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Synergies and trade-offs between social and green public procurement

Miriam Hartlapp

Introduction

Public procurement refers to the regulation and governance process 'by which public authorities, such as government departments or local authorities, purchase work, goods or services from companies'.[1] It applies to anything from purchasing footballs for public schools, to the supply of medical equipment, to large-scale infrastructure tenders. Over the last decades public procurement has gained in importance. Privatisation of public production and outsourcing of formerly public services increased the share of GDP spent via public procurement (Hartlapp, 2020, p 77). The COVID-19 crisis demonstrated the importance of public buying to deliver services and implement policies that directly affect citizens. Not least, the EU Recovery and Resilience Facility boosted public investment and debates about economic sovereignty, underlining the role of states' strategies and practices when purchasing. This chapter attempts to contribute to understanding what studying public procurement has to offer for the eco-social nexus perspective. To this end, it proposes to conceptualise green and social procurement along a sectoral and a cross-cutting dimension, and to assess possible synergies and trade-offs between green and social goals in substantive policies, and in organisation and governance.

What constitutes the eco-social nexus perspective? There are a multitude of perspectives and definitions on the eco-social nexus. They share an interest in the challenges the welfare state faces and the potentials it encounters given the increasing importance of climate change and ecological considerations (Meadowcroft, 2005). The theoretical focus is on the relationship between the economic, the social and the environmental spheres, which each follow their own goals and rely on their own principles of performance. Mandelli (2022, pp 337–338) highlights that the three spheres can interconnect differently: in a 'green growth' or 'just transition' perspective, growth dynamics should

be greened, but without questioning the predominance of the economic sphere; a 'balanced perspective' understands the three domains to be of equal importance; and 'degrowth' or 'post-growth' approaches put environmental concerns first. The relative importance of and the relationship between these three spheres is central to understanding public procurement policy.

What, then, does the topic of public procurement offer for debates on the eco-social nexus? First, given the volume of spending, public procurement is a public policy that can play an important role in addressing the challenges and exploiting the potentials of the eco-social nexus. In 2021, OECD countries spent almost 15 per cent of their GDP on procurement, much of it in sectors related to the welfare state (OECD, 2023, p 121). With its enormous buying power, public procurement is considered an important lever for a green and sustainable transition. Examples are utilities and waste management that orient towards higher ecological standards, low carbon emission vehicles purchased for public transport or public constructions using ecological building and insulating materials.

Second, public procurement is also of interest to the eco-social nexus from a conceptual and theoretical perspective. Public procurement is widely considered an economic policy. This chapter argues that it is also used to pursue environmental and social public policy agendas. The economic sphere dominates where public procurement policy assures an exclusive market orientation by emphasising competitive pricing. According to many, this is the best remedy to avoid the mismanagement, nepotism and corruption that leads to losses of taxpayers' money. However, the state can also procure strategically when purchasing decisions are not made on the basis of price but by considering criteria that support other public policy goals. The literature refers to these *strategic goals* also as 'sustainable', 'secondary' or 'horizontal' goals (for example, Hafsa et al, 2022). Among these strategic goals, green and social goals are of particular importance for the eco-social nexus. Analytically, green and social goals are similar in constituting a contrast to public procurement as focused on price only and putting the economic sphere first. Yet, where competitive pricing is not the only or even the primary goal of public procurement, this raises questions as to the relative importance of the social and environmental sphere. Meeting different strategic goals at the same time can be challenging, for example, the decision whether to purchase emission-friendly products or those produced in sheltered employment by minorities.

The chapter offers a conceptual contribution that addresses these questions one after the other. It starts off by making explicit the analytical perspective on procurement as public policy and regulation. Next, it sketches the importance and development of sectoral and cross-sectoral social and green procurement in the EU and OECD world. This is followed by a section dedicated to the relationship between social and green procurement, offering

a conceptualisation and assessment of possible trade-offs and synergies. Finally, the last part concludes the discussion.

Analytical perspectives on public procurement

It is not possible to discuss the eco-social nexus in public procurement without offering some more general information on public procurement that clarifies the analytical perspective of this chapter. First, public procurement is studied as a public policy. It is not a new feature of modern states: For many decades it has been part of public policy in the sense that governments regulate for and decide about public purchasing to affect the economy and society. This is visible in an expansion of its volume, rulemaking and bureaucratic structures, as well as the set-up of agencies and governance networks in procurement. Public procurement is a contested policy, displaying deeply grounded perspectives on the role of the state and featuring complex patterns of electoral politics (Dahlström et al, 2021) and of support and opposition, for example, between countries (Kono and Rickard, 2014) or between government and challenger parties (Hartlapp, 2024).

