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Integrating Environmental and Social Considerations into Public Procurement Practice in Ghana

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Abstract:

Background: The integration of sustainable elements in the public procurement practice in Ghana is beginning to receive attention in Ghana. This has even necessitated the amendment of the country's procurement act; Act 663 to include sustainable requirements and demands.

This study assessed how environmental and social factors could be integrated into the public procurement system in Ghana and the readiness of practitioners

Methods: The study was a survey. The researcher sampled purposively twenty three procurement officers from eight Ministries in Ghana. Data was analyzed descriptively.

Results: In all, 19 practitioners representing 82.6% of procurement practitioners affirmed to their awareness of sustainable procurement. The same (82.6%) affirmed that there was system to manage environmental impact in Ghana's procurement system. However the findings of the study demonstrates that only 47.8% of respondents believed and considered that social improvement of the populace was highly prioritized during making public procurement decisions .

Conclusion: There is a strong requirement that the Public Procurement Authority build the capacity of procurement officers. Procurement officers should be trained regularly to understand the relevance and role environmental and social factors play in ensuring sustainable procurement. Again the government should fast tract with the review of the public procurement Act that seeks to entrench sustainable requirements in the public procurement practice.

Keywords: Ghana, Procurement, Sustainable, Environmental, Social, Public

1. Introduction

Expenditure in the public sector is a phenomenon of growing global importance (Afonso et al 2005). Proper financial management can ensure that financial priorities are established in line with organizational goals and objectives; spending is planned and controlled in accordance with established priorities and sufficient financing is available when it is needed both now and the future . Dza et al (2013) reports that he the World bank has led a crusade to ensure proper procurement practices due to the high levels of financial impropriety and the lack of transparency in public financial management. To achieve value for money (VFM) for the taxpayer, effectively managed procurements, properly planned and executed contracts are essential. Public procurement is at the heart of cost control by the public sector (Allain A. et al, 1989).

In reflecting a broader concerns to achieve sustainable development, sustainable procurement has recently acquired a high degree of salience in policy circles internationally (Brammer and Walker, 2011) and has received significant attention in both the public and private sector. It is seen as a way to meaningfully reduce the environmental burden of an organization's core operations, as well as an opportunity to promote sustainability principles (Lyons, 2000).

Sustainable procurement refers to the act of integrating a concern for broader social and environmental impacts within procurement undertaken by government or public sector bodies (Preuss, 2009; Walker and Brammer, 2009). Warner and Ryall (2001) found out in a study that many local authorities integrated environmental considerations into their procurement policies. However, these initiatives were only rated as moderately successful, with higher costs of green products emerging as the most commonly cited barrier. It is not in all cases that sustainable procurement should be used to seek for the public good against meeting the standard requirements of value for money(Schooner 2002b) The laws governing procurement in Ghana have not

enforced that all procurement transactions are to fulfill sustainability goals.

Sustainable procurement has a lot of benefits; thus, countries need to put in place measures to ensure it. Kennard (2006) illustrated the benefits to an organization in adopting a Sustainable Procurement Policy will be to Control costs by adopting a wider approach to whole life costing. More to that sustainable procurement aims at improving internal and external standards through performance assessments, ensuring compliance with environmental and social legislation, Managing risk and reputation, building a sustainable supply chain for the future as well as involving the local business community. This makes sustainable procurement very essential element of development in every nations around the globe.

2. Materials And Methods

2.1. Research Design

A descriptive cross sectional survey was adopted for the study.

2.2. Research Setting

The study was conducted at selected ministries of the republic of Ghana. The study will be limited to the head office of the public ministry's of the republic of Ghana. The ministries selected were the ministry of Ministry of Food and Agriculture, Ministry of Tourism, Culture and Creative Arts, Ministry of Health, Ministry of Education, Ministry of Roads and Highways, Ministry of Lands and Natural Resources, Ministry of Local Government and Rural Development and the Ministry of Works and Housing.

