

# THESIS

Course code: BE300E

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## Comparison of Norwegian and Ukrainian public procurement systems

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Date: 19 of May 2019

Total number of pages: 126

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## **Chapter 1: Introduction.**

*The measure of success is not whether you have a tough problem to deal with, but whether it is the same problem you had last year.*

*John Foster Dulles*

### **1.1. Background of the study.**

The issue of public procurement was academically neglected for many years. In 2001 Thai admitted that theory of public procurement had been underappreciated and scientists should discover this sphere more (Thai, 2001:49). As of 2019 much more academic studies were introduced, however one can't help admitting that the existing array of the academic studies is not enough. A. Flynn and P. Davis note that "the field is relatively under-theorised" (Flynn and Davis, 2014:179). At the same time, there are some fundamental studies on public procurement which will be used in this master thesis to introduce the basics of public procurement.

Public procurement as an instrument of macroeconomic regulation is one of the forms of market activity of the state, the function which is the satisfaction of public needs, reduction of public expenditures, business partnership (Sanchez-Graells, 2010: 27).

In the time of transformation of modern economic processes it is an important tool for implementing economic policy of the state. Due to the functioning of the public procurement system, the state requires the public needs of goods, works, services, as well as keeps and finances budget institutions. An effective system of public procurement ensures the provision of preferences to national producers, strategic support of leading industrial enterprises, protection of industrial branches of industry, observance of national standards quality. At the same time, the economic effect of using public procurement is not only on a scale of direct savings of funds from decrease in prices for supply objects, but also in saving on operating costs when using the

purchased goods, improving the quality of the resources at the unchanged price of the transaction, availability of additional benefits (Jurčik, 2007: 333). However, shortcomings of organizational and legal provision of public procurement create prerequisites for the generation of a number of negative factors (like gaps in monitoring, problems with access of some groups to public procurement system) that reduce the efficiency and economy of such mechanism spending budget funds.

In recent years Ukraine has concentrated much attention on improvement of public procurement system and many transformations in this field were made. However, the results of the conducted reforms are still vague, but, indeed, a lot of things were made to approach Ukraine to what is called a sound public procurement system.

Norway, on the contrary, has already stable and formed system of public procurement characterized by high degree of decentralization and is covered by the unified rules established by the EU. As it is stated in the 2018 report of MAPS “Assessment of Norway’s public procurement system” (MAPS, 2018: 13) :

*“Norway’s public procurement system is characterised by its high degree of decentralisation and its link to the rules of the European Union. In addition, as all Norwegian institutions, public procurement follows the logic of a trust-based system that places high emphasis on the abilities of individual procurers with a high degree of responsibility. Overall, Norway has a very well-functioning public procurement system that generally delivers value for money across all levels of government for all citizens.”*

The said creates a need to compare both systems and to understand how the reformed Ukrainian public procurement can be assessed compared to the well-functioning Norwegian public procurement system. Firstly, it is because Norway has a stable formed public procurement system, while Ukraine the development of its own public procurement system is ongoing. The research may show which lesson Ukraine (and, possibly, Norway) can get from this comparison and to find ways for improvements for the studied systems. Secondly, Ukraine has expressed its EU-orientation and is obliged to implement EU legislation, including the public procurement legislation.

Norway, though not being a member of the EU, has the same obligations, but has much more experience in fulfilling such obligations since it is a member of the European Economic Area. Analysis of Norway's experience may facilitate fulfilling these obligations by Ukraine. Moreover, analysis of the academic literature shows that such comparison between these two countries was never made. However, analysis of the Ukrainian academic literature evidences that interest to academic comparison becomes higher in recent years. Therefore, this thesis might be a contribution to the academic knowledge.

## **1.2. The Purpose of the study.**

The main purpose of this study is to study and compare public procurement issues in Ukraine and Norway and to contribute knowledge to academic legacy. It will help to find possible solutions for improvement of the studied public procurement systems in the future. This goal is reached by comprehension of academic literature on public procurement and the way the comparison of public procurement systems is presented there. Such knowledge will help to understand the concept of different public procurement systems, predict possible future changes and to find solutions to some existing problems in both systems. The comparison of Norwegian and Ukrainian procurement systems is presented by the following research questions:

- 1) What are the differences and similarities of public procurement in Ukraine and Norway?
- 2) How can theory on institutional logic explain these differences and similarities?

It was decided to find explanation of the differences between these systems for the following reasons. Firstly, institutional logic often used by scientists to describe changes and developments in public management (Meyer and others, 2006; Skelcher and Smith, 2015; Pache and Santos, 2012; Mattila and Turkama, 2012). Secondly, the whole concept of institutional logics is explained as cultural beliefs, goals, norms, rules and practices that structure cognition and decision-making behavior (Friedland and Alford, 1991; Thornton et al., 2013). Since both Ukraine and Norway have their own



cultural beliefs, goals, norms, rules and practices, it seems that use of institutional logics can explain why and how public procurement systems are different and similar in some aspects in both countries.

Since there are no studies regarding the said comparison I truly believe that this study will be a good contribution to empirical knowledge relating to public procurement. Furthermore, this study aims at contributing to use of institutional logic theory in the field of public procurement.

### **1.3. The scope of the study.**

Apparently, it is very difficult, if not possible, to describe all issues regarding any phenomenon. Therefore, in order to carry out an in-depth analysis of the procurement systems researched it was decided to focus on several aspects of such comparison (which are defined in the theoretical part of the thesis), leaving others behind the scope of this study.

In this study, the main limitation is the timeframe studied. Since many amendments are constantly made by relevant authorities there is no need to trace the history of public procurement in these countries. Thus the study is concentrated on present-day issues of public procurement in the researched countries.

### **1.4. The structure of the study.**

The study consists of six chapters: introduction, theoretical chapter, methodological chapter, empirical chapter, analytical chapter and conclusion. Introduction explicates actuality of the problem, briefly defines main issues and scope of the study. Theoretical chapter addresses the basics of these study explaining the role of public procurement in the states, elements of the system and how different environment can influence these systems. The third chapter contains methodological foundations of the study (how data were collected, how data were analysed, which theories and methods were used).

The fourth chapter is devoted to the analysis of empirical data. The main part of this part is based in summary of the data collected from various academic articles. The next chapter focused on discussion of empirical data within theoretical framework. Thesis ends with conclusion where propositions for further research are stated.

## Chapter 2: Theoretical frame of reference

*He who loves practice without theory is like the sailor who boards ship without a rudder and compass and never knows where he may cast.*

*Leonardo da Vinci*

In this chapter the theoretical framework for the further analysis is presented. The purpose of theoretical framework is to provide conceptual background of the system of public procurement. It clarifies the definition of public procurement and its place state economy, presents its model and describes the stages, goals and principles of public procurement. The main models for comparing were explained and introduced. Because of the social nature of public procurement and influence of institutions and norms, theory on institutional logics is used for explaining differences and similarities in the systems of two countries.

### 2.1. The concept of public procurement.

Public procurement is an important part of public expense and tool of macroeconomic policy since using this instrument government can influence economic flourishing (Trepte, 2004:32-35). This also proven be the results of financial crisis: governments around the world to announced massive infrastructure projects, to provide fiscal stimulus to a badly ailing global economy (Anderson and Yukins, 2008). As Sanchez-Graells (2010) notes, it is strongly influenced by issues of politics. He explains that these issues include two following issues: 1) related to (re-)distribution of wealth (e.g. financial aid through pensions and public procurement); 2) related to the different views on which areas require larger investments (e.g. infrastructure, telecommunications, and so forth) (Sanchez-Graells, 2010: 53)". It makes public procurement one of other various tools like monetary, tax and labour policies etc. But all the said policies should be developed in collaboration in order to growth economy.

It should be noted that public procurement usually refers to activity of government in purchasing goods and services which needed to carry out functions of government

(*Public procurement regulation: an introduction :1*). It also should be noted that ‘public procurement’ is a concept which is mostly used in EU since it is a legislative term. However, for example, the World Trade Organization system refers to “government procurement” and the US system, generally, to government contracts or public contracts. But in the context of this study the notion “public procurement” will be used.

The notion of public procurement is inseparable from a state’s (including local governments) activity. Therefore, governmental activity is central when we talk about public procurement.

Nowadays it is impossible to separate public procurement from creating legal framework for economic activity or from reallocation of income since in the modern world public procurement is a complicated system which include the said fields. But in order to demonstrate the contemporary concept of public procurement it is necessary to trace the evolution of public procurement and to analyze it in hindsight.

The concept of public procurement in itself consists of three stages (see table № 1.1) (Treumer and others, 2011: 1):

<b>Stage</b>	<b>Description of the stage</b>
1	Deciding which goods or services are to be bought and when (procurement planning)
2	The process of placing a contract to acquire those goods or services which involves, in particular, choosing who is to be the contracting partner and the terms on which the goods or services are to be provided
3	The process of administering the contract to ensure effective performance.

Table № 2.1. Stages of public procurement

One should understand that the above stages are not just separate parts or phases of public procurement process, they are closely integrated with each other and it works like coherent circle.



It is worth mentioning that there is a strong link between the second stage and the first and third stages of the process since in many cases the regulatory framework has a direct impact on the first and second stages. For instance, procurement process includes planning future purchases in order to guaranty that there will be enough time to make the procuring comply with other procedures and statutory time limits.

Usually public procurement is divided into three categories:

- Goods (supplies or products) (e.g. simple items such as office furniture or very complex items such as guided missiles)
- Works (construction) (e.g. building of roads, bridges and government buildings)
- Services (e.g. maintenance of government buildings or cleaning of roads, as well as professional services such as those connected with construction (architectural and engineering services), legal services or consultancy services (Treumer and others, 2011: 2))

The term “services” is usually used in statutes to refer to nonconstruction services. However, construction is also a kind of service and the term "services" is sometimes used in legal provisions not only covering construction but also non-construction services.

Thus in this study public procurement in this text reference to public procurement means a process whereby the goods, works and services in question are being acquired from another party through market mechanisms (Treumer and others, 2011: 2)

The concept of public procurement is based on “the acquisition of goods, works or services from entities outside the procuring entity itself – often from the private sector, although in some cases a public procuring entity may procure from another public body or body connected with the state (such as another local authority, or a state-owned enterprise)” (Treumer and others, 2011: 3).

It is important to distinguish the said requirement of acquisition from an entity outside from in-house supply of goods, works and services (i.e. through employees and



organisations of the government). There is also a term “force account” which means the situation where the government gets works and services through its own resources.

It can be seen from the recent history of developed countries that formerly in-house carried-out activity has become contracted (or as it usually said, outsourcing). Such activities may include cleaning of government buildings, maintenance of vehicles and equipment, printing and publishing of government documents and even provision of professional advice on matters such as law, information technology, management etc. Nowadays it has become widespread to entrust carrying out of some public services to private entities. Thus, whilst many states still deliver services through in-house way, many other states conclude contracts with private contractors, who are responsible for service delivery to the public according to the conditions set forth in the contract. Outsourcing has often extended (in the UK and the United States, for example) to a very wide range of public services, including refuse collection, school catering, public transport, and even social services, prison services - the construction and operation of prisons - and school management (Freeman, 2009). However, in developing countries the trend is not the same. Trepte has stated: “Whilst developing countries are grappling with the often political controversy involved in privatizing a whole range of services from refuse collection to health care, developing countries and countries in transition are mainly still in the throes of encouraging the establishment and development of private manufacturing and construction companies and remain largely dependent on public provision and on the use of force account” (Trepte, 2004: 21) . It may be important to distinguish public procurement and “in-house” activity since public procurement (outsourcing) may be subject to legal provisions requiring compliance with competition rules, whilst it is not necessary to comply with those rules to make a decision within “in-house” activity.

## 2.2. The goals of public procurement.

The goals of public procurement are heavily connected with functions of government. Some scientists assert that such goals are closely connected to the provisions of the public procurement contracts (Whealan and Pearson, 1961: 211).

It should be noted that there is no unified classification of the goals of public procurement. Various authors identify different list of public procurement objectives. For example, Sanchez-Graells identifies 9 set of such goals: competition; integrity; transparency; efficiency of the procurement system; customer satisfaction; best value for money; wealth distribution; risk avoidance; and uniformity of rules (Sanchez-Graells, 2010: 101). Trepte identifies economic efficiency, promotion of social and political objectives and trade objectives as the three “most readily identifiable policy objectives” and treats the objective of reducing corruption as one of aspects of allocative efficiency (Trepte, 2004:59). Sue and Treumer, Steen and Fejø, Jens and Jiang, Lili propose the following set of goals:

1. Value for money (efficiency) in the acquisition of required goods, works or services;
2. Integrity - avoiding corruption and conflicts of interest;
3. Accountability;
4. Equal opportunities and equal treatment for providers;
5. Fair treatment of providers;
6. Efficient implementation of industrial, social and environmental objectives (“horizontal policies”) in procurement;
7. Opening up public markets to international trade;
8. Efficiency in the procurement process (Treumer and others, 2011: 4).

Many scientists admit that competition, integrity and transparency are the overarching and most desirable principles of public procurement regulation (McFerson and Schiavo-Campo, 2008).

In Sanchez-Graells' view, public procurement goals can be divided into internal and external goals of the system: *“transparency and efficiency of the public procurement rules are mostly internal to the public buyer—in the sense that they exclusively relate to the way in which the government organises its purchasing activities to ensure the political legitimacy and efficiency of the political and administrative institutions—competition is the predominant external goal of public procurement—inasmuch as it should be considered not only an internal objective in reinforcing legitimacy (by avoiding favouritism, which is more properly the object of transparency goals), or an internal instrument to reinforce the efficiency of the purchasing activities (by obtaining best value for money, although that is one of its paramount effects), or to guarantee non-discrimination between participants in a given tender; but also as the main constraint on the public buyer's market behavior”* (Sanchez-Graells, 2010: 104).

Also it is worth noting that goals in different public procurement systems may be quite different. For instance, some systems consider policies of fair and equal treatment of providers more important than the use of procurement to promote social objectives or to accountability.

Most of the mentioned goals are also common for the private persons who to some extent involved in procurement. It is pretty clear that both public and private procurement systems are focused on getting value for money, and both of them are interested in efficient and fair process.

Many of the objectives of public procurement set out below are shared to a greater or lesser degree with private persons engaged in procurement. Most obviously, both public and private procurement has a major goal of obtaining value for money, and both public and private purchasers are concerned to ensure an efficient procurement process. However, it must be noted that the value of important of the common goals for both of these procurement systems are different. For instance, corruption issues in private procurement is an aspect of obtaining value for money than an independent goal, as it is in public procurement. This also somehow explains the differences in the rules applicable to these systems. It can be seen in the following example: for the

system focused on accountability there is bigger likelihood that it provides a detailed system allowing high public monitoring of the process of public procurement than for the system which does not treat accountability as one of the high priority.

However, even sharing the common goals and placing the same priority sometimes cannot explain the differences since the means for addressing issues may be different. This may be either because the nature of the problem differs (e.g. level of accountability or corruption is different in different societies), or because of the different nature of the organisation itself (e.g. public procurement is much more regulatory- based than private is).

For the purpose of this study the above classification of 8 goals will be used. These goals will be briefly described here below.

*1. Value for money (efficiency) in the acquisition of required goods, works or services.*

It is the major and, probably, the most important goal of every public procurement system. However, it is not a unanimous opinion. For example, Dekel asserts that integrity rather than efficiency is the major goal in public procurement (Dekel, 2008: 245).

This objective can be explained through the following aspects:

- 1) Ensuring the goods, works or services acquired are suitable. This means both: i) that they can meet the requirements for the task in question and ii) that they are not over specified (“gold-plated”);
- 2) Concluding an arrangement to secure what is needed on the best possible terms (which does not necessarily mean the lowest price);
- 3) Ensuring the contracting partner is able to provide the goods, works or services on the agreed terms (Treumer and others, 2011: 8)

*2. Integrity.*

It is one of the most importance goals of public procurement. Integrity means that public procurement process should be exercised without any involvement or influence of corruption. The corruption issues can emerge, for example in the following situations:

- 1) Awarding contracts on the basis of bribes;
- 2) Awarding contracts to firms in which one has a personal interest;
- 3) Awarding contracts to firms in which one's friends, family or business acquaintances have an interest; and Awarding contracts to political supporters (e.g. to firms who have provided financial support; or to regions which have voted for a particular political party) (Treumer and others, 2011: 8).

There is a close connection between integrity and value for money. For example, government will not get the benefit from the best competitive offer because the contract was concluded with the firm on the basis of corrupt.

### *3. Accountability.*

Accountability refers to the idea of following the goals government establishes for itself. It allows interested parties (general public, tenderers) to monitor whether government meets its objectives.

### *4. Equal opportunities and equal treatment for providers.*

This goal is statutory established objective in most developed countries which expressly set forth in many laws on public procurement. On the one hand, the concept of equal treatment is means of achieving other goals. On the other hand, equal treatment is “*an objective of the procurement process in its own right*” (Treumer and others, 2011: 12). In this regard Dekel stated:

““In selecting its business partners, a procuring entity determines who will benefit from the economic advantage inherent in a contractual relationship with it... The fact that the transaction involves public funds or assets, coupled with the fact that Government owes a fiduciary duty to the public at large, obliges the contracting authority to accord

all members of the public an equal opportunity to enjoy this public benefit that the government has decided to allocate” (Dekel, 2008: 246).

5. *Fair treatment of suppliers.*

This goal covers procedural fairness (suppliers are allowed to have their case heard before the decision made, to know the reasons of such decisions, to protect their reputation).

6. *Efficient implementation of industrial, social and environmental policies in procurement*

Public procurement is not only about obtaining goods, works and services, its benefits may go much more these. For example, by prohibiting concluding public contracts with some firms which do not follow some specific rules. It means that procurement policies can create some of industrial, social and environmental standards which are mandatory for those who desire to participate in procurement process.

7. *Opening up public markets to international trade*

This goal gained its widespread acceptance during last 20 years when globalization became inseparable part of each country’s economy. This goal refers to providing for foreign suppliers, products and services to have access to the public procurement markets of other states. The tools for achieving this goal include implement measures to improve foreign access to their public procurement markets like:

- 1) Prohibiting discrimination against the suppliers, goods and services of other countries;
- 2) Requiring the adoption of transparent procedures for awarding procurement contracts;
- 3) Harmonisation of procedures for awarding public procurement contracts etc. (Treumer and others, 2011: 17).

8. *Efficiency in the procurement process*

This goal is the most debated one. It refers to the concept of undue delays or ungrounded waste of resources, unreasonable expenses for suppliers. To some extent this is complementary to other objectives – good suppliers will be more willing to participate in an efficient process and this can produce better value for money (Treumer and others, 2011: 18).

### **2.3. Principles of public procurement.**

There are three most important principles which can be found in most of the public procurement systems. These principles are:

- 1) Transparency;
- 2) Competition;
- 3) Equal treatment.

Each of these principles will be addressed separately further.