Second, public procurement is studied from a regulation perspective. Regulation as opposed to legislation involves a potentially greater range of collective actors. In procurement, the state is not only the buyer but also sets the rules of the game for private and other public actors. Public actors as the regulated are officials in other portfolios or at lower levels of government, such as municipalities or towns, where the largest part of actual procurement takes place (64 per cent of EU procurement spending, according to OECD, 2021). In addition, in public procurement there is an increasing number of intermediaries (for example, Barraket, 2020). Intermediaries broker between actors, but at the same time constitute and structure interactions when they certify products, rank and rate bidders, label products, gatekeep access, screen behaviour, monitor performance or blow the whistle on misbehaviour (Abbott et al, 2017). Complementary regulation, such as guidelines that specify legislative standards or codes of conduct that regulate implementation, can also be formulated by other actors. Typical examples are business interests and trade unions. What is more, the regulation perspective comprises the formulation of rules as well as their monitoring and enforcement. Thus, more than a legislation perspective, it goes beyond what is 'in the books' to stretch the policy cycle and include potential impact (Selznick, 1985).

The procurement process runs from preparation to selection and application (see Figure 15.1). It starts with the planning and formulation of a call for tenders at the preparation stage. The authority purchasing goods, services and works can set social or green procurement goals as compulsory or facultative, or they can be entirely absent at this stage. During the selection

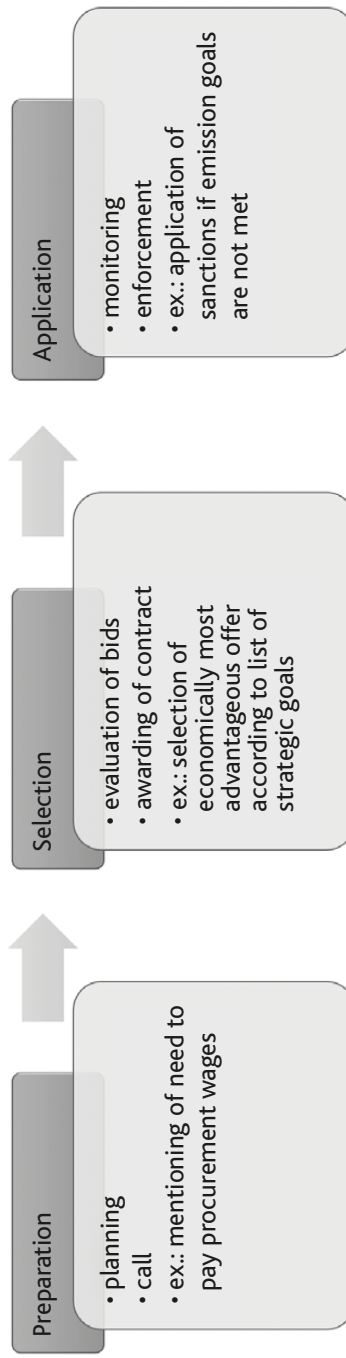

Figure 15.1: Stages of public procurement process

process, evaluation and awarding of the contract can follow a list of strategic goals made explicit ex-ante, increasing their potential impact, or bids can be evaluated against goals more inductively. Where the only criterium is the lowest price, goals seeking wider environmental or societal benefits are, by definition, excluded. Rules can require considering price first and social or green goals only afterwards or at the same time, altering the influence of other goals. Ambitious regulation might apply a tender qualification model that integrates strategic procurement goals at the front end of the selection process, thereby directly altering competition for awarding the contract (McCrudden, 2007). A strategic goal that seems important when a new rule is drafted, however, might matter little in practice due to a narrow field of application or a lack of enforcement. Finally, rules have to be monitored, assessed, sanctioned or enforced by other means. Importantly, there is a direct steering capacity of procurement rules along the cycle. Frequently, we also observe a substantial indirect effect when a large number of competing bidders change their future behaviour to conform with government goals in calls for tenders (Hartlapp, 2020, pp 69–70).

