

TRANSPARENCY IN GOVERNMENT PROCUREMENT OF GOODS AND SERVICES: CHALLENGES AND SOLUTIONS

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Abstract

Government procurement of goods and services is a vital aspect of good governance. Transparency in the procurement process is key to preventing corruption, collusion, and nepotism, as well as improving accountability in the use of state budgets. However, the implementation of transparency still faces various challenges, such as limited access to information, complex regulations, low human resource capacity, political intervention, and weak supervision and law enforcement. This study uses a literature review method to identify the main challenges in transparency in government procurement of goods and services and to formulate effective solutions. The results of the review indicate that the implementation of an e-procurement system, strengthening regulations, improving human resource competencies, community involvement, and independent supervision are strategic steps that can increase transparency. With integrated solutions and commitment from all stakeholders, transparency in government procurement can be achieved sustainably, thereby supporting clean, efficient, and equitable development.

Keywords: Transparency, Government Procurement, Challenges and Solutions.

Introduction

Government procurement of goods and services is a crucial aspect of efficient and accountable governance. This process not only plays a role in meeting the operational needs of the government, but also serves as an important instrument in supporting national development. Therefore, good procurement governance is essential to ensure the achievement of sustainable and equitable development goals (Indonesia Corruption Watch (ICW), 2024).

Sustainable and equitable development goals are a global agenda designed to end poverty, improve social and economic well-being, and protect the environment for the sake of the current and future generations. This agenda is known as the Sustainable Development Goals (SDGs), which consists of 17 main goals covering social, economic, environmental, and governance aspects. Sustainable development emphasises the importance of balancing economic growth, social inclusion, and environmental preservation so that no community group is left behind, especially those who are vulnerable and marginalised (LSP Pengadaan, 2024). In Indonesia, the implementation

of the SDGs is aimed at maintaining continuous improvement in the welfare of the community, ensuring social sustainability, preserving the quality of the environment, and strengthening inclusive and accountable governance (DLA Piper, 2025).

Transparency in government procurement is a central issue in efforts to achieve clean governance free from corruption, collusion, and nepotism. Openness of information regarding the process, criteria, and results of procurement is essential so that all parties, both the public and business actors, can monitor and assess the extent to which the process is fair and accountable (Oliveira & Costa, 2024).

In Indonesia, government procurement of goods and services is regulated by various regulations, such as Presidential Regulation No. 16 of 2018 and its amendments. These regulations emphasise the importance of the principles of transparency, efficiency, and accountability. However, implementation in the field still faces various obstacles that lead to irregularities and abuse of authority. One of the main challenges in achieving transparency is the complexity of procurement rules and procedures, which often open loopholes for manipulation. Non-transparent tender processes, unclear specifications for goods or services, and non-transparent selection criteria often raise public suspicion and distrust of procurement results (Silva et al., 2024).

In addition, corruption, collusion, and nepotism are still latent problems in government procurement of goods and services. Many cases show the existence of intervention by certain parties in the decision-making process, either directly or indirectly. This has an impact on the quality of goods/services obtained and waste of state budget (Zhang & Wang, 2024).

Limited capacity and competence of human resources (HR) involved in the procurement process are also hindering factors. Many procurement officials do not fully understand the principles of transparency and good governance. As a result, the procurement process often does not run in accordance with applicable regulations (Wahyuni, 2017).

The use of information technology, particularly e-procurement systems, has been initiated to improve transparency and efficiency in procurement. However, its implementation still faces various challenges, such as suboptimal data integration, low digital literacy, and resistance to change from procurement stakeholders (Hidayati, 2021).

Public participation and involvement of other stakeholders in the oversight of government procurement of goods and services remains low. However, public involvement is crucial to ensuring that procurement processes are conducted openly and accountably. Limited access to information and ineffective complaint mechanisms are among the causes of this low participation (Setiawan, 2023).

Strengthening internal and external oversight is a solution often proposed to address transparency issues. However, the effectiveness of oversight is often hampered

by limited authority, resources, and the independence of oversight institutions. This highlights the need for reform in the procurement oversight system (Rahman, 2023).

Nevertheless, technology-based solutions must be accompanied by regulatory strengthening, improved human resource quality, and system oversight reforms. Without integrated efforts, transparency in government procurement is difficult to achieve comprehensively and sustainably (Garcia & Lopez, 2024).

Based on the above description, this study aims to identify the main challenges in realising transparency in government procurement and offer relevant solutions based on a literature review. It is hoped that the results of this study can contribute significantly to improving procurement governance in Indonesia.

Thus, transparency in government procurement is not only a regulatory requirement but also an urgent necessity in order to create a professional, efficient government free from practices that harm the state and society.

