

INCLUSIVE PUBLIC PROCUREMENT FOR EMERGING CONTRACTORS IN SOUTH AFRICA: BARRIERS TO PARTICIPATION AND STRATEGIES FOR SUSTAINABLE SMME DEVELOPMENT

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Abstract

Public procurement represents a critical lever for economic empowerment and transformation in South Africa, yet emerging contractors and SMMEs (Small, Medium and Micro Enterprises) continue to face substantial barriers to meaningful participation. This paper investigates the structural, administrative, financial, and capacity-related challenges that hinder SMME inclusion in public procurement processes. Drawing on a review of current literature, policy frameworks, and empirical studies, the research identifies key obstacles such as complex compliance requirements, limited access to finance, lack of technical skills, information asymmetries, and institutional constraints. The methodology incorporates document analysis and stakeholder interviews to provide a comprehensive understanding of the procurement landscape and SMME experiences. Findings highlight the need for targeted policy reforms, capacity-building initiatives, and improved access to information, and financial support mechanisms to foster an enabling environment for emerging contractors. The analysis further reveals that effective collaboration between government, industry bodies, and SMMEs is essential to dismantle systemic barriers and promote fair competition. The paper concludes with actionable recommendations for government agencies, procurement officials, and SMME support organizations, emphasizing the importance of inclusive procurement practices in driving sustainable SMME development and broader economic transformation in South Africa. By addressing these challenges, public procurement can serve as a catalyst for inclusive growth, job creation, and long-term socio-economic advancement.

Keywords: Inclusive Public Procurement, Emerging Contractors, Barriers to Participation, Sustainable Development, Policy Reform, Institutional Support, SMMEs, South Africa.

1. INTRODUCTION

Public procurement is widely regarded as a powerful tool for advancing economic transformation and social development, particularly in emerging economies such as South Africa (Ambe & Badenhorst-Weiss, 2012). By directing government expenditure toward goods, services, and infrastructure projects, public procurement not only ensures the delivery of essential public works but also creates opportunities for local businesses, drives job creation, and supports the growth of a diverse and inclusive economy (Quinot & McGee, 2013). In South Africa, the government has prioritized procurement reform as part of its broader agenda to address historical inequalities and foster broad-based economic empowerment (Watermeyer, 2011). Inclusive procurement strategies are increasingly recognized for their potential to stimulate the participation of previously marginalized groups and to promote equitable access to economic opportunities (Ambe & Badenhorst-Weiss, 2012).

The rationale for focusing on emerging contractors and SMMEs (Small, Medium and Micro Enterprises) in South Africa stems from their critical role in driving local economic growth, innovation, and employment (Rogerson, 2018) 4. SMMEs constitute the majority of businesses in the country and are vital for job creation, poverty alleviation, and community development (Fatoki & Garwe, 2010). However, these enterprises face persistent challenges in accessing public procurement opportunities, including complex compliance requirements, financial constraints, limited technical capacity, and insufficient institutional support (Ambe & Badenhorst-Weiss, 2012). Emerging contractors, in particular, struggle to break into established supply chains and are often disadvantaged by systemic barriers such as lack of information, limited networks, and unfavorable competition with larger, more established firms (Quinot & McGee, 2013). Addressing these barriers is essential for harnessing the transformative potential of public procurement and for achieving sustainable development outcomes (Watermeyer, 2011).

This paper aims to critically examine the barriers to participation facing emerging contractors and SMMEs in South Africa's public procurement system and to identify effective strategies for fostering their sustainable development. The central research questions are: What are the principal barriers inhibiting SMME inclusion in public procurement? What strategies and policy interventions can enhance the participation and growth of emerging contractors? By synthesizing current literature, policy frameworks, and stakeholder perspectives, this study seeks to contribute actionable recommendations for policymakers, procurement officials, and support organizations. Ultimately, the significance of this research lies in its potential to inform the design of more inclusive procurement practices, support economic empowerment, and advance the broader socio-economic transformation agenda in South Africa.

2. LITERATURE REVIEW

2.1 Overview of Public Procurement Frameworks: Global and South African Context

Public procurement frameworks serve as the regulatory backbone for how governments acquire goods, services, and infrastructure, shaping both market behavior and socio-economic outcomes (Thai, 2001). Internationally, the modernization of procurement systems has been driven by principles of transparency, value for money, competition, and accountability, as advocated by bodies such as the World Bank, the World Trade Organization's Agreement on Government Procurement, and the United Nations Commission on International Trade Law (Arrowsmith, 2010). In many developing countries, public procurement has increasingly been positioned as a strategic tool for economic transformation, rather than merely a transactional process (McCrudden, 2004). South Africa's public procurement framework has evolved considerably since the end of apartheid, with the explicit goal of redressing historical inequalities and promoting socio-economic development (Ambe & Badenhorst-Weiss, 2012).