#### *1. Transparency.*

This principle is carried out in the following ways:

- 1) Publicity for contract opportunities (such as requirements for a public advertisement of contract opportunities within many procurement methods)
- 2) Publicity for the rules governing each procedure (publicity for the general regulatory rules of the system and disclosure to suppliers of the specific rules laid down for a particular procurement)
- 3) A principle of rule-based decision-making that limits the discretion of procuring entities or officers (Requirements to formulate and publish the rules of the particular award procedure – such as the award criteria to be used - also relate to this aspect, as they not only ensure publicity but also constrain discretion)
- 4) The possibility for verification of the fact that the rules have been followed and for enforcement where they have not (obligations to provide specific tenderers with reasons why they have been rejected or requirements to keep a record of

and/or publicise the reasons for certain decisions, such as a decision to dispense with open tendering) (Arrowsmith and Wallace, 2000: 72-73).

Awarding contracts through some kind of competition between suppliers to both choose the supplier and establish key terms of the contract is a principle used, first, to ensure that the government obtains the best terms that it can for the contract – relating both to the goods, works and services themselves and to any horizontal objectives of the procurement. This is in essence because the pressure of competition from other firms induces each bidder to put forward the best offer that it can, in order to win the contract. From the perspective of international trade, competition in public procurement can also contribute to the proper functioning of the international market. Secondly, holding a specific competition between suppliers for procurement is also an approach that can inject a significant degree of transparency (in all its aspects) into the procurement process – thus supporting the various objectives that are promoted by the transparency principle, as we discussed in the previous section. Competition does, however, sometimes come with costs – for example, the costs of evaluating a large number of tenders in an open competition, or the time involved. Whether to hold a competition and what kind of competition to hold thus involves balancing a number of different considerations. These issues are considered further in the remaining chapters of this book, including in chapter 2 on procurement methods where we consider, inter alia, when it may be justified to dispense with competitive procedures altogether, even for major contracts.

## *2. Competition*

Competition is a key principle of public procurement since it helps the government to get the best goods, services or works on the best terms. Furthermore, it makes bidders to make best offers thereby ensuring that the government will spend less expenses for better goods or services. Moreover, to some extent it develops transparency since bidders are interested in fair competition and may appeal the decision regarding awarding the contract. It induces public authorities to act in more transparent way.

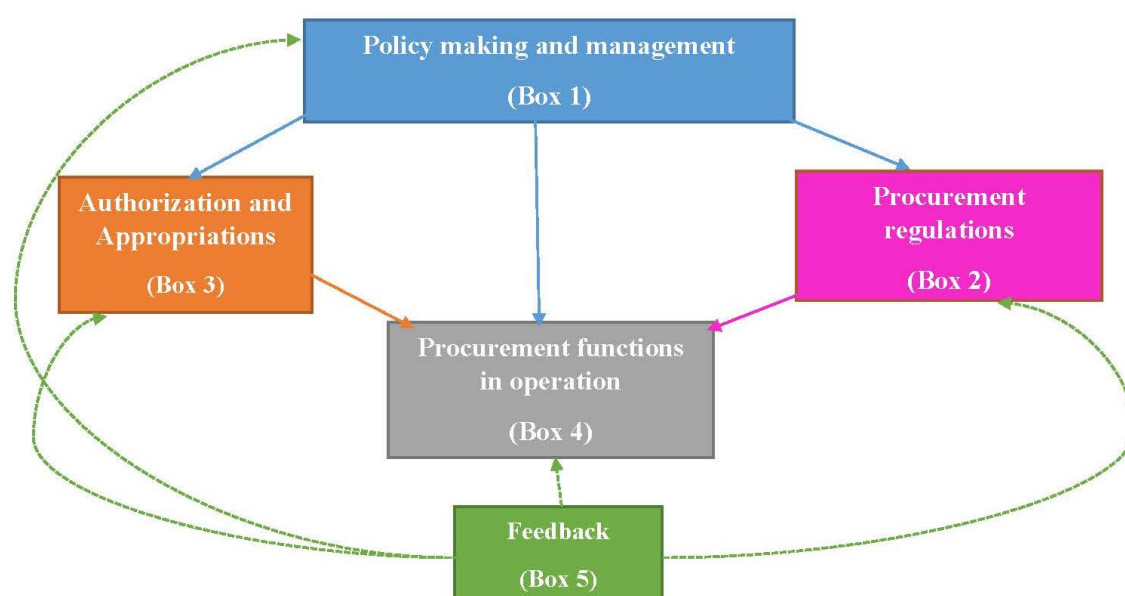


### 3. Equal treatment

The essence of principle of equal treatment is non-discrimination. Under this principle similar situations cannot be treated differently unless differentiation is objectively justified (Joined Cases 117/76 and 16/77 Ruckdeschel, 1977). Thus similar situations are prohibited to be treated differently and different situations cannot be treated identically.

#### 2.4. Elements of public procurement system.

Basically a system is defined as “an assembly or set of related elements” (van Gigch, 1974:1, 2). Thus in order to analyse the system of public procurement institutional approach will be used, i.e. each element of the system will be defined. Thai proposes to consider system of public procurement as such consisting of 5 basic elements: policy making and management (Box 1), procurement regulations (Box 2), procurement authorization and appropriations (Box 3), public procurement function in operations (Box 4), and feedback (Box 5) (Thai, 2000: 17). All these elements are depicted in Figure № 2.1.



17 Figure № 2.1 System of public procurement (Thai,2001: 18).

Policy makers and management executives (Box 1) establish procurement regulations (Box 2). Then it is used as institutional framework for public procurement actors and program managers (“Procurement Function in Operations” (Box 4)) to implement their authorized and funded procurement programs or projects (Box 3). They are accountable to policy makers and management executives (Box 1). Eventually, Feedback will be received by Box 4.

Further each of these elements will be briefly analysed.

### **Policy making and management (Box 1)**

Since in most democratic countries the power divided into three branches – legislator, judicial and executory, different authorities have different scope of powers regarding public procurement. However, the general trend shows that most powers are concentrated within executory branch (the clear example is UK and the USA) which has such powers like:

- 1) Supplementing and augmenting statutory procurement policies and procedures through executive orders;
- 2) Developing and maintaining statutory procurement policies and procedures;
- 3) Determining whether to meet program needs by in-house performance or by contracting out (Thai,2001: 19).

### **Procurement regulations (Box 2)**

Since public procurement is a system which has a great influence on state economy and at the same time the field for flourishing corruption, this field should be properly regulated and strict rules are required. Therefore public procurement goals and policies, which are different for different countries due to special conditions in each country, are essential.

Public procurement regulations may include:

- constitution/charter, statutes (adopted by legislative bodies);

- executive orders (issued by chief executives or their delegates), rules and regulations (issued by agency heads);
- administrative law decisions (administrative decisions on claims, protests by independent units such as a board or committee of contract appeals, and the U.S. General Accounting Office);
- procurement organizational structure, roles and responsibilities;
- procurement phases and process; and - Standards of conduct (Thai,2001:28).

### **Authorization and Appropriations Element (Box 3)**

Albeit in academic literature this element is rarely mentioned, in practice it has a great influence on the outcome of public procurement. In many countries, construction projects face delays due to insufficient funds.

### **Procurement Function in Operations Element (Box 4)**

It is one of the most researched and complicated element of public procurement system. This element is represented by managers and procurement personnel, organizational structure, procurement process, techniques and methods.

This element has been the main focus of procurement practice and research; and in fact, is the most important and the most complicated element of the procurement system. It represents managers and procurement personnel, organizational structure, procurement process, techniques and methods (Thai,2001: 29). It is worth mentioning that this element is the most important and is closely connected to other elements.

### **Feedback (Box 5)**

The root of the problems of sparse procurement systems is that in such systems feedback is neglected. However, feedback is important indication of problems and opens a solid area for improvements. Feedback may show flaws of the system and level of efficiency of this system, demands of society etc.

## 2.5. Institutional environment of public procurement systems.

As any other system in society public procurement does not exist in vacuum, it is heavily affected by the environment in which it develops. Such environment may include market, internal environment, legal environment, political environment, and socio-economic and other environment. However, it must be noted that in the contemporary stage of public procurement development technological environment plays a big role in public procurement development. The environment of public procurement system is depicted in Figure № 2.2.

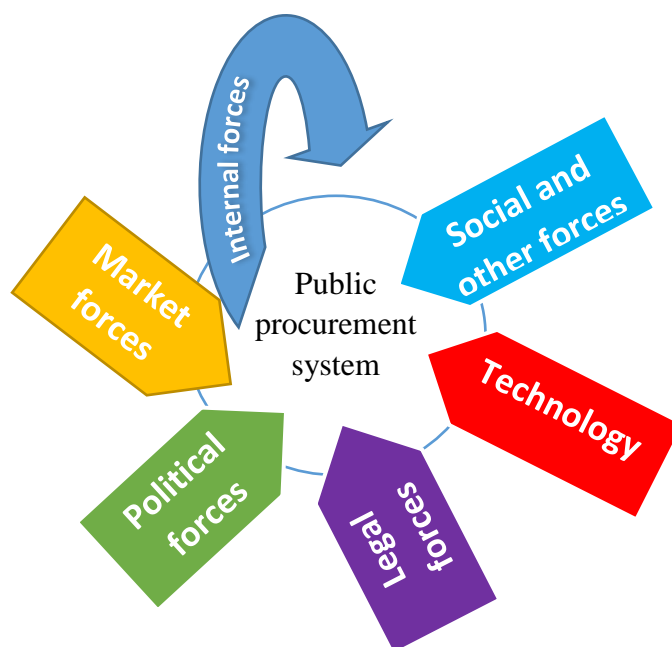


Figure № 2.2. Public procurement environment.

### Market environment.

Market environment is closely related to principle of competition mentioned above since it facilitates competition within public procurement market. Furthermore, it may determine whether or not socio-economic goals of procurement are reached, whether or not a governmental entity can fulfill its needs; the timeframe of fulfillment; and the quality and costs of purchased goods, services and capital assets (Thai, 2001: 32).

### **Internal environment.**

Fulfillment of the established goals and policies to large extent is determined by internal forces. Thai notes that such forces include:

- 1) Interactions between various elements of the public procurement systems, various officials and organizations in the three branches of government, and various actors and sub-agencies within a department or executive agency and actors and organizations external to sub-agencies;
- 2) Types of goods, services and capital assets required for an agency's missions;
- 3) Professionalism or quality of procurement and procurement-related workforce (Thai,2001: 32).

### **Legal environment.**

Legal environment is very important in regulating public procurement system since all the aspects of public procurement cannot work beyond the legal framework. Furthermore, the basis of public procurement system is contract and any contractual relationship are governed by the law.

### **Political environment.**

Different groups of society are involved in public procurement. Each group has its own beliefs, goals and interests. It creates opportunities for lobbying interests, creating a field for establishing rules and policies in public procurement system.

### **Technology environment.**

Nowadays technology develops very rapidly and it is difficult to imagine nowadays a part of our system which is not technologized. In the modern society electronic technologies are widely implemented at each stage of public procurement. Electronic procurement is modern trend through the world and it is quite predictable that e-procurement becomes a usual way of procurement.

### **Social and other environments.**

Thai states that “*while some countries impose social policies on their public procurement (such as a policy placing a fair proportion of government acquisitions with woman or minority-owned small business), most governmental entities – be it a developed or developing country or federal, state, and local governments-- use their large procurement outlays for economic stabilization or development purposes by preferring national or local firms over firms from other countries or other geographic locations*” (Thai,2001: 36).

It’s worth mentioning that nowadays a great attention is devoted to environment protection and foreign policy. Therefore a great deal of studies today is focused on green procurement, foreign policies in public procurement etc.

## **2.6. Institutional theory and institutional logics.**

As it was stated by North (1990), all interactions between people are quite ambiguous and uncertain, which lead to transactions costs to exchange, and institutions are created to overcome ambiguity and obtain profits from these interactions.

Scientists developed a whole set of variations of institutional theories which propose a full and vivid analysis of institutions. These theories are affected by different normative factors created by state, organizations. New institutionalism developed institutional logic. Which can be defined as “*the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality*” (Thornton and Ocasio, 1999: 804). In other words, it is designed to interpret organizational reality, which behavior should be reached in order succeed.

It explains how cognition is designed and how general belief systems influence decision-making (Lounsbury, 2008; Suddaby and Greenwood, 2005; Thornton et al., 2015). This theory is focused rather on “micro-processes of change in practice variation” (Damayanthi, 2017) than on individualistic and rational theories. According to this theory institutions in society, such as the market, the state and professions, have a central logic (Thornton et al., 2015).

This thesis assumes that institutional logics can be usefully used to interpret differences and similarities caused by institutional factors between Ukrainian and Norwegian public procurement systems. Thus institutional theory and institutional logics in this research are important to understand how actors, motivation, principles, social structure, norms and regulations influence the public procurement systems.

Institutional theory exercises role of lens which can help to see organizational processes and changes within these processes (Ashworth et al., 2005).

According to North (1990) institutions consist of formal rules, informal limitations (conventions, norms of behavior, conventions, self-imposed codes of conduct etc.) and the enforcement elements. Degree of formal and informal institutions impact on the organizations depends on the institutional environment. Therefore the environment of the public procurement systems will also be taken into account when analyzing similarities and differences of procurement system in Norway and Ukraine.

As regards to institutional logics, it is quite common that public governance (including public procurement) is viewed from the point of the view of three types of institutional logics: political, managerial and community-building logics (Fung, 2006).

Political logic is mainly based on citizen participation. In this process, government try to redesign local democracy and alter distribution of political and symbolic resources (Goldsmith and Weiner, 2001: 25). The managerial logic show how administrators introduce public procurement and how public procurement can promote and strengthen managerial innovation (He, 2011). Community-building logic can be seen as an instrument bringing people closer to the idea of community and sociability, combating feelings of dissatisfaction and alienation. This logic is related to a cultural (and social) dimension of citizen participation (He, 2011).

The above logics can be depicted through the following table proposed by Luca Bartocci, Giuseppe Grossi, Sara Giovanna Mauro:

	Political logic	Managerial logic	Community-building logic
<i>Who</i> Main actors promoting the initiative	Politicians	Managers	Civil society organizations
<i>Why</i> Main goals pursued	Realizing a deliberative model of democracy	Acquiring information and improving the performance of public administrations	Mobilizing citizens to strengthen their sense of belonging to the local community
<i>How</i> Participatory mechanism	Assemblies, especially in territorial organizations, are the preferred mechanism	Pragmatic approach justifying the use of many tools (e.g. ICT)	Central role of committees comprising civil society representatives
Areas of co-decision	Themes with high political and social symbolism (i.e. urban planning and public works)	Micro-projects targeting informed and interested stakeholders	Thematic organization of participation often addressing social, environmental, and cultural areas
Existence of a preset budget	Resources for co-decision are not usually preset	Resources for co-decision are usually preset	Resources for co-decision are usually preset based on specific projects
Linkage with other budgeting tools	Weak	High	No explicit linkage
Nature of co-decision	Necessarily binding	Binding co-decision not necessarily required	Necessarily binding

Figure № 2.3. Institutional logics (Bartocci et al., 2019)

The figure above represents three types of institutional logics which will be used in this study to explain differences and similarities in the public procurement system discovered. The first line shows the groups who take decisions within each type of institutional logics. Second line represents why they take these decisions, i.e. their aims in taking actions. Third line tells the way they take certain actions. The next line explains which fields and which issues the actions taken are concerned about. Fifth line shows whether there is a planned budget for realization of certain type of institutional logics. Sixth line shows whether there is a link to other tools of budget. And the last line of the table tells legal force of the decisions taken by the actors mentioned in the first line. Thus the table represents nature of these three institutional logics and aspects in which they differ.



These three logics will be used to explain the differences between public procurement system of Ukraine and Norway.

### 2.6.1. Public procurement system as an institutional arrangement

As any type of business activity public procurement has a legal framework consisting of various normative acts. However, actions carried out within public procurement systems do not always correspond to the norms. While organisations tend to adopt policies, formal acts, nevertheless they also distinguish ongoing practices from the formal policies within the organisational structures influenced by external environment. This brings us to the conclusion that public procurement system can be represented as an institutional arrangement between two systems — norm system and action system which both are interrelated with each other within the public procurement environment. To describe the public procurement system as an institutional arrangement the proposal of Bergever (1995) will be used. Although Bergever (1995) uses his norm-action model to describe accounting systems, I am of the opinion that it also can be used within public procurement system. Such arrangement is depicted in Figure № 2.4.

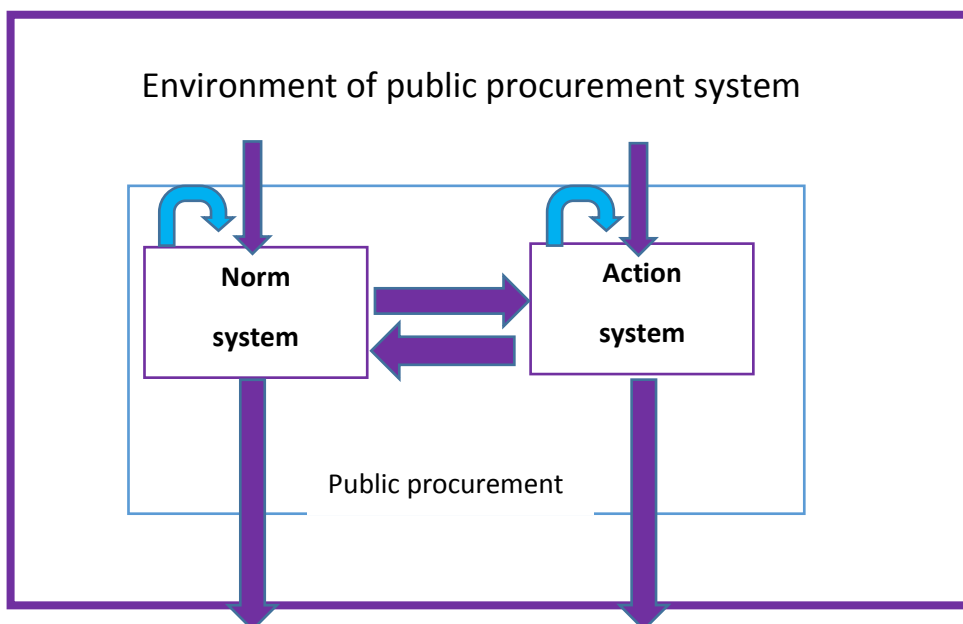


Figure № 2.4. Relations in institutionalization of public procurement.

The above scheme demonstrates that norms and actions within public procurement system are interconnected which is caused by institutional agreement. Moreover, the process of the interaction in its nature is a learning process which is exercised in two possible ways: learning from own experience and learning from the external sources. The main components are norms (enforced by the state) and actions (enforced by organisations). Norms are like guidelines for organisations in terms how actions should be carried out. Actions, in their turn, are the source on which norms are based, they form background of which norms should be adopted by the state.

Environment is an jumping-off point of the learning exchange described in the figure. At the same time, environment also is the ending point of the interaction between norms and actions within institutional system since by learning from its own experience and from outside public procurement system has great impact on development of the said environment.

As a conclusion, it could be said that differences in Norwegian and Ukrainian public procurement systems can be explained by different institutional processes and different interaction between norms and actions.

### **2.6.2. Differences in norms and actual actions in public procurement.**

In the previous section public procurement system was considered as an institutional arrangement and it was found that within the institutional processes (i.e. learning from one's own experience and experience of others) norms can differ from actions. This section is devoted to identification of reasons for such differences.

It should be noted that public procurement system in each country is represented by different institutions, both formal and informal. And as it was earlier mentioned, institutional logic can explain such differences because differences in institutions cause different perception, hence different institutional logics. Thus differences in Norwegian and Ukrainian public procurement systems can be explained by different institutional logics (political, managerial and community-building logics).

Based on theoretical framework discussed in this chapter, it is possible to provide a summarizing figure depicting which areas can be different and similar.

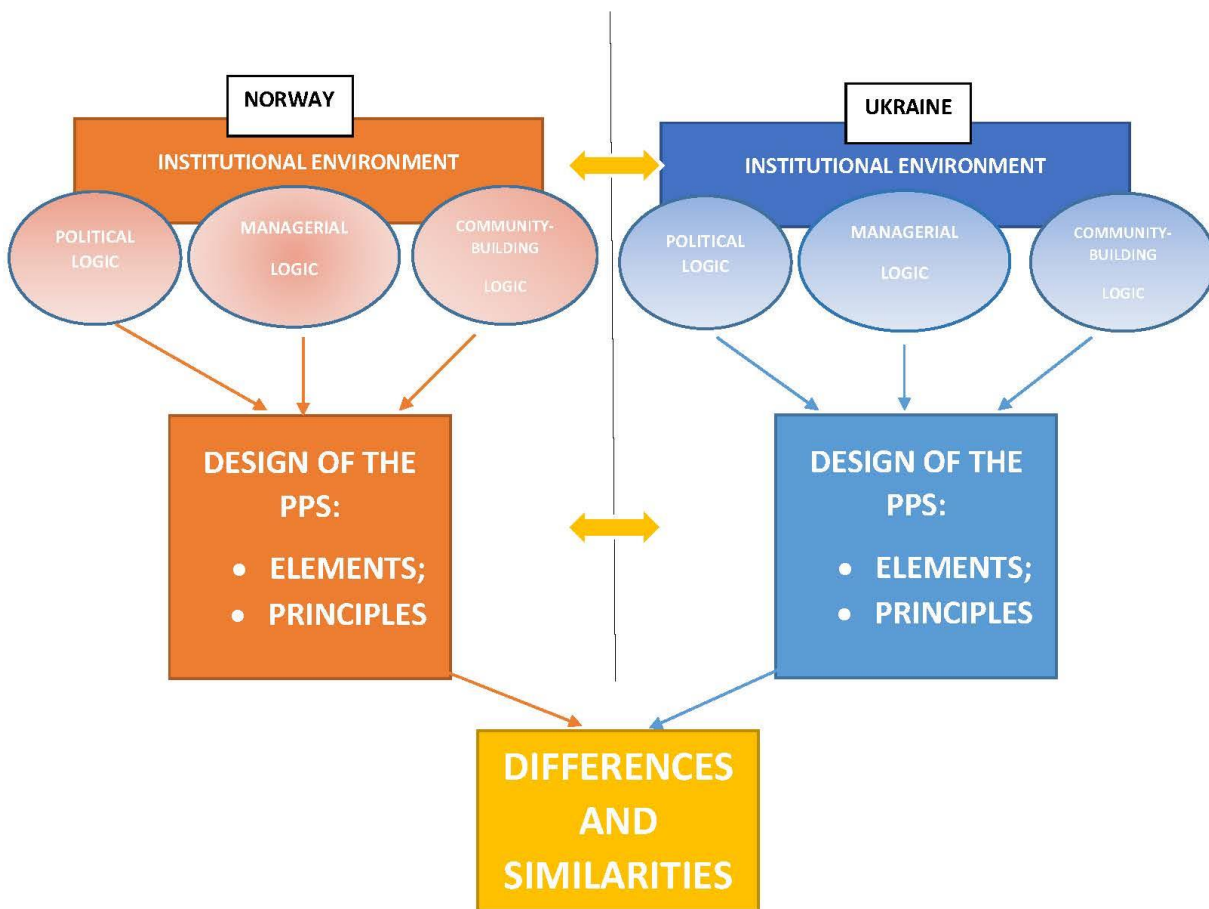


Figure № 2.5 Model for comparing the public procurement systems of both countries.

As can be seen from the figure above three main areas can show differences and similarities in the public procurement systems researched. Goals and principles are representation of the norms in institutional theory. They are established in the main formal acts of the relevant institutions and are starting points for any public procurement system. Institutional environment has great influence on actions exercised by institutions and in itself is a part of such actions. As can be seen from the figure of elements, they may represent both norms and actions. Such element as ‘policy making’ is representation of norms, however ‘management’ is representation of actions. Authorization and Appropriations Element represents actions. Procurement Function in Operations Element can represent both norms and actions since initially its is set

forth in the formal act, how the way of enforcement of this act may differ from the wording set forth in it. Feedback, in its turn, is representation of actions.

One should understand that the above only explains differences and similarities in the public procurement system; it does not explain the reasons of such differences. Therefore in order to explain the reasons of such differences and similarities three main institutional logics will be used.

## **2.7. Summary**

The main aim of the theoretical chapter is to provide important theoretical fundament for the present research, to explain in theory why and in which way the chosen empirical source can be used to compare the public procurement systems of Ukraine and Norway, show the differences and similarities of these systems.

It was decided to use the presented models in order to compare these two systems and to find similarities and difficulties through the lens of these models. Thus institutional environment, which have big impact on the development and the design of these systems, will be compared. Principles and elements of both systems will be compared. And then three types of institutional logics will be used to explain the differences and similarities in these two systems.

## Chapter 3: Methodology

*Method is the arithmetic of success.*

*Josh Billings*

This chapter presents methodology on which the research is based. It explains the choices of research design and methods used. The chapter identifies the type, method, data analysis of research.

### **3.1. The research design.**

Sekaran (2003) states that research design is based on the following elements: the purpose of the study, the type of the investigation, the unit of analysis, the horizon of the study and data collection methods. Thus the research methodology of this study will be explained through the said elements.

#### **3.1.1. The purpose of the study.**

The purpose of this thesis is to explore and explain similarities and differences between Norwegian and Ukrainian public procurement systems through literature review of the academic articles. It will allow to find and compare existing problems, and, probably, find solutions to these problems existing in these systems.

#### **3.1.2. The type of investigation.**

Since the purpose of the thesis is to analyse similarities and differences between public procurement systems in Ukraine and Norway, it is worth saying that in this study with attempts to understand underlying issues, I will also try to find reasons and explanations which lie beyond some similarities and differences. Therefore both quantitative and qualitative methods will be used in the study in order to explain the researched phenomena. Quantitative methods will be used in the empirical chapter through presentation of the results of the empirical chapter. Qualitative methods will

be used in the analytical chapter when analyzing and comparing the content of the articles used in the literature review.

### **3.1.3. The unit of the analysis.**

The study is focused only on academic articles which are the unit of analysis of the present study. The explanation and underlying reasons of such choice will be further explained in Data collection section.

### **3.1.4. The time horizon of the study.**

2014-2019 years is the time horizon of the study. It can be explained by the following limitations. First, in 2014-2019 both in Norway and Ukraine many changes regarding public procurement systems emerged and it induced a lot of scientists to explore and analyse issues of public procurement. Ukraine has started a significant reform in public procurement in 2015. The reform is still ongoing. Secondly, one should understand that process of gathering and cataloging of the content of academic articles both regarding Ukraine and Norway takes a lot of time, not saying about problems regarding access to the unit of the analysis which is quite limited since a lot of articles are not publicly accessed through Internet and are contained in libraries in different cities and countries.

### **3.1.5. Data collection method.**

Academic literature review was chosen as the method of collecting empirical data. It was decided to do research through literature review since academic articles play important role and have a big influence on civil society and public policy showing different ways of interpreting the same phenomenon through different institutional logics (Koraljka, 2013; Bird, 2014; Turnhout et al., 2013). On the basis of that it could be said that academic articles reflect society's state in regard to some phenomenon since they are inseparable from society and public policy reflecting the current state and flaws of some phenomenon, which is public procurement in the present case. Furthermore, they serve as guidelines to possible changes and improvements, thereby

forming the public policy of the state. Thus in-depth literature review, to my opinion, is a decent reflection of contemporary state of public procurement systems in the researched countries.

It worth mentioning that a big focus was made specifically on academic articles since for a long time academic researches on public procurement were neglected to some extent, but the chosen time horizon of the study can be characterized as intensive period of academic researches both in Ukraine and Norway.

The said method of data collection was chosen because it is the best way to see how actions can differ from norms. Norms are set forth in various acts, however academic articles explain how these norms are implemented and show the actual situation. i.e. actions. Thus in the light of the institutional theory, used in this work, literature review, for my opinion, is the best way of representation the analysed topic.

### **3.2. Data representation.**

The collected empirical data would be represented in the empirical part of the thesis according to the following structure:

1. Description of the content of academic articles regarding Ukrainian system of public procurement.
2. Description of the content of academic articles regarding Norwegian public procurement system.
3. Comparing of the content of the academic articles regarding Norwegian and Ukrainian public procurement systems.

The boundaries of the research were established and the following criteria to guide the selection of papers were identified:

- First parameter (language): As regards articles on public the procurement system of Norway, only English written papers were selected since I do not have command of Norwegian. As regards the articles on the public procurement of Ukraine, both Ukrainian-written and English-written articles were selected since most articles are

written in Ukrainian and there are very few articles in English concerning Ukrainian public procurement system.

- Second parameter (timeframe): As it was stated before, the papers should be published from 2014 to 2019 in order to design an updated picture of the topic.
- Third parameter (topic): papers should deal with the topic as defined in the previous section, i.e. public procurement system of one of the studied countries.
- Fourth parameter (source): the review includes papers published both in international and domestic academic journals in the field of public management, law, economics, accountancy.

The process of collection and analysis of data consisted of five stages:

1. Searching for the articles on Ukrainian public procurement system;
2. Searching for the articles on Norwegian public procurement system.
3. Review of the total set of papers and screening.
4. Analysis and final classification of the articles.

#### *Stage 1 (Searching for the articles on Ukrainian public procurement system)*

A representative dataset of literature was constructed by conducting search queries in Google Scholar and Vernadsky National library. First, the search strategy was broadly defined by searching the main keywords, “public procurement” AND “Ukraine”, throughout the papers (search 1). This search query resulted in a number of works concerned with the public procurement system in the searched country. Then additional search with the following keywords was used: “e-procurement” AND “Ukraine”; “PROZORRO”; “public procurement reform” AND “Ukraine”; “electronic procurement” AND “Ukraine”.

The total number of papers was screened in order to select the works that met all the four parameters previously listed; hence, papers published beyond the timeframe mentioned were excluded.



Thus in the result 77 articles on the public procurement system of Ukraine were found.

### *Stage 2 (Searching for the articles on Norwegian public procurement system)*

A representative dataset of literature was constructed by conducting search queries in Google Scholar and the databases of the Nord University (which are contained at nord.no with the special login and password). First, the search strategy was broadly defined by searching the main keywords, “public procurement” AND “Norway”, throughout the papers (search 1). This search query resulted in a few number of works concerned with the public procurement system in the searched country. Then additional search with the following keywords was used: “e-procurement” AND “Norway”; “DOFFIN”; “green procurement” AND “Norway”; “electronic procurement” AND “Norway”.

The total number of papers was screened in order to select the works that met all the four parameters previously listed; hence, papers published beyond the timeframe mentioned were excluded, as well as papers published in Norwegian.

Thus in the result 10 articles on the public procurement system of Norway were found.

### *Stage 3 (Review of the total set of papers and screening)*

All the articles were previously viewed in the light of the following criteria:

- in which field of science it is published;
- which topic was discussed;
- year of publishing;
- which methods were applied;
- which theories were applied.

The results of this finding are described in the empirical chapter.

#### *Stage 4 (Analysis and final classification of the articles)*

In the theoretical chapter I have referred to the set of the theories through which public procurement systems can be discovered. It was decided to look for differences and similarities in both countries through comparison of:

- 1) Their institutional environment;
- 2) Elements of their public procurement systems;
- 3) Principles of the public procurement systems.

Furthermore, it was decided to explore why such differences exist through the lens of three types of the institutional logics: managerial, political and community-building logics.

Also, as it was found, public procurement system is an institutional arrangement which includes norms and actions, it was decided to analyse articles through this perspective as well.

Therefore all these articles were reviewed taking into account the following:

- 1) I tried to find statements regarding institutional environment in the articles. Of course, not all the articles contained statements on institutional environment, but they were found in majority of articles. For example, if the article contained statement on how some change in legislation influenced the public procurement system, I classified this article as such which mention legal institutional environment; or, for instance, it explained problems of some issues of the electronic procurement, it was classified as mentioning “technology” environment.
- 2) All the articles touched at least one of the elements described in the theoretical part. If, for example, article concerned analysis of public procurement policy, it was qualified as containing reference to “policy making and management” element.
- 3) Not all the articles concerned issues regarding the principles of the public procurement systems. However, there were articles which directly mentioned

such principles, and were those where some statements could be interpreted in the light of one of the mentioned principles. For example, if the article concerned the issue of how some stages of the public procurement systems could be monitored, it was classified as mentioning “transparency principle”; or if article concerned access of some entities (for example, small enterprises) to public procurement, it was classified as mentioning “equal treatment” principle.

- 4) The most difficult task was to find statements which can show impact of one three institutional logics. Also conclusions of some articles were aimed to the actors representing one of these logics. Not all articles contained such statements, but such statements were found in the articles. For example, if the article explained how election influenced adoption of some changes in public procurement legislation, it was classified as mentioning “political logics”; or if the article has a conclusion how to make the system efficient through implementing some practices, it was classified as mentioning “managerial” logic; Community-logic could be traced, for example, in the articles where access of non-profit organizations to public procurement was explored etc.
- 5) Articles were classified as “norm-based” if they concerned only analysis of some provisions (e.g. analysis of the new amendments to the legislation); “action-based” – if they analysed only actions without touching any norms (for example, assessing economic efficiency of the system); “norms and actions” based if they touched both norms and actions (for example, newly introduced legal provisions and their effect on the actors’ activity).

### **3.3. Data analysis.**

In theoretical chapter it is shown how important each element of the public procurement system is and how internal and external environment can influence development of the public procurement system. All these issues were analyzed in the articles and then compared and presented in the analytical chapter.

Furthermore, institutional logics in Norway and Ukraine by their nature are different. Thus it will be shown how institutional logics together with the reviewed articles explicates similarities and differences in development, issues, concerns, conclusion in the reviewed articles and the procurement system in general.

### **3.4. Reliability and validity of the study.**

Validity and reliability are concerned to be basics of the academic methodology. Validity refers to accuracy, correctness and precision of the results of the study. Reliability is the consistency of results obtained in research. It implies the possibility of replication of the original research by the same or another researcher at a different time (Johnson and Duberley, 2000).

As regards validity of the study, since it is based documentary studies the problem of interpretation can emerge. Therefore in this study different works and views are presented in order to overcome one-sided biased interpretation.

As concerns reliability, the continuous and very rapid changes of the political, economic, social, technological, environmental and legal conditions and settings in both countries make replication of the results difficult. However, the research does not claim to reveal eternal verities or universal laws, quite the contrary. It is aimed at exploration of the similarities and difficulties in public procurement systems in Ukraine and Norway nowadays in order to find solutions to present problems and predict possible changes in the researched systems.

## **Chapter 4: Empirical part**

*Data levels all arguments.*

*Anthony W. Richardson*

The aim of this empirical chapter is to show and interpret the researched empirical data using the operationalized concepts and models mentioned in the theoretical chapter of the thesis. This empirical chapter will be divided into two parts: one is related to the public procurement system of Ukraine, the other contains empirical data concerning the Norwegian system of public procurement. The sources of empirical data are academic articles concerning public procurement in Norway and in Ukraine. The structure of the empirical description is represented and explained in the methodological chapter of the thesis.

### **4.1. Description of the empirical data relating to Ukrainian system of public procurement.**

#### **4.1.1. General description of the academic articles on Ukrainian public procurement systems.**

In the methodological part it was mentioned that I have analyzed 77 academic articles concerning public procurement system in Ukraine. The list of all the articles together with some descriptive characteristics is represented in Appendix 1. Below general description of the articles included in the list is given.

First, it should be noted that an absolute majority of the listed articles are written in Ukrainian. Only 12 out of 77 articles were written in English. 4 of these articles written in English were published in international journals, other 8 articles were English-written articles published in Ukrainian journals.

The same could be said as to the authors of the discussed articles. Only 2 articles were published by non-Ukrainian academics (one is written by an academic from the UK,

the other – by academics from Russia), other 75 articles were published by Ukrainian academics, representatives of Ukrainian universities.

As it was proposed in the methodological part, one of the classification which is to be used in this project is on the basis of the dimension of the field of science covered by the article. It should be noted that actually sometimes it was, indeed, difficult to distinguish the specific field which covers the article since most of the articles have a kind of mix nature. It can be explained by subject of the study (“public procurement) which is also by its nature is mixed and can’t fall within only one field of science. However, deeper analysis of the academics’ background and the sources where the articles were published gave a hint as to determining the appropriate field of science and allowed to distinguish these articles in terms of the dimension on the field of science. The table below represents which fields of science are covered by the researched articles.

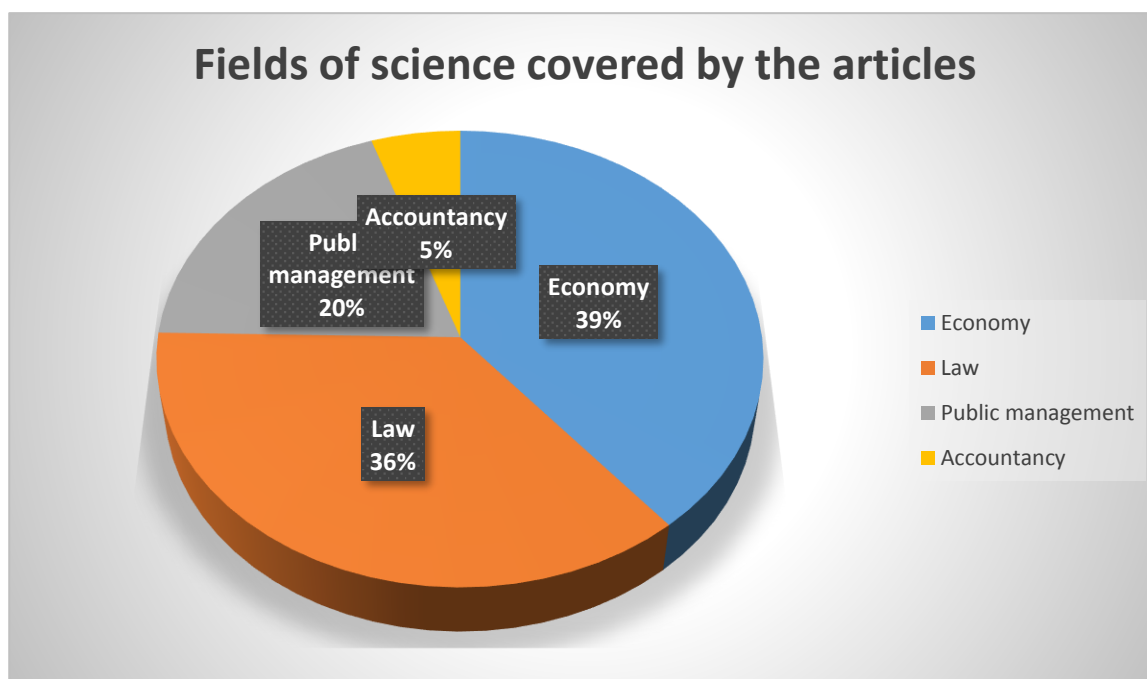


Figure № 4.1 Fields of science covered by the articles (Ukraine).

