Ethical procurement is everyone’s business

Every health and aged-care facility will need to make procurement choices. How should this be done? There are many different factors to be assessed. Here, Professor Angus Dawson and Katherine Moloney suggest that ethical considerations are not always being given sufficient weight in decision-making.

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The medical goods used in Australian hospitals, clinics and aged-care services are fundamental to the delivery of quality care outcomes for patients. It goes almost without saying that the health and safety of patients and staff need to be protected by suitable standards embedded into procurement policies and contracts. But what about the producers? The exploitation of adult and child labour is well documented in the manufacture of many medical essentials — goods as diverse as gloves and gauze, scalpels and staff uniforms. For instance, in Malaysia and Thailand, migrant workers making gloves are subjected to forced labour conditions. In another example, children as young as seven work long hours for little pay making sharp surgical instruments in Pakistan. Just as the wellbeing of patients and staff is protected by mandatory minimum standards for medical goods, so the wellbeing of producers should also be protected.

Several European countries have taken the lead on this by embedding ‘social criteria’ into procurement contracts. Sweden and the UK are notable examples of countries committed to these initiatives, in both the public and private sectors, to effect positive change for producers. Follow-up studies show significant improvements in working conditions in factories where ‘social criteria’ are used. We suggest that it is time for Australia to introduce ‘social criteria’ into medical procurement processes. A good place to start is by simply asking questions about the origins of products and the conditions of the workers producing them.

Australian institutions are in a privileged position and where they are able to do something to improve conditions for medical goods producers they should do so. One obvious objection would be that this may increase product prices. However, from the European experience, the reality is that this process is cost-effective for procurers, because supply chains tend to be shorter, cutting out unnecessary transaction costs. Ethical medical procurement represents a low-cost, low-risk option for procurers.

References: