

The power of public buyers in socially responsible public procurement

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How do we understand state/public buyer power

- Public buyers are buyers (B) and regulators (R) and this hybridity can be complementary or contradictory
 - Buyer power is economic market power
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 - Institutional (B-R), e.g. competencies, offices, guidelines, etc.
 - Legislative (R), i.e. courts
 - Judicial (R), i.e. laws/regulations
 - Discursive (B-R), e.g. policy statements, etc.



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 - Discursive (B-R), e.g. policy statements, etc.
- The capacities and outcomes of the various powers depends on the scale of government: central, regional, or local/municipality)
 - also tempered by buyer-supplier relationships in global supply chains



SRPP

Buyer power

- Joint purchasing and cross-border
- Big Buyers Initiative

Regulatory power

- Centralised laws
- Official guidelines
- Dedicated personnel for SRPP

What does the data tell us about the opportunities and challenges for SRPP?

Public Procurement activity in the EU (EU TED-database 2017, shows 1/3 of all tenders)

Contracts by type of public buyer (in %)

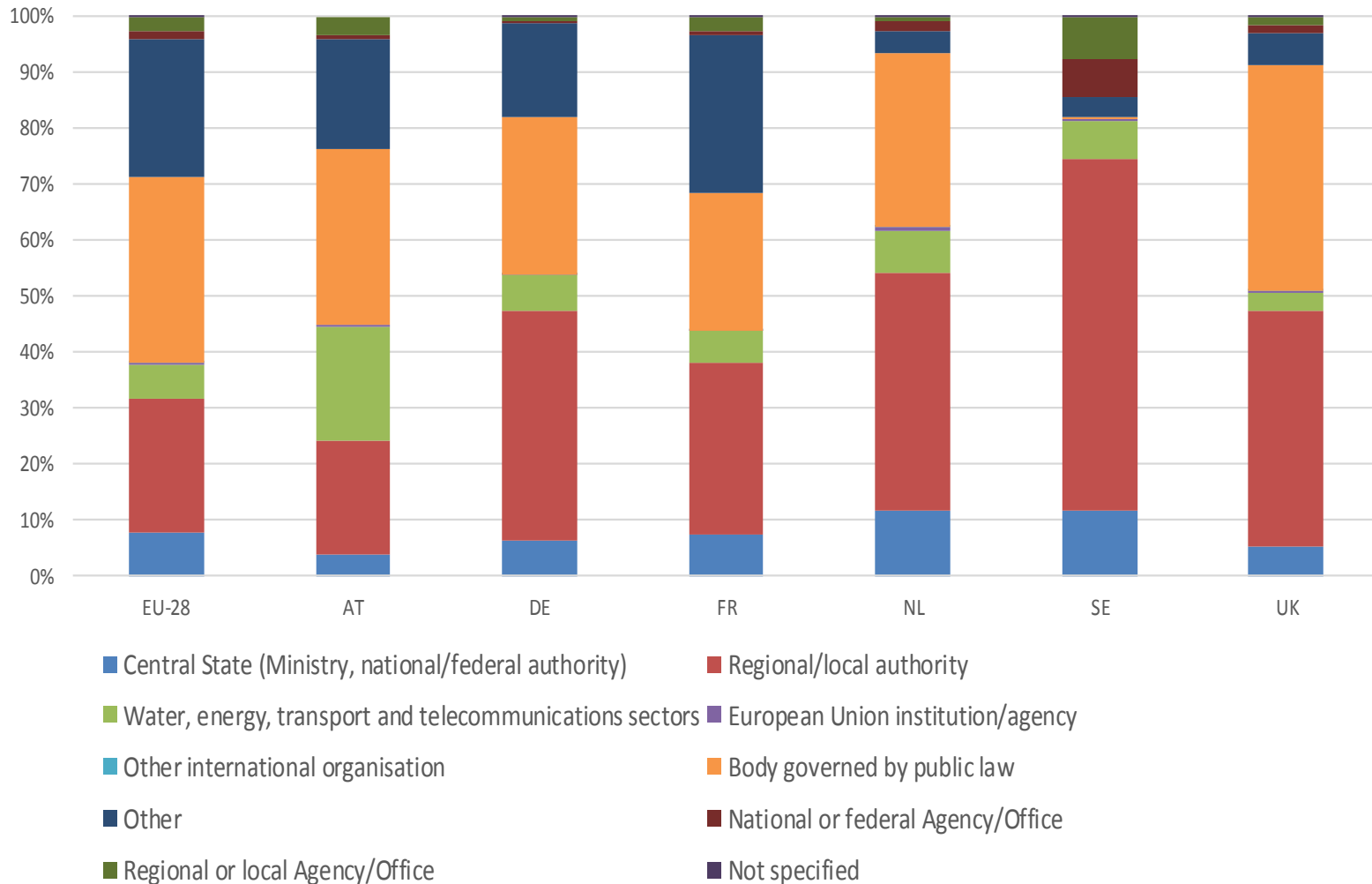
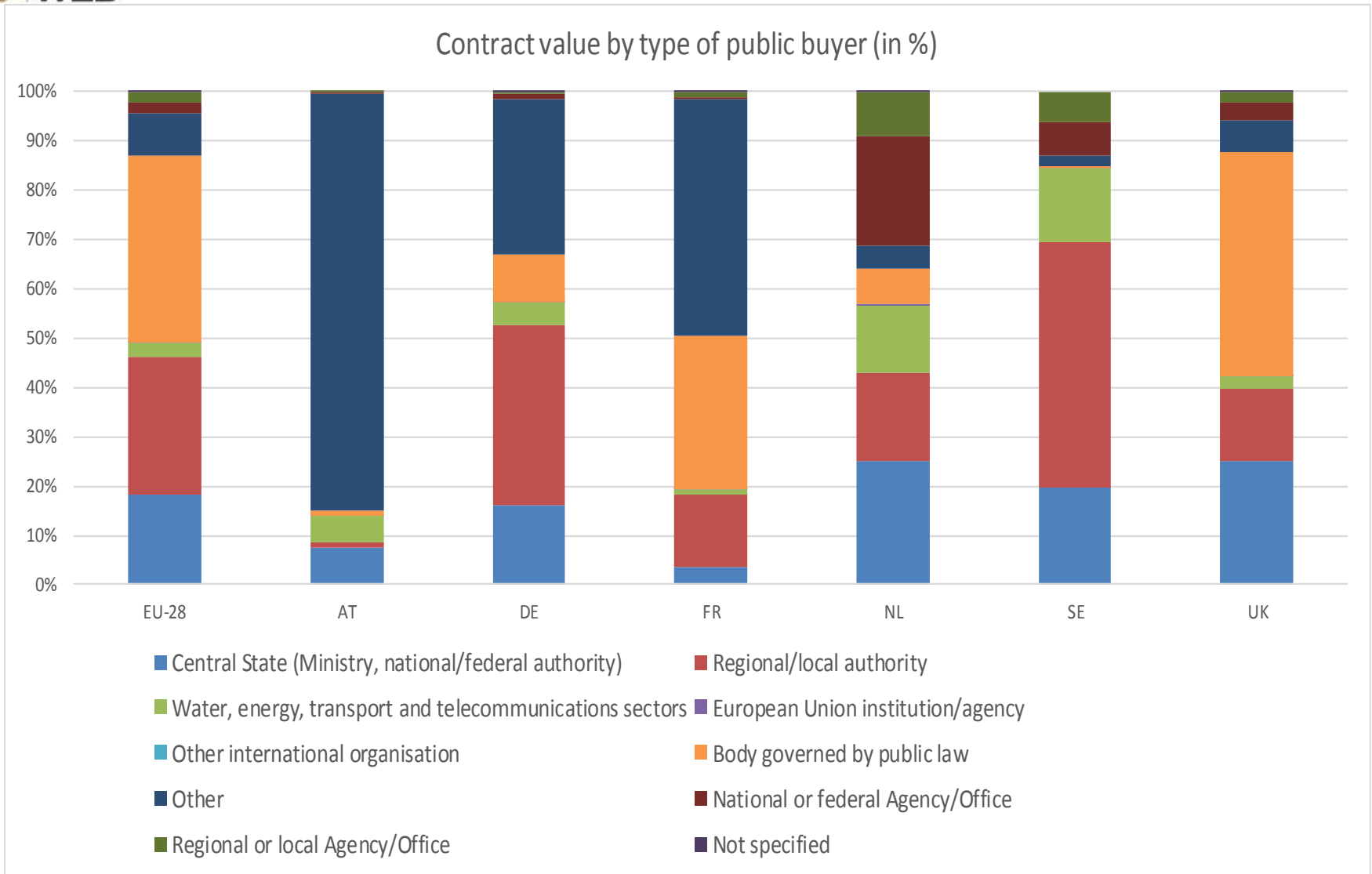