The Preferential Procurement Policy Framework Act (PPPFA) and subsequent regulations prioritize the advancement of historically disadvantaged individuals, women, and SMMEs through targeted procurement mechanisms (Watermeyer, 2011). The Construction Industry Development Board (CIDB) and Broad-Based Black Economic Empowerment (BBBEE)

scorecard system further incentivize inclusivity and local economic participation (Quinot & McGee, 2013). However, while the legislative intent is clear, implementation has often been hampered by bureaucratic inertia, capacity constraints, and inconsistent application across different spheres of government (Bolton, 2006).

2.2 SMME Participation in Public Procurement: International and Local Perspectives

Globally, the inclusion of Small, Medium and Micro Enterprises (SMMEs) in public procurement is recognized as a catalyst for economic diversification, innovation, and grassroots development (Loader, 2015). In high-income countries, governments have introduced quotas, set-aside policies, and simplified procedures to lower the barriers for SMMEs (Flynn & Davis, 2016). For example, the United States' Small Business Administration has played a pivotal role in enabling SMMEs to secure a significant share of federal contracts (Kidalov & Snider, 2011). The European Union's procurement directives also encourage member states to facilitate SMME access through simplified tendering and division of contracts into lots (OECD, 2018). In the African context, SMMEs are widely acknowledged for their substantial contribution to job creation and poverty alleviation (Amoako et al., 2021). However, SMME participation in public procurement remains limited by systemic barriers such as lack of information, limited access to finance, and complex compliance requirements (Ambe & Badenhorst-Weiss, 2012). In South Africa, SMMEs account for over 90% of all businesses and are a major source of employment (Rogerson, 2018). Despite supportive legislation, SMMEs still face significant obstacles in accessing procurement opportunities, and empirical studies reveal that a small proportion of SMMEs succeed in securing government contracts (Fatoki & Garwe, 2010). The competitive nature of public tenders, coupled with limited support and guidance, often results in the marginalization of emerging contractors (Quinot & McGee, 2013).

2.3 Barriers Identified in Previous Studies

Extensive research has highlighted a range of barriers inhibiting SMME participation in public procurement, both internationally and within South Africa. Administrative barriers are among the most frequently cited, with complex tender documentation, onerous compliance requirements, and excessive bureaucracy deterring smaller firms from bidding (Ambe & Badenhorst-Weiss, 2012). Financial constraints are also significant, as SMMEs often struggle to secure the working capital, performance bonds, and guarantees required to participate in procurement processes (Loader, 2015). Delayed payments by government entities further exacerbate cash flow challenges, sometimes leading to business failure (Amoako et al., 2021). Technical barriers include insufficient capacity to prepare competitive bids, lack of experience with government contracting, and limited access to management and technical training (Fatoki & Garwe, 2010). Regulatory challenges stem from changing procurement policies, inconsistent interpretation of empowerment criteria, and frequent amendments to legislative frameworks (Bolton, 2006). Capacity-related obstacles are evident in the limited resources and skills of both SMMEs and procurement officials, which hinder effective support and monitoring (Watermeyer, 2011).

Information and access barriers are also prevalent, with many SMMEs unaware of available

opportunities, unfamiliar with procurement systems, or unable to navigate online platforms (Quinot & McGee, 2013). Institutional and systemic barriers, such as corruption, favoritism, and lack of transparency, further undermine the integrity and inclusivity of public procurement (Ambe & Badenhorst-Weiss, 2012). In sum, the literature suggests a complex interplay of factors that collectively restrict SMME participation and perpetuate inequality in public sector contracting.

2.4 Theoretical and Conceptual Frameworks Guiding Inclusive Procurement

The literature on inclusive procurement draws on several theoretical perspectives to explain and address the challenges faced by SMMEs and emerging contractors. The Public Value Theory argues that procurement should maximize societal value, going beyond cost efficiency to include social objectives such as empowerment and local development (Moore, 1995). The Capability Approach, as articulated by Sen and Nussbaum, frames procurement as a means of expanding the real freedoms and capabilities of marginalized groups (Robeyns, 2006). These perspectives underpin the design of procurement systems that prioritize not just economic outcomes but also equity, participation, and empowerment.

