structural inequalities inherited from the apartheid regime, where economic opportunities were largely reserved for the white minority while the black majority was systematically excluded from meaningful participation in the economy (Mabece, 2019). The transition to democracy in 1994 heralded a new era of government

policies aimed at dismantling this legacy of discrimination. Within this context, the tendering system has become a crucial vehicle for economic empowerment, particularly through the Broad-Based Black Economic Empowerment (B-BBEE) policy framework, which seeks to promote the participation of previously disadvantaged individuals in the economy (Chimboza, 2023).

Early post-apartheid reforms in public procurement focused on improving access to government contracts for black-owned businesses, women, and other historically disadvantaged groups (Shai, Molefinyana & Quinot, 2019). This was achieved through the Preferential Procurement Policy Framework Act (PPPFA), of 2000, which established guidelines for awarding tenders based not only on cost and quality but also on the socio-economic goals of the government. The PPPFA introduced a points-based system where bidders could score additional points for meeting certain empowerment criteria, such as black ownership, job creation, and skills development (Ambe & Badenhorst-Weiss, 2012). Over time, the tendering system became a central component of the government's broader strategy to redistribute economic power, address unemployment, and foster inclusive development. While these policies have yielded some positive outcomes, they have also faced criticism for enabling corruption, inefficiencies, and political interference, undermining their ability to fully deliver on their transformative objectives (Mabece, 2019).

One of the significant ways South Africa's tendering system differs from those in other countries, particularly developed nations, is its explicit role in redressing historical imbalances. This focus on social redress has shaped the way public procurement is managed and prioritised, particularly at the local government level, where services such as housing, water, and sanitation are critical for achieving both economic and social equity (Hendriks, 2019). In contrast to countries like the United Kingdom, where public sector tendering, as discussed earlier, is primarily aimed at increasing efficiency and competitiveness, South Africa's system is designed with the dual objectives of service delivery and socio-economic transformation. This dual mandate presents both opportunities and challenges. On one hand, it provides a platform for historically marginalised communities to enter and grow within the formal economy. On the other hand, the implementation of these policies has been hampered by structural inefficiencies, a lack of capacity, and widespread corruption, particularly at the municipal level (Ambe & Badenhorst-Weiss, 2012).

The challenges facing South Africa's tendering system are deeply rooted in the legacy of apartheid. Decades of institutionalised discrimination left the country with vast socio-economic disparities, which public procurement policies have attempted to address. However, scholars such as Ruiters (2016) argue, "the inefficiency and lack of transparency in the tendering system have led to the rise of 'tenderpreneurs,' a term used to describe individuals who exploit government contracts for personal gain, often through political connections". These practices have not only diminished the effectiveness of the system in redressing historical imbalances but have also eroded public trust in government institutions (Gamble, 2021). The failures in the system have sparked widespread calls for reform, with many advocating for stricter oversight, improved transparency, and capacity-building initiatives to ensure that tenders are awarded fairly and efficiently.

Comparative Analysis of UK County Councils' Tendering System in Health and Social Care

The tendering systems of the UK and South Africa offer distinct models of public procurement, shaped by their respective socio-political and economic contexts. While both systems operate within a public sector framework, they have evolved with different priorities, objectives, and governance mechanisms.

In the UK, particularly in County Councils' health and social care tendering, the system emphasises competition, transparency, and value for money. Governed by frameworks such as the Public Contracts Regulations (2015) and, until Brexit, the European Union's procurement directives, the UK system mandates open tendering to ensure all qualified suppliers—whether public, private, or non-profit—can bid for contracts on an equal footing (Arrowsmith, 2010). This approach encourages market-driven competition, aiming to improve service quality, foster innovation, and ensure cost-effectiveness. The UK system prioritises accountability, with frequent audits, e-procurement systems, and public oversight limiting the scope for favouritism or corruption (Flynn & Davis, 2017). While efficient in delivering health and social care services, the UK model has faced criticism for occasionally prioritising cost-cutting over service quality (Lonsdale & Watson, 2005). The system's primary goal is to optimise public resources without the socio-economic transformation focus seen in other countries.