2.3. Sampling and Population

The population of this study entails all the staff of the procurement units of the selected Ministries. Multi-purpose sampling technique was employed towards this study. The simple random sampling was used to select eight ministries out of the total state ministries. The researcher used the purposive sampling technique in selecting only the procurement departments of the State ministries. In this study, a sample size of 23 staffers within the area of study was engaged for the study.

2.4. Method of data collection

The study relied on Data sources. The primary sources were the responses to questionnaires and interviews after interacting with sampled staff of the various procurement units of all the ministries in Ghana. The questions included close-ended questions ranked on Likert scale rating to allow easy categorization and synthesis. Open-ended questions were asked to source the opinion of procurement officers on ways of integrating social and environmental factors into the public procurement practice.

3. Results

The results of the study are depicted in the tables and figures with their elaborations indicated under each of them.

Response	Frequency	Percentage
Strongly Agree	8	34.8
Agree	11	47.8
Disagree	4	17.4

Table 1.1: Whether there are systems in the Procurement process to manage environmental impact
Source: Authors field survey 2014

The findings from table 1.1 depicts that procurement practitioners agree to the fact that systems to manage the environmental impact during the public procurement process are available. Only 4(17.4%) of practitioner hold contrary view to whether there were systems in place to manage environmental impact in public procurement practice.

Response	Frequency	Percent (%)
Strongly Agree	2	8.7
Agree	15	65.2
Disagree	6	26.1
Total	23	100.0

Table 1.2 Environmental sustainability is a priority to procurement practice
Source: Authors field survey 2014

The study found out that (as depicted in table 1.2) Environmental sustainability was a priority for procurement officers. This was corroborated with a strong agreement from 2 (8.7%) practitioners with more than 2/3 of the respondents (65.2%) agreeing that environmental considerations was a highly prioritized factor that was considered during procurement processes.

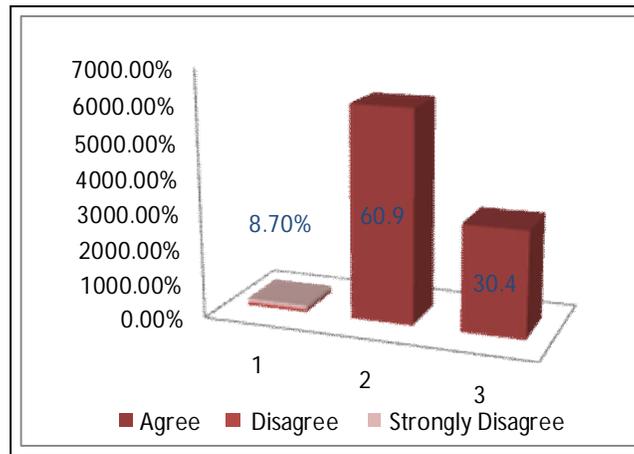


Fig 1.1: Respondents view on whether procurement decisions influence the public social welfare
 Source: Author’s Field Survey; 2014

The unavailability of a current statement or /policy that commits tenderers / procurement officers to the social welfare of the public during procurement decisions was affirmed by 14(60.9%) of the respondents contrary to 9(39.1) of respondents who were in the known such a policy document.

Additional inquiry by the researcher showed that those who agreed knowing such a policy considered the public Procurement Act 663 as detailing and committing tenders and procurers to the social welfare of the public during procurement decision making/processes. This was however not the situation in reality as the public procurement Act(ACT663) does not explicitly spell out the need and strict demand to use procurement decisions to promote social welfare.

Response		Frequency	Percent
	Strongly Agree	8	34.8
	Agree	11	47.8
	Disagree	2	8.7
	Strongly Disagree	2	8.7
	Total	23	100

Table 1.3: Respondents prioritize the social improvement of the public during procurement process
 Source: Authors field survey; 2014

The result in the table 1.3 reveals that public procurement practitioners highly prioritize social improvement of the public during procurement decisions. This is supported by an agreement of 47.8% of the respondent with 8(34.8) of the procurement practitioners strongly affirming the prioritization given to social improvement of the public during procurement decision making process.