Figure 3: Contract value by type of public buyer (2017, in %)



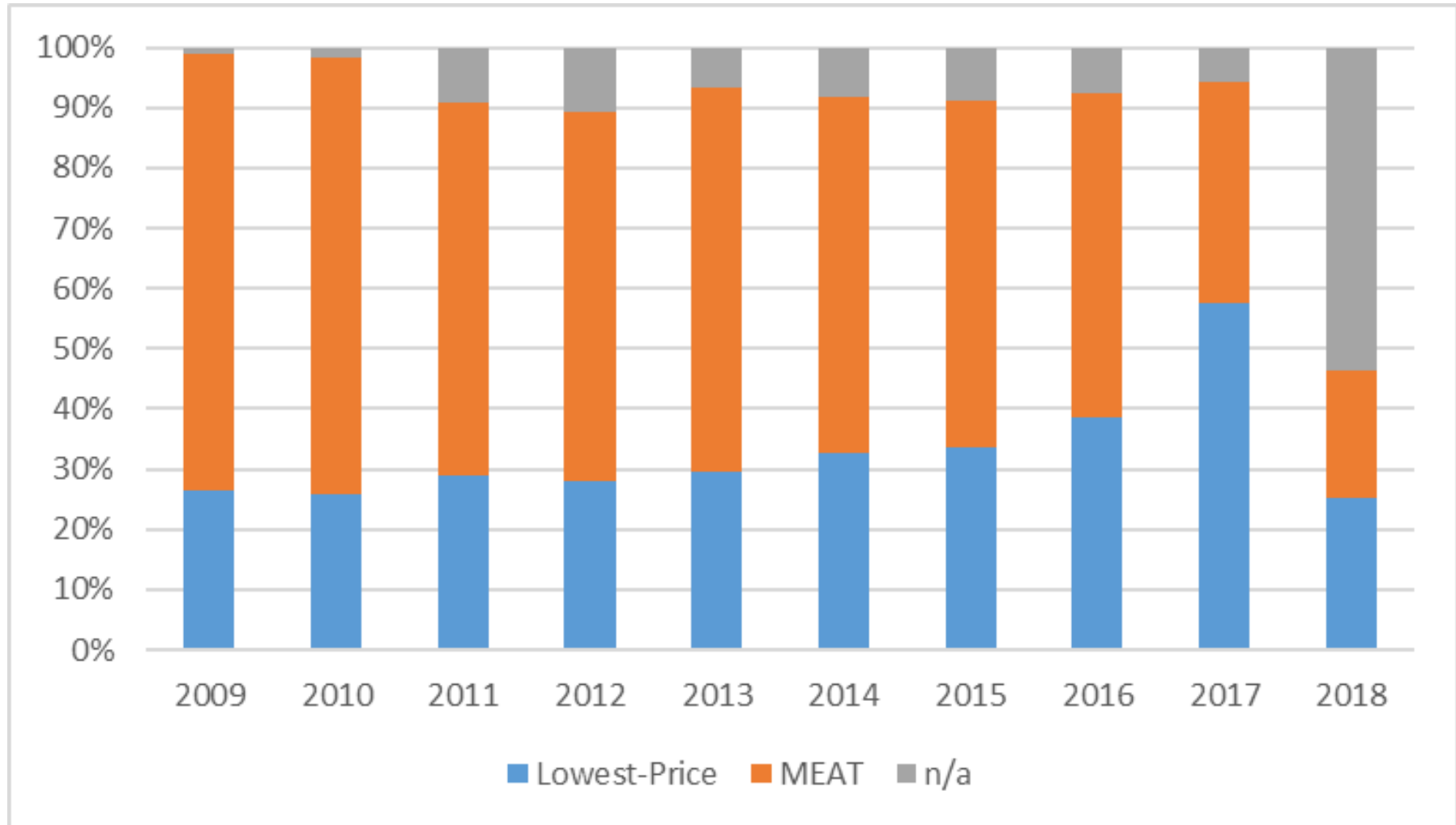
- What are the capacities and ‘powers’ of the different types of government authorities in their procurement practices vis-a-vis contracted firms?