In contrast, South Africa's local government tendering system has been developed not only to ensure efficient service delivery but also to address the severe socio-economic inequalities left by apartheid. South Africa's procurement policies, especially under the Broad-Based Black Economic Empowerment (B-BBEE) framework, prioritise redressing historical injustices by promoting the participation of previously disadvantaged groups in public contracts (Bolton, 2007). Unlike the UK's largely efficiency-driven system, South Africa's tendering system integrates socio-economic goals directly into the procurement process. Preference is given to black-owned businesses, women, and other marginalised groups to ensure that public procurement contributes to broader social equity (Hendriks, 2019). However, this well-intentioned focus on redress has led to inefficiencies, particularly the rise of "tenderpreneurship"—where individuals exploit the system for personal gain through political connections (Ruiters, 2016). These issues undermine the transparency and effectiveness of South Africa's procurement system.

Despite these contextual differences, both systems share common challenges in balancing public sector procurement efficiency with their respective goals. In the UK, while competition drives efficiency, it has sometimes come at the expense of service quality, particularly in the health and social care sector, where cost-cutting pressures can lead to reduced care standards (Lonsdale & Watson, 2005). In South Africa, the challenge lies in balancing the need for economic transformation with ensuring that public procurement is transparent and delivers services effectively (Ambe & Badenhorst-Weiss, 2012). Both systems grapple with finding the optimal balance between efficiency and broader social outcomes, albeit differently.

A key similarity between the two systems is their reliance on legal and regulatory frameworks to govern procurement processes. In the UK, the Public Contracts Regulations and other legal structures provide a strong foundation for ensuring transparent and competitive tendering (Arrowsmith, 2010). Similarly, South Africa's Preferential Procurement Policy Framework Act (PPPFA) sets legal guidelines for awarding tenders with a focus on socio-economic criteria (Letchmiah, 2012). Both systems attempt to mitigate corruption and inefficiencies through these frameworks, but South Africa's additional focus on redressing historical imbalances introduces further complexity. While the UK's regulations focus primarily on efficiency and market competition, South Africa's system intertwines these with broader socio-political goals, leading to

conflicts between socio-economic priorities and procurement efficiency (Hendriks, 2019).

In terms of transparency, the UK system has a clear advantage, with e-procurement and oversight mechanisms ensuring that tenders are awarded fairly and based on merit (Neupane et al., 2014). South Africa has introduced similar e-tendering systems, but the prevalence of political interference and corruption hampers their effectiveness (Hendriks, 2019). The “closed” nature of some tenders in South Africa, awarded without adequate competitive processes, highlights a major flaw in the system's transparency efforts (Ruiters, 2016). By contrast, the UK's open tendering process is more consistently applied, contributing to greater public trust in the procurement system (Arrowsmith, 2010).

One major point of divergence is how each system manages the treatment of public versus private service providers. In the UK, private companies, non-profits, and public bodies compete on an equal footing, with service quality and value for money as key considerations (Lonsdale & Watson, 2005). This competition drives innovation and cost-effectiveness. South Africa's system, however, favours historically disadvantaged groups through B-BBEE, which can sometimes limit competition and lead to inefficiencies, particularly when contracts are awarded to less capable contractors based on their socio-economic profile rather than their ability to deliver services (Hendriks, 2019). This policy approach, while crucial for addressing the historical exclusion of black-owned businesses, often complicates efforts to ensure that tendering processes are both competitive and effective in service delivery.

While both systems share challenges related to balancing procurement efficiency with broader social outcomes, the UK's model is more successful in mitigating corruption and ensuring transparency. South Africa's system, despite its noble goals, faces significant challenges in achieving socioeconomic redress and effective service delivery. South Africa should learn from the UK's emphasis on transparency and accountability while also fine-tuning its policies to better balance economic development and procurement efficiency.

