

Stages of Development Towards Sustainable Public Procurement

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Introduction

In interpreting sustainable public procurement, reference is made to the opinions of several stakeholders in order to underline the fact that market players today apply a substantially broader interpretation of sustainability in public procurement than 10 years ago. In the traditional sense, sustainability in public procurement means the assertion of green, social and economic criteria. We wish to question the commonplace according to which the assertion of sustainability criteria is an indicator of the advanced state of public procurement. We argue this in the sense that when a government or contracting authority is able to implement a truly sustainable public procurement policy, it is then the result of the interaction of several levels of development and a fortunate as well as successful strategy. We use the model by Telgen et al. (2007, p. 20) to demonstrate that truly sustainable public procurement is possible only above a certain level of development.

Accordingly, in the first half of this chapter, by laying the foundations for a theoretical background, the relationship between the level of development of public procurement and sustainability will be established. Then the misunderstandings, deficiencies and weaknesses will be presented, based on international examples, primarily those of the new European Union (EU) directives, owing to which the development of sustainable public procurement can at best be a long-term objective, against a background of legislation being renewed.

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Sustainability and the Development of Public Procurement

In a traditional sense, we do understand the social, green and economic criteria of public procurement. This, however, does not mean that everyone attributes the same meaning to the above criteria. The framework of interpretation of sustainable public procurement keeps expanding, which does not mean that the understanding of life-cycle costing or the implications of the joint management of green and social criteria would be fully unambiguous for all. Several researchers point out that, in the course of applying sustainability criteria, attention should be paid to the balance between them (United Nations Environment Programme 2012).

The initiatives, which include public procurement carried out in the interest of sustainable development, the procurement of innovative goods and services or pre-commercial public procurement under the notion of sustainable procurement, have contributed to the broadening of sustainability. The reason behind this is that, from the viewpoint of policy, all these serve some kind of longer-term sustainability and yet frequently have only an obscure relationship with the true sustainability criteria. In their article on innovative public procurement Edler and Georghiou (2007) expressly call attention to the fact that "...a sophisticated risk-management are needed in order to cope with innovations in public services. A new cost-benefit rationale that translates into life-cycle costing and the criteria of the so-called Most Economically Advantageous Tender (MEAT) are needed to replace the lowest initial cost rationale" (Edler and Georghiou 2007, p. 950).

It is therefore not enough to give new names to the methods applied in traditional public procurement procedures; deeper analyses are needed in the course of their application to ensure that the assertion of sustainability criteria carries genuine added value.

The definition of sustainable public procurement is constantly evolving and changing; to get the overall picture, however, the novelties should not be disregarded. The subject matter of innovative public procurement, for instance, is at least as closely tied to that of sustainability as supporting SMEs, whose direct impact of reducing unemployment could even turn the preference given to SMEs into a social criterion. For example, Preuss (2009) handles the preference to SMEs and local companies under the economic criteria. The place of objectives, which are at times handled as social, at other times, as economic objectives, is not unambiguous. The simplification of the question, namely, applying it as a sustainability criterion is not enough. This is what Tátrai and Nyikos (2012) pointed at, in their case study analysing the interaction of objectives applied in public procurement arriving at the conclusion that these objectives frequently extinguish one another, i.e. they fail to reach the consequence for which the legislator built it into the regulatory environment in principle. The theoretical assertion of sustainable policy is therefore prevented by contradictory objectives damaging the perception of the credibility of the entire sustainability issue.

Approaches keep on changing, the subject matter is extending. For instance, in her Spanish case study, Medina-Arnáiz (2010) focuses on integrating gender equality into public procurement. Another good example is Coggburn (2004), who wrote about managerial values through green procurement. Preuss and Walker (2011) discussed the psychological barriers along the road to sustainable development from a public procurement point of view.

The initiatives broadening the above interpretation point out that public procurement itself by enhancing the contribution of the activity to sustainability can become a driver of both ethical and cultural issues and innovation or even economic development. The broad environment of interpretation that is taken as the basis when we analyse the levels of development in public procurement based on the Telgen et al's (2007) model with regard to sustainability. By way of a point of departure, it is worthwhile clarifying that the model intends to demonstrate the levels of development in public procurement whose highest (5-6-7) levels can be the closest levels with regard to sustainable public procurement according to our interpretation.

The different organisational structures, different regulatory, legislative and funding arrangements and different cultures are those aspects, which helped to elaborate a new model about the developments in public procurement.

