



Figure 1. Featured image for the implementation of social procurement in Sri Lanka

## TOWARDS A SUSTAINABLE FUTURE: ADVANCING EQUITY AND INCLUSION THROUGH SOCIAL PROCUREMENT IN SRI LANKA

Existing construction procurement methods are largely driven by financial considerations such as minimising costs and meeting strict timelines. While these approaches ensure economic efficiency, they often neglect wider social outcomes, including equity, diversity, inclusiveness, and community empowerment. In response, social procurement emerges as an alternative approach that integrates social objectives into procurement decisions, guaranteeing that development is measured by its contribution to sustainable and inclusive growth, alongside financial returns [1]. Social procurement can be described as awarding contracts, instead of to the most experienced or technically capable contractors, to groups that face barriers to the labour market, such as ex-convicts, unemployed youth, women, marginalised communities, people with disabilities, and residents of underdeveloped regions. Rather than selecting only the lowest bidder or the fastest option, this approach

prioritises creating a framework of social value. It directly addresses the 'social pillar' of sustainability by embedding social impact into procurement decisions. Typically, social procurement complements rather than replaces existing procurement systems. Thus, conventional procurement rewards price and timelines, whereas social procurement adds another layer: a chance to promote equality, diversity and inclusion, support small and social enterprises, and empower communities. This balances short-term needs with long-term social goals through smarter and more responsible decisions.

On a global scale, social procurement is viewed as a progressive method that integrates social impact into purchasing decisions. It extends beyond securing "value for money" to achieving "value for many." Furneaux and Barraket describe it as the deliberate use of procurement to deliver broader

social outcomes [2]. Loosemore highlights its role in addressing the root causes of inequality by offering employment and training to disadvantaged groups [3]. Willar positions it within the wider sustainability agenda, balancing cost efficiency with social and environmental responsibility [4]. This is achieved by integrating sustainability criteria into purchasing decisions while delivering social value and maintaining value for money. Incorporating environmental considerations such as reduced carbon emissions, resource efficiency, and sustainable materials strengthens the overall sustainability of social procurement. This makes social procurement particularly relevant for developing countries, where economic development is closely tied to social stability.

As a developing nation, Sri Lanka is striving to achieve economic and social progress that benefits its citizens. In the context of Sri Lanka's post-crisis economy following the 2022-2023 economic downturn, characterised by fiscal consolidation and constrained public spending as of 2024, public investment is under increased pressure to deliver long-term value beyond short-term efficiency. By September 2024, the unemployment rate stood at nearly four per cent; a mid-range figure compared with other countries. Among the driving forces behind this figure is the construction industry. Contributing close to nine per cent to the national Gross Domestic Product (GDP) and employing over 600,000 people, construction is both labour-intensive and deeply embedded in community life. The sector's contribution goes beyond the creation of buildings, roads and bridges, as it also

has the potential to uplift livelihoods. Yet current procurement methods often overlook this wider potential, focusing primarily on cost and efficiency. In doing so, they tend to neglect long-term social values and sustainable development [5], priorities that should be central for a developing country like Sri Lanka. This is where the concept of social procurement becomes essential.

The potential is even greater because many of Sri Lanka's public projects rely on foreign loans and donor funding. Embedding social procurement in such projects could enhance their performance while creating lasting social value. Although research on social procurement in Sri Lanka remains limited, there are encouraging examples. The Crow Island Beach Park project adopted a community-based planning approach, involving residents directly in the design and planning process [6]. Similarly, the 'Gamidiriya' programme and 'Lunawa Environment Improvement and Community Development Project' engaged villagers in infrastructure construction, providing income and, most importantly, a sense of ownership. These cases show that when people are given the chance to be development partners, the results are stronger, both technically and socially [7], [8]. In rural areas, such involvement fosters pride and belonging, increasing commitment to maintenance and long-term care of projects. For a developing country, this is more than a desirable idea; it is a necessity. As the country works to build a strong, inclusive, post-crisis economy, public spending is encouraged to be re-imagined not as a cost, but as an investment in the people of the country.



Figure 2. Transformation in Lunawa Project

Introducing social procurement will require a phased and strategic approach. First, it is vital to build understanding among professionals, government officials and industry stakeholders. This can be done through awareness campaigns, workshops and real-world demonstrations. Once awareness is in place, clear guidelines and legal mechanisms can be developed for projects where social value can be created. Instead of awarding contracts solely on price, procurement processes are encouraged to connect social enterprises, local organisations and individuals who need employment. A monitoring and feedback system will

then be necessary to track outcomes and drive improvement. Policy reform, capacity-building and institutional commitment will be key. Procurement officers and project managers will need to shift their mindset from purely transactional results to transformative impacts. This will demand collaboration between government, private sector, civil society and communities, underpinned by robust regulatory frameworks and transparent oversight. Social procurement does not replace conventional procurement methods but strengthens them by embedding social value into existing processes.



