

ABSTRACT: AMBS RESEARCH CONFERENCE – 28th May 2020

Presenter: Sandra G Hamilton
Division: AMBS – Innovation, Management and Policy - IMP Division
Presentation Title: Public Procurement – Price-Taker or Market-Shaper?

In 2012, the revised WTO GPA¹ and the UK Social Value Act cleared the way for the inclusion of non-financial social and or environmental criteria in taxpayer funded contracts, potentially transforming the role of public procurement from *Price-Taker to Market-Shaper*. In keeping with UN Sustainability Goal #12.7 – Sustainable Public Procurement - this research seeks to shed light on the enablers and decision-making practices associated with this new role of public procurement.

On June 14th, 2017, 72 people died in one of the worst preventable disasters in modern UK history. The decision to downgrade the exterior cladding of Grenfell Tower, in a bid to save £293,368 on the £8.6 million renovation, has long since been dwarfed by the cost of human suffering, a £40 million public inquiry and wide-reaching reputational damage (The Guardian, 2019). Such tragedies illustrate how low prices and fast turnarounds continue to dominate how value is defined in taxpayer funded contracts. Precarious work due to the increased outsourcing of public services, complete with zero-hour contracts in low-wage sectors operating under public contract (Jaehrling et al., 2018), combined with the Carillion collapse and the Grenfell Tower disaster provide uncomfortable, high-profile examples of the public sector's failure to deliver socially responsible procurement leadership at a time when social inequality is one of biggest problems facing Governments today.

Drawing upon the inter-disciplinary fields of law, economics, sustainability, public administration, labour relations and organizational psychology this research explores how public procurement innovation, management and policy is being increasingly leveraged to foster responsible business practices and mitigate race-to-the-bottom globalization (Kattel and Mazzucato, 2018). This phenomena, however, is not progressing without controversy stimulating ongoing debate regarding the legitimacy and efficiency of leveraging taxpayer funder contracts to pursue horizontal policy objectives (McCrudden 2004, Arrowsmith and Kunzlik, 2009; Semple, 2017).

Despite the paradoxical complexities inherent in sustainability (Hahn et al., 2015) the City of Manchester is demonstrating significant public-sector leadership by committing a substantial 30 percent weighting to social and environment criteria in bid evaluations. Using qualitative methods in the form of semi-structured interviews and documentary analysis, this research will use a case study of Manchester to investigate the potential of socially responsible public procurement as a social policy mechanism to reduce poverty by rewarding responsible business practices, improving job quality and stimulating opportunities for equity seeking groups. Through the identification and analysis of emerging attributes and the most promising enablers, this case will result in a conceptual framework contributing to public procurement professionalization, theory, policy development and practice.

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¹ WTO -GPA World Trade Organization – Government Procurement Agreement