The table shows that most articles are related to the sphere of economics (30 articles). 28 articles were published as ones related to law. 15 articles are devoted to public management. And the minority (4 articles) concern accountancy. Once again, among

all these articles there are no articles which can be clearly categorized as such belonging only to one group described above, most of the articles, because of the nature of public procurement, are cross-field articles.

The other dimension set forth in methodological part was methodological approach and research methods. As it was previously mentioned, the main research methods include:

- (a) survey-based analysis;
- (b) official data- based analysis;
- (c) experiment;
- (d) interview;
- (e) document analysis;
- (f) commentary
- (g) mixed methods (Goddard, 2010).

It should be noted that there were a very few articles which were based only on one of the above methods. And there were no articles which used experiment and interview as a methodological approach. Only one article was based on a survey-based analysis, in 2 articles official data-based analysis were used, document analysis was chosen as a research method in 3 articles, 5 articles were based on commentary as a methodological approach. All the other articles (66 articles) used different methods to address the researched topics. Thus majority of articles were based on the mixed method.

The research methods used in the empirical data can be depicted in the following way:

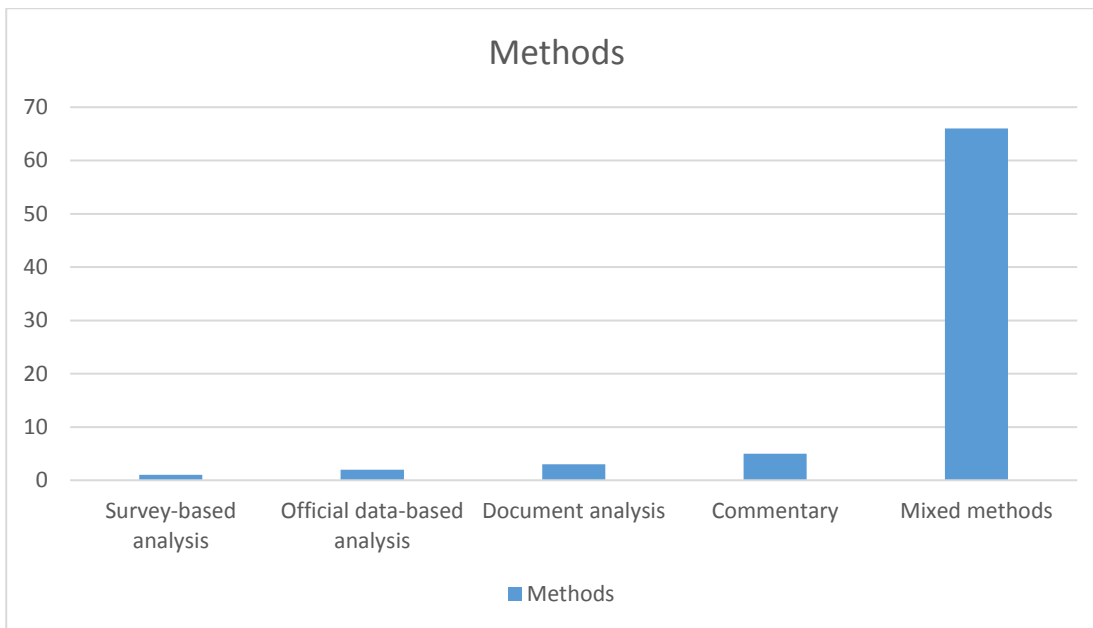


Figure № 4.2. Methods used in the researched articles (Ukraine).

In methodological part I stated that one of the dimensions to classify the empirical data would be a theoretical framework, i.e. one theory, several theories used at once or absence of explicit or clearly identifiable theoretical framework. The analysis of all the articles demonstrates that 100% of the articles regarding Ukrainian public procurement system are atheoretical, i.e. in all the articles academics did not use any theoretical framework to conduct the research.

The interest to the researched topic and its importance can be shown if to analyze the time period of the papers, i.e. when the articles were published. It can be seen from the table below that there was a sharp upward trend in 2016-2017 years. The highest attention to the topic was paid in 2017. Such increase of interested can be explained by the introducing the public procurement reform and its impact on the existing system of the public procurement.



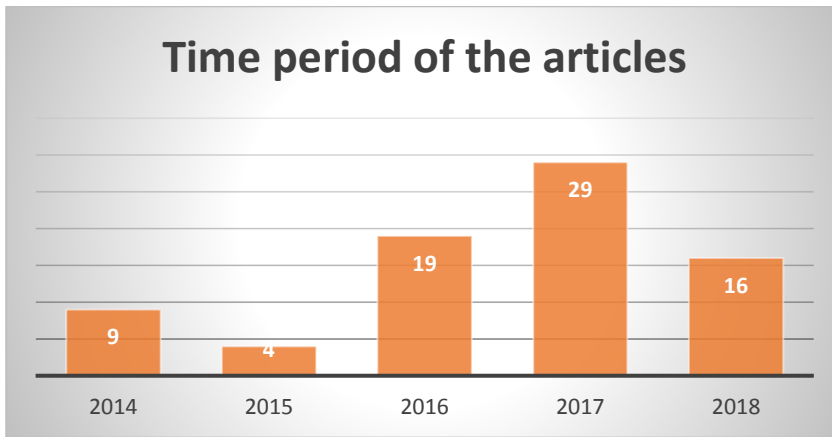


Figure № 4.3. Time period of the articles (Ukraine).

#### 4.1.2. Description of the content of the researched articles.

##### 4.1.2.1. Horizontal classification (norms, actions, norms and actions)

The table below represents the numbers of articles according to perspectives in the present classification.

Perspective	Number of articles	%
Norms	20	25,97%
Actions	21	27,27%
Norms and actions	36	46,76%
Total amount of the articles	77	100%

Table № 4.1. Norm-action classifications (Ukraine).

The biggest of the classification groups is norms and actions group consisting of 36 articles (46, 76%). The articles about only actions represent the second largest group which amounts to 21 articles (27.2%). The norms-related group of articles amounts to 20 articles (25,97%) which is one less than the second group. It may tell us that norms and actions play equal part in development of Ukrainian public procurement system.

At the same time, the prevailing position of norms and actions group demonstrates that that academics are far more concentrated on the application of the norms and

interaction between norms and actions in terms of public procurement system in Ukraine.

### *Norms*

Norms in public procurement system of Ukraine play important part since public procurement is indistinctive from state's activity, i.e. activity of the relevant authorities of the states, which, according to Ukrainian legislation can act only within the powers set forth in the legal acts. Norms described in the researched articles can be separated into two groups: mandatory norms and recommendation norms. Mandatory norms are set forth in Ukrainian laws (such as the law "On public procurement"), while recommendation norms are reflected mostly in the international treaties, signed by Ukraine, and programs and strategies adopted by Ukrainian government (like "Strategy of stable development "Ukraine-2020"). Such treaties include EU-Ukraine Association Agreement which came into force in 2017, WTO Agreement on government procurement etc. There are no articles which focused only either on mandatory or recommendation norms. All the articles reflecting only norms analyse both types of norms, however 11 of 20 articles are focused more on implementation and adoption of international norms, while 9 of 20 articles are focused more on interpretation of the domestic legislation. It should be noted that in its absolute majority this group consists of articles in the field of law.

Having signed the Association Agreement with the European Union, Ukraine has undertaken a number of commitments. Thus, among the requirements of the Agreement are:

- the preparation of a roadmap for the reform of public procurement and adaptation of legislation to EU requirements;
- the creation of a central executive body that will ensure coordination of public procurement policy and, separately, an independent body for handling complaints;

- gradual alignment of legislation in the field of public procurement in accordance with EU legislation (Chaban, 2015: 23).

Ukraine has been gradually fulfilling these commitments. In 2016 the Cabinet of Ministers of Ukraine adopted the decree by which approved the Public Procurement Reform Strategy (Roadmap) and the Action Plan for its implementation, which include measures, responsible executives and the time frame required to implement the provisions of the EU Directive into national law. The strategy envisages the following main areas for reforming the public procurement system of Ukraine:

- Harmonization of national legislation with the rules of the European Union through the implementation of the provisions of the EU directives to the national legislation;
- development of the institutional structure and optimization of the functions of the controlling bodies;
- international cooperation in the field of state-owned procurement;
- development of electronic procurement;
- training and professionalization in the field of public procurement (The Resolution of the Cabinet of Ministers of Ukraine dated February 24, 2016).

In the end of 2015 the relevant amendments were introduced into the Law “On public procurement”, such as:

- obligatory disclosure by the customer of a record of concluded contracts through the system of electronic procurement within one day from the date of conclusion of the contract, in case of procurement of goods, works and services without the use of the electronic procurement system, provided that the cost the object of the contract is equal to or exceeds 50 thousand UAH;
- the approach and timing of disclosure of procurement documentation has been changed (not only the annual plan and changes to it, but also the annex to the annual plan and amendments to this application, should be published). The time

for the disclosure of the indicated documents is 5 calendar days from the date of their approval;

- the possibility of setting up centralized procurement organizations in the form of legal entities that organize and conduct procurement procedures. Centralized procurement organizations have all the rights and responsibilities of customers and are set up to simplify purchases, since they represent several customers at a time;
- an alternative for customers is provided: the establishment of a tender committee or the appointment of an authorized person for procurement. Now these authorized persons act on the basis of a decision of the customer or an employment contract concluded with him and must have a higher education. This innovation is also important because it provides for the possibility of participation in the tender committee of authorized persons - professional purchasers - specialists who have passed special training. At the same time, there is no mandatory training of specialists in the organization and implementation of procurement, but it is noted that the chairman, secretary and other members of the tender committee may undergo appropriate training;
- the number of procurement procedures itself has been reduced to three types: open tendering, competitive dialogue, negotiated procurement procedure. Thus, the possibility of performing public procurements through the procedure of a competitive dialogue is foreseen at the time when the customer cannot determine the necessary technical or qualitative characteristics of the goods of works or services, and the negotiated procurement procedure is used as an exception in the case of: purchases works of art or purchases related to the protection of intellectual property rights, or the conclusion of a contract with a winner of an architectural or artistic competition and in case of an urgent need to make purchases in connection with occurrence of special circumstances related to the immediate elimination of consequences of emergencies, with the introduction of special emergency period or so;

- the right to electronically appeal the procurement procedure: complaints are dealt with by the standing panel for reviewing complaints of violations of legislation in the field of public procurement as a part of the Antitrust Committee of Ukraine. That is, unfortunately, the law does not provide for the establishing of an independent body, as foreseen in the Association Agreement (law of Ukraine “On public procurement”).

However, the most sufficient innovation of the Law "On Public Procurement", which came into force on April 1, 2016, was the requirement for introduction for central executive authorities and customers engaged in activities in certain spheres of economy, provided that the value of the subject of procurement goods and services is equal to or exceeds UAH 200 thousand (in certain spheres of business registered in the law - UAH 1 million and UAH 5 million respectively) compulsory procedure for the implementation of electronic procurement. And from August 1, 2016, the law was extended not only to central executive authorities, but to all customers.

Despite the fatal and significant amendments to the Ukrainian legislation, it has a big room for improvement. For example, Synytsia T. and Osmirko I. (2018) in their article express the opinion that there are a lot of problems with the access and participation of small and medium enterprises in public procurement procedures. As it will be argued below, the Norwegian legislation has overcome this problem with the changes introduced in 2017.

It can't help being said that academics in most of the articles devoted directly to norms analysis, give comments and interpretations to the newly adopted or amended norms. All 20 articles contain interpretation of the newly introduced norms. Primarily, it is due to the public procurement reform in Ukraine and amendments first part of which were introduced in the end of 2015.

Another form of presentation of the content of the norms is comparing them with the previously existed norms. Some articles even contain the tables which compares the wording of the old and new norms. Such approach was used in 4 articles.

Contradiction between these norms, interpretation problems, application of these norms, ambiguities in definitions, gaps between provisions of different acts are also addressed in the norm-related articles. For instance, Sevostjanova G. S. (2016) expresses the opinion that some norms of the newly adopted law on public procurement contradict the law on municipalities and some bylaws in terms of centralized procurement since under the said law and bylaws Cabinet of Ministers of Ukraine municipalities are entitled to establish some procedures which under the law on procurement are within the powers of Cabinet of Ministers.

### *Actions*

The studied articles demonstrate that most of the actions performed within public procurement system are based on the norms. Thus it is not easy to find “pure” actions in the studied articles. Such articles concerns financial assessment, management, accounting etc., i.e. fields which are not directly based on some norms. The total amount of such articles is 20.

The actions-related articles cover such topics as diagnostics of the system of public procurement, monitoring of the public procurement system, interaction with business, technology issues of e-procurement, assessing efficiency of public procurement system etc.

Such articles use various mathematical models, formulas, comparison of practices, assessment and evaluation methodic which are not based on norms and can exist separately from the norms mentioned above. For example, some academics basing on retrospective data of past years analyse a number of estimates of absolute and relative savings, as well as indicators of the effectiveness of open bidding in the public sector of Ukraine and dynamics of these indicators before and after the introduction of the e-procurement system (Dmytryshyn et al., 2018).

## *Norms and actions*

This group is the largest in the proposed classification. The total amount of the articles belonging to this group is 36 (46,76% of all articles).

Because of the specific character of the presented articles belonging to this group it was decided to separate this group from only norms and only actions articles.

Each article falling into this group has the following structure. First, the norms as regards to the particular phenomenon are described. Sometimes such explanation is accompanied by legal, political or historical background. Then authors explain how such norms work in practice, describe application of these norms and problems or results arising out of their application. In the end they give their proposal as to possible amendments to the norms or the way of application of such norms. For example, A. Olefir in his article states that article 28 Law of Ukraine "On Public Procurement" make an incorrect accent when determining non-price criteria for evaluating proposals: there is no exhaustive list of criteria, the criteria as terms of payment, terms of execution, which the customer can fix in draft state contract are absent (Olefir, 2017: 6). As result, to his opinion, it leads to the actions of abuse carried out by customers (e.g., by offering a big delay in payment, a participant will win, even if the direct properties offered by it products are inferior to competitors) (Olefir, 2017: 6).

Indeed, it is not an easy task to find an article which does not contain a reference to relevant norms in the terms of public procurement. Even many of action-related articles contain at least a mention to a norm. The said demonstrates that Ukrainian public procurement system is norm oriented. That is why, as it was previously stated in this project, most of the studied articles are articles in the field of law.

The same conclusion can be derived from the outcomes and proposals set forth in the studied articles. Many authors in the final part of their articles propose to amend norms, even though their study was more concentrated on actions. It shows that actions in Ukrainian public procurement system are directly connected to norms. For instance, O. Kostenko (2018) proposes to amend Art. 12 of the Law "On public procurement" since

it contradicts the EU-Ukraine Association Agreement, because it requires detail specification in technical description (Kostenko, 2016: 48).

#### 4.1.2.2. Vertical classification (as regards to the topics concerned).

Specific topic	Number of articles	%
Corruption	10	12.9%
Foreign experience	14	18.1%
Electronic procurement	15	19.4%
Administering issues	14	18.1%
Others	24	31.5%

Table № 4.2. Topics-concerned classifications (Ukraine).

There are a lot of different topics covered by the studied articles. However, some topics are paid more attention and it can be seen from the number of articles devoted to these topics. Thus such topics were separated into independent groups. The group ‘others’ consists of single-related issues which cannot be united into one big group.

The above table demonstrates which topics are problematic in Ukrainian public procurement and what are scientists, as well as governmental authorities, are worried about.

The largest group is represented by articles on electronic procurement. It is explained by the fact that in the end of 2015 Ukraine introduced the system of electronic public procurement. Therefore, a lot of articles concern this topic as this system is new for Ukrainian public procurement and much attention is paid for searching drawbacks and possible room for improvement.

The second largest group is the articles related to analyzing of foreign experience. It is due to the fact that Ukraine signed EU-Ukraine Association Agreement under which it is obliged to comply with the EU-legislation on public procurement. Therefore, academics are so concerned with comparison Ukraine’s experience in public procurement to EU’s public procurement system.



One more group is the group named „administering issues”. The articles fall within this group include such topics as administrative procedures, control, monitoring, organization of public procurement etc.

The third group amounting to 10 articles represents issues regarding corruption. Despite the fact that new reform was introduced to fight corruption, it is still an issue for Ukrainian public procurement system.

As it was mentioned, group ‘others’ contains various single issues which cannot amount to one separate group. Such issues include the topics like industry-related procurement (e.g., procurement of medicine, military goods), concept analysis, legal frameworks etc. Indeed, many of the topics belonging to this group are of high importance. However, the number of articles devoted to a specific topic of this group is not sufficient to show concern and a general trend in relation to the topic. Thus, it can be concluded that four other topics depicted in the table above can be treated as general concerns as to Ukrainian public procurement.

#### 4.1.2.3. Cross-sectional classification.

Specific topic	Norms	Actions	Norms and actions
Corruption	4	0	6
Foreign experience	6	1	7
Electronic procurement	1	1	13
Administering issues	5	1	8

Table № 4.3. Cross-sectional classification (Ukraine).

It should be noted that I decided not to include section “others” into cross-sectional classification since it is irrelevant in order to show the prevailing trends on topics, because section ‘others’ includes many different topics.

It can be seen from the above table that norms and actions articles are dominating in all the topics concerned. However, the clear dominance and huge gap between other perspectives can be noticed in articles on electronic procurement. The actions articles

are not widespread within the analyzed topics. Norms articles are approximately equal in the numbers to the norms and actions articles.

The chart below demonstrates the shares of norms-actions perspectives in the mentioned topics. As it is shown below, the biggest share of norms and actions articles are written concerning electronic procurement. The biggest share of norms articles are published regarding foreign experience. As to the actions, the shares are quite equal in the said topics.

It proves again that the most problematic topics in terms of Ukrainian public procurement are norm-oriented, and actions within these topics cannot be analyzed without referring to the norms.