Figure 3. Crow Island beach park

As a way forward, it is essential to recognise that social procurement faces challenges such as limited community engagement, insufficient beneficiary capacity, and resistance to change. These must be urgently addressed through a combination of innovative and practical strategies. Emerging research highlights the potential of integrating machine learning, including the development of chatbots, to bridge knowledge gaps, while training programmes and workshops can strengthen awareness and capacity. At the same time, identifying the most suitable types of social procurement (Type 1: Procurement of social services, Type 2: Procurement of public works (with indirect social outcomes), Type 3: Allocation of a percentage of work to a social enterprise, and Type 4: Corporate Social Responsibility) for the Sri Lankan context is critical. This requires the critical mapping of Sri Lanka's key implementation challenges such as

insufficient funding, lack of understanding about the concept, reluctance to change and the absence of a policy framework [1], [3], [5], against targeted strategies, which is essential for achieving context-specific, sustainable, and inclusive outcomes. As such, future studies will focus on the development of a policy framework for the implementation of social procurement in Sri Lanka. A summary of the way forward is illustrated in Figure 4.

Every construction site, every road project, every public contract is an opportunity to create jobs, empower a village, or restore dignity through livelihoods. Social procurement will not solve all the challenges, but it offers a pathway to a more human-centred model of development. The time has come to take concrete steps towards embedding social procurement in Sri Lanka's growth strategy.

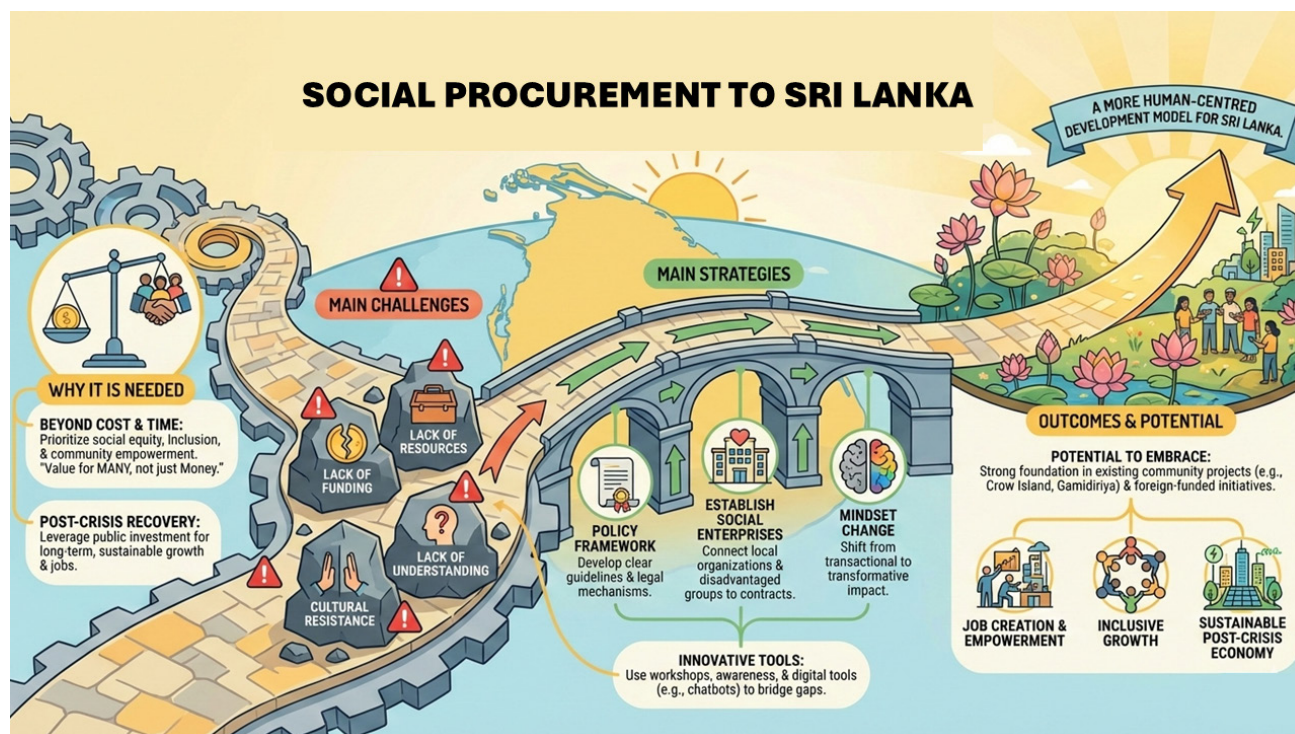


Figure 4. Way Forward

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