The original model did not distinguish the distances between the stages, i.e. it did not consider that there were increasingly large leaps between the individual levels or stages of development. In this research our hypothesis was that a thinker who wished to create a higher-standard framework for public procurement would have an increasingly more difficult task. The essence of the seven-stage model is the followings:

- Stage 1. Sourcing and delivery of goods and services
- Stage 2. Compliance with legislation/regulation
- Stage 3. Efficient use of public funds
- Stage 4. Accountability
- Stage 5. Value for money
- Stage 6. Supporting of broader government policy objectives
- Stage 7. Delivery of broader government objectives

Further, a few theoretical works related to sustainability selected by us will be identified and positioned within the seven-element model. The heart of this is the question whether sustainability means the path of development taken in the traditional sense, i.e. the more social, efficiency or green aspects are involved in procurement the more sustainable we are. Or, it is worthwhile to follow the logic of the seven-stage model offering a way towards achieving sustainable public procurement? We do not think that sustainable public procurement would presuppose fully developed, ethical, efficient, flexible and perfect public procurement environment but we do think that presumably in a cultural sense there is a strong relationship between the sustainable public procurement aspects of the individual levels and the maturity of public procurement in a state.

Stage 1. Sourcing and Delivery of Goods and Services

It is in the case of the first level that we can speak about an activity where the contracting authority would at all like to provide goods and services on time. In other words, we presume that genuine public procurement activity is taking place under relatively well organised conditions.

Stage 2. Compliance with Legislation

Compliance with legislation is conditional upon having the appropriate legal regulations at hand which can be complied with because it provides an efficient, transparent and innovative environment for the contracting authority. A good example of this is the opinion of McCrudden (2007).

“The use of public procurement to achieve increased compliance and its relationship to law is complex and multi-faceted. Whilst public procurement policy has assiduously tracked government policy more generally, government procurement law has generally lagged behind changes in policy developments, leaving lawyers and policy makers to either interpret the existing law to conform to the changing policy preferences, to change the existing law to reflect these preferences, or to restrict linking public procurement with the delivery of these policy preferences”.

The policy level and the legislative level are built on one another according to McCrudden (2007), they cannot be envisaged without one another; a poor legislative work results *ab ovo* in a tremendous backlog for the legal environment.

Stage 3. Efficient Use of Public Funds

At the next level, available public funds are spent in the most efficient way possible. Parikka-Alhola and Nissinen (2012) brilliantly match the relationship between environmental aspects and the economically advantageous tender. Although their article points far beyond the issue of the efficient use of public funds, yet case studies unambiguously demonstrate that in order for a contracting authority to apply green criteria and the evaluation criteria related to the most economically advantageous tender, it is necessary that its set of conditions, the environment of public procurement, should *ab ovo* be about efficient use of public money. In order to be able to speak about life-cycle costing or green cost calculation, there must be transparent and efficient methods of spending public money available. Due to this, levels 3 and 4 presuppose the application of best value for money. That is, the availability of the appropriate information (Parikka-Alhola and Nissinen 2012, p. 44), the use of well-trained experts and transparent, unambiguous planning methodology are needed in the course of spending public moneys for the high-standard implementation of spending as well as the proper planning and administration of procurement. The article addresses the importance of developing the evaluation criteria, the clarification of the methodology and of the issue of weights in detail which can take place only if the purchaser knows what it has money for, how much, what is its degree of freedom in the course of spending its budget. The efficient use of public funds does not mean a perfect budgeting at government and contracting authority level but it does mean a secure, unambiguous environment also providing flexibility and freedom for a well prepared contracting authority where it can carry out its activities.

Stage 4. Accountability

The next level is that of transparency which presupposes the availability of as much and as useful information as possible both at government level for the policy maker and at the contracting authority's level. It is not surprising that the issue of accountability arises in relation to sustainability. Preuss (2009, p. 220) stated that "the strategic and transparent integration and achievement of a public sector organisation's social, environmental and economic goals in the systematic coordination of key inter-organisational commercial processes for improving the long-term performance of the organisation and the territorial base for which it is democratically accountable for, in line with overarching public policy priorities".

Incidentally, the article using the theoretical background of supply chain management highlights the role of transparency as well as the advantages based on a broader interpretation of procurement, namely: "the dissemination of sustainability, information within and beyond the local authority" (Preuss 2009, p. 219). Publicity, strategy, culture and risk management are regarded factors which support the development of public sector SCM.