Top-10 product categories in electronics in EU-28 (2017)

| | | Type of Contract | | | Total | |
|--|--|------------------|--------|------|-------|-----|
| | | Service | Supply | Work | Abs. | % |
| Total Electronics (CPV Chapters 30+32) | | 4120 | 28764 | 612 | 33496 | 100 |
| 30200000 | Computer equipment and supplies | 108 | 5394 | 22 | 5524 | 16 |
| 30192000 | Office supplies | 16 | 1366 | 0 | 1382 | 4 |
| 30213000 | Personal computers | 14 | 1222 | 0 | 1236 | 4 |
| 30000000 | Office and computing machinery, equipment and supplies | 68 | 1098 | 2 | 1168 | 3 |
| 30230000 | Computer-related equipment | 54 | 1094 | 0 | 1148 | 3 |
| 30213100 | Portable computers | 4 | 972 | 0 | 976 | 3 |
| 32000000 | Radio, television, communication, telecommunication | 192 | 710 | 36 | 938 | 3 |
| 30190000 | Various office equipment and supplies | 4 | 854 | 0 | 858 | 3 |
| 30213300 | Desktop computer | 0 | 796 | 0 | 796 | 2 |
| 30121100 | Photocopiers | 268 | 472 | 2 | 742 | 2 |

MEAT (most economically advantageous tender, i.e. bid not based on lowest price only, may include social criteria)

German Electronics Purchases (2009-2018)

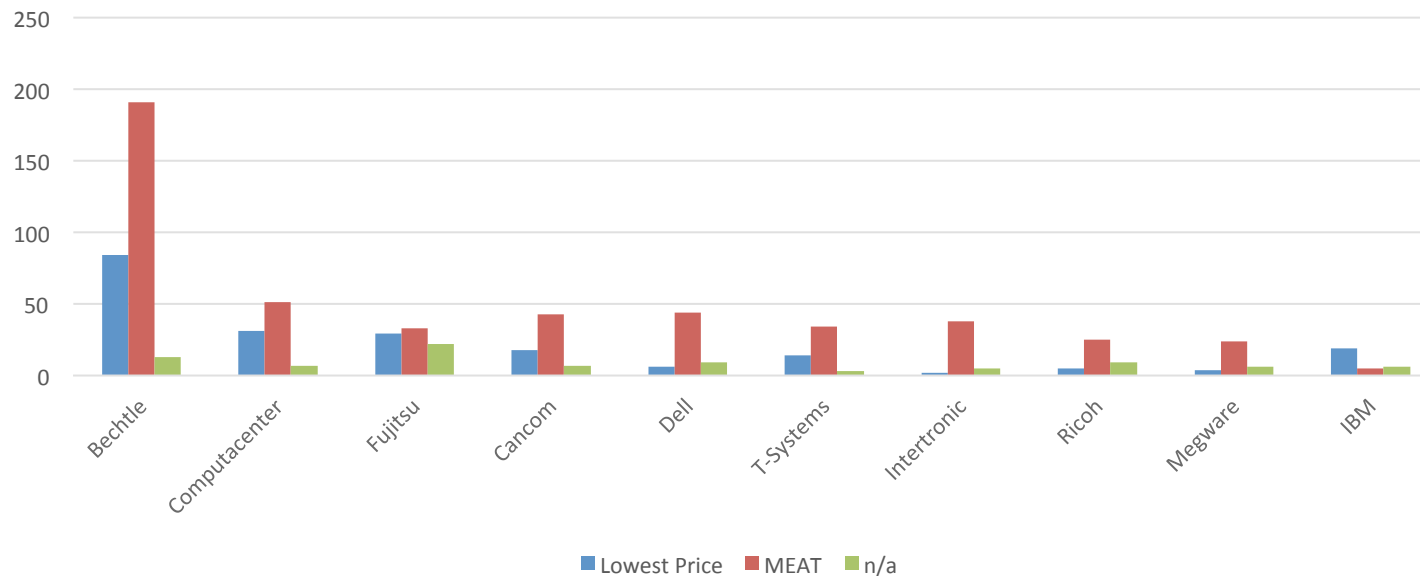
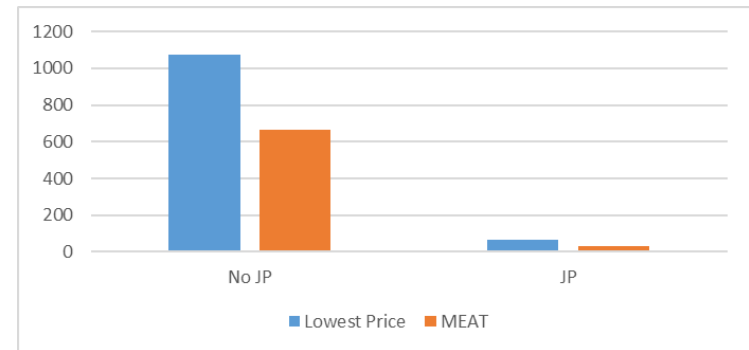