Institutional theory highlights the role of formal rules, organizational norms, and informal practices in shaping procurement outcomes (DiMaggio & Powell, 1983). Path dependency and bureaucratic inertia can reinforce exclusionary practices, making it difficult for new entrants to compete. Similarly, social network theory emphasizes the importance of relationships, partnerships, and information flows, suggesting that SMMEs with stronger networks and support structures are better positioned to access procurement opportunities (Loader, 2015). Recent scholarship also points to the value of policy entrepreneurship and collaborative governance in overcoming systemic barriers (Peters, 2017). Multi-stakeholder engagement, capacity building, and adaptive policy design are critical for ensuring that procurement reforms translate into real, measurable inclusion for SMMEs. In summary, effective inclusive procurement requires an integrated approach informed by multiple theoretical lenses, recognizing the multi-dimensional nature of barriers and the need for coordinated, systemic solutions.

3. METHODOLOGY

This review paper employed a systematic literature review approach to critically examine barriers to SMME and emerging contractor participation in South Africa's public procurement system and to identify strategies for sustainable development. The methodology was designed to ensure comprehensive coverage of relevant scholarly and policy sources, facilitate thematic synthesis, and maintain rigor and transparency throughout the review process.

3.1 Research Design

The study utilized a qualitative research design, centering on the analysis and synthesis of existing literature. This approach allowed for the exploration of complex, context-specific challenges and the integration of findings from diverse sources, including academic articles, government reports, policy documents, and industry publications.

3.2 Data Collection Methods

Relevant literature was identified through systematic searches of major academic databases such as Web of Science, Scopus, and Google Scholar. Additional sources included official government websites, reports from industry associations, and publications from international development organizations. Keywords used in the search included “*public procurement*,” “*SMMEs*,” “*emerging contractors*,” “*barriers*,” “*South Africa*,” “*inclusive procurement*,” and “*sustainable development*.” The search was limited to studies published in English from 2010 onwards to capture recent developments and policy changes. Reference lists of key articles were also reviewed to identify further pertinent sources.

3.3 Inclusion and Exclusion Criteria

Inclusion criteria comprised peer-reviewed journal articles, policy papers, and relevant reports that addressed public procurement frameworks, SMME participation, identified barriers, or strategies for inclusive procurement in South Africa or comparable contexts. Excluded were studies not published in English, those focused solely on private sector procurement, and articles lacking substantive analysis of barriers or strategies relevant to SMMEs and emerging contractors.

3.4 Data Analysis Approach

A thematic synthesis approach was used for analyzing and integrating literature findings. Selected studies were reviewed and coded for themes related to administrative, financial, technical, regulatory, and capacity-related barriers, as well as strategies for supporting sustainable SMME development. The analysis involved comparing and contrasting findings across sources, identifying patterns and gaps, and extracting actionable recommendations for policymakers and industry stakeholders.

3.5 Ethical Considerations

As this research was based entirely on secondary sources and did not involve human participants, formal ethical approval was not required. Care was taken to accurately represent and credit all reviewed literature and to maintain academic integrity throughout the synthesis. This methodology ensured a rigorous and comprehensive review of the current state of inclusive public procurement for emerging contractors and SMMEs in South Africa, facilitating evidence-based recommendations for sustainable development.

4. BARRIERS TO SMME PARTICIPATION IN PUBLIC PROCUREMENT

The participation of SMMEs in South Africa’s public procurement system is constrained by a range of barriers, many of which have persisted despite policy efforts aimed at inclusivity and empowerment. These barriers can be grouped into administrative and regulatory challenges, financial constraints, capacity and skills deficits, information and access obstacles, and institutional and systemic issues.

4.1 Administrative and Regulatory Barriers

One of the most significant challenges facing SMMEs is the complexity and rigidity of procurement procedures. Government tender documentation is often lengthy and highly technical, demanding substantial resources and time from applicants (Ambe, 2016) 1. Compliance requirements, such as tax clearance certificates, BBBEE documentation, and CIDB grading, create further hurdles for smaller firms, many of which lack the administrative infrastructure to keep pace with regulatory demands (Nkosi et al., 2017) 2. The frequent changes in procurement regulations and the ambiguity in interpretation also contribute to uncertainty and discourage participation by emerging contractors (Quinot, 2016).

