

Broadening conceptions of social value in public procurement: the inclusion of gender and race inequality

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Social value in public procurement: the inclusion of gender and race inequality

Aims of the paper:

- ▶ To introduce the 'Buying Social Justice' project
- ▶ To trace the origins of social value's emergence into UK policy and its definitions
- ▶ To examine international literature on social value/public procurement and gender and race inequality
- ▶ To argue that social value can – and *should* – explicitly include objectives to reduce gender and race inequality in construction

"Buying social justice" through procurement: using public procurement to advance employment equality in UK construction

- ▶ Investigating the use of public procurement by public authorities in England, Wales and Scotland to advance equality in employment, focusing on construction; ESRC Research Grant, Oct 2021 – Sept 2023
- ▶ Research team: Prof Tessa Wright, Queen Mary; Prof Hazel Conley, University of the West of England; Dr Katharina Sarter, University of Warwick; Dr Joyce Mamode, Queen Mary

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"Buying Social Justice" Through Procurement

Out of a total UK construction industry workforce of over 2 million people, only 140,000 of them are from an ethnic minority, representing just 7% of the total. Social procurement is one way that greater workforce equality and diversity could be encouraged in construction.

Learn More

"Buying social justice" methods

- ▶ International literature review – academic and policy
- ▶ Interviews with around 30 experts in equality and social procurement
- ▶ Survey of local authorities, universities and housing associations across England, Wales and Scotland
- ▶ Case studies of good practice
- ▶ Procurement and equality toolkit for construction sector and wider

Social value and public procurement

- ▶ The UK public sector spends £284bn a year on buying goods, works and services from the private sector; a third of all public expenditure
- ▶ 'Responsible', 'social' or 'sustainable' procurement has been attracting growing interest from politicians and policy makers on all sides of the political spectrum
- ▶ Regulations require public bodies to consider how to achieve additional '**social value**' in England and Wales and '**community benefits**' in Wales and Scotland

Origins of social value

- ▶ No precise definition in UK Social Value Act; only requires public authorities “to consider how the services they commission and procure can improve the economic, social and environmental wellbeing of the area”
- ▶ ‘Value’ traditionally seen in economic terms, i.e. deriving from labour or exchange
- ▶ Emergence of ‘Best value’ and ‘Public value’ in UK in provision or purchasing of public services to counter purely economic focus
- ▶ Social value appears to have developed from public value, although latter focuses only on public administration, social also on private and voluntary

Defining social value

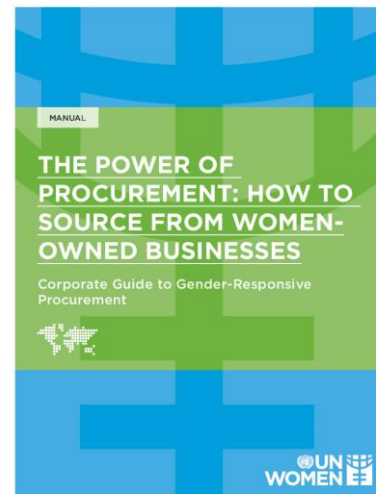
- ▶ Additional benefit to *the community* from commissioning/procurement over and above the direct purchasing of good services and outcomes
- ▶ “The relative importance that *people* place on the *changes* they experience *in their lives*, from the perspective of those affected by an organisation’s work” (Social Value International)
- ▶ “The ‘social impact’ any construction organisation, project or programme makes to the lives of *internal and external stakeholders* affected by its activities, including those *working in the industry* and in the *communities* in which it operates” (Raizen et al , 2019)
- ▶ So who are the beneficiaries?

Gender and race equality as social value

- ▶ In Great Britain the Public Sector Equality Duty (in Equality Act 2010) requires public authorities to have 'due regard' to eliminating unlawful discrimination and promoting equality of opportunity in the exercise of their functions; includes private bodies contracted to perform these
- ▶ Gender and race covered as protected strands (among others) in Act
- ▶ South African constitution provides for preferential allocation of public contracts on basis of disadvantage, using
- ▶ Black Broad-based Economic Empowerment (BBBEE) to give priority to Black-owned businesses, including targets for women-owned

Gender and race equality as social value

- ▶ In US proactive use of government procurement to advance racial equality part of affirmative action since the 1970s through Presidential Executive Orders, gender targets included later
- ▶ “Racial Preference” and Affirmative action in Malaysia to protect *Bumiputera* (indigenous Malays) since 1957 in Independence Constitution. Since 1971 included preference in public procurement, again largely targeted at business ownership (McCrudden, 2004; Noon, 2009)
- ▶ Emphasis in European literature on using social value to improve employment opportunities and conditions for women
- ▶ Outside of Europe emphasis is on improving business ownership opportunities, i.e. UN Women, South Africa, Malaysia



Social value and business benefits

- ▶ In UK construction firms can win public sector tenders by offering more or better social value than competitors
- ▶ May align with diversification of recruitment (women and minorities) to address skills and labour shortages; also aligns with public EDI policies
- ▶ BBBEE in South Africa aimed to establish a Black business-owning class, also addressing gender empowerment
- ▶ So who are beneficiaries?

Conclusions

- ▶ Inclusion within social value of measures to address race and gender inequality aligns with constitutional aims (SA); legal duties on public bodies in Equality Act (GB); economic & business benefits (sometimes)
- ▶ Builds on broader conceptualisations of 'value' to include social benefits, consistent with purpose of national and local government
- ▶ Shift in economic understandings of value to include value produced by government (Mazzucato, 2019)
- ▶ Response to austerity, shifting responsibility and costs onto private sector to meet social and equality aims of state

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