Stage 5. Value for Money

An efficient and accountable public procurement environment is the precondition for any contracting authority to assert the best value for money criterion at the next level. In his article, Dimitri's (2013) point of departure is that the shift from a price-based set of evaluation criteria to the evaluation criteria of the most economically advantageous tender with a view to economic efficiency points towards best value for money (BVM). According to Dimitri (2013, p. 150), the reason is that "effective procurement can be a fundamental support to pursue fiscal, industrial and innovation policies by best employing the available financial resources effective procurement could be a crucial driver for the socio-economic development and growth of a state".

The application of the appropriate BVM approach is conditional upon good preparation and monitoring, and the latter is, as a matter of fact, a condition of the accountability condition at Level 4. The life-cycle perspective closely related to the subject matter is also discussed; understandably, an accurate specification, however, of the way in which a contracting authority is able to handle its preferences is a matter of designing public procurement. One of the most interesting set of issues in the economic aspect of sustainability is BVM whose genuine application requires much more penetrating preparation, specification of preference and planning provided that is what the contracting authority wants. Parikka-Alhola and Nissinen (2012) call attention to this when underlining in particular that "...due to the purchaser's preferences, not all of the relevant aspects may be taken into account or the weightings for different aspects may not relate to the true impact of such aspects. For example the durability, guarantees, opportunities for repairs and service upgrading opportunities, flexibility, which contributes to the environmental impact question but are not environmental impacts as such" (Parikka-Alhola and Nissinen 2012, p. 44).

So, the application of BVM means the first level of development where sustainability criteria can genuinely and unambiguously be met but their application can be rather multi-layered. Just because the MEAT criteria are applied, it is not yet certain the BVM methodology will be asserted, because all this needs to be aligned with the contents of the contract. Or, to start out from the previous example, just because a purchaser applies environmental criteria, it is not yet certain that the activity will have meaningful consequences which could be rated also from an environmental point of view. BVM is therefore a good basis for applying sustainability criteria, i.e. it is from this level of development that one can truly take into account the elements and consequences of sustainable public procurement.

Stage 6. Support for Broader Government Policy Objectives

The next level is when sustainability matures to such importance at governmental level that, as a policy objective, its application could bring advantages for the contracting authority. For this, however, it is necessary to make the objectives which the government intends to support unambiguous at this level of development. If ideas are formulated only at general level, contracting authorities will not understand exactly what target groups need to be preferred and for what reason, thus the government message can easily be misinterpreted.

McCrudden (2004) writes about how to use public procurement to achieve social outcomes. He describes the linkage of procurement to labour standards, international human rights norms, gender equality and employment. He states that we have to clarify “social procurement practices as a basis on which future legal and policy analyses can build” (McCrudden 2004, p. 266). If it is not clarified what we mean by social criteria, for instance, would we include support to SMEs and through it an increase in employment, we cannot even speak about a policy demand even in a general sense and the regulatory environment will also not be appropriate for those applying it, because they will not know which social criteria enjoy priority and which are the ones that do not. McCrudden (2004) also substantiates that the relationship between the legal and policy aspects and their juxtaposition are the conditions of ensuring sustainable public procurement.

Stage 7. Delivery of Broader Government Objectives

The highest level means the peak of the model where, theoretically, sustainable public procurement is fully implemented, because public procurement itself mediates the government’s objectives. A good example of this is the article published by Kattel and Lember (2010) under International Public Procurement Conference 4 (2010), which handles public procurement as an industrial policy tool. The question is that “is it an option for developing countries? Is it advisable for developing countries to use public procurement efforts for development and should more developing countries join the WTO GPA?” (Kattel and Lember 2010, p. 368). Researchers believe that “using public procurement for development assumes high levels of policy capacity” (Kattel and Lember 2010, p. 368).

But there is a consequence, namely, that it is complicated for the developing countries to benefit from public procurement for innovation. The article by Kattel

and Lember (2010) that triggered heated debate wished to outline an opportunity for breakthrough for developing countries concerning promoting innovation and development. They suggested four strategies for countries to design and implement public procurement policies in the context of economic development.

1. Public procurement as a level playing field, where the main goal is transparency, non-discrimination and free competition.
2. Discriminatory public procurement which is based on protectionism.
3. Public procurement for innovation where the competition is dependent on existing market competitiveness.
4. The soft public procurement measures option focuses on the policy capacity of the government and it can be used easily to start the learning-by-doing process.

