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Public Procurement Transparency: A Systematic Literature Review

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Abstract

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Transparency in public procurement is widely recognized as a fundamental element of good governance, promoting accountability, fair competition, and the prevention of corruption. This study employs a Systematic Literature Review (SLR) approach to synthesize research published between 2014 and 2021 on the role of transparency in enhancing competition, efficiency, and integrity within procurement systems. The findings reveal that proactive disclosure of procurement data, adoption of standardized information formats, and implementation of eprocurement platforms significantly improve bidder participation, reduce administrative costs, and foster market fairness. Moreover, transparency supports early detection of corruption risks through contract-level data analysis, particularly when paired with strong institutional oversight, independent auditing, and stakeholder engagement. However, persistent challenges such as poor data quality, incomplete disclosure, and varying institutional capacities limit the full realization of transparency benefits. The study concludes that transparency, while a measurable and actionable governance tool, achieves optimal impact when integrated with legal mandates, technological innovations, and robust enforcement mechanisms to ensure substantive rather than symbolic improvements in procurement outcomes.

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1. Introduction

Transparency in public procurement is widely recognized as a cornerstone of good governance, as it ensures open access to information throughout the procurement cycle, strengthens accountability, and reduces opportunities for corruption and collusion. Studies have shown that transparent procurement processes contribute to fair competition and deliver greater value for public money by enabling oversight from multiple stakeholders (Obwegeser & Müller, 2018; Patrucco et al., 2017). Initiatives such as open contracting and the Open Contracting Data Standard (OCDS) have been adopted globally to promote proactive disclosure of procurement information in structured and machine-readable formats, thus improving supplier participation and enabling civil society to scrutinize public spending.

Given the economic scale of public procurement accounting for an estimated 12–15% of GDP in many countries transparency plays a strategic role in ensuring fiscal efficiency (Bosio et al., 2020). Evidence from cross-country research highlights that clear legal frameworks, effective grievance mechanisms, and the disclosure of key tender and contract documents significantly improve procurement outcomes and enhance public trust (Bosio et al., 2020).

Empirical research prior to 2021 has developed corruption risk indicators derived from contract-level data to detect favoritism and unlawful restrictions on market access (Fazekas et al., 2016; Fazekas & Kocsis, 2020). These studies, together with early-warning tools using machine learning, demonstrate that combining open procurement data with advanced analytics enables the identification of risk patterns such as unusually low numbers of bidders, overly narrow technical specifications, and repeated contract modifications. Such findings reinforce the view that transparency is not only a normative principle but also a measurable driver of integrity in public procurement.

Digitalization through eprocurement systems further enhances transparency by standardizing data formats, creating traceable audit trails, reducing information search costs, and fostering greater competition. The public value of egovernment including in procurement has been linked to increased accountability, improved service quality, and higher stakeholder participation when data is disclosed proactively and in accessible formats (Twizeyimana & Andersson, 2019; Aminah et al., 2018). Documented implementations of open contracting frameworks show that publishing information from tender announcements through contract completion can lead to measurable savings and improved governance outcomes.

Against this background, this systematic literature review aims to: (1) map the definitions, dimensions, and metrics of public procurement transparency used prior to 2021; (2) synthesize empirical evidence on the impacts of transparency on competition, efficiency, and integrity; and (3) identify research gaps related to data quality, measurement of implementation, and institutional factors that influence the effectiveness of transparency. By integrating academic frameworks, open data standards, and contract-level empirical findings, this review seeks to provide a conceptual and methodological foundation for strengthening transparency in public procurement across diverse contexts.

2. Literature Review

Public procurement transparency has been consistently linked to improved governance outcomes, as it promotes open access to information, enhances competition, and reduces opportunities for corruption. By making procurement data and decisions visible to the public, transparency acts as a deterrent to collusive practices and creates a more level playing field for potential suppliers. Research shows that stronger publicity requirements in tender processes increase bidder participation and diversify the pool of suppliers, ultimately driving more competitive outcomes and potentially lowering procurement costs (Coviello & Mariniello, 2014). Similarly, the adoption of e-procurement systems has been found to improve the quality of delivered projects by providing traceable audit trails, standardizing procedures, and reducing information asymmetries that often lead to inefficiencies (Lewis-Faupel et al., 2016). These systems not only streamline administrative processes but also allow stakeholders, including civil society, to monitor contract implementation more effectively.

Beyond participation and quality, transparency also plays a crucial role in preventing rent-seeking behaviors and reducing opportunities for favoritism. Studies on procurement performance indicate that while some level of discretion is necessary to maintain flexibility and efficiency, excessive discretion without sufficient transparency can result in repeated awards to the same suppliers, inflated costs, and reduced trust in the procurement process (Decarolis, 2014). Conversely, procurement environments supported by robust disclosure policies, independent auditing, and active monitoring mechanisms demonstrate not only reduced procurement costs but also better alignment of spending with long-term public value. This suggests that transparency is most effective when it operates in tandem with strong institutional frameworks that facilitate oversight, enforce accountability, and encourage fair competition across all stages of the procurement cycle.