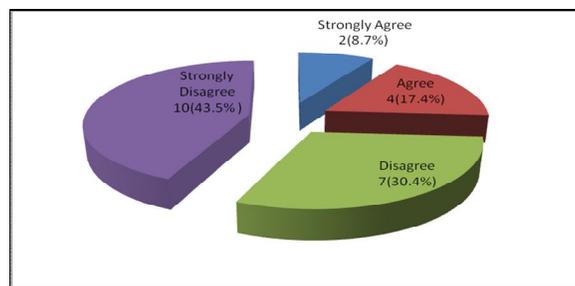


Fig 1.2: Whether tendering specifications always consider environmental factors
 Source: Authors field survey 2014

As revealed by the figure 1.2, majority of the respondent opined that tendering specifications during procurement process do not consider environmental factors. In the opinion of 43.5% and 30.4% who strongly disagreed and disagreed respectively, tendering specifications hardly considered environmental factors. Thus almost 3/4 of practitioners (73.4%) were in the known as to the reality of tendering specifications not prioritizing environmental factors in awarding contracts.

It was unanimously agreed by all the practitioners that state contract awardees do not offer any sanctions to entities who fail to comply with meeting the environmental and social good of the public. This view was even held and confirmed by (6)26.1% of the procurement practitioners with 8.7 % and 17.4 % of the Procurement officers studied strongly agreeing and agreeing respectively how tendering specifications always spelt out environmental requirements. Those who agreed that tendering specifications spelt out environmental considerations confirmed that in practice those who won bids for public works often did not comply with the environmental considerations in the execution of the contracts be it services, works or goods.

4. Discussion

Findings from the study as to whether there are systems in the Procurement process to manage environmental impact as agreed to by 11(47.8%) and strongly affirmed by 8(34.8%) of the respondents go in line with Brammer and Walker, (2011) assertion that elements of sustainable procurement like environmental factors are beginning to receive prioritization. However, 4 (17.4%) of the respondent disagreed indicating that systems to manage environmental impact during procurement process were absent and integrating environmental and social factors into the public procurement processes requires knowledge on practitioners priority and willingness to commit to environmental requirements.

For Integrating Social Factors into the Public Procurement Processes, the findings from the study contrast that of Schooner (2002a); Morrisson (2008) assertion that the public procurement should not be used to push social policies, hence no need to prioritize the social good of the public using the public procurement. The reasons advanced are that when the public procurement is geared towards the prioritization of the social good, its sole aim of sourcing goods and services that are of quality and efficient standards would be fought with.

The study brought to the fore that social factors were not adhered to by procurement officers during awards of contracts. This was because there was no specific provision in the procurement laws that bind practitioners and tenderers to meeting the social good of the public. The study identified that there was no clear cut sanctions for procurement decisions that did not guarantee the social good of the public. This was reiterated by 11(47%) of the procurers. In the same respect 8 (34.8%) of the respondents did not know whether there was any sanctions or not if procurement decisions did not guarantee the social and public good of the people. This demonstrates the inadequacy and limitedness of procurement officer's knowledge in terms of the procurement laws that governs their daily operation, a phenomena that needs to be critically addressed.

In line with Tendering specifications, the study reveals that the procurement plan did not always consider social and public welfare of the people. This affirms Pruess (2009); Warner and Ryall (2001) opinion that environmental and social factors were averagely considered in practice during procurement decisions, the study revealed that social and environmental factors practically were not adhered to during procurement decision making.

5. Conclusion

The study generally has identified that Social and environmental factors in the public procurement had unclear definitions. This has led to an overly emphasis on financial and economic considerations to the neglect of the environmental and social factors. Agreeing with Zsidisin and Sifred (2001), the absence of reverse logistics where post contract analysis is not properly carried out couple with the unclear definitions of social and environmental factors as espoused by Galtinker (2008) has made integrating social and environmental factors in the public procurement systems moderately successful.

The integration only occurs as and when the procurer wishes to since no clear cut dictates and requirements are spelt out in the Public procurement Act (Act 663) other than loosely stated and overly glossed over statement concerning social and environmental considerations.

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