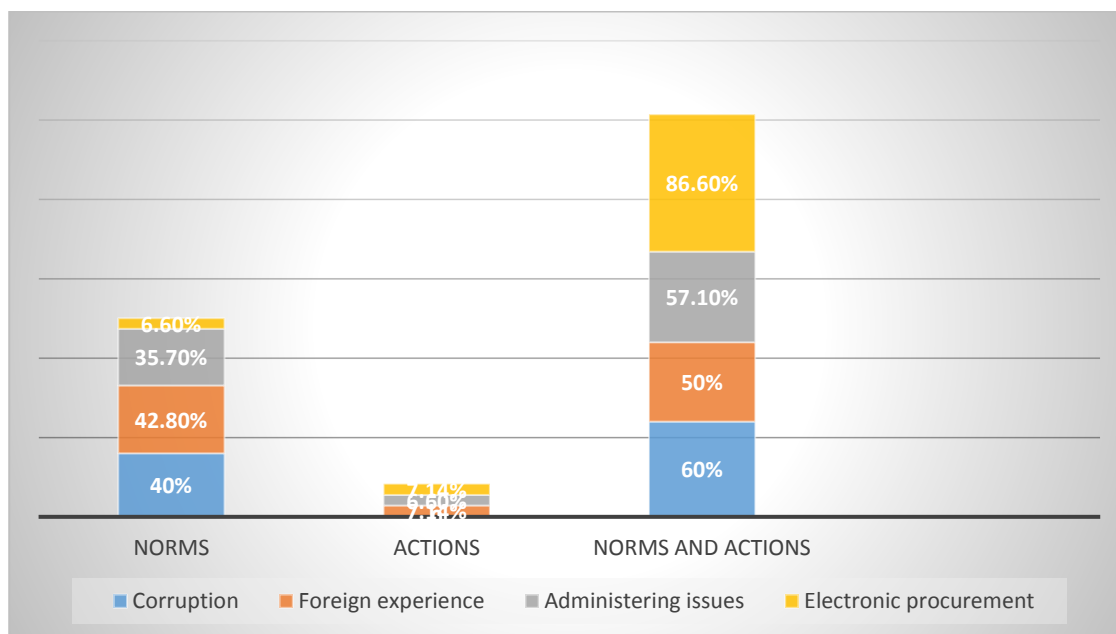


Figure № 4.4. Shares of each type of accounting in the norms-actions perspectives.

#### 4.1.2.4. Institutional logics classification.

Not all the studied articles contain information which can help derive institutional logics behind the statements or conclusions made in the articles. However, most articles contain such information. It worth mentioning that in the studied articles institutional logic was not used to explain the reasons for some phenomenon. However, the content of the articles allows to trace the interest and influence of some institutional logics.

Such interest can be noticed in the outcomes and proposals of the studied articles, as well as in the main parts of the articles where the results of the research indicate a possible influence on specific institution among three types previously mentioned in the theoretical chapter.

In the theoretical chapter three types of institutional logics were identified, their actors and goals were explained. Thus, having an understanding that actors of one of the mentioned institutions will be interested in or influenced by the outcome of the studied article I have pointed out in Appendix 1 that one of the institutional logics is mentioned in the relevant article. Several logics may be mentioned into one article.

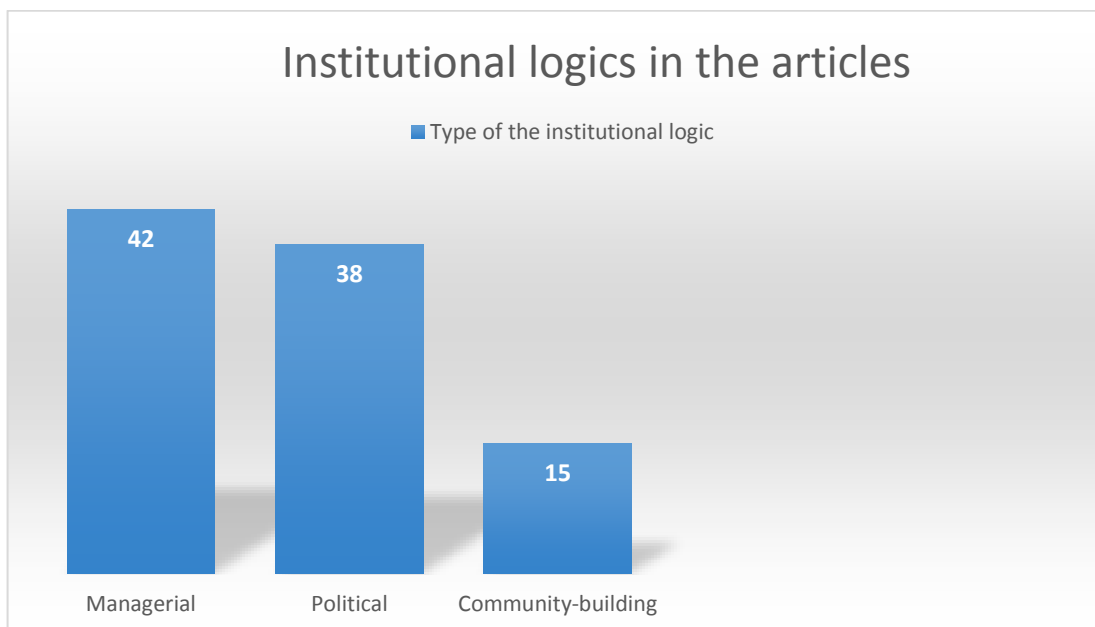


Figure № 4.5. Institutional logics classification (Ukraine).

The above figure demonstrates that managerial logics is prevailing in the studied articles. Thus most articles are addressed to managers of the public procurement system in order to improve performance of public administrations and relevant authorities in terms of public procurement. Such issues may concern, for example, financing and organization of public procurement, control, monitoring, efficiency assessment etc. For example, one of the articles is purely aimed at the actors of managerial logics, since analyses diagnostics of the system of interaction between the government and business in terms of public e-procurement. The findings of this study could be used for an econometric model which can help managers to optimize the e-procurement system

and predict possible results of functioning of the e-procurement system (Klyuvak et al., 2016) . In another article basing on the analysis of the public procurement managers` activity the authors explain how analytics module can help assess efficiency and economy of the system. In most articles managerial logics could be found in some statements though the article combines different institutional logics. For instance, Miniailo O. and Kostenko A. (2016) together with analyzing WTO GPA obligations of Ukraine (which in itself demonstrate political logic) show the flaws of the existing system (absence of such a criterion of evaluation as the quality of the procurement subject, absence of appeal mechanism etc.) which are of the interest of managers of the system .

The political logic is mentioned in 38 articles. It means that 38 articles can be useful for politicians and the outcome of these articles pursue democratic values and promoting realizing of deliberative model of democracy (e.g., promoting rule of law in public procurement, fighting corruption, responsibility for offences in public procurement etc.). For example, Malolitneva K. (2016) analyses public policy making in order to develop innovative economy in Ukraine, as well as obligations of Ukraine under EU-Ukraine Association agreement. This is a primary interest of the actors of political logics as they are the ones who have power to make changes in policy making. Furthermore, the article addresses the actions of actors of political logics.

Community-building logic is not widespread and usual one for public procurement system. However, some articles may be useful and aimed to society organizations, small and medium enterprises since they demonstrate their role and participation in public procurement system (e.g., participating small and medium enterprises in public procurement, role of civil organizations in professionalization of public procurement, their influence on green procurement etc.). For example, one of the articles analyses corruption risks which are mostly the interest of the actors of community-building logic because community (citizens, enterprises etc.) is interested in having equal access to public procurement and interested in obtaining qualitative and not expensive services and goods from the state (Altsyvanovych and Tsymbalenko, 2018) .

#### 4.1.2.5. Institutional environment classification.

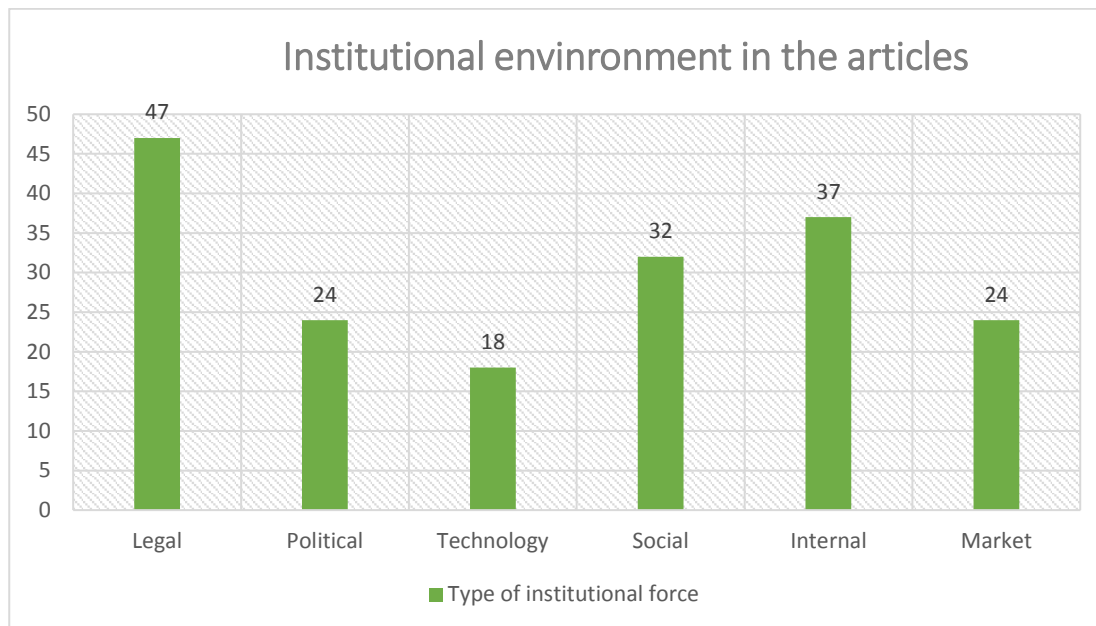


Figure № 4.6. Institutional environment classification (Ukraine).

Institutional environment plays important role in developing public procurement system. All of the articles show and describe how certain type of institutional environment affect the public procurement system in Ukraine. It should be noted that most articles use several types of environment to describe the position and outcomes of the studies.

The chart above proves that legal environment has the most significant influence on the Ukrainian public system. It is due to the fact, as it was previously explained, that public procurement system in Ukraine is norm-based. For example, Sevostyanova G. (2016) in her article when analysing the current state of existing public procurement system is focused only on legal environment as she addresses flaws in the contemporary norms of public procurement system.

The second largest environment group mentioned in the articles was internal environment. In 37 articles authors explain how different elements of the public procurement systems interact. Addressing internal environment could be seen in the

articles where some specific models, mechanisms inside the system are analyzed. For example, Belinska G. (2016) in her article analyses how the e-procurement system is constituted internally. However, she also addresses technology environment to show the peculiarities of the e-procurement system, and how it is influenced by development of society.

Social environment was explained in 24 articles. In these articles academics explain how social policies and changes in society affect public procurement system in Ukraine. For example, in their article Synytsia and Osmirko (2018) when suggesting solutions to the problems of limited access of small enterprises to public procurement analyse social impact of such enterprises and existing obstacles in society comparing EU experience with Ukrainian one.

Political forces, as well as market forces, have a big effect on the public procurement system of Ukraine. The chart demonstrates that these forces equally influence Ukrainian public procurement system. Dushenka I. and Kuznetsova K. (2018) analysed the advantages and generalizations of the EU public procurement market from the similar situation in Ukraine using political environment (in terms of addressing governmental behavior to fulfill obligations under EU-Ukraine Association agreement) and market environment (in terms of opportunities and prospects for the domestic enterprises to enter EU market).

Though technology environment is mentioned in the articles the fewest number of times, it is not the one having the smallest influence since Ukraine introduced electronic procurement system which is still to be researched in the studies. It also can be explained by the fact that technology forces are not absolutely independent and can't be analyzed without reference to any other institutional force. For example, there are articles where the only one type of institutional force is explained, but it is never technology environment. Technology environment is never mentioned in itself in the articles, it is always followed by other forces.

#### 4.1.2.6. Elements of public procurement classification.

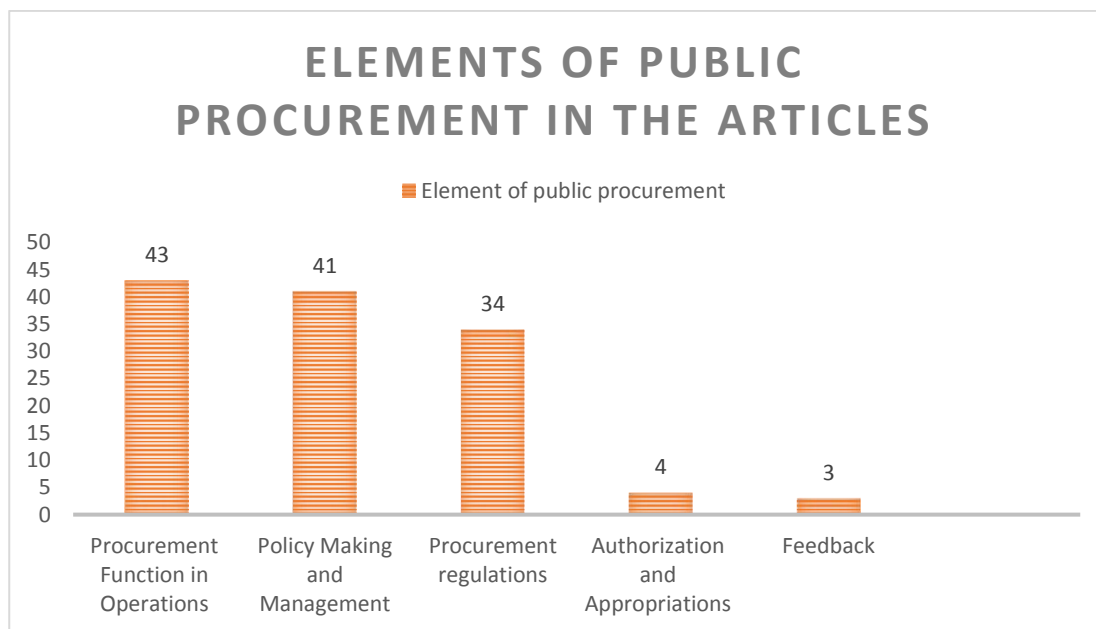


Figure № 4.7. Elements of public procurement classification (Ukraine).

Articles analyzing procurement function in operations are the biggest group of articles. The second in number of mentioning are Policy Making and management. It worth saying that in most of articles these two groups are analyzed together. To my mind, it is due to the fact that most of the articles are norms and actions based articles. Therefore, the difference in role of these groups is slight.

Procurement regulations group represents the third largest group of elements. However, we see that that there is very sharp difference between these three groups and “authorization and appropriations” and “feedback” group. Academics are not so concerned with financing and funding in relation to the public procurement system. It could be because these topics are not problematic or because these topics are not the field for academic research.

#### 4.1.2.7. Principles of public procurement classification.

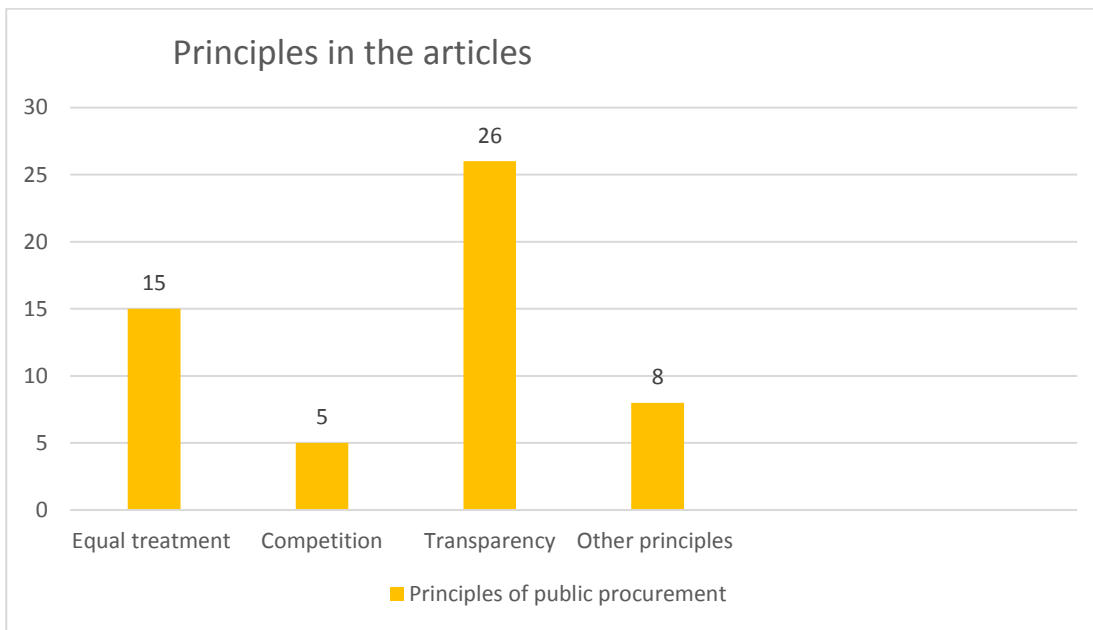


Figure № 4.8. Principles of public procurement classification (Ukraine).

Not all studied articles contain any reference to principle. However, many of them have statement which could be interpreted in favor of one of the principles mentioned in the theoretical part. Indeed, there are a lot of articles where it is impossible to identify any principle.

The figure demonstrates that transparency is most frequently used principle and is mentioned in 26 articles. For instance, Altsyvanovych and Tsymbalenko (2018) analyze corruption risks of the current legislation focusing on transparency principle as a basis for fighting corruption in public procurement. Equal treatment represents the group placed second in its significance (mentioned in 15 articles). This principle, can be clearly noticed, for instance, in the articles addressing access of SMes to public procurement stating that legislation should be changed in the way that SMes will have equal access (Synytsia and Osmirko, 2018).

Competition is referred the fewest number of times. This principle is referred in articles analyzing competitive dialogue and negotiated procedure of the public procurement system (Dziuba, 2018). In the theoretical part three general principles applicable to all public procurement systems were mentioned. However, in some articles academics



presented other principles, which, to their views, should be used in public procurement. Such principles include, for instance, principle of professionalism, ecological principle, principle of social responsibility, principle of inducement of innovations, principle of informational value etc. (Veselovskyi, 2018; Mitropan, 2018).

## **4.2. Description of the empirical data relating to Norwegian system of public procurement.**

### **4.2.1. General description of the academic articles on Norwegian public procurement systems.**

As it was stated in the methodological part, 10 articles regarding the public procurement system in Norway were analyzed (see Appendix 2). Comparing to 77 Ukrainian articles, it may seem very few. However, one should admit that absolute majority of the articles concerning Ukrainian public procurement system is written in Ukrainian. If we try to reduce the number of articles written in Ukrainian, the result will be approximately the same. Hence since I do not have a good command of Norwegian, I had to analyze only articles written in English. Furthermore, time limits for the comparison research should be considered. Despite the above mentioned, I am deeply convinced that such information is enough to understand Norwegian public procurement system and to compare it with Ukrainian one.

As it was made as to the analysis of the public procurement system of Ukraine, firstly I would like to show in which field of science the articles are published.