Research Method

The research method used in this study is a qualitative method with a literature review approach. This study focuses on an in-depth analysis of various literature, journals, and official documents discussing transparency in government procurement of goods and services, both at the national and international levels. Data was collected through a systematic review of relevant secondary sources, such as legislation, previous research results, reports from supervisory agencies, and publications from international organisations competent in the field of public procurement (Zed, 2008). The analysis was conducted by identifying the main challenges, proposed solutions, and best practices in the implementation of transparency in government procurement of goods and services (Hamzah, 2020).

The data analysis techniques used are data reduction, data presentation, and conclusion drawing and verification, as is common in qualitative research. Thus, the results of this study are expected to provide a comprehensive overview of the complexity, challenges, and solutions in realising transparency in government procurement of goods and services based on an in-depth literature review (Paré & Kitsiou, 2020).

Results and Discussion

Challenges of Transparency in Government Procurement of Goods and Services

Transparency in government procurement requires openness of information at every stage, from planning, tender announcements, bid evaluation, to the selection of winners. However, in practice, this openness is still often a major issue. Much important information is difficult for the public to access, either due to system restrictions or a lack of initiative from relevant agencies to publish procurement documents openly (Brown & Smith, 2024).

This limited access to information has a direct impact on weak public oversight. When the public, media, and other stakeholders cannot monitor the procurement process comprehensively, the potential for irregularities and misuse of state funds increases. This also reduces public trust in the government (Puspita & Gultom, 2023).

The complexity of procurement rules and procedures also poses a challenge. Overly complicated and bureaucratic regulations often create opportunities for manipulation. For example, technical specifications may be designed in such a way that only certain suppliers can meet them, or administrative requirements may be burdensome for competent tender participants (Kumar & Singh, 2024).

Furthermore, unclear evaluation criteria in the tender process often lead to uncertainty and unfairness. Ambiguous or poorly published criteria can be exploited to unfairly favour certain participants. Such practices not only harm other participants but also hinder the creation of healthy business competition (Rahman, 2023).

Corruption, collusion, and nepotism (KKN) remain latent issues in government procurement. Many cases reveal instances of bribery, tender manipulation, and price mark-ups carried out by government officials in collusion with vendors. These KKN practices often occur systematically and involve multiple parties, making them difficult to uncover and eradicate. The lack of capacity and competence among human resources involved in procurement further exacerbates the situation. Many procurement officers lack a deep understanding of the principles of transparency and good governance. Limited training and capacity building make them prone to administrative and technical errors that result in procurement failures or delays (Alsharari, 2024).

The use of information technology, such as e-procurement systems, has been adopted to enhance transparency. However, the implementation of these technologies still faces challenges, including inadequate data integration across agencies, limited internet access in certain areas, and low digital literacy among procurement officers. Systems that are not well integrated are also vulnerable to data manipulation (Susanto et al., 2019).

Political intervention in the procurement process is a serious challenge. The selection of tender winners or project allocation is often influenced by political interests rather than objective criteria. Such intervention allows incompetent or non-compliant suppliers to win tenders, resulting in lower quality goods or services (Saha et al., 2024).

Oversight of the procurement process is also weak. The large number of procurement projects at various levels of government makes oversight suboptimal. As a result, violations or irregularities often go undetected until they result in losses to the state. The lack of independent oversight institutions with strong authority exacerbates this situation (Nayabarani, 2017).

An organisational culture that tolerates non-transparent practices also acts as a barrier. Government officials with a corrupt mindset tend to ignore existing rules and

procedures, even committing violations openly. Weak financial management systems and inconsistent law enforcement further reinforce this culture. In addition to internal factors, the involvement of third parties such as consultants or procurement agents can also complicate the process and hinder transparency. Conflicts of interest arising from the involvement of third parties are often not detected early, opening opportunities for irregularities (Ferrari, 2020).

The lack of public involvement in the oversight of government procurement of goods and services is also a challenge. Low public participation is caused by limited access to information and the absence of effective complaint mechanisms. In fact, public involvement is crucial to reducing the potential for irregularities and ensuring accountability (Rachmat, 2023).

On the other hand, discriminatory practices in procurement are still common. Procurement officials sometimes prioritise certain vendors without considering the quality of the goods or services offered. This practice not only harms other vendors, but also results in the public not receiving optimal public services. Another significant obstacle is the weak enforcement of laws against procurement violations. Weak sanctions and inconsistencies in law enforcement make violators unrepentant and even repeat their actions. Without firm law enforcement, transparency efforts will remain mere slogans without real implementation (Payne et al., 2024).

Overall, the challenges to transparency in government procurement include limited access to information, complex regulations, unclear evaluation criteria, corruption, low human resource capacity, suboptimal use of technology, political intervention, weak oversight, an organisational culture that tolerates violations, third-party involvement, low public participation, discriminatory practices, and weak law enforcement. To address these challenges, a collective commitment from all stakeholders, strengthened regulations, improved human resource capacity, optimised technology, effective oversight, and consistent and firm law enforcement are required.