4.2 Financial Constraints

SMMEs face acute financial barriers, including difficulties in accessing affordable credit, high upfront costs for tendering, and stringent bonding requirements (Mkhize et al., 2018) 4. Payment delays by government departments further exacerbate cash flow challenges, sometimes resulting in business failure or withdrawal from procurement processes (Moyo, 2019) 5. The inability to secure performance guarantees and insurance is particularly problematic for new and small enterprises, as these requirements are often designed with larger, established firms in mind (Mkhize et al., 2018) 4.

4.3 Capacity and Skills Deficits

Limited capacity and skills remain a persistent barrier for SMMEs, who frequently lack the experience, technical expertise, and training necessary to compete effectively in public procurement (Lekhanya, 2016) 6. Many small business owners report difficulty in preparing competitive bids, understanding procurement specifications, and meeting quality standards (Mahumane & Shakantu, 2022) 7. The absence of targeted capacity-building programs and mentorship opportunities means that SMMEs are often ill-equipped to navigate the procurement landscape (Lekhanya, 2016) 6.

4.4 Information and Access Challenges

A lack of access to information and limited awareness of available tender opportunities represent major obstacles for SMMEs (Govender & Abdulai, 2017) 8. Many small businesses are unaware of procurement portals or lack the digital literacy to use online platforms effectively, resulting in missed opportunities and exclusion from the tendering process (Mahumane & Shakantu, 2022) 7. The digital divide is exacerbated in rural areas, where reliable internet access and training resources are scarce (Govender & Abdulai, 2017).

4.5 Institutional and Systemic Obstacles

Institutional barriers, including corruption, favoritism, and lack of support structures, continue to undermine the integrity and inclusivity of public procurement (Ambe, 2016) 1. Empirical studies have highlighted cases where tenders are awarded based on relationships or informal networks, rather than merit or compliance (Quinot, 2016) 3. The absence of robust monitoring and enforcement mechanisms allows these practices to persist, further marginalizing SMMEs and eroding trust in the procurement system (Moyo, 2019). The barriers described above are

interconnected and commonly arise at different stages of the procurement cycle, from the identification of tender opportunities and bid preparation to contract award, mobilisation, execution, and payment. Consequently, SMMEs may face cumulative disadvantage: a firm with limited administrative capacity may struggle to meet compliance requirements, while the same firm may lack finance to fund tender preparation, secure guarantees, or withstand delayed payment after project delivery. Table 1 consolidates the principal barriers to SMME participation in South African public procurement, their practical implications, and potential measures for improving access and participation.

Table 1: Principal Barriers to SMME Participation in South African Public Procurement

Barrier category	Specific barriers	Implications for SMMEs	Possible response measures
Administrative and regulatory	Complex tender documentation; extensive compliance requirements; CIDB registration or grading; B-BBEE verification; changing or ambiguously interpreted rules	Higher bid-preparation costs, administrative burden, non-compliant submissions, and withdrawal from opportunities	Simplified and standardised documentation; clearer guidance; supplier-help desks; proportionate compliance requirements for lower-value contracts
Financial	Limited affordable credit; tender-preparation costs; performance guarantees, insurance, and bonding requirements; delayed payment of invoices	Cash-flow constraints, inability to mobilise resources, reduced bidding capacity, project disruption, and possible business closure	Prompt-payment enforcement; invoice-tracking systems; procurement-linked finance; guarantee-support mechanisms; smaller contract packages
Capacity and skills	Limited tendering experience; weak bid-writing and costing capability; limited technical, managerial, and digital skills; difficulty meeting specifications and quality standards	Less competitive proposals, low tender success rates, non-performance risk, and restricted access to larger opportunities	Targeted training, mentoring, incubators, bid-development support, and supplier-development programmes
Information and access	Limited awareness of tenders; poor access to procurement portals; inadequate digital literacy; weak internet connectivity, particularly in rural areas	Missed opportunities, late submissions, and exclusion from electronic procurement processes	Accessible tender communication channels; supplier outreach; digital-literacy support; local information centres; low-bandwidth procurement platforms
Institutional and systemic	Corruption, favouritism, weak transparency, inconsistent implementation, inadequate monitoring, and limited institutional support	Reduced trust, unfair competition, weak participation incentives, and marginalisation of compliant SMMEs	Transparent award processes; independent oversight; accessible complaints mechanisms; publication of procurement data; enforcement of accountability measures

Source: Author's synthesis based on Ambe (2016), Quinot (2016), Nkosi et al. (2017), Mkhize et al. (2018), Moyo (2019), Lekhanya (2016), Govender and Abdulai (2017), and Mahumane and Shakantu (2022).