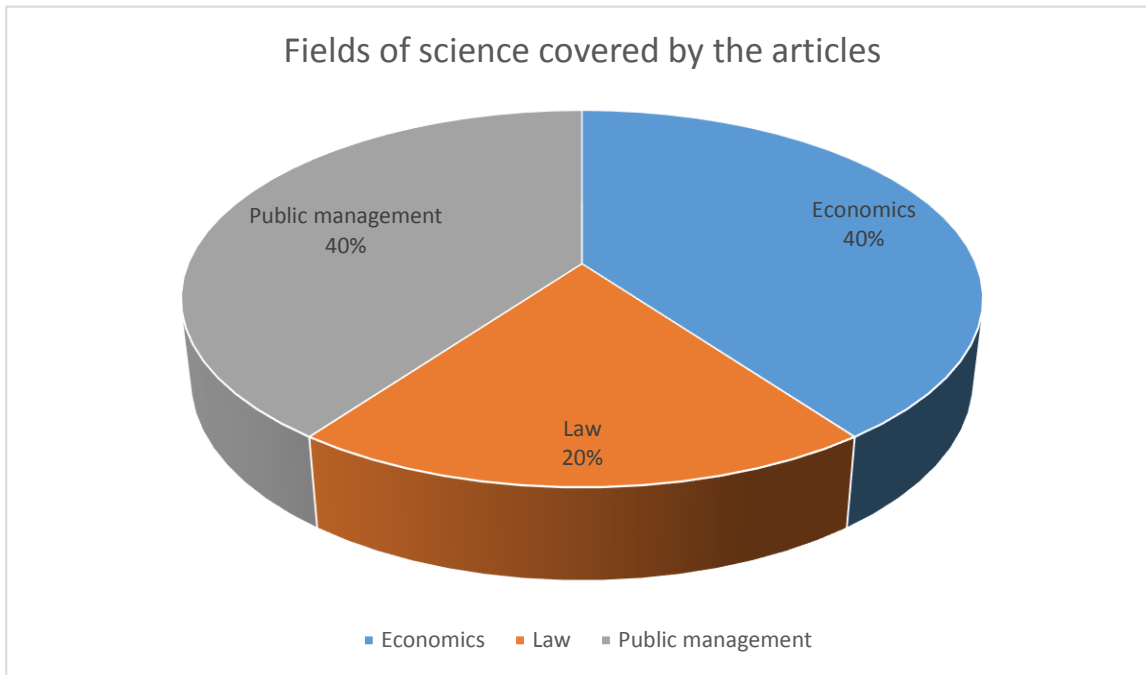


Figure № 4.9. Fields of science covered by the articles (Norway).

The figure above demonstrates that the numbers of the articles in economics and in public management are equal (4 articles). However, it is worth admitting that these two fields in the articles are quite interrelated, because of the nature of the studied subject, as it was previously said. Thus it was not an easy task to distinguish them in the articles. However, there were no problems concerning distinguishing the articles concerning law.

As regards to methodological approach and research methods used in the articles, use of mixed methods prevails. Mixed methods were used in most of the articles (6 articles). In mixed methods academics use literature review together with in-depth interview and document studies (Breivik and others, 2018); or, for instance, combine case study with literature review (Moe and others, 2017) etc. It is described on the chart below.

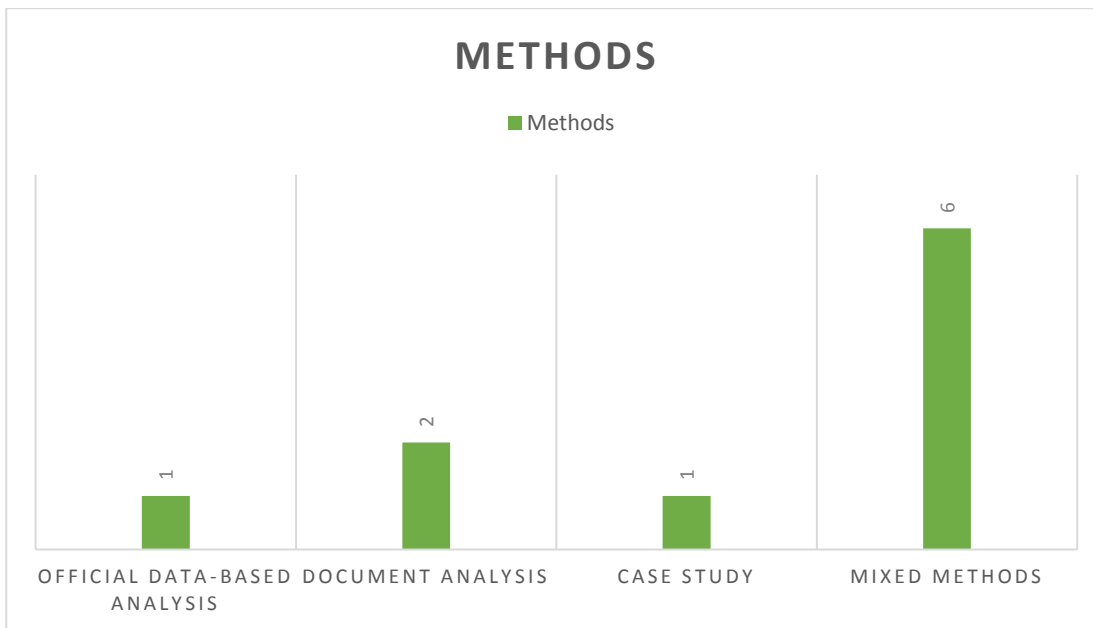


Figure № 4.10. Methods used in the researched articles (Norway).

As regards to the theories applications, Norwegian articles are not so theoretical as Ukrainian ones. Half of the studied articles was based on some theoretical background, while the other half was atheoretical. It can be seen from the following table:

Theory	Number	%
Social conflict theory	1	10%
Information measurement theory	1	10%
Dialectic theory	1	10%
Stakeholder theory	1	10%
Behavioral decision-making theory	1	10%
Without theory	5	50%

Table 4.4. Theories used in the researched articles (Norway).

Concerning time periods of the articles, it can be seen from the table below that there was an upward trend in 2017- 2018 years. The highest attention to the public

procurement system researches in Norway was paid in 2018. I assume that could be explained by the fact that in 2017 the new Norwegian public procurement regulation came into force and, presumably, it created a new field for researches.

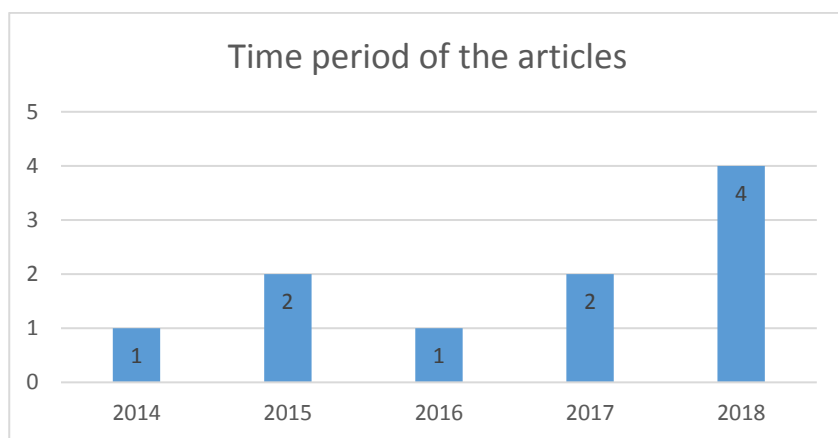


Figure № 4.11. Time period of the articles (Norway).

#### 4.2.2. Description of the content of the researched articles.

##### 4.2.2.1. Horizontal classification (norms, actions, norms and actions).

The table below represents the numbers of articles according to perspectives in the present classification.

Perspective	Number of articles	%
Norms	2	20%
Actions	3	30%
Norms and actions	5	50%
Total amount of the articles	10	100%

Table № 4.5. Norm-action classifications (Norway).

The biggest of the classification groups is norms and actions group consisting of 5 articles (50%). The articles about only actions represent the second largest group which amounts to 3 articles (30%). The norms-related group of articles amounts to 2 articles

(20 %). It may tell us that actions play a bit bigger role in development of Norwegian public procurement system. At the same time, the prevailing position of norms and actions group demonstrates that academics are far more concentrated on the application of the norms and interaction between norms and actions in terms of public procurement system in Ukraine.

### *Norms*

Norms in public procurement system of Norway play quite an important part since public procurement is indistinctive from state's activity, i.e. activity of the relevant authorities of the states, which, according to Ukrainian legislation can act only within the powers set forth in the legal acts. Norms described in the researched articles can be separated into two groups: domestic norms and EU norms. Domestic norms are set forth in domestic laws (such as the Public Procurement Act of 17 June 2016, No. 73), while EU norms are reflected in the EU Directives (like Directives 2014/23/EU, 2014/24/EU, 2014/25/EU ). It should be noted that authors are more concentrated on EU norms than on the domestic norms. For example, when analyzing socially Responsible Public Procurement in Norway Jacobsen and Backer Malm (2017) base their research on the norms set forth in Directive 2014/24/EU, the United Nations Guiding Principles on Business and Human Rights and Norwegian Procurement Act.

### *Actions*

The actions-related articles cover such topics as diagnostics of the system of public procurement, monitoring of the public procurement system, interaction with business, technology issues of e-procurement, assessing efficiency of public procurement system, innovations etc. For example, in one of the articles to show how best value procurement could be implemented the authors used two case-studies in relation to infrastructure and building projects, thereby studying actions carried out in these two cases and how it can be possibly performed in future (Joudi et al., 2018).

Such articles use various mathematical models, formulas, comparison of practices, assessment and evaluation methodic which are not based on norms and can exist separately from the norms mentioned above.

### *Norms and actions*

This group is the largest in the proposed classification. The total amount of the articles belonging to this group is 5 (50% of all articles). It shows that there is interrelation between norms and actions. Academics are concerned more on application of the norms, than just on analyzing of the pure “norms”. For example, Ole Boe and Øyvind Kvalvik (2015) analyze newly introduced changes in public procurement system in Norway, however they concentrate more on consequences of these changes than on the norms resulting in these changes.

#### **4.2.2.2. Vertical classification (as regards to the topics concerned).**

<b>Specific topic</b>	<b>Number of articles</b>	<b>%</b>
Corruption	1	10%
Socially responsible public procurement	3	30%
Innovations in public procurement	2	20%
Informational systems in public procurement	2	20%
Non-profit actors in public procurement	1	10%
Use of resources in public procurement	1	10%

Table № 4.6. Topics-concerned classifications (Norway).

The table evidences that Norwegian academics are concerned with socially responsible public procurement. It is the most discussed topic which is the subject of 30% of all

the articles. 20% of articles are devoted to innovations in the public procurement system in Norway. The same number of the articles is published regarding informational systems in public procurement system. Corruption in Norwegian public procurement is also studied by 10% of Norwegian academics. The same number of the articles studies the issue of non-profit actors in public procurement, as well as use of resources in public procurement.

#### 4.2.2.3. Cross-sectional classification.

Specific topic	Norms	Actions	Norms and actions
Corruption		1	
Socially responsible public procurement	1		2
Innovations in public procurement		1	1
Informational systems in public procurement			2
Non-profit actors in public procurement	1		
Use of resources in public procurement			1

Table № 4.7. Cross-sectional classification (Norway).

The cross-sectional table demonstrates that the most concerned topic is studied mostly in norms and actions related articles, though there is one norm-based article regarding sustainability in Norwegian public procurement. Corruption issues studied in actions-related way, while role of non-profit actors in public procurement is discovered by analyzing norms. Innovations in Norwegian public procurement are more action-based since studied in action-based and norms and actions based articles. Informational

systems of the public procurement in Norway are analyzed through interrelation between norms and actions, as well as use of resources in Norwegian public procurement.

#### 4.2.2.4. Institutional logics classification.

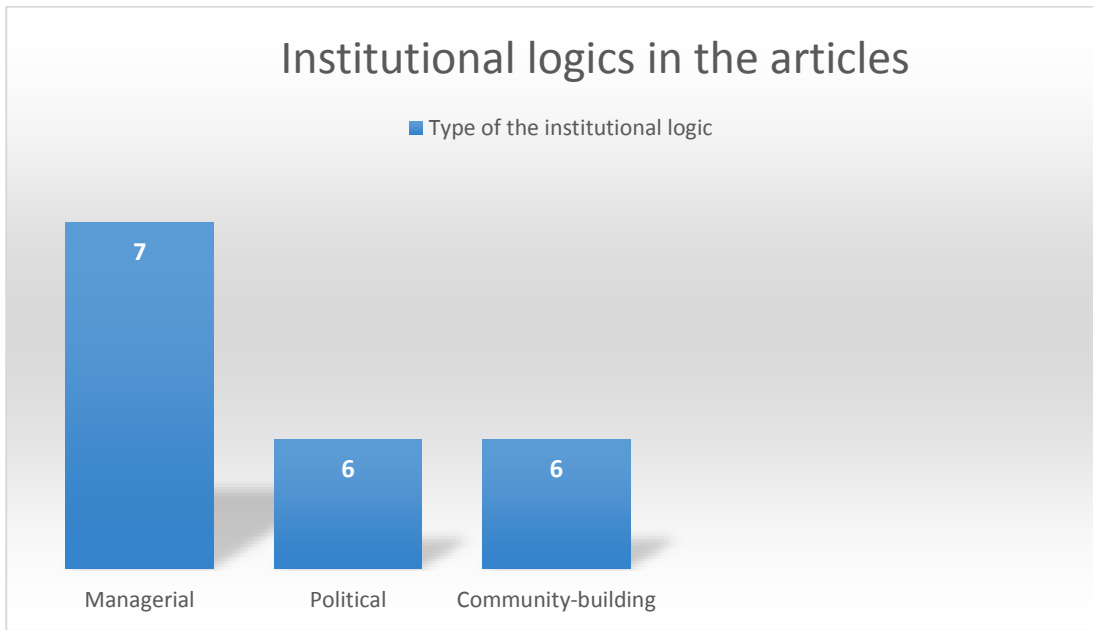


Figure № 4.12. Institutional logics classification (Norway).

Most of the articles regarding Norwegian public procurement use several institutional logics at one. However, managerial logics slightly prevails over the other types of institutional logics presented in the theoretical part. For instance, in the article where the authors analysed to what extent the BVP projects followed the original procurement model, and how uncertainty was handled in order to develop suggestions on how BVP should be carried out in future projects, managerial logic could be traced, since the recommendations developed by the authors could only be used managers of the public procurement systems because implementing such suggestions is only within their powers (Joudi et al., 2018).

The political logic is mentioned in 6 articles, as well as community-building logic. It leads us to the conclusion that these two types of institutional logics have the equal influence on the public procurement system in Norway. For example, Haugen (2018) in his article showcases two institutional logics — political and community-building



since he criticizes Norway government on fulfilling the EEA obligations; at the same time he recommends to reserve procurement processes to non-profit actors in the field of healthcare, thereby expressing interest of the actors of community-building logics. Thus his articles demonstrates influence and views of two competing logics.

#### 4.2.2.5. Institutional environment classification.

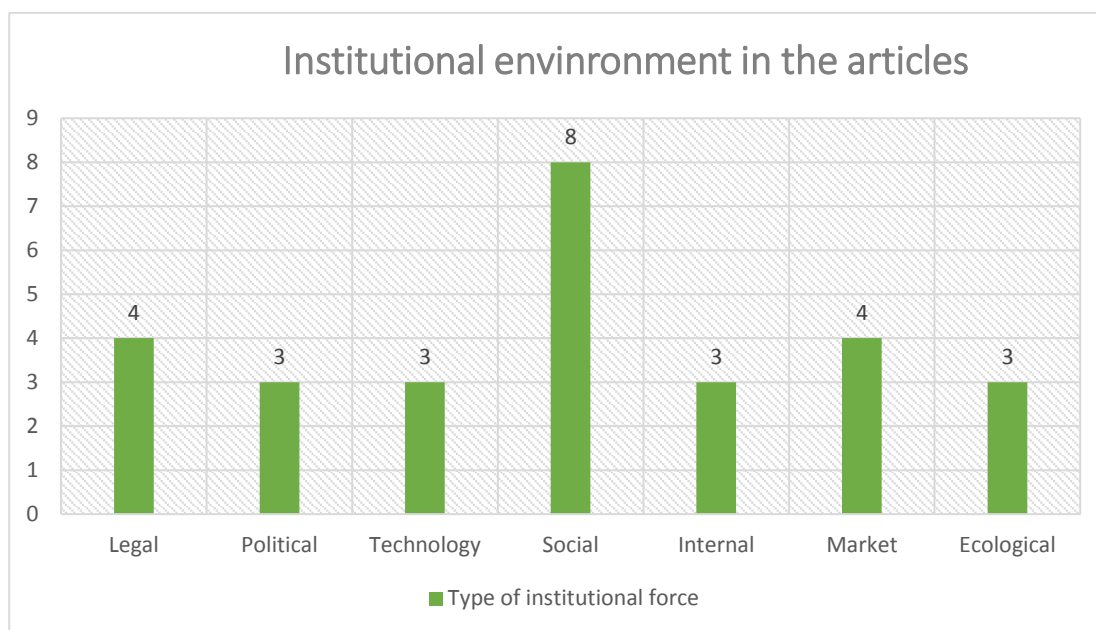


Figure № 4.13. Institutional environment classification (Norway).

The chart above evidences that social environment has the biggest influence on the development on the public procurement in Norway. It is mentioned in 8 out of 10 articles. It is a sharp difference comparing to all the other types of institutional environment presented in the theoretical part. However, it should be noted that political and social environment are closely interrelated, though often competing. As it was mentioned above, for instance, Haugen (2018) shows that EEA requires Norway to ensure access to public procurement (political environment), and non-profit organizations in the field of healthcare (which are actors of community-building logics) struggle because of disagreement between Norway and the European Surveillance Authority (ESA) regarding which health services are representation of official authority.

Market environment, as well as legal environment, is described in 4 articles. For example, the article of Jacobsen and Backer Malm (2017) clearly shows how legal environment of EU influence legislative changes in Norwegian public procurement system. Influence of market environment can be showcased in Ole Boe and Øyvind Kvalvik (2015), where they explain how vendors and clients influence best value procurement (Igarashi et al., 2015).

All the other types of institutional environment explained in 3 articles each. However, it should be noted, that in the theoretical part one of the types of institutional forces was called as “social and other”. Analysis of the articles on Norwegian public procurement demonstrated that ecological institutional environment could be distinguished in a separate group. For instance, in one of the articles the authors try to show how modern environmental issues influence decision-making in public procurement, thereby expressing reflection of environmental (ecological) institutional environment in Norwegian public procurement system.