Existing Research on Tendering Systems and Their Efficacy

Tendering systems have emerged as essential mechanisms in public procurement, serving to increase transparency, competitiveness, and efficiency in the allocation of government contracts. Over the years, researchers have critically examined the efficacy of tendering systems,

evaluating their impact on service delivery, market competitiveness, and broader socio-economic goals. The existing literature highlights the benefits and limitations of these systems in various contexts, particularly regarding their ability to achieve value for money, reduce corruption, and promote equity.

A significant body of research underscores the role of tendering systems in promoting competition and accountability in public procurement. According to Ackah et al. (2014), open and competitive tendering is widely regarded as the gold standard for public procurement because it encourages multiple suppliers to bid for contracts, ensuring that the government receives the best value for money. By creating a level playing field, open tendering limits the risk of corruption and favouritism, as it requires public authorities to disclose the criteria used for selecting suppliers. This system also drives innovation and efficiency, as suppliers are incentivised to offer better services or products at competitive prices to secure contracts (Lonsdale & Watson, 2005). The efficacy of this system has been demonstrated in various sectors, including health and social care, infrastructure, and education, where transparency and competition have led to improved service delivery and reduced procurement costs.

However, while the competitive nature of tendering systems can enhance efficiency, existing research also points to several limitations. In particular, tendering processes can be complex, time-consuming, and costly for both the public sector and suppliers. As noted by Flynn and Davis (2017), the administrative burden associated with preparing and evaluating tenders can result in delays and increased transaction costs, particularly in sectors where the procurement of specialised goods or services is required. Moreover, overly stringent regulations and requirements may deter smaller suppliers from participating in the tendering process, reducing competition and limiting the diversity of suppliers. This issue is particularly relevant in developing countries, where smaller businesses may lack the resources and capacity to meet the formal requirements of public tenders (Ambe & Badenhorst-Weiss, 2012).

Another critical area of research focuses on the role of tendering systems in reducing corruption in public procurement. Neupane et al. (2014) argue that e-procurement systems, which involve the use of electronic platforms to manage tendering processes, have been effective in reducing opportunities for corruption by minimising human interaction and increasing the transparency of bidding processes. The introduction of e-procurement in countries like South Korea and Chile,

for example, has been associated with increased competition, reduced procurement costs, and a significant reduction in corrupt practices (Neupane et al., 2014). Similarly, in Europe, the European Union's procurement directives, which emphasise transparency and open competition, have contributed to improved governance and reduced opportunities for corruption in public procurement (Arrowsmith, 2010).

Despite these positive developments, research also highlights significant challenges related to the implementation of tendering systems, particularly in contexts where political interference and corruption are deeply entrenched. In South Africa, for example, the tendering system has been linked to widespread corruption, with public contracts often being awarded based on political connections rather than merit (Hendricks, 2019). The concept of "tenderpreneurship" has emerged to describe individuals or entities that exploit public procurement processes for personal or political gain, undermining the transparency and competitiveness of the system (Ruiters, 2016). Ambe and Badenhorst-Weiss (2012) emphasise that while South Africa's procurement system includes legal frameworks designed to promote transparency and competition, the lack of effective oversight and enforcement mechanisms has allowed corruption to persist. Similar issues have been reported in other developing countries, where weak institutions and governance frameworks create vulnerabilities in the tendering process (Hendriks, 2019).

The relationship between tendering systems and socio-economic goals is another critical area of inquiry. In many countries, public procurement is used as a policy tool to achieve broader social and economic objectives, such as promoting economic inclusion, reducing inequality, and fostering local development. South Africa's Broad-Based Black Economic Empowerment (B-BBEE) policy, for example, aims to use public procurement as a means of addressing historical inequalities by giving preference to black-owned businesses and other marginalised groups in the awarding of government contracts (Mabece, 2019). While this approach has had some success in increasing the participation of historically disadvantaged groups in public procurement, it has also faced criticism for introducing inefficiencies and reducing competition (Hendriks, 2019). The challenge lies in balancing the need for socio-economic transformation with the need to maintain transparency, competition, and value for money in the tendering process.