Solutions to Improve Transparency in Government Procurement of Goods and Services

The implementation of an electronic procurement system (e-procurement) is a key step in improving transparency. This system allows the entire procurement process, from planning, tender announcements, evaluation, to the selection of winners, to be accessed in real time by the public and relevant parties. With digitalisation, the risk of data manipulation and collusion can be minimised as every transaction is automatically recorded and can be audited at any time (Choi & Lee, 2024).

In addition to e-procurement, the use of e-catalogues is also recommended to expand access to information on the prices of goods and services in the market. Through e-catalogues, the government, suppliers, and the public can compare prices

transparently, thereby significantly reducing the potential for price mark-ups and budget inflation.

Improved access to information is an important foundation for transparency. The government must proactively publish all documents related to procurement, such as tender documents, evaluation results, contracts, and implementation reports. This information must be easily accessible through official online platforms so that the public and stakeholders can conduct independent monitoring (Martinez-Bravo et al., 2019).

The development of open and clear procurement plans is also a strategic solution. Procurement plans must be based on real needs, prepared transparently, and disseminated to the public before the process begins. Clear and detailed procurement documents will reduce ambiguity and prevent abuse or manipulation of tenders by certain parties (Garcia & Lopez, 2024).

An open and competitive tender process must be applied in every procurement. Tender announcements must be widely disseminated through easily accessible media, with objective evaluation criteria published from the outset. The results of the evaluation and the selection of the winner must also be announced transparently so that all participants feel they have been treated fairly and the public can assess the process (Rahman, 2023).

Strengthening regulations and law enforcement are key pillars in maintaining procurement integrity. The government needs to update and tighten regulations related to procurement and impose strict sanctions for violations. Consistent law enforcement will have a deterrent effect and increase public trust in the procurement system (Setiawan, 2023).

Training and capacity building for human resources involved in procurement are essential. Procurement officers, goods/service providers, and auditors must receive regular training on procedures, ethics, and the latest regulations. Improving their competence will reduce the risk of administrative and technical errors that can hinder transparency (Hidayati, 2021).

Strengthening independent oversight is also an effective solution. The government can establish an independent oversight agency with sufficient authority to monitor, inspect, and evaluate the entire procurement process. This agency must be free from political interference and have full access to all procurement data.

Public participation in procurement oversight must be enhanced. The government can provide easily accessible complaint channels and establish public forums to monitor the procurement process. Publishing procurement results to the public, including details of selected suppliers and evaluation results, will increase accountability and prevent corrupt practices (DLA Piper, 2025).

Regular evaluations of the procurement process are required to identify areas for improvement. These evaluations should involve internal and external parties, and the results should be published openly. Through regular evaluations, the government

can ensure that the procurement process always follows the principles of transparency and accountability (Oliveira & Costa, 2024).

Collaboration between the government, the business world, and civil society needs to be strengthened in order to create a healthy procurement ecosystem. Through collaboration, all parties can monitor each other, provide input, and encourage innovation in procurement governance (Silva et al., 2024).

The use of information technology must continue to be developed and updated. The government needs to invest in reliable digital infrastructure, strengthen data security, and ensure inter-agency system integration. Digital transformation not only changes manual processes to electronic ones but also encourages a more transparent and collaborative work culture (Zhang & Wang, 2024).

Raising public awareness of the importance of procurement transparency is also a long-term solution. The government can conduct public education campaigns on the public's right to access procurement information and the available complaint mechanisms (Wahyuni, 2017).

Finally, strengthening internal and external monitoring and auditing must be an integral part of the procurement process. Effective monitoring will help detect potential irregularities early on, while regular audits can ensure that all stages of procurement are carried out in accordance with regulations and transparency principles (Hidayati, 2021).

Thus, by consistently and comprehensively implementing these solutions, transparency in government procurement can be achieved in practice. These efforts will not only enhance efficiency and accountability but also strengthen public trust in the government and support the realisation of a clean and integrity-driven administration.

Conclusion

Transparency in government procurement is a key pillar for achieving clean, accountable, and efficient governance. Challenges include limited access to information, complex regulations, potential for corrupt practices, and weak oversight and enforcement. Digitalisation efforts through the implementation of e-procurement systems have proven effective in enhancing transparency, facilitating public access to information, and minimising the risk of fraud and collusion in the procurement process.

However, the success of transparency does not only depend on technology, but also on strengthening regulations, improving human resource capacity, and active participation from the public and independent supervisory institutions. The government needs to continue to encourage the open publication of procurement documents, strengthen the supervisory system, and ensure that there are easily accessible complaint mechanisms. Collaboration between the government, the private sector, and civil society is key to creating an accountable and integrity-driven procurement ecosystem. With strong commitment and the implementation of integrated solutions, transparency in government procurement of goods and services can be achieved

sustainably. This not only enhances public trust but also supports the effective use of the national budget and the achievement of sustainable and equitable development goals for all citizens.

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