Another good example is based on the article by Fisher (2013, p. 2) about the power of purchase, who asks questions about how sustainable development is to be achieved through procurement functions. She recognises that “sustainable public procurement is a strategic concern and political project” (p. 3). Fisher (2013) calls attention to the need to strike a balance between the objectives set; similarly, Tátrai and Nyikos (2012) also addresses the importance of exploring the contradictions between the objectives applied in relation to this aspect. Finally, Fisher effectively declares: “It is all too easy to focus on rules, regulations and legal technicalities; while obviously essential, they [sustainable development goals] need to be part of a bigger picture about sustainable development to enable government to achieve better things through sustainable public procurement” (p. 6).

The theoretical background is given for slightly improving the model by Telgen et al. (2007). The essence of the improvement is that in actual fact the model can also be evaluated from a sustainability point of view (Fig. 1).

The above point out that if approaching sustainability from another dimension, from another aspect, it can be defined that this is the buzzword capable of dynamising the development of public procurement and moving on to the next stages of development where we can have genuinely sustainable public procurement. Telgen et al. (2007) cited examples at Levels 5-6-7 which presuppose the existence of a legal and economic environment for public procurement that represents a higher standard and is carefully considered.

All this, however, does not mean that otherwise the non-sustainability criteria also develop the same way. Moreover, it is necessary to interpret the assertion of ethical forms of behaviour as part of sustainability. The distances between the individual grades or levels of development are increasingly large as they require changes in attitudes and much more extensive ways of thinking. That is why we modified or rather slightly supplemented the model by Telgen et al. (2007) by gradually increasing the individual scales thereby indicating that stepping on to the higher levels of development requires major changes in attitudes and, accordingly, it is more difficult to achieve such levels. In our view, therefore, any improvement in levels of development is more and more difficult.

At the same time, we accept the assumption that if we wish to make our public procurement genuinely sustainable, it will presumably be necessary to go through

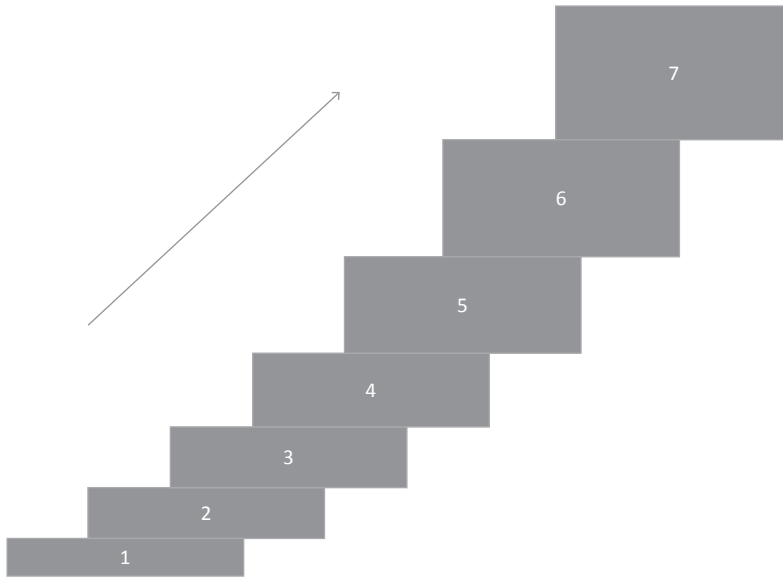


Fig. 1 Seven-stage model for sustainable public procurement. (Source: Based on Telgen et al. (2007))

the individual levels of development and will not immediately be able to conduct sustainable procedures by specifying objectives not in the traditional sense and including a couple of social or green elements. On that basis, a procedure which includes a green evaluation criterion cannot be regarded as sustainable because in order for this to be the case, a precondition should be met: generally, the maturity of the available public procurement regulatory system, the transparency of the assertion of green criteria and the enforcement of the value for money principle. That is why the understanding the logic of the model is essential, which is not yet shown for example in European statistics. It is unclear whether the statistical data concerning the appearance of green or social criteria in public procurement are truly meaningfully utilised or it is the contracting authority itself that sticks of an issue, such as the employment of unemployed strata using this as an evaluation criterion without monitoring performance to see whether the bidder really employs unemployed people.