In addition, existing research highlights the importance of governance structures and regulatory frameworks in determining the efficacy of tendering systems. Countries with well-developed legal

frameworks and strong oversight institutions tend to have more transparent and efficient tendering systems. The UK's procurement system, for example, is governed by strict regulations that ensure open competition and accountability, with frequent audits and public oversight reducing opportunities for corruption (Flynn & Davis, 2017). In contrast, countries with weaker governance frameworks often struggle to enforce transparency and accountability in public procurement, resulting in inefficiencies and corrupt practices (Ambe & Badenhorst-Weiss, 2012).

Research Methodology

This research paper employs a secondary data collection method, focusing on government reports, policy documents, tender guidelines, and academic literature to analyse public sector tendering systems in South Africa and the UK. Documents were sourced from official government websites, including the South African Department of Public Works and the UK Government portal, as well as from procurement agencies and relevant NGOs, ensuring a comprehensive perspective. The academic literature search used databases such as JSTOR, Google Scholar, and Scopus, using search terms like “public procurement,” “tendering systems”, and “public choice theory.” Inclusion criteria prioritised peer-reviewed articles published within the last decade, while irrelevant studies were excluded based on their focus or methodology. Qualitative content analysis was executed through familiarisation with the data, followed by systematic coding to identify themes related to transparency, efficiency, and socio-economic impact, enabling a critical comparative evaluation of the tendering processes across both countries.

Analysis and Discussion of Findings

This analysis delves into themes derived from the literature, synthesising the interplay of global public procurement practices, South Africa's socio-economic objectives, and the UK's health and social care sector tendering while critically applying the Public Choice theoretical framework to elucidate motivations and outcomes within each system.

Efficiency, Transparency, and Accountability in Public Procurement

Global tendering systems within the public sector underscore the importance of efficiency, transparency, and accountability as

foundational principles. Developed countries, exemplified by the UK, enforce strong regulatory frameworks to ensure competitive tendering, open access for suppliers, and adherence to fair practices (Arrowsmith, 2010). The UK's procurement regulations, further supported by e-procurement platforms, enhance transparency by limiting human interference, thus fostering public trust and operational efficiency. In alignment with Public Choice theory, which posits that individuals within public institutions act to optimise their interests, these regulatory structures and accountability mechanisms reduce the likelihood of self-serving behaviours by establishing consistent oversight (Flynn & Davis, 2017). Public Choice theory suggests that strict regulatory frameworks curtail opportunistic behaviour by enhancing public visibility and accountability within procurement processes, which has shown efficacy in the UK's health and social care sector.

In contrast, the literature highlights that, despite adopting similar principles, procurement systems in many developing countries grapple with significant challenges. South Africa, for example, has struggled to embed transparency and efficiency due to structural corruption and the political interference that permeates procurement processes (Ambe & Badenhorst-Weiss, 2012). The concept of “tenderpreneurship,” where contracts are exploited for personal or political gain, reflects Public Choice's premise of self-interested behaviour among officials and illustrates the difficulty of enforcing transparency in environments with weak governance structures (Ruiters, 2016). Despite regulatory efforts, such as the Preferential Procurement Policy Framework Act (PPPFA), the pervasive political influence has led to inefficiencies and eroded public trust in South Africa's tendering processes.

Socio-Economic Transformation through Public Procurement

A distinguishing theme in South Africa's procurement system is its dual mandate of economic inclusion and service delivery. Unlike the UK's market-orientated procurement model, South Africa's tendering system incorporates socio-economic criteria, as seen in the Broad-Based Black Economic Empowerment (B-BBEE) framework. This policy prioritises black-owned and other marginalised groups to foster economic transformation and address historical inequities (Chimboza, 2023). This approach aligns with the Public Choice framework by highlighting how policy decisions are influenced by broader socio-political motivations, with tendering policies reflecting the collective interest of social equity. However, the integration of socio-economic goals complicates

procurement efficiency, as preferences may sometimes limit open competition, reducing the quality and efficacy of service delivery (Hendriks, 2019).