#### 4.2.2.6. Elements of public procurement classification.

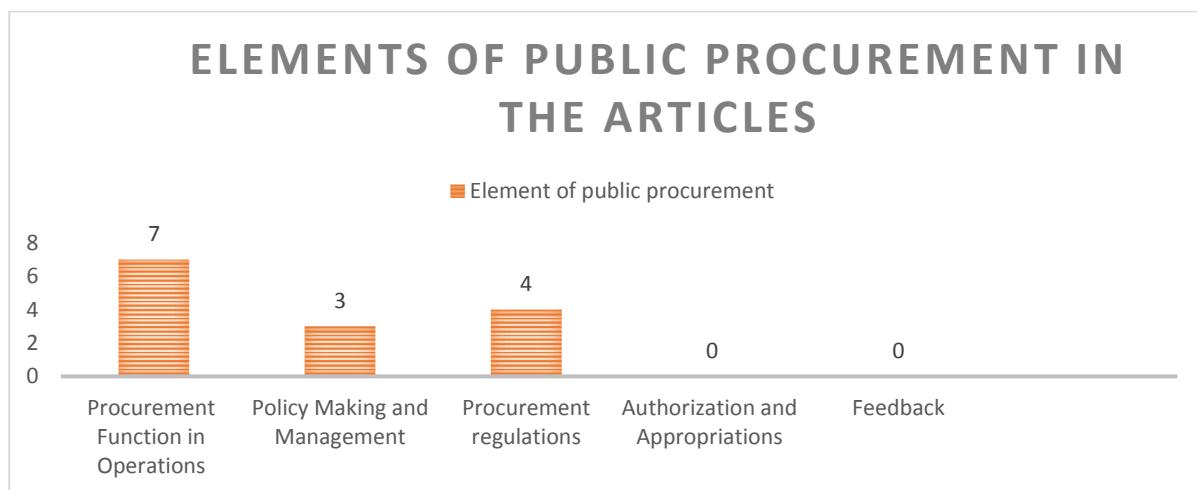


Figure № 4.14. Elements of public procurement classification (Norway).

Articles analyzing procurement function in operations are the biggest group of articles.

The second in number of mentioning are Policy regulations.

Policy Making and management group represents the third largest group of elements. However, we see that there are no articles addressing “authorization and appropriations” and “feedback”. Academics are not so concerned with financing and funding in relation to the public procurement system. It could be because these topics are not problematic or because these topics are not the field for academic research.

#### 4.2.2.7. Principles of public procurement classification.

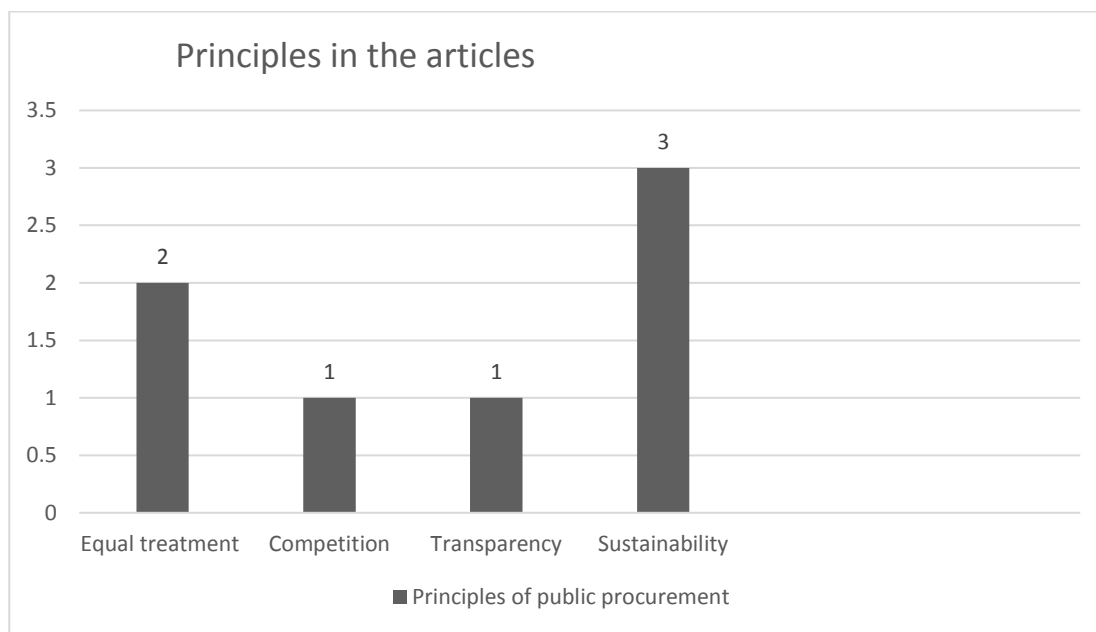


Figure № 4.15. Principles of public procurement classification (Norway).

Not all the studied articles contain any reference to principle. However, many of them have statement which could be interpreted in favor of one of the principles mentioned in the theoretical part. For example, it can be seen from the article of Haugen (2018) that idea of enhancing access and position of healthcare non-profit organizations in public procurement system is expression of the principle of equal treatment. Gottschalk and Smith (2016) when analyzing detection corruption in public procurement system, thereby address the transparency principle since the aim of fighting corruption issues is providing transparent system. Moe (2017) addresses competition principle which could be derived from the statements regarding informational system issues which could provide dialogue with vendors thereby ensuring the best bids and competitive

propositions. Sustainability principle can easily be noticed, for example, in articles on green procurement (Igarashi et al., 2015).

The figure demonstrates that Norway is unique in addressing the principle on which the public procurement system is based since the most frequently addressed principle is the principle which is not general for all the public procurement systems. It was not presented in the theoretical chapter. 3 out of 10 Norwegian articles demonstrate that principle of sustainability could be derived from the content of the studies of Norwegian academics.

Equal treatment is the second frequently used principle and is mentioned in 2 articles. Transparency and competition were mentioned in 1 article each.

### **4.3. Comparison of the empirical data on the public procurement system in Norway and in Ukraine.**

#### **4.3.1. General description of the academic articles on Ukrainian and Norwegian public procurement systems.**

It was decided not to address the comparison of general description of the articles through tables or charts. I decided just to show the general trends in these two systems. Thus the following could be said regarding the information previously marked as ‘general description’:

- A significant amount of the articles in Ukrainian public procurement system are law-related articles, while law-related articles constitute the fewest number of articles in terms of the public procurement system of Norway. It shows that Ukrainian public procurement system is far more norm-based than the Norwegian one;
- Both articles regarding Norwegian public procurement and Ukrainian public procurement tend to use mixed methods to discover the studied issues. However, none out of 77 Ukrainian articles used interview as the methodological approach, while 2 out of 10 Norwegian articles recourse to interview as a method of

studying the issue. It might be concluded that possibly there is no trust in personalities' credibility in development of the public procurement system in Ukraine. Furthermore, it possibly indicates that community-building logic and social institutional forces are not developed enough to influence the Ukrainian public procurement, comparing to other institutional logics and forces. But this issue will be further addressed in more details.

- All of the articles on Ukrainian public procurement are atheoretical, while regarding Norwegian public procurement systems academics tend to base their articles on some theoretical background. However, half of the articles on Norwegian public procurement are also atheoretical.
- More articles on Ukrainian public procurement system were written in 2016-2017 due to amendments into Ukrainian legislation; the same could be said regarding the public procurement system in Norway: after the amendments to public procurement legislation came into force, upward in 2017-2018 in researches on the studied topic was noticed. However, Norwegian articles are not so attached to these amendments as it can be noticed in relation to the articles on the public procurement system in Ukraine.

#### **4.3.2. Comparison of the content of the researched articles.**

Since number of the studied articles on the public procurement systems in both countries differ heavily, it is more rational to compare them via share-based approach than via mere number comparison. The same approach in the comparison of the characteristics of the public procurement systems, as it was made above, will be adopted. However, since I see no need in comparison cross-sectional classifications, it will be omitted in this part of the study.

#### 4.3.2.1. Horizontal classification (norms, actions, norms and actions).

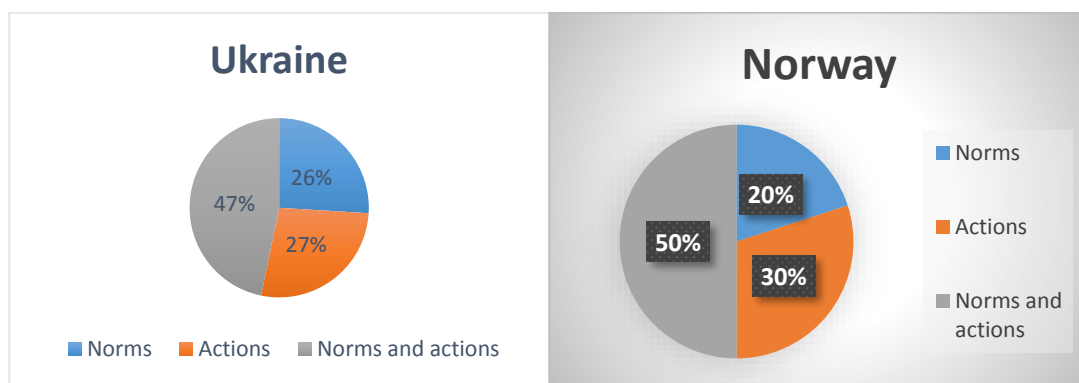


Figure № 4.16. Comparison of the norm-action articles in both countries.

The above figure demonstrates that the proportion between the presented perspectives is approximately the same with slight differences. However, the content of the articles, as well as the above chart, evidences that Ukraine public procurement system is more norm-based than the Norwegian one since many conclusions in the articles on Ukrainian public procurement are attached to the wording of the norms, there are a lot of the analysis and citations of the wording of the norms on the public procurement. Norwegian public procurement system, though having strong norm ground is more action based than the Ukrainian one. It is also evident from the chart since number of action based articles in Norwegian field exceed norm-based articles by 10 percent, while in Ukraine this difference amounts to 1 percent.

#### 4.3.2.2. Vertical classification (as regards to the topics concerned).

The academics in Ukraine and Norway are concerned with different issues in the field of public procurement. However, there are common issues in the field of the public procurement for both countries. For example, 10% of the articles on Norwegian public procurement system are related to the issue of corruption in public procurement. In Ukraine number of articles on this topic amounts to 12.9%. So quantitative analysis implies that concern on this issue in both countries is quite the same.

There was one more topic which was common for both countries – innovations in public procurement. In the chart in para. 4.1.2.2 three articles on this topic were

categorized as “other”. It amounts to 3.89% of all the Ukrainian articles. Norwegian articles regarding this issue constitute 20% of the studied articles.

As we see from para. 4.1.2.2 the most concerned topic in Ukraine is electronic procurement since recently e-procurement was introduced in Ukraine. Also there is a big concern regarding foreign experience on public procurement (especially in EU) since Ukraine tries to adopt the EU legislation in the field on public procurement. Therefore approximately 20% of the articles are devoted to this topic.

Norway demonstrates a very unique approach to the understanding of the goals of the public procurement system since 30% of the articles are related to green procurement, socially responsible procurement. It demonstrates a very social approach in public procurement performance. As regards to the Ukrainian articles in this field, there was only one article where this topic was analyzed, however it was analyzed in the context of EU’s experience.

As for me, it shows that Norwegian public procurement is socially-oriented, which can not be said in relation to Ukraine. Possibly, it is because the public procurement system in Ukraine is being developed and is not stable enough.

#### 4.3.2.3. Institutional logics classification.

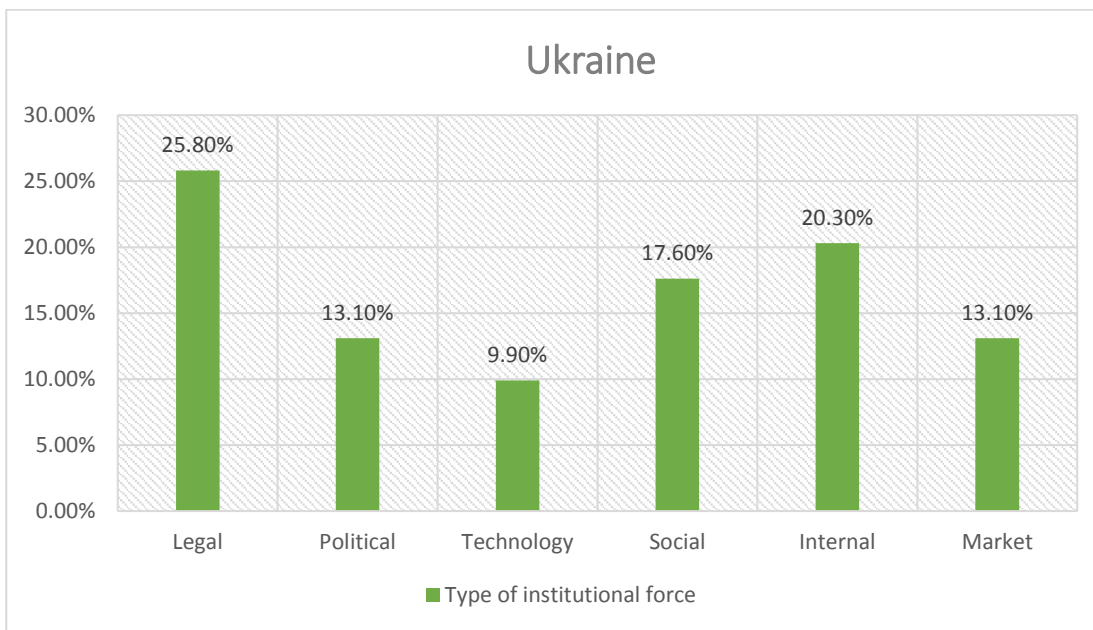


Figure № 4.17. Comparison of the institutional logics in both countries.

The above chart demonstrates that managerial logic in public procurement system of both countries prevails. However, the proportion between these three institutional logics in two countries differs: in Ukraine managerial logic has more influence on the

public procurement, than it has in Norway. But the most interesting difference, as for me, is in the place of community-building logic. In Ukraine community-building logic is placed third and it constitutes 18%, while in Norway it constitutes 31%. Furthermore, the difference between all these three logics in the public procurement system in Norway is very slight (their role is comparably equal) while in Ukraine the difference between managerial and community-building logic amounts to 33% (in Norway it constitutes 7%). It tells us that community building logic in Norway plays a bigger role, than it does in Ukraine.

#### 4.3.2.4. Institutional environment classification.





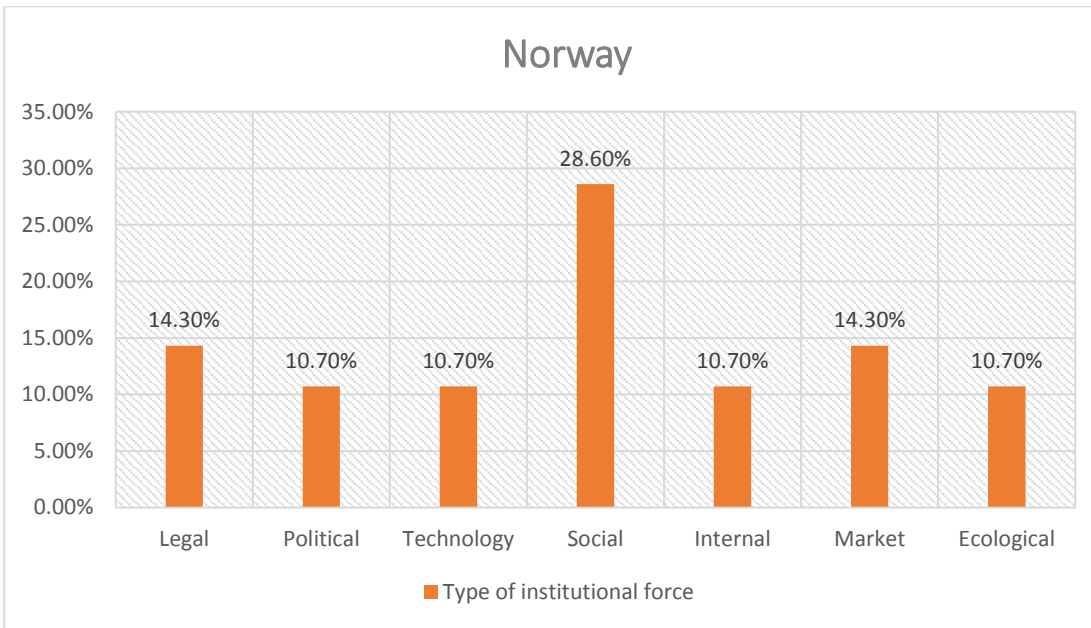


Figure № 4.18. Comparison of the institutional forces.

The charts demonstrate that in Ukraine the biggest influence belongs to legal environment, while in Norway social environment prevails. Special role belongs also to ecological environment, which in Ukraine has no influence on the development of public procurement. The influence of the other types of environment is almost equal.

#### 4.3.2.5. Elements of public procurement systems classification.

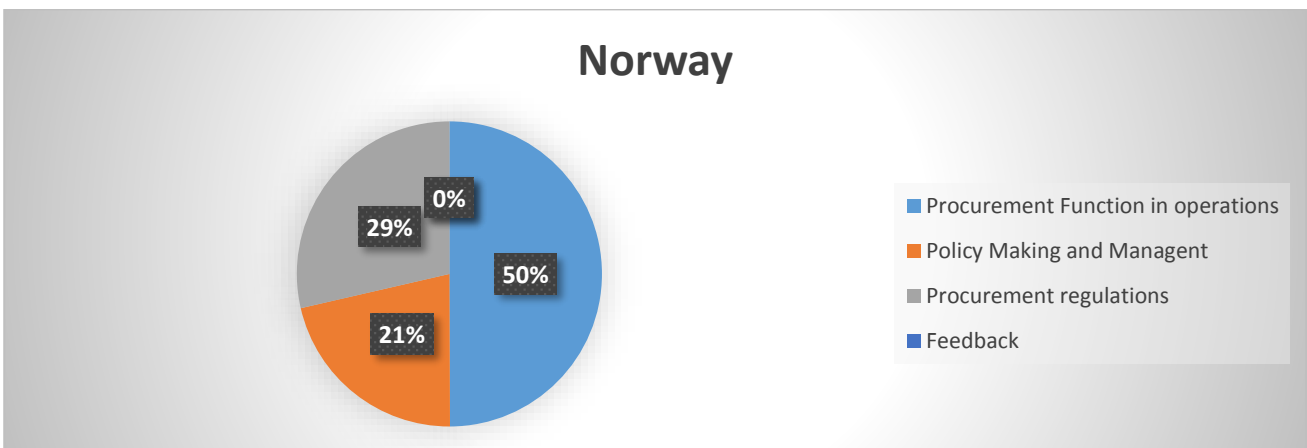




Figure № 4.19. Comparison of the elements of the both systems.

The above charts show that in both countries ‘procurement function in operations’ is the most important element of the public procurement and most of the articles are devoted to the studying of this element. ‘Policy making and management’ in both cases placed second. Procurement regulations in both countries amounted approximately to the same percentage (27% in Ukraine, 29% in Norway).

One more common thing which is common for both countries is that ‘feedback’ and ‘authorization and appropriations’ are paid the least attention. However, as regards to Norwegian public procurement system I did not manage to find articles concerning these elements, while in Ukraine it amounts to 2 and 3 percent respectively.

These charts also demonstrate that in Norway there is a bigger difference between ‘procurement function in operations’ (51%) and ‘policy making and management’ (21%), while in Ukraine this difference amount to 1%. It again proves that Ukraine tends to norm-based approach in the public procurement system, while Norwegian public procurement is more action-based.