Importance of and developments in social and green procurement

Social procurement: importance in volume and historical significance

OECD states spend on average almost 13 per cent of their GDP via public procurement; among EU member states the average is almost 15 per cent. However, there are large differences between countries, ranging from almost 21 per cent in the Netherlands to less than 7 per cent in Costa Rica (Table 15.1). The importance of public procurement for the welfare state is both sectoral and cross-cutting. Starting with the sectoral view, in most countries the greatest share of public procurement is spent on social functions like health, education and social protection (31.9 per cent, 10.7 per cent, and 9.8 per cent averages for 2021; confer Table 15.1). Thus, much of our welfare states are enacted through public procurement, for example, regarding social services such as elderly care or kindergarten, infrastructure for public hospitals, and purchasing of medical equipment, masks or employment services. This sectoral distribution is relatively stable across countries, with health showing the highest share of public purchasing in all OECD countries but Switzerland, the US and Romania. Turning to the cross-cutting view on *social procurement*, we can distinguish different social goals. Historically, maximum working hours have the longest tradition. They date back to the 19th century in the US, when President Van Buren issued an executive order on a 'Ten Hour Work Day' in public works (McCrudden, 2007). Soon, requirements to respect minimum wages and other working conditions, such as health and safety standards or collective agreements, followed in the

US and many other countries (for example, Sack and Sarter, 2018). Later, social criteria expanded to cover the insertion of underrepresented groups in the labour market, focusing on ethnic minorities (Noon, 2009), the unemployed or the disabled (Conway, 2012). These social goals are mostly employed in purchasing works and sometimes services. A more recent development is social goals that focus on goods and address their socially sustainable production according to International Labour Organization (ILO) core labour standards.

Hartlapp (2020, p 78) conceptualises the different social goals as 'production sub-regime', 'insertion sub-regime' and 'product sub-regime'. The 'production sub-regime' regulates the conditions under which goods and services are produced for the state and covers the above-mentioned working conditions and wage regulation as well as gender equality measures. The 'insertion sub-regime' regulates access to the labour market for economically disadvantaged groups like apprentices, the disabled, the unemployed, veterans and war widows/widowers, as well as minorities. Percentage goals, set-asides and mandatory purchasing for one or all of these groups serve as instruments through which the goals can be put into practice. The 'product sub-regime' regulates goods and services for a more just and solidary society through barrier-free infrastructure and the above-mentioned application of ILO core labour standards when supplying, producing, assembling or handling products in other countries and down the supply chain (Hartlapp, 2020, p 78). Countries differ in the relative importance of sub-regimes depending on their existing welfare states, institutions and political interests.

In the 1970s to 1990s, international rules and European directives turned against the use of procurement as a broader public policy instrument. Strategic goals were considered to distort markets, add unnecessary complexity and increase prices. Many countries favoured a strengthening of the market. This has changed over the last 20 years, and strategic goals are subsequently reintegrated into public procurement regulation (see review article by Hafsa et al, 2022). Today, governments highlight the potential of social goals to incite change in their economies.

In sum, social procurement is constituted by a sectoral as well as by a cross-cutting perspective. In all OECD countries the greatest share of public procurement is spent on social functions. Social goals apply across sectors and are of historical importance, with an increasing use in the last two decades. However, overall, the economic sphere continues to dominate over the social sphere in public procurement.

Green procurement: a latecomer easing the ecological transition

The EU defines *green public procurement* (GPP) as 'procuring goods, services and works with a reduced environmental impact throughout their life

Table 15.1: General government procurement spending (as share of GDP and by function as a percentage of total procurement spending, 2021)