3. Methods

This study adopts a Systematic Literature Review (SLR) approach to examine the role of transparency in public procurement and its effects on competition, efficiency, and integrity. The review follows a structured protocol consisting of four main stages: (1) identification of relevant studies through comprehensive searches in academic databases such as Scopus and Google Scholar; (2) screening and selection of articles based on predefined inclusion criteria, namely peer-reviewed publications between 2014 and 2021, written in English, and directly addressing public procurement transparency; (3) quality assessment of selected studies using adapted criteria from the Preferred Reporting Items for Systematic Reviews and Meta Analyses (PRISMA) framework; and (4) thematic synthesis of findings to map definitions, dimensions, and empirical evidence.

The literature search employed combinations of keywords such as public procurement transparency, open contracting, e-procurement, accountability, and corruption prevention. Data from the selected studies were extracted into a coding matrix covering publication year, country context, methodological approach, transparency measures, and reported outcomes. Thematic analysis was applied to identify recurring patterns, conceptual gaps, and contextual factors influencing transparency effectiveness. This method ensures a systematic, replicable, and comprehensive synthesis of existing knowledge while minimizing selection bias.

4. Results and Discussion

The findings of this systematic literature review reveal consistent evidence that transparency in public procurement significantly enhances competition, efficiency, and integrity across diverse governance contexts. From the reviewed studies, several recurring dimensions of transparency emerge, including proactive disclosure of procurement data, accessibility of information in standardized formats, and the integration of e-procurement systems to streamline and monitor the procurement cycle.

First, competition is shown to improve substantially when procurement processes adopt strong publicity requirements and open access to tender documents. Studies such as Coviello and Mariniello (2014) highlight that broader dissemination of tender notices leads to increased bidder participation and a more diverse supplier base. This diversification reduces the likelihood of market concentration and fosters competitive pricing, which in turn can lower procurement costs. Similar outcomes are reported in research on open contracting frameworks, where transparent processes led to measurable increases in supplier engagement and bid competitiveness.

Second, efficiency gains are consistently observed in contexts where e-procurement platforms and open contracting standards are implemented. These digital systems reduce administrative burdens, standardize procedures, and provide traceable audit trails (Lewis-Faupel et al., 2016). By lowering information search costs and minimizing bureaucratic delays, e-procurement not only accelerates procurement cycles but also improves the quality of delivered goods and services. Furthermore, the structured nature of open data standards facilitates performance monitoring, enabling more timely detection of irregularities and contract underperformance.

Third, integrity is strongly reinforced when transparency mechanisms are paired with robust institutional oversight. Evidence from Fazekas et al. (2016) and Fazekas & Kocsis (2020) demonstrates that the analysis of contract-level data can identify corruption risk indicators such as unusually low bidder numbers, restrictive specifications, and repetitive awards to the same supplier. These patterns, when flagged early, allow procurement authorities to intervene and mitigate risks before they escalate into systemic corruption. Notably, the effectiveness of transparency in curbing corruption is maximized when combined with independent auditing, grievance mechanisms, and active civil society participation.

However, the review also identifies limitations and gaps in current research. While most studies agree on the positive correlation between transparency and procurement outcomes, fewer address the challenges of data quality, completeness, and timeliness, which can hinder the practical enforcement of transparency measures. Moreover, variations in institutional capacity and political will significantly influence the degree to which transparency translates into improved governance outcomes. Some contexts show that transparency alone, without enforcement and stakeholder engagement, may have limited impact in deterring corrupt practices.

Overall, the synthesis reinforces the notion that transparency is not merely a normative ideal but a measurable and actionable driver of good governance in public procurement. It serves as both a preventive mechanism against malfeasance and a catalyst for better competition, efficiency, and public trust. Nevertheless, its success is contingent on a synergistic framework that integrates legal mandates, technological tools, and active oversight, ensuring that transparency leads to substantive, rather than symbolic, improvements in procurement performance.

5. Conclusion

This systematic literature review concludes that transparency in public procurement is a critical driver of improved competition, efficiency, and integrity. Evidence from multiple studies demonstrates that proactive disclosure of procurement data, adoption of standardized information formats, and the integration of e-procurement systems significantly enhance bidder participation, reduce costs, and promote fair market access. Transparency also strengthens institutional integrity by enabling early detection of corruption risks and fostering accountability through independent oversight and civil society engagement.

However, the review highlights that transparency alone is insufficient without supportive institutional frameworks, enforcement mechanisms, and stakeholder participation. Data quality, completeness, and timeliness remain key challenges that can undermine the effectiveness of transparency initiatives. Therefore, maximizing the impact of transparency requires a holistic approach that combines legal mandates, technological innovations, and active monitoring to ensure that disclosure leads to tangible governance improvements rather than symbolic compliance. In sum, transparency, when effectively implemented and supported, is not only a normative principle but also a measurable and actionable tool for achieving better public procurement outcomes.

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