As shown in Table 1, barriers to SMME participation cannot be addressed through a single intervention. Simplifying administrative processes alone will have limited impact if small firms remain unable to access working capital, acquire bidding skills, obtain timely procurement information, or participate in a transparent and consistently administered system. Effective inclusion therefore requires an integrated approach combining proportionate compliance requirements, targeted supplier development, financial and payment support, accessible procurement information, and stronger governance and accountability arrangements. This synthesis provides a basis for the empirical findings in the next subsection, which considers how these barriers affect the actual participation and procurement outcomes of SMMEs.

4.6 Empirical Findings

Recent research confirms that these barriers are not only theoretical but have significant practical impacts on SMME participation. A survey conducted by Mahumane & Shakantu (2022) found that less than 20% of SMMEs in the construction sector had successfully secured government contracts, with the majority citing administrative complexity, delayed payments, and lack of information as the main reasons for their limited success. Case studies from Mkhize et al. (2018) revealed that SMMEs that received targeted training and financial support were more likely to participate and succeed in public procurement, underscoring the importance of strategic interventions.

5. STRATEGIES FOR SUSTAINABLE SMME DEVELOPMENT THROUGH INCLUSIVE PROCUREMENT

Developing sustainable SMMEs in South Africa's public procurement landscape requires a multi-pronged approach that addresses systemic barriers and actively promotes inclusion. The following strategies are widely recognized in the literature and policy discourse as critical for fostering SMME growth and meaningful participation in public procurement.

5.1 Policy Reforms and Regulatory Simplification

Simplifying procurement policies and procedures is essential for lowering entry barriers for SMMEs. Streamlining tender documentation, standardizing compliance requirements, and adopting user-friendly guidelines can significantly reduce administrative burdens (Ambe, 2016). Policies that introduce set-asides, reserved contracts, or preferential scoring for emerging contractors have been effective in other contexts and are increasingly recommended for South Africa to stimulate equitable access (OECD, 2018).

5.2 Capacity-Building and Training Initiatives

Targeted capacity-building programs are vital for equipping SMMEs with the skills needed to navigate public procurement processes. These initiatives may include training on bid preparation, tender compliance, financial management, and quality standards (Mahumane & Shakantu, 2022). Partnerships with industry bodies, academic institutions, and government agencies can enhance the reach and effectiveness of such programs, ensuring that emerging contractors are better positioned to compete.

5.3 Financial Support Mechanisms and Payment Process Improvements

Access to finance remains a major constraint for SMMEs. Government-backed guarantee schemes, concessional lending, and streamlined processes for performance bonds can help bridge this gap (Mkhize et al., 2018). Ensuring timely payments from government entities is equally important, as delayed payments can cripple small businesses' cash flows and hinder project delivery (Moyo, 2019). Transparent and efficient payment systems, coupled with penalties for late payments, are recommended to support SMME sustainability.

5.4 Information Dissemination and Digital Platforms

Improving access to information is critical for enabling SMMEs to identify and pursue procurement opportunities. The expansion of e-procurement platforms centralized tender portals, and regular communication campaigns can enhance transparency and ensure widespread awareness (Govender & Abdulai, 2017). Digital literacy training and support for rural or remote businesses should also form part of information dissemination strategies.

5.5 Supportive Institutional Frameworks (Mentorship, Joint Ventures, Partnerships)

Mentorship programs, joint ventures, and strategic partnerships can help SMMEs build experience, gain market exposure, and develop critical networks. Collaborative procurement models, such as consortia or subcontracting arrangements with established firms, can provide emerging contractors with access to larger projects and help transfer valuable knowledge and skills (Lekhanya, 2016). Government and industry support for business incubators and mentorship initiatives can further strengthen SMME participation.

5.6 Case Studies or Best Practice Examples

Internationally, countries like the United States and Brazil have implemented successful SMME-targeted procurement policies, such as the U.S. Small Business Administration's set-aside program and Brazil's SIMPLES procurement legislation, providing valuable lessons for South Africa (OECD, 2018). Locally, the Gauteng Provincial Government's Township Economy Revitalisation Strategy has demonstrated the benefits of dedicated SMME support, mentorship, and tailored procurement policies in enhancing participation and sustainability. In summary, a holistic approach that combines regulatory reform, capacity-building, financial support, information accessibility, and institutional partnerships is essential for sustainable SMME development through inclusive procurement. The effective implementation of these strategies can unlock the transformative potential of public procurement, drive economic growth, and promote equitable development in South Africa.