Country	As share of GDP	General public services	Defence	Public order and safety	Economic affairs	Environmental protection	Housing and community amenities	Health	Recreation, culture and religion	Education	Social protection
Austria	15.6	11.5	1.3	2.6	20.7	1.2	0.6	40.7	3.4	8.1	10.0
Belgium	15.2	11.8	2.1	2.1	12.8	2.9	1.1	47.6	2.6	6.5	10.5
Bulgaria	10.3	7.3	7.2	4.0	13.8	5.7	8.4	37.4	2.8	10.8	2.6
Costa Rica	6.5	4.6	0.0	7.6	12.2	3.9	3.6	39.5	1.2	17.0	10.4
Croatia	15.2	8.9	2.5	5.2	23.5	3.7	4.5	33.5	4.7	9.8	3.7
Czech Republic	14.1	7.9	3.1	4.1	22.3	5.1	3.0	36.7	4.6	9.0	4.1
Denmark	13.8	14.4	5.1	2.7	9.0	1.2	0.6	36.5	4.7	10.9	14.8
Estonia	14.2	8.8	9.7	4.2	18.9	3.0	2.6	27.5	6.3	14.3	4.7
Finland	18.9	22.2	3.8	2.0	12.2	0.6	1.4	24.7	3.6	11.3	18.2
France	15.4	7.2	5.9	2.6	12.5	4.1	3.4	41.9	4.1	5.9	12.3
Germany	18.1	11.2	3.9	3.1	9.1	1.9	1.0	42.9	3.2	6.5	17.1
Greece	12.4	15.1	8.7	1.6	15.1	4.4	1.7	38.4	3.3	7.1	4.6
Hungary	16.4	15.0	4.2	2.8	29.7	3.5	2.3	20.5	8.2	10.5	3.4
Iceland	16.5	10.0	0.5	4.0	18.8	2.6	2.2	27.0	9.0	18.0	7.8
Ireland	7.7	4.6	0.8	4.0	13.4	2.3	5.1	39.1	3.5	8.5	18.6
Israel	15.5	5.8	18.4	2.9	11.1	2.6	2.0	28.3	4.2	13.7	11.0
Italy	11.8	12.4	4.2	3.5	13.4	6.8	2.6	43.7	3.9	4.3	5.2
Japan	18.1	6.3	3.4	1.8	15.2	5.2	1.8	45.1	1.4	6.5	13.2

Table 15.1: General government procurement spending (as share of GDP and by function as a percentage of total procurement spending, 2021) (continued)

Country	As share of GDP	General public services	Defence	Public order and safety	Economic affairs	Environmental protection	Housing and community amenities	Health	Recreation, culture and religion	Education	Social protection
Korea	14.5	5.6	11.4	2.9	15.3	4.0	6.3	32.2	2.8	12.9	6.6
Latvia	14.4	6.4	12.2	4.9	20.7	2.4	5.2	26.1	4.5	13.3	4.3
Lithuania	9.4	7.0	8.4	3.5	18.3	3.5	4.3	32.1	5.6	11.5	5.9
Luxembourg	11.5	13.2	1.4	2.9	21.4	4.6	2.2	23.6	5.0	7.8	17.9
Netherlands	20.9	5.5	3.0	3.5	11.3	4.6	1.4	35.3	3.2	8.3	23.7
Norway	14.6	10.0	7.8	2.6	21.9	3.8	3.7	27.4	4.6	9.4	8.9
Poland	12.0	5.3	5.7	4.6	26.7	2.7	3.6	32.1	5.6	10.0	3.7
Portugal	10.3	11.9	2.4	3.1	20.2	4.3	4.0	37.0	4.8	8.3	4.0
Romania	11.0	9.1	5.3	2.6	29.5	4.3	8.3	27.5	4.0	6.1	3.4
Slovak Republic	12.4	9.4	4.6	3.9	23.2	4.0	2.7	39.6	3.4	7.1	2.1
Slovenia	13.7	10.0	3.2	3.3	23.3	3.1	3.5	33.7	5.0	10.4	4.7
Spain	11.6	9.7	3.5	2.8	16.1	6.4	2.8	33.7	5.1	10.9	9.0
Sweden	16.2	17.7	5.2	2.9	13.5	2.2	2.7	23.7	3.6	15.3	13.2
Switzerland	9.6	21.4	5.5	5.5	14.8	3.9	1.5	6.7	2.8	18.2	19.7
United Kingdom	15.7	3.1	9.7	6.2	11.8	3.6	2.6	37.9	2.2	9.2	13.8
United States	9.9	10.7	20.2	6.4	21.9	0.0	2.4	16.3	1.6	16.4	4.1
OECD	12.9	9.2	9.9	4.2	16.4	2.7	2.4	31.9	2.7	10.7	9.8
OECD-EU	14.8	10.2	4.2	3.1	13.7	3.6	2.2	39.0	3.9	7.6	12.5

Sources: OECD National Accounts Statistics (database); Eurostat Government finance statistics (database)

cycle'.[2] In the literature green procurement is also referred to as 'green' or 'environmental friendly purchasing', 'eco' or 'sustainable' procurement or 'environmentally responsible procurement' (for example, Chersan et al, 2020).