Looking closely at the global supply chain of electronics public procurement...

- Who/what types of firms are winning bids?
It defers by member states.
- What are the relationships between public buyers and these companies?
- What are the relationships between these companies and brands and suppliers in the global supply chain?

Germany (2009-2018) (CPV 3021: Data processing equipment, hardware)

| | Lowest Price | MEAT | n/a | Total | |
|----------------------|--------------|------|-----|-------|--|
| Bechtle | 84 | 191 | 13 | 288 | |
| Computacenter | 31 | 51 | 7 | 89 | |
| Fujitsu | 29 | 33 | 22 | 84 | |
| Cancom | 18 | 43 | 7 | 68 | |
| Dell | 6 | 44 | 9 | 59 | |
| T-Systems | 14 | 34 | 3 | 51 | |
| Intertronic | 2 | 38 | 5 | 45 | |
| Ricoh | 5 | 25 | 9 | 39 | |
| Megware | 4 | 24 | 6 | 34 | |
| IBM | 19 | 5 | 6 | 30 | |
| TOP 10 | 212 | 488 | 87 | 787 | |
| Total | 531 | 1094 | 202 | 1827 | |



Germany

| Contractor | Awards 2009-2017 | Awards 2018 |
|---------------------|------------------|-------------|
| Bechtle | 553 | |
| Ricoh | 402 | |
| T-Systems | 299 | |
| Papier Union | 226 | |
| Computacenter | 222 | |
| Konica Minolta | 237 | |
| Papyrus Deutschland | 198 | |
| Lyreco | 188 | 26 |
| Antalis | 170 | |

Sweden

| Sweden | Awards 2009-2018 | Awards 2018 |
|-----------------------------|------------------|-------------|
| Atea AB | 253 | 43 |
| Staples AB | 103 | 7 |
| Lyreco AB | 97 | 3 |
| Ricoh AB | 85 | 5 |
| Dustin AB | 59 | 8 |
| Office Depot | 27 | 6 |
| Linfre Education AB | 51 | 2 |
| TDC Sverige AB | 35 | 0 |
| Cygate AB | 33 | 5 |
| Företagsväxter i Knivsta AB | 31 | 3 |

Developments for SRPP and how Electronics Watch and partners can support them

1. Joint purchasing – buyer economic/market power
2. Legislation – stronger legislation to remove confusion, fragmentation, and inaction
 - Mandatory due-diligence
 - Mandatory social criteria and for pre-and post-award
 - Harmonisation?
3. Guidelines for pre- and post-award
 - Clarity on what can be included – e.g. EC DG-Grow Public Buyers Guide 2020, others?
4. Intermediary actors – what role for post-award contract management?
 - Labels and certifications
 - Auditors and monitoring
 - Others?
5. Industry and market – opportunities and challenges as drivers/hindrance
 - Progressive companies pushing for mandatory legislation (but how far and with what caveats/loopholes?)
 - Market dialogue – broaden to include other stakeholders on social criteria
 - Increase incentives for bidders – monetary and regulatory
 - Non-brand players, e.g. re-sellers