The UK's focus on cost-effectiveness and value for money contrasts sharply with South Africa's emphasis on redress. In the UK, the Public Contracts Regulations and EU directives focus on optimising public spending, allowing equal participation of private and non-profit organisations, thus enhancing competitiveness and innovation (Arrowsmith, 2010). While this model has proven effective in delivering high-quality services, it is criticised for occasionally emphasising cost-cutting over service quality, particularly in health and social care (Lonsdale & Watson, 2005). According to Public Choice theory, the priority placed on cost-efficiency reflects the electorate's preference for prudent resource allocation, while, in contrast, South Africa's redistributive focus mirrors the social contract obligations owed to historically marginalised groups.

Governance and Regulatory Frameworks

The efficacy of public procurement is heavily influenced by governance structures and regulatory rigour. In the UK, strict legal frameworks, regular audits, and public oversight mechanisms contribute to a transparent and accountable procurement system. E-procurement technologies have further improved these attributes, offering a model for other countries to emulate in combating corruption and enhancing tendering transparency (Neupane et al., 2014). The UK's regulatory frameworks underscore Public Choice principles by establishing barriers to discretionary behaviour, thus aligning officials' actions with public interest rather than individual gains.

South Africa's procurement framework, although legislated to promote transparency, faces systemic enforcement challenges. Weak institutional capacity, combined with political interference, hampers effective oversight and has led to inconsistent adherence to tendering standards. The recurring issue of "closed" tender processes, where contracts are awarded with limited competition, indicates a misalignment between policy goals and on-the-ground implementation, complicating efforts to achieve fair, competitive procurement (Ruiters, 2016). Within the Public Choice framework, the persistence of these challenges suggests that, in environments lacking effective regulatory checks, individuals within procurement systems may prioritise personal or political interests over

public service, thereby weakening the transformative potential of procurement.

E-Procurement and Technological Integration

E-procurement has emerged as a key development in improving transparency, efficiency, and accessibility within tendering systems globally. Countries such as South Korea, Brazil, and the UK demonstrate the efficacy of electronic platforms in reducing human interference, streamlining processes, and improving accountability (Neupane et al., 2014). The implementation of e-tendering platforms aligns with Public Choice principles by reducing opportunities for individual manipulation, thereby shifting the system's focus to objective evaluation and merit-based selection of bidders. The literature reveals a correlation between e-procurement and reduced corruption, as automated systems diminish the room for political or personal bias in decision-making.

However, in South Africa, the benefits of e-procurement are limited by structural constraints. While the government has introduced e-tendering systems to promote transparency, these systems often fall short due to inadequate monitoring, technical challenges, and resistance from vested interests within the procurement process (Hendriks, 2019). Public choice theory illuminates how individuals or groups, seeking to maintain control over lucrative contracts, may exploit these shortcomings, undermining e-procurement's potential to curb favouritism. The disparity in technological integration underscores the importance of technical capability and political will in driving effective reform.

Balancing Efficiency with Broader Socio-Economic Outcomes

The analysis reveals a common challenge in balancing procurement efficiency with broader socio-economic outcomes, although the priorities differ substantially across contexts. In the UK, the procurement model's market-driven approach prioritises cost-efficiency and service quality, sometimes at the expense of socio-economic objectives. While this approach promotes innovation, it can risk narrowing the focus on cost-cutting, especially in areas like health and social care, where quality and accessibility are critical concerns (Lonsdale & Watson, 2005). Public choice theory suggests that this efficiency-focused model reflects the electorate's preference for judicious public spending, shaped by the need to maximise taxpayer value.