From the sectoral view, environmental protection makes up a comparatively smaller share, with 2.7 per cent of public procurement spending across the OECD (confer Table 15.1). Again, this distribution is relatively stable across countries, as procurement in environmental protection scores above 5 per cent of procurement in only five OECD countries (Bulgaria, Czech Republic, Italy, Japan and Spain). The potential of green procurement, thus, does not lie in a sectoral approach. Rather, the cross-cutting approach is decisive by considering green goals when purchasing in any sector.

Much like for social goals, different sub-regimes can be conceptualised. The 'product sub-regime' refers to products with low environmental impact, for example, recycled office material, emission-friendly public transport vehicles and purchases from certified sources (Dimand and Cheng, 2022). According to a widely used definition by the OECD, green procurement considers not only the immediate but also the future impact of public procurement under a life-cycle approach to products. The 'production sub-regime', in turn, relates to the sourcing and manufacturing practices in production and services. Typical examples are requirements to reduce waste and pollution, carbon emissions and energy consumption, or the restoration of biodiversity and protection of wildlife. Take the example of a public canteen that serves food using cutlery, glassware and crockery, and that collects and separates the waste produced in carrying out the procured service (Palmujoki et al, 2010, p 255). Sometimes the role of public procurement to incite innovation in production and products with positive ecological effects is also mentioned.

Compared to the historical importance of social goals in public procurement, green goals are of more recent appearance. This makes sense as scholars typically highlight the 1970s as a starting point for the ecological state (for example, Meadowcroft, 2005, pp 18–19). More consideration of environmental concerns coincided with a period where thinking prevailed that the state's role in procurement was to assure a strong market orientation, emphasising competitive pricing. This changed rapidly in the last two decades (Chersan et al, 2020): a recent OECD study highlights the wide recognition of GPP, with 94 per cent out of 34 OECD countries surveyed reporting to have an active national GPP policy or framework (OECD, 2023, p 123). Developments on green goals are dynamic. Many countries reform existing frameworks 'to target high-impact sectors and to move towards cleaner products more rapidly' (OECD, 2023, p 122). And while social goals remain mostly optional targets in national procurement regulation, the OECD survey shows that mandatory green goals are most typical (14 of 34 OECD countries surveyed, 41 per cent) followed by non-binding targets

(10 countries, 29 per cent). Only Finland, Chile and Hungary have neither mandatory requirements nor targets on green goals (OECD, 2023, p 125).

In sum, environmental procurement is constituted in regulating green goals across sectors rather than in the importance of sectoral spending. Also, the development of green goals is more recent than social goals, and today, green procurement is widely believed to be a key lever for the environmental and energy transition. Competitive price is still the primary goal of public procurement policy, but we see a trend towards more balancing of the economic, social and environmental sphere over time – in particular where green procurement is compatible with the lowest price.

Conceptualising the relationship between the environmental and social spheres in public procurement

The increasing importance of social and environmental goals in procurement raises questions about their relationship. Meeting different strategic goals at the same time can be challenging, and frequently, choices have to be made on prioritising one or the other sphere of the eco-social nexus. This section conceptualises the relationship between green and social goals in public procurement along two dimensions. The first captures the type of procurement policy addressed, the second the direction of the relationship.[3]

The first dimension conceptualises the *direction* of the link between the green and the social goals outlined above. Studies on the relationship between different policy goals flourished around the UN Sustainable Development Goals (SDGs) aiming to end poverty and other deprivation. At the core lies the recognition that there is not one strategy, but that 17 different goals have to be tackled hand in hand. Scholars discuss positive interactions between SDGs as 'co-benefits', 'synergies' or 'levers' (Anderson et al, 2022; Partzsch, 2023). Where two or more goals work together, they enable overall problem solving and lower costs compared to pursuing goals in isolation. Negative interactions are referred to as 'trade-offs' or 'hurdles' to describe situations where goals contradict or constrain each other, or even cancel each other out (Anderson et al, 2022; Partzsch, 2023). This literature informs the first dimension of the suggested conceptualisation. It ranges from a positive relationship, where social and green goals are indivisible and where progress on one goal automatically delivers progress on the other, to cancelling out, where progress on one goal automatically has a negative effect on the other.