In his article, Hettne (2013) holds a similar view: “Hence, the proposed Directives on public procurement show a possible way to foster innovation, improve the environment, public health and social conditions, but should not be seen as a particularly simple or highly efficient way. Sustainable procurement seems rather to be a complementary instrument to other policies in their field, which should be integrated in the overall Union policy” (Hettne 2013, p. 40).

Methods

Following the presentation of the theoretical background, we intend to evaluate the guidance needed for the achievement of the individual development levels primarily with respect to the new EU directives. Choosing from other international examples, we call attention to the environment of interpretation in which the final text evolved in the course of the enactment of the directives and what sort of consequences this will imply later.

Guide to Sustainability

The above shed some light on the new directions that can be detected in the interpretation of sustainable public procurement. While searching for new ways, we do not claim that every idea should be channelled into everyday practice. A conclusion, however, can be drawn. It is not enough to operate with phrases and goal identifications, it is much more important to develop the concrete environment of interpretation and not only at policy level well before the legislator creates it.

Let us review a few international examples concerning the interpretation of sustainability as well as what was done to assist in everyday practice and to interpret the law.

Let us take the UNEP definition as our point of departure: “Sustainable Procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of Procurement generating benefits not only to the organisation, but also to society and the economy, whilst minimising the appropriate balance between the 3 pillars of sustainable development i.e. economic, social and environmental” (United Nations Environment Programme 2012).

What makes this definition interesting? As UNEP has set up a separate guideline to ensure practical implementation. The guideline which supplements its set of rules includes separate interpreting provisions and accurate definitions. It addresses the application of eco-labels, contract management, the importance of monitoring just as much as the objectives and scope of sustainable public procurement policy. There is a separate part on training because it is exactly these added values which enhance the importance of assisting interpretation. If the procurement manager in everyday practice understands why a policy is born, how the procedure is to be administered and what kind of staff must be available, the purchaser will be able to follow the rules and implement the objectives specified therein.

Following the UNEP example, it is worth mentioning the revised World Trade Organization (WTO) Government Procurement Agreement which does not really show any substantial innovation. Yet, according to Tosoni (2013, p. 47), the “importance of the changes introduced in some key provisions should not be underestimated”.

For example, technical specifications to promote conservation of natural resources or the protection of the environment can be used based on Art. I(u) (i) “technical specification means a tendering requirement that lays down the characteristics of goods or services to be procured, including quality, performance, safety and dimensions, or the processes and methods for their production or provision” (World Trade Organization 2014a).

According to Tosoni’s point of view “GPA has clearly missed the opportunity to make a significant step forward for sustainable procurement” (Tosoni 2013, p. 48). For instance, the qualification criteria limit the possibility to promote sustainable development through public procurement. At the same time, WTO works on the Work Programme on Sustainable Procurement that should offer solutions and guidance on how to devise procurement procedures and performance more sustainable, and how to draw up sustainable development objectives in technical specification, qualification, evaluation and performance in detail.

It is expected that WTO shall follow a similar road, i.e. it intends to provide detailed assistance for the interpretation of its renewed, although not much altered set of rules. WTO has lagged somewhat behind in terms of the renewal of sustainability criteria; nevertheless, a separate Work Programme is expected to be developed on sustainable procurement and a different one for SMEs. It should be noted that a separate work programme is in the making on providing statistical data (World Trade Organization 2014b), which incidentally will serve as the basis for subsequent policy formation and with respect to which the EU set of regulations is lagging behind seriously (World Trade Organization 2011).

The EU Case

The new EU directives were adopted on 11 February 2014, whose sustainability aspects are summarised briefly based on the preamble. This reveals what goals and what subject matters are to be understood under sustainability based on the policy. Initially, the revision was undertaken for the following reasons:

The revision should “underpin a balanced policy which fosters demand for environmentally sustainable, socially responsible and innovative goods, services and works. This revision should also result in simpler and more flexible procurement procedures for contracting authorities and provide easier access for companies, especially SMEs” (European Commission, p. iii).

The renewal of the directives was preceded by serious preparation which made *inter alia* statistical data available on the basis of which it should be possible in principle to draw conclusions concerning the sustainable public procurement status of the individual member states. The following data should be underlined as examples:

...most (56%) contracting authorities or entities were aware of their national action plans for green public procurement. The level of awareness in the UK, Norway and the Netherlands is above 80%. In Sweden, Slovenia, Denmark, Cyprus, France, Belgium and Lithuania awareness ranges from 72 to 60% (European Commission 2011, p. 80).

