

EXPANDED ABSTRACT

Public Procurement in Social Economy: a case study of the University of the Basque Country (UPV/EHU)

Public procurement is the process by which both the government and other agencies that are regulated by public law acquire products, services and public works. The final aim of these procurements can vary from the mere replenish of office supplies to measures related with national policy objectives, such as stimulating economic activity, protecting national industries or eliminating regional disparities.

Traditionally, a considerable effort has been devoted to define a legal framework that guarantees the transparency of these public contracts and also the efficient use of taxpayers' money. Therefore, for many years, public contractors have not considered the characteristics, impacts and environmental costs, nor the social justice of products, services or works acquired. In recent decades, however, economic and political conditions and priorities have changed: as a result of the growing importance of the sustainable development and human development approaches, the sustainability and the social dimension is increasingly being included in strategies, policies and directives related to public procurement. In other words, some horizontal public goals have come into play, such as the fulfilment of environmental targets (green public procurement) and / or social criteria (socially responsible public contracting) as well as the promotion of R&D and innovation (innovative public procurement).

Although public procurement is subject to a legal framework it presents advantages over private purchasing when demanding sustainable criteria for products, services or public works. Moreover, sustainable criteria have been recommended by the latest EU public procurement directives and different guidelines about how and where to include them have been published. These channels of intervention, known as socially and environmentally responsible public procurement, have a significant impact on the activity and development of the Social Economy entities (Monzón and Chaves, 2008). However, as Chaves and Monzón (2001) pointed out, the implementation of these measures in favour of the Social Economy has not been homogeneously applied throughout EU countries.

On the other hand, the university plays a fundamental role in the value of territorial assets. Moreover, although teaching and research are its two fundamental activities, in recent times a "Third mission" has also been ascribed to the university, i.e. its involvement in the socio-economic development of its area. This new function, which links the university to its surrounding area, has been intensified since the end

of the 20th Century mainly due to the importance of the knowledge economy, which underlines the strategic nature of knowledge as a key element of the economic system (Florida, 1999).

Therefore, the main objective of this paper is to analyze the role played by the public procurement process of the UPV / EHU in the promotion of the Social Economy. That is, it aims to present a diagnosis of the role of the Basque Social Economy as a provider of goods and services for the UPV / EHU during the budget years 2012, 2013 and 2014. Towards that aim, the paper provides 1) a brief review of the literature to approach the evolution and the legislative changes of the Socially Responsible Public Procurement at a global level, within the context of Sustainable Consumption; 2) the main aspects of the role played by the university in the regional socio-economic development; and 3) the main characteristics of the organizational structure of the University of the Basque Country (UPV/EHU).

To achieve the objective of the article, a systematic review of the tenders awarded between 2012 and 2014 has been carried out. These are published in the Tenders Electronic database of the UPV/EHU, which was created in 2012 and it is updated by the UPV/EHU. It contains all active calls for tenders and also provides access to those documents of awarded tenders. Initially, 265 document sets of the tenders awarded between 2012 and 2014 were collected. However, for some document sets the corresponding resolution of the award was not available and for others it was not possible to determine the awarded amount in the document sets. Given that the objective of this paper is to account for the amount awarded to the Social Economy, in the final sample 172 documents sets were considered.

Our results show that 15 out of 172 public procurement contracts have been formalized with entities of the Social Economy sector in 2012-2014. Several conclusions can be drawn from these results: 1) 5.66% of all the public contract formalized by UPV / EHU has been with Basque Social Economy entities, 2) 472,094.23 € out of 49,209,956.46 € have been awarded to the entities of the Social Economy, which represents 0,95% of the total amount awarded, 3) with regards to the procedure, the vast majority, in terms of number and amount awarded, have followed a negotiated procedure, which corresponds with the most common practice of public administrations and 4) according to the entity type, 10 out of 15 contracts have been for cooperatives, whereas, 5 out of 15, for Special Employment Centers or Insertion Companies, all of them belonging to service contracts.

According to the results, the participation of the Basque Social Economy as a supplier of goods and services for the UPV/EHU still holds a reduced share. In addition, cooperatives are the entities that concentrate the largest number of public contracts and the largest participation quota of the amount awarded by the UPV / EHU for the period studied. If the contractual nature of the contracts awarded by UPV/EHU is considered, service contracts have been awarded most frequently, particularly "Lift maintenance services" and "Garden and park maintenance services". However, working contracts belonging to "Installation work on buildings" category is the most important if the amount awarded is considered.

There are some limitations in our study that should be stressed. On the one hand, those contracts that have not been awarded to the Basque Social Economy universe have not been reviewed in order to study whether among the bidders stand companies from this universe. Another limitation relates to the difficulty in obtaining data corresponding to the amount awarded, especially for those cases in which the awards have been defined on the basis of unitary prices. The accessibility to the latter data would be useful to advance in the results obtained so far. In spite of these limitations, the paper provides evidence on the UPV/EHU purchasing governance challenges of moving towards an approach which recognizes the capacity to promote the Social Economy sector.

KEYWORDS: Sustainable Development, Sustainable Public Procurement, University, Social Economy.