The second dimension addresses the *type of procurement policy*. The policy integration and coordination literature in public policy research distinguishes between a policy-oriented and an organisational perspective (Trein et al, 2019; Domorenok et al, 2021). As the name indicates, the policy integration perspective focuses on the substantive policy dimensions,

that is, on policy output in the form of instruments and tools (Trein et al, 2019, p 335). The organisational perspective studies the institutions and processes that structure the interaction between sectors, for example, inter-departmental committees, coordination boards, task forces or specific functional charts (Mayntz and Scharpf, 1975). The way these institutions are set up and operate guides the integration and coordination, rendering specific types of interaction more or less likely. Based on public policy and political economy research, it can be hypothesised that countries differ in their ability to coordinate via existing organisational structures and institutions (confer Hall and Soskice, 2004). In a liberal market economy like the UK, organisation and established processes are likely to support market exchange and competitive pricing. In contrast, in a coordinated market economy like Germany, public procurement is more likely to draw on organisational resources and existing infrastructure for coordination. The two literature strands, thus, highlight different aspects of procurement policy: substantive policies as reflected in formal legislation or informal rules on the relationship between green and social goals, and organisational processes and institutions that govern the public procurement process (confer Figure 15.1).

Table 15.2: Conceptualisation of trade-offs and synergies in green and social procurement

Type of procurement policy				
Substantive policy				**Organisation and governance**
Goals are intrinsically linked; gains are mutual gains	**Indivisible**	Direction of link	Strong synergies	Joint structures and processes
Goals pursue in principle similar objectives, but hierarchy in goals possible; joint added value is created	**Enabling or reinforcing**		Synergies	Support exchange; provide mutually beneficial information; reduce uncertainty across goals
Independent co-existence	**Neutral**			Operate in parallel but isolated
Goals pursue fundamentally different objectives; winners and losers are distributed unequally	**Contradicting or mutually contesting**		Trade-offs	Likely to create irritation, reinforce differences and (punctual) conflict
Goals are inherently opposed; gains for one (goal) are losses for the other (goal)	**Cancelling out**		Strong trade-offs	Structurally engrained opposition, destructive interaction

Table 15.2 depicts the direction of the relationship, stretching from strong synergies to strong trade-offs, and the type of procurement distinguishing substantive policy from organisation and governance for green and social procurement goals.

Indivisible social and green goals

Legislation and rules can render social and green goals indivisible. The direction of the link is positive. Substantive policies create gains that are mutual, for example, requirements to purchase only products that are manufactured with materials that protect the health of workers at the same time as they protect the environment. An indivisible relationship in substantive policies is particularly likely for the product sub-regimes of social and green procurement.

Where the procurement process is characterised by joint structures and processes for green and social goals, organisation and governance are indivisible. Here, institutions are set up in a way that supporting one goal automatically attains progress on the other. Examples are agencies for sustainable procurement that push implementation of green and social goals at the same time and where no difference in the support offered for either type of goals can be observed.

Reinforcing and enabling green and social procurement

In substantive policies, social and green goals can enable or reinforce each other. Objectives pursued by formal legislation and informal rules for green or social goals can either have knock-on effects for the other sphere by default or can be brought about by agency. In both cases, joint added value is created across green and social procurement. Reinforcement should work across different sub-regimes. An example is a life-cycle approach for products purchased. Life-cycle approaches frequently come along with increased need for in-house maintenance and craft repairs. This can create a need for local employment and give a boost to the insertion of unemployed or disabled people.

Regarding organisation and institutional governance of procurement, an enabling relationship exists where interaction between actors in the social and in the environmental sphere is eased by formal and informal institutions. They support exchange, provide mutually beneficial information and reduce uncertainty across goals. Where such organisational structures and processes exist, they offer opportunities for social and green goals to reinforce each other. Think of inter-ministerial working groups between the environment and social policy ministries that offer room to overcome differences in culture and (in the case of coalition government) partisan orientation (see, for the

Commission, Hartlapp et al, 2014, pp 88–92), or institutions that provide for constant networking and exchange across different governance levels. Institutions that foster longer time horizons in decision making should generally be conducive to reinforcing green and social goals as they allow for balancing short term trade-offs or work around tight budgets and high investment costs.

Neutrality between green and social procurement

Green and social goals can be pursued unrelated. This means that green and social goals co-exist in a situation of independence at the level of legislation and rules. An example is the 2014 EU procurement regime that addresses social and green goals but does not address their relationship by incentivising synergies.

Regarding organisation and governance, neutrality is characterised by processes and institutions to support green and social procurement, which largely operate in isolation. Take, for instance, a procurement agency specialised in green goals or intermediary institutions pushing social goals, yet without addressing goals from the other sphere.