Conversely, South Africa's tendering system, embedded within a framework aimed at socio-economic redress, prioritises historical transformation and inclusive growth over pure efficiency (Bolton, 2007). This dual mandate has led to challenges in consistently achieving service delivery goals, given the systemic inefficiencies and corruption that have marred the process. Public Choice theory elucidates the potential conflicts between individual interests and public welfare, where the socio-economic emphasis, while essential for equity, can inadvertently create entry points for exploitation through political favouritism and "tenderpreneurship" (Ruiters, 2016).

Recommendations

The following recommendations are proposed to improve the effectiveness and fairness of South Africa's local government tendering system, promoting both sustainable development and socio-economic redress.

Improve Transparency and Accountability Through E-Procurement Systems

To elevate the transparency and accountability of South Africa's local government tendering processes, it is imperative to implement and standardise comprehensive e-procurement systems across all municipal levels. Research findings underscore that the current procurement environment is plagued by inefficiencies and corruption, partly due to the opaque nature of traditional processes. E-procurement can mitigate these issues by providing a digital platform that automates and documents every step of the procurement process, from bid submission to contract award. This digital shift not only facilitates real-time monitoring and public access to procurement data but also reduces the scope for political interference and favouritism. By embracing e-procurement, local governments can foster an environment of fair competition, improve the integrity of the tendering system, and ultimately ensure that public funds are used more effectively.

Strengthen Oversight and Enforcement Mechanisms

To address persistent issues of corruption and inefficiency in local government tendering, it is crucial to establish independent oversight bodies with robust enforcement capabilities. Findings indicate that the

lack of effective oversight mechanisms has allowed corrupt practices, such as “tenderpreneurship,” to undermine the procurement system’s effectiveness. By setting up dedicated oversight institutions that operate with full authority to monitor procurement activities, conduct audits and enforce compliance with regulations, local governments can significantly increase accountability. These bodies should be empowered to investigate irregularities, impose sanctions, and ensure that procurement policies and anti-corruption measures are adhered to. Strengthening these oversight mechanisms will not only help curb corruption but also restore public confidence in the procurement process.

Streamline Tender Processes and Reduce Administrative Burdens

To improve the inclusivity and efficiency of the tendering system, it is essential to streamline and standardise tender processes, thereby reducing administrative burdens. Research highlights that the current complexity of procurement procedures often deters smaller businesses from participating, which in turn limits competition and drives up costs. As a result of simplifying and harmonising tendering procedures, local governments can make it easier for a diverse range of suppliers, including small and emerging businesses, to engage in the procurement process. This simplification should include reducing paperwork, standardising documentation requirements, and speeding up approval processes. Such reforms will not only foster greater competition and innovation but also ensure that procurement practices remain aligned with sustainable development goals and the pursuit of equitable economic opportunities.

Integrate Capacity Building and Support Programmes for Emerging Businesses

To effectively leverage the B-BBEE policy and promote socio-economic inclusion, local governments must integrate capacity-building and support programs for historically disadvantaged businesses. Research findings reveal that while B-BBEE aims to redress historical imbalances, the lack of support for emerging businesses hinders their ability to compete effectively in the tendering system. Implementing targeted capacity-building initiatives, such as training workshops, mentorship programmes and financial assistance, will equip these businesses with the skills and resources needed to navigate the tendering process successfully. Through investing in the growth and development of these enterprises, local governments can improve their participation in public

procurement, drive inclusive economic development, and ensure that tendering practices contribute to broader socio-economic equity.

Conclusion

The research paper highlighted critical inefficiencies in South Africa's local government tendering system, with issues such as corruption, administrative complexity, and political interference undermining its effectiveness. Comparative insights from the UK tendering model show that stronger regulatory frameworks, transparency, and competitive procurement practices can greatly improve public procurement outcomes. Public Choice Theory provides a useful lens to understand how self-interest and political connections contribute to tendering inefficiencies, reinforcing the need for reforms. Moving forward, adopting e-procurement systems, strengthening oversight mechanisms, simplifying tender processes, and supporting emerging businesses are essential steps toward creating a more transparent, efficient, and equitable tendering system. These reforms can align South Africa's public procurement with sustainable development goals and the broader objective of socio-economic transformation.

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