6. DISCUSSION

The findings of this review highlight that SMMEs in South Africa face persistent and multi-layered barriers to participation in public procurement. Administrative and regulatory complexity remains a major challenge, with cumbersome tender documentation and compliance requirements disproportionately affecting smaller firms (Ambe, 2016) 1. These regulatory obstacles are compounded by frequent policy changes and ambiguous guidelines

that create uncertainty and discourage SMMEs from engaging in procurement processes (Quinot, 2016) Financial constraints are equally significant, as many SMMEs struggle to access affordable credit, secure performance bonds, and cope with payment delays from government entities (Mkhize et al., 2018). Payment delays can critically impact the cash flow and sustainability of small businesses, often resulting in withdrawal from public contracts or business closure (Moyo, 2019) 4. The design of current procurement systems, which often favor established firms, exacerbates these financial challenges and limits opportunities for new entrants.

Capacity and skills deficits further undermine SMME competitiveness, with many emerging contractors lacking the technical expertise, training, and experience necessary to prepare compliant bids and deliver on contract specifications (Mahumane & Shakantu, 2022). The absence of structured capacity-building initiatives and mentorship programs leaves SMMEs ill-equipped to compete with larger, more experienced firms (Lekhanya, 2016) 6. Information and access challenges, particularly the digital divide in rural areas, also restrict awareness of tender opportunities and the ability to participate in e-procurement platforms (Govender & Abdulai, 2017). Institutional and systemic barriers, including corruption, favoritism, and lack of support structures, persist despite policy reforms aimed at inclusivity (Ambe, 2016). Empirical studies confirm that informal networks and relationships often influence tender awards, perpetuating inequity and undermining trust in the procurement system (Quinot, 2016). These systemic issues highlight the need for robust monitoring, enforcement, and transparency mechanisms to ensure fair and equitable access for all SMMEs.

The literature underscores the effectiveness of targeted interventions in overcoming these barriers. Capacity-building programs, access to finance, and mentorship initiatives have been shown to improve SMME participation and outcomes in procurement processes (Mkhize et al., 2018); (Mahumane & Shakantu, 2022). Digital platforms and information dissemination strategies are crucial for increasing transparency and awareness, while policy reforms that simplify regulations and introduce preferential procurement mechanisms further lower entry barriers (Govender & Abdulai, 2017). International and local best practices demonstrate that holistic approaches combining regulatory reform, capacity-building, financial facilitation, and institutional support are most effective in fostering sustainable SMME development (OECD, 2018).

For example, the Gauteng Township Economy Revitalisation Strategy and Kenya's AGPO initiative illustrates the importance of political commitment, stakeholder collaboration, and continuous evaluation in achieving inclusive procurement (Mahumane & Shakantu, 2022). In summary, sustainable SMME development through inclusive procurement is achievable through a coordinated, multi-dimensional strategy. Addressing administrative, financial, capacity, information, and institutional barriers is critical for unlocking the transformative potential of public procurement and supporting equitable economic growth in South Africa.

7. CONCLUSION

This review has highlighted the multifaceted barriers facing SMMEs and emerging contractors in South Africa's public procurement system, including administrative complexity, financial constraints, capacity deficits, information gaps, and systemic institutional challenges. Despite the existence of progressive procurement policies and frameworks designed to promote inclusivity, practical implementation continues to fall short, limiting the transformative impact of public procurement on economic empowerment and sustainable development. The literature underscores that sustainable SMME development requires a comprehensive strategy, combining regulatory reform, targeted capacity-building, improved access to finance, transparent information dissemination, and supportive institutional frameworks. International and local best practices demonstrate that coordinated interventions, stakeholder collaboration, and robust monitoring are critical for unlocking SMME participation and long-term growth.

For policymakers and procurement officials, prioritizing the reduction of administrative burdens, investing in training and mentorship, and ensuring timely payments will create a more enabling environment for SMMEs. Industry bodies and support organizations should focus on building partnerships, facilitating access to information, and fostering networks that empower emerging contractors. By addressing these challenges through a holistic and inclusive approach, South Africa can leverage public procurement as a powerful catalyst for equitable economic transformation, job creation, and sustainable SMME development.

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