From a monitoring point of view, all this does not constitute green procedures; it is at best capable of indicating the European situation. Perhaps this can be regarded the greatest weakness of the stage of preparation, namely, that the new directives had to be drafted on the basis of few and frequently unrelated data or data of uncertain meaning. When there are no adequate data and sufficient information, it is not possible to achieve sustainable public procurement even in principle on the basis of the seven-stage model. Before drawing this conclusion, there is one more aspect that is worth calling attention to. In the course of preparation, the interaction of certain green, social and innovative criteria was also discussed, of which the evaluation report contained an expressly interesting summary (European Commission 2011).

The above statement is highly interesting, it calls attention to the fact that—based on preliminary surveys—many countries also have broader sustainable development policies which impose some environmental as well as social or innovation considerations on procurement at one or more level of public administration. Theoretical knowledge, the awareness of the close relationship between the criteria was given in order that the renewal of the directives takes place on an adequate theoretical basis. In spite of this, the output fails to show this.

The preamble to the directives refers to the Europe 2020 strategy several times, which is set out in the Commission Communication of 3 March 2010 entitled “Europe 2020, a strategy for smart, sustainable and inclusive growth”. The strategy refers to public procurement in traces; we can see them on eight occasions, sometimes in relation to innovation, sometimes in relation to efficient public spending (see Table 1). No detailed information is, however, given on sustainable public procurement.

The directive does not include definitions; it refers to the subject matter of sustainability in relation to innovation and efficiency. The text mingles sustainable development and sustainable growth as goal definitions. Policy-level ideas fail to tie the details of the regulations of the subject matter leaving it to the discretion of the reader whether he/she can find the relationship between innovative partnership and sustainability, to cite an example. Or will it be seen whether the appearance of ethical elements have an added value in terms of the new directives on sustainability (new conflict of interest definition).

From this aspect, the directives formulate sustainability at European level simply and in many ways in an unworthy manner. It is not clear how the legislator intends to render European public procurement sustainable, whether it means sustainable development by it, or whether it regards innovation as a part of it. For the time being, we see an approximate solution at policy level but the regulatory environment does not help much in becoming the ground for ensuring sustainable development. If this is not there, additional levels of development can be hard to achieve which was detailed in the part on the theoretical background.

Of the few concrete issues, it is worth highlighting that the European directives envisage the interpretation of sustainability in a green, social, efficiency and innovation environment. All the help they provide in concretising it is that they indicate

Table 1 Topics included in broader policies integrating other policy objectives with procurement. (Source: European Commission (2011))

Specific topics	Environment	Social	Innovation
Anti-social dumping		x	
Biodiversity	x		
Chemical treatment	x		
Climate change, reduction of CO ₂ emissions	x		
CSR (including human rights and ILO Core Labour Standards)	x	x	x
Energy efficiency and management, use of renewable energy	x		
Environmental technology	x		x
Green IT	x		x
High-tech, research and technology			x
Integration of people with disabilities		x	
Promotion of SMEs		x	
Sustainable development	x	x	x
Sustainable economic growth and employment	x	x	x
Sustainable farming and food	x	x	
Sustainable production and consumption	x	x	x
Sustainable timber	x	x	
Sustainable transport	x		
Waste management	x		

that it should not be mandatory to apply the sustainability criteria. For the time being, that is all the assistance for application.

The reserved contracts, which do not constitute anything novel from a social point of view, or the application of labels affecting both environmental and social elements or the reference to contract award criteria in relation to green and social criteria cannot be regarded as sufficient results. At the same time, it is a right approach that the issue of sustainability appears in relation to performance also:

“Article 70 Conditions for performance of contracts: Contracting authorities may lay down special conditions relating to the performance of a contract, provided that they are linked to the subject-matter of the contract within the meaning of Article 67(3) and indicated in the call for competition or in the procurement documents. Those conditions may include economic, innovation-related, environmental, social or employment-related considerations” (European Commission 2014).

The possibility to use looser rules with regard to social services reflects a different logic. There are two issues that should be underlined as concrete, well definable novelties in relation to sustainability: life-cycle costing (Article 68) and innovative partnerships (Article 31). The directive (European Commission 2014), however, fails to solve a number of practical problems occurring in the course of the application of life-cycle costing, for instance, how the contracting authority should make its calculations in establishing estimated value, but it does contain a list of costs, that is, specific items.