Contradictions and constraints between green and social procurement

Green and social goals can contradict or constrain each other in substantive policies. Gains in social goals are likely to produce losses in green goals and vice versa, where the spheres pursue fundamentally differing objectives. Analytically, one type of goal is likely to be given priority over the other (confer Mandelli, 2022, p 337). This could be the case where social goals push growth dynamics, for example, higher wages leading to increased consumption and production, and therefore contradict green goals like zero emission (for example, Partzsch, 2023, p 11). What is more, an uneven fit to a focus on price might constrain the relationship between green and social procurement indirectly. The production sub-regime in particular is likely to conflict with price efficiency via working conditions in construction or services procured. Green goals seem to have more potential to go hand in hand with low costs, for example, emission-friendly transport vehicles that secure competitive advantages because they consume less combustibles.

Tensions might equally exist regarding the organisation and institutional governance of public procurement. Existing processes and institutions can create irritation, empower actors from the green and social spheres unevenly, and reinforce differences between actors. This will affect the ability of governance arrangements to balance out conflict. Examples are rivalling structures between levels and portfolios.

Cancelling out between green and social procurement

The relationship between social and green goals can be clearly negative, with one type of goal cancelling out the other in substantive policies. In this case gains for one goal result in losses for the other automatically and trade-offs cannot be solved. Theoretically, this situation alludes to the 'degrowth' or 'post-growth' approach, and it is reasonable to assume that in a production logic in particular, social and green goals are inherently opposed.

Organisation and governance can cancel out the relationship between green and social goals where existing processes and institutions structurally engrain opposition or make interaction impossible: Examples might be decision rules in coordination that operate in a zero-sum logic.

Based on this conceptualisation, 25 different combinations in the relationship between green and social goals in public procurement can be distinguished – each category of substantive policy can combine with each category of organisation and governance. The high number of possible combinations builds on the premise of analytical independence of both dimensions. De facto, however, some combinations are much more likely than others. On the one hand, substantive policies that link requirements for ILO core labour standards and eco-labels frequently should be likely to come along with governance arrangements that assure these standards along the supply chain, for example, certification portals. On the other hand, we should be more likely to see contradictions in the processes and institutions of governance where trade-offs between social and green goals exist in substantive policies in the first place. Importantly, each of the 25 combinations offers particular opportunities for synergies and for (more or less) challenges in terms of trade-offs. Thus, the conceptualisation along the two dimensions not only offers a systematic assessment of different situations in green and social procurement, but also allows us to capture their potential to contribute to a public procurement policy that is balanced between the economic, social and environmental sphere.

Conclusion

This chapter has argued that procurement is an important public policy and merits raising the question of the role of the eco-social nexus. Albeit little researched, there is a historical importance of procurement for the welfare state. More recently, this met the quest to use public buying power to support the ecological and energy transition with green goals. Green and social procurement share important characteristics, but there is also the question whether and how states pursue these different goals at the same time without cancellation or contradictions but rather to support and enable problem solving. The chapter suggests that the eco-social nexus can

be captured by studying social and green procurement from a sectoral and cross-cutting multisectoral perspective. It also offers a conceptualisation of the relationship between the environmental and the social sphere along two dimensions: the direction and the type of procurement policy. A discussion of the 25 possible manifestations of the relationship highlights that synergies are particularly likely where social and green goals mutually support each other or complement and enable each other regarding not only the policy substance, but also the governance underpinning public procurement regulation. More generally, this suggests that future research should consider governance features more systematically when assessing the eco-social nexus. In public procurement, a good example is agencies and intermediaries set up to push strategic goals but differing substantially across countries in terms of mandate, resources and interaction with municipalities. What is more, the conceptualisation suggests that systematic differences exist between procurement sub-regimes. Strategic goals in the product sub-regimes are more likely to relate positively between the social and the environmental sphere. Production sub-regimes, in contrast, seem to have higher potential for a negative relationship. Future research could exploit differences and similarities in the relationship across sub-regimes more systematically to gather insight into the greatest challenges for developing a positive eco-social nexus in the future.

Notes

[1] See https://single-market-economy.ec.europa.eu/single-market/public-procurement_en [Accessed 28 August 2023].

[2] See https://green-business.ec.europa.eu/green-public-procurement_en [Accessed 1 September 2023].

[3] There might also be trade-offs between different green goals, for example, in production between solar water heaters and biofuel water heating or between social goals, for example, regarding 'fair trade' products and local production. Addressing these trade-offs, however, is beyond the scope of this chapter.

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