As to innovative partnerships—presumably according to the directive, one of the elements of sustainability is innovation—the question arises that if the contracting authority and the bidder develop something together and then the contracting authority requires the partner to compete again, why should the partner compete against others if so far they have been working on the joint project together. The directives mention PCP, i.e. pre-commercial procurement, as a positive example, in spite of the fact that there has only been negligible experience accumulating concerning PCP in Europe. The new type of procedure can be, for the time being, regarded as something unique, a novelty that really wishes to incorporate a novelty of procedural law and through this new ideas as well. The initiatives are praiseworthy, but the legislator is presumably going to meet additional information for implementation by the member states.

Successful sustainability is conditional upon not mixing growth with development and being innovative with the use of labels. The definition of sustainability criteria is needed with regard to technical content, eligibility criteria, evaluation criteria, the content of the contract and the condition of performance in order that market agents understand what is needed in order to administer their procedures in accordance with the sustainability criteria. The new directives address these elements only in part and contain genuine novelties only to a minor extent.

It could also serve demonstrative purposes if the subject matter of sustainability was handled in a uniform manner and not with varying content. The criteria applied in the text define the green, social and economic elements in a narrow sense as independent objectives rejecting even the simple interrelation that these objectives should also be aligned as their joint application could even lead to the levelling off of the objectives. The evaluation report drafted in the course of the preparation of the directives contained examples of such interrelations. We find it wanting that there is no interrelation between supporting SMEs and a decline in unemployment, there is no relationship between ethical public procurement and efficiency, the value-for-money approach and life-cycle costing. The theoretical background is relatively clear, which may provide a great deal of assistance to the legislator. If, however, there is no genuine assistance to those applying the law, it will not be possible to obtain the information needed for the individual member states to reach higher levels of sustainability. There are member states that will exceed the environment of interpretation in the directive taking their own experiences as the point of departure, but there are member states also that will expressly take the directives as the basis when managing the issue of sustainability.

In the course of analysing the sustainable elements of the directive, it is worth making a few statements to conceive what a European member state having to implement the directive needs to do.

- It will not remain at the level of principles.
- It will not wish to introduce trumped up social rules, for instance, try direct disbursement to subcontractors, although the directives contain this.
- It will not permit that innovation partnership should mean only that the contracting authority need not deal with conflict of interest if it wants to co-operate with an innovative partner.

- It will not allow that contracting authorities apply the employment of the unemployed as the only evaluation criterion which would make their procedure “social”.
- It will not believe that requiring labelling systems would be amply sufficient for appearance in sustainability statistics.

The above ideas are only of an indicative value and wish to call attention to the misunderstandings and errors that can be conceived in the knowledge of the new European public procurement directives. We agree with Tosoni (2013, p. 48) that “further clarification is needed about how to practically implement sustainable procurement practices that are consistent both with the new Directives and GPA is welcomed”.

Summary

In presenting literature, we specified several milestones which substantially exceed the interpretation of sustainable public procurement taken in the traditional sense. Based on the seven-stage model of Telgen et al. (2007) aimed at specifying the stages of development in public procurement, we establish that there was a great need for the appropriate development of the environment of interpreting sustainability in order that contracting authorities or the legislators be able to make progress in the course of implementation, that they should apply the value for money approach so that they should operate in an accountable and transparent manner and use public procurement gradually for better things. It is not possible to create sustainable procedures simply by applying a green or social criterion because the evaluation criteria, the technical content, the contractual obligations should serve more than just demonstrative purposes. The goal is to render the entire procurement process sustainable at the level of contracting authorities and to raise public procurement to the level of policy and its inclusion in sustainability strategies at government and international level.

Short of this, the seven-stage model pointed out that through the poor management of sustainability at regulatory level, *ab ovo* substantially less can be achieved because if it is not clear what a legislator wishes to achieve and in what manner, the solutions of those applying the law can only achieve levels 3-4-5 in a mixed way and these are the levels which contain some elements of sustainability. In our view, even the European Member States having an advanced procurement culture would only be able to reach stage 7, i.e. the level of sustainable procurement where public procurement genuinely becomes the engine of economic growth if they set up their own guidelines, help the contracting authorities and develop their practice taking into account their cultural differences and data. Every European Member State must pay the price for the weakness of a uniform public procurement policy. If therefore the foundations set by legal regulation are weak, high-standard performance cannot be expected, no matter how the same text is implemented by the member states or contracting authorities try to understand it.

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