#### 4.3.2.6. Principles of public procurement classification.

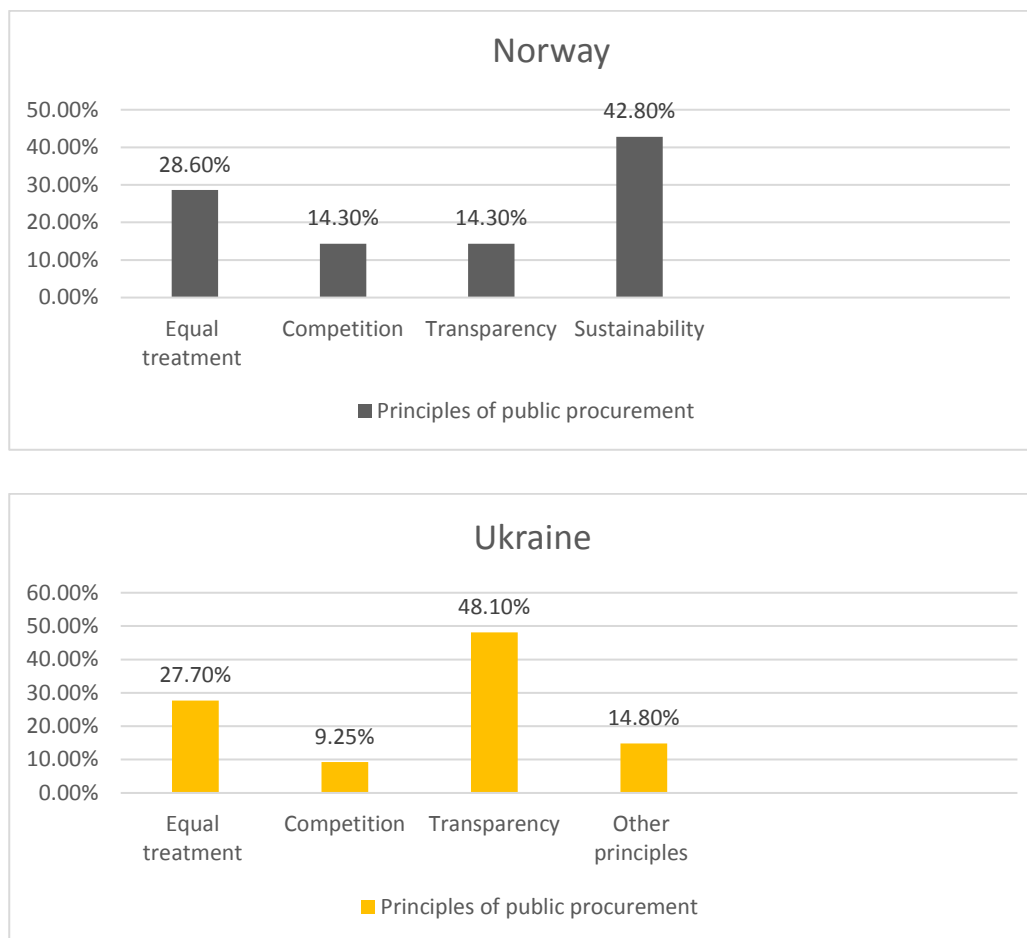


Figure № 4.20. Comparison of the principles in both countries.

Comparison of the principles used in Norwegian in Ukrainian articles again demonstrates social orientation of the public procurement system of Norway. 42.8% of articles are based on the sustainability principle, which is not even presented in Ukrainian articles.

In Ukraine transparency principle prevails amounting to 48.1%. It can be explained by the fact that issue of corruption in Ukrainian public procurement system is one of the most challenging and discussed issues. Therefore academics are so concerned with it. Transparency in Norway placed only third amounting to 14.3%, as well as competition.

The analysis of the principles mentioned in the articles shows that these two procurement systems have different problems and different goals at the contemporary stage of their development.

#### **4.4. Summary**

I have made the empirical description of the articles on public procurement systems in Norway and in Ukraine. Each of the articles contained information which could give an imagination regarding norm-action perspective, as well as information regarding the described element of the public procurement system. However, not all articles contained information regarding institutional environment, institutional logics which have influence and principles of the public procurement system. Despite this fact, since most articles have this information, it allowed to get the general view of the systems and approaches of the academics.

Both Norwegian and Ukrainian articles show that norm-actions perspective is the most used and the studied systems described through conjunction of these two perspectives. However, level of Ukrainian norm-based articles is higher than the level of such articles concerning Norwegian public procurement system. Norwegian articles also show that level of action-based articles is higher than the same level in Ukrainian articles. Possibly it implies the norm-based approach of Ukrainian public procurement system. It will be addressed in the next chapter.

As regards to the environment, the articles on the system of Ukraine show frequent reference to legal environment, while Norwegian academics refer mostly to social environment. It possible lead to the conclusion that Ukraine is heavily influenced by legal environment, while Norway — by social.

Both Norwegian and Ukrainian articles are mostly aimed to managers, thereby raising managerial logics. However, Ukrainian articles show lack of influence of community-building logic, which could not be said regarding Norway.

Most Ukrainian articles demonstrate concern regarding transparency principle, while Norwegian show that academics are interested in sustainability principle, which is quite alien for Ukrainian academic thought.

The articles regarding both systems are mainly devoted to public operations in function. However, Ukrainian academics demonstrate high concern with regard to the policy making.

## Chapter 5: Analysis

*Information is the oil of the 21st century, and analytics is the combustion engine.*

*Peter Sondergaard*

Before it is possible to draw any conclusion based on the empirical data it is important to make in-depth analysis of the literature studied to find and to understand similarities and differences in the public procurement systems of Norway and Ukraine basing on the models presented in the theoretical part.

### **5.1. What are the differences and similarities of public procurement in Ukraine and Norway?**

As it was previously stated in the theoretical chapter, the comparison of the present public procurement systems will be made through analysis of differences and similarities in the following models:

- 1) Institutional environment;
- 2) Elements of the public procurement systems;
- 3) Goals and principles of the public procurement systems.

The literature review prepared in this regard allows to carry out the comparison via the lens of the above mentioned characteristics.

#### **5.1.1. Differences and similarities in institutional environment of both systems.**

The literature review described in the empirical part of the thesis has showed that in Ukraine academics are focused on legal environment, while in Norway social environment is in the focus of the authors. However, the other types of the institutional environment are represented almost equally in the articles. Thus it may be concluded that influence of these types of environment in both countries approximately equal. To examine all common and different sides of each of the type of institutional forces which

influence the public procurement system, it was decided to carry out the analysis regarding each type of the environment separately.

#### **5.1.1.1. EU-dominated legal environment in both countries.**

As it was previously mentioned, all the analyzed articles were published in the period of 2014-2018 years. This period was chosen because of the significant changes in the public procurement systems of both of these countries. Both Norway and Ukraine were heavily influenced by the EU's legislation and had to adopt amendments into their domestic public procurement legislation.

Norway, in the similar way as Ukraine, being a party to the Agreement on the European Economic Area, had to implement Directives of the EU adopted by the EU in 2014 (Directives 2014/23/EU, 2014/24/EU, 2014/25/EU). Such Directives came into force in Norway since 1 January 2017. However, the requirements of the changes in these Directives have the other nature, than Ukrainian ones presented above. These directives contain requirements in order to enhance public spending efficiency, to promote small and medium enterprises' participation in public procurement, promote social, environmental and labour policies in the field of public procurement. Furthermore the new legislative amendments changed the thresholds for public procurement contracts: the threshold was increased from NOK 500,000 (€53,000) to NOK 1.1 million (€116,500), and for health and social services contracts was set at NOK 6.3 million (€667,500). The said thresholds have the following results:

- 1) there is no need to announce publicly all tenders;
- 2) the contract providers by themselves have to get information regarding upcoming tenders which are not within the threshold.

Hans Morten Haugen (2018) admits that both present government and former government have not done enough to comply fully with the obligations of the EEA. It tells us that, possibly, there may be flaws in the Norwegian legislation as regards to compliance with the EU laws.

So the legislation of Norway shall be interpreted through the view of EU and EEA law. It means that ECJ cases and EFTA Court cases have influence on the development of the public procurement legislation. Furthermore, both Norway and Ukraine are members of the GPA (WTO Government procurement agreement).

The above leads us to the conclusion that legal institutional environment in both countries is quite the same, however there are number of differences in this environment. These similarities and differences could be seen in the following table:

Norway	Ukraine
<ul style="list-style-type: none"> <li>• influenced by the EU legislation;</li> <li>• both members of the GPA;</li> <li>• have thresholds as regards to the individual procurement contracts;</li> <li>• during the studied period introduced amendments to the domestic legislation;</li> <li>• the EU laws for both countries have recommendation character</li> </ul>	
A party to the EEA agreement	Is not a party to the EEA Agreement
The legislative amendments are focused on social, environmental and labour rights;	The legislative amendments are focused on transparency issues and electronic procurement;
There are no legislative provisions as to facilitating participation of small and medium enterprises in the public procurement	The legislation is aimed to enhance public spending efficiency, to promote small and medium enterprises' participation in public procurement

Table № 5.1. Differences and similarities in the legal institutional environment of the both countries.

#### **5.1.1.2. More impact of social environment in Norway than Ukraine.**

The literature review showcased that in articles concerning Norwegian public procurement system academics are more concerned with social institutional environment, than their Ukrainian colleagues. Furthermore, as it was found out, that



social environment in Norwegian public procurement system has the biggest impact, while in Ukraine it placed third.

It was severally times reiterated that the public procurement system in Norway is socially-oriented, while social impact in Ukrainian context cannot be noticed so easily. As it is evidenced from the reviewed articles, impact of the social institutional environment in Ukraine can be noticed in eliminating corruption risk. But still, as O. Altsyvanovych and Y. Tsymbalenko (2018) argue, role of the social actors is not enough. They suggest to implement tools for a public analytics module that opens possibility of uninterrupted monitoring and control over purchases and promotes transparent and accountable purchases. It will help to involve society in the process of control of public procurement procedures. However, Norway demonstrates high level of society's involvement into eliminating corruption elements in the public procurement system even not having the mechanism proposed by Y. Tsymbalenko. Petter Gottschalk and Christy Smith (2016) explain that half of the corruption crimes were detected by whistleblowers, who were journalists, members of non-governmental organizations, internal workers etc.

Norwegian public procurement system has been developing with strict respect and compliance to environmental, labour and other human rights, effective use of resources. As it was stated in the empirical part, the biggest number of articles were devoted to green procurement, while among 77 articles there was only one article where the EU experience in this field was examined.

M. Sparrevik (2018) argues that through cooperation between policy makers, regulators and authorizers green procurement policy is being steadily implemented in the public procurement system, society demonstrates 'a conscious effort' to create new standard of green procurement performance. And as it was already mentioned, these standards have become obligatory. M. Igarashi (2015) even when environmental compliance had not been obligatory insisted on the inclusion of environmental criteria in the supplier selection process. It should be noted that such requirements were voluntary adopted by suppliers and relevant authorities even when they were not

obligatory and were not set forth in the legislation. However, with the social impact and promotion now many of these requirements are of the compulsory nature.

It is worth stating that it is difficult to find similarities in the social environment of these systems, social environment of these countries are of very different nature. Also it should be stated that social environment has its biggest impact when the system of public procurement is stable, while Ukrainian system of public procurement endures ongoing changes. Therefore maybe it is a reason why social impact is not so significant now. I cannot help noting that social environment of the public procurement system of Norway is a bright example of excellence public procurement.

### **5.1.1.3. Ukraine is transparency-concerned than Norway.**

Political environment of both public procurement systems is closely related to their legal environment and influenced by their connection with the EU. However, Hans Morten Haugen (2018) criticizes Norwegian government in failing to comply with the EU public procurement policy. He also argues that political environment plays a big role in participation of non-profit organizations in public procurement, as well as in health and social services procurement (when the Labour Party won power in the largest Norwegian municipalities in 2015 they promoted role of non-profit-organizations in public procurement).

As to Ukraine, political forces directly accounted for introducing new public procurement policy. In 2014 the demand of reforming the system of public procurement became urgent. It was caused by the arbitrary policy of the former president and the government, which was characterized by budget thefts, corruption in public procurement, money laundering etc. For instance, rather than establishing system when companies have to go through a tender process, the former president created 43 legal exemptions which allowed contracts to be awarded directly to a single supplier. Thus all the contracts for Euro 2012, for example, were concluded in this way. Opposition politicians estimated that between 30 and 40 per cent of the funds for the tournament were stolen by officials, a sum of £3 billion (Manthorpe, 2018). But after

the flaws of the said policy had been revealed, the state bodies along with the non-governmental organisations and representatives of business in cooperation came to the conclusion that the existing public procurement systems need to be changed. Thus such events accounted for emergence of Prozzoro.

In the end of 2014 Palvo Sheremeta was appointed Minister of Economic of Ukraine. He declared that one of the main of his policy was reforming of the system of public procurement. A group of volunteers tried to help him in reforming the public procurement system, firstly in making amendments to the law “On performing public procurement”, and then in introduction of electronic system in Ukrainian public procurement. After they had amended the said law, they understood that it is not enough to overcome the flaws of the existing public procurement system, and reached the conclusion that the only way to make real changes in the public procurement system and fight corruption is implementation of electronic system of public procurement.

Political environment of both countries have a lot in common when it comes to impact on public procurement system since it is formed by policy making, the area of politicians. We see that in both countries there are some flaws in political environment: in Norway – ambiguity in compliance with EU policy; in Ukraine — corruption in political environment triggered the reform in public procurement. However, development of public procurement system is heavily dependent on the political environment where the public procurement system flourishes. The main difference of two presented institutional forces is that Norwegian political actors are still concern with social issues, while Ukrainian political environment is focused on administering and managerial issues.

#### **5.1.1.4. More flexibility of Norwegian e-procurement system.**

It cannot help being noted that both public procurement systems are influenced by development of technologies since both public procurement systems are electronical. In Norway it is called DOFFIN, in Ukraine - PROZORRO. Both systems require for

contracts to exceed certain threshold (which was mentioned above) to be eligible to take part in tenders through these systems.

The DOFFIN system represents a concept of “competitive dialogue” (Moe, 2017: 154). It is a bit flexible than the Ukrainian one, however it is not so transparent as in Ukraine. The process using DOFFIN consists of the following steps:

- 1) A notice of the upcoming procurement is announced on DOFFIN.
- 2) Vendors are invited to express their interest and submit their credentials for pre-qualification.
- 3) The relevant project group meet each vendor separately in dialogue meetings to develop a requirements specification. B
- 4) Based on these dialogue meetings, a final tender announcement, which included a finalized requirements specification, is sent to vendors.
- 5) Based on a ranking of the offers, the project group selects one of the vendor’s solutions (Moe,2017: 153).

The core of Prozorro elaboration is experience of the best foreign electronic public procurement practices. But mostly it is built on the Georgian concept which was implemented in Georgia in 2009-2010. On 1 April 2016 Prozorro was implemented in central state bodies and the entities which are monopolies. Later in August 2016 Prozorro became statutory mandatory to all deals within public procurement.

The process in PROZORRO consists of such steps:

- 1) At the first stage, the customer on the basis of the procurement plan and its annex, approved by the tender committee submits to the electronic platform on the Internet announcements about what they want to buy or what services to receive. After announcement is published there is a period for classification which lasts for several days.
- 2) At the second stage, electronic auctions are held where participants reduce prices. The customer cannot influence these processes.

- 3) In the third stage, the customer defines the bidder. The main criterion in defining a winner is the price. Bidders may contest bidding in the AMCU.
- 4) The final, fourth, stage of bidding is the conclusion of a contract with the winner (Varenyk, 2016: 9).

The result of the introduction of the ProZorro system is the minimum of human impact on the results of public procurement, as the selection of the best offer occurs automatically, without interference by unauthorized persons. The main idea behind the ProZorro system when it was created is "Everyone sees everything. " That is, the opportunity for participants to see and analyze bid information. In addition, it should be noted that this information can be analyzed and used not only by bidders, but also everyone who wants, because the principle of transparency of the auction acts.

In 2016 became a winner of Open government award and world procurement award, thereby recognized as the best governmental reform throughout the world.

The above demonstrates that though both countries use electronic public procurement system, their roles and mechanisms are completely different. DOFFIN is flexible and allows human interference and is used only at the first stage of the procurement, while PROZZORO is used at all the stages, does not allow human interference and is much more transparent, but not flexible.

#### **5.1.1.5. Common problems with access to the public procurement market.**

Public procurement has always been an important part of Ukrainian economy. According to the estimates prepared by the Ministry of Economic Development and Trade of Ukraine, the volume of public procurement in Ukraine corresponds to the European practice (Reform of public procurement), and therefore, the problems that arise in this segment affect other sectors of the economy of Ukraine and the quality of public administration as a whole. The analysis of the volume of the public procurement deals shows that in 2018 there was a huge increase in the volumes of the deals through public procurement system (see Table 5.2). Such changes are explained by the reform

of public procurement which was set out in 2016. And as the figures shows, the reform has yielded its results.

Year	The volume	% GDP
2018	UAH 486 bln	14, 8%
2017	UAH 264 bln	8,85%
2016	UAH 235 bln	9, 86%
2015	UAH 112,1 bln	5, 64%

Table № 5.2. The volume of public procurement contracts in Ukraine during 2015 - 2018.

In 2013, the share of public procurement in open markets decreased (from 82% in 2010 to 46.6% in 2013), with the simultaneous growth of purchases for one participant (from 0 to 44.4%) (Transparency International (2015)). Only in the first half of 2013, the share of public procurement, municipal and industrial enterprises that were conducted without tender procedures was 44% (or 17 billion UAH) of the total volume of purchases of state enterprises (Center for Political Studies and Analysis (2013)). Corruption and ineffective state purchasing management during the period until 2015 amounted to about 20% of the total volume of procurement, which was approximately UAH 50 billion. for a year.

During the studied period has not endured such changes since it did not have such problems. As it was stated earlier, it has been stable. Thus there is no need to compare the volume of public procurement contracts during the said period.

However, there is a difference in access of market actors to public procurement procedures. As it was stated earlier, Ukrainian academics admit that small enterprises and non-profit organizations cannot equally compete with other bidders (Synytsia,2018: 97). Norway actually faces the same problem, however new amendments to the legislation are called to overcome the problem with small and medium enterprises. As regards to participation of non-profit organizations, Norwegian government is to issue a guide on how to reserve procurement processes to non-profit actors (Haugen, 2018: 31).

Market environment of both countries faces the same problems, however solutions to that problems are different.

### **5.1.2. Sustainability principle is the main basis for Norway, though being still foreign for Ukraine.**

There are three principles which are common for both systems: transparency, competition and equal treatment. In the empirical part it was evidenced that these principles are almost equally represented in the articles of two countries. However, it should be admitted that the principle of transparency is paid much more attention in Ukrainian articles than in Norwegian. Bondarenko (2016) is of the view that these three principles are not the only principles enshrined in the Ukrainian public procurement system. These principles are complemented with the principle of maximum economy and efficiency, objective and unbiased evaluation of tender offers, professionalism, responsibility for the effectiveness of ensuring public needs and efficiency of spending budget funds, stimulating innovations, informatization of procedures, prevention of corruption and abuse, the principle of public debates on public procurement (Bondarenko, 2016: 159). Furthermore, in this article the authors propose to introduce the principle of presumption of innocence of the customer when considering public procurement disputes.

Previously, it was mentioned that both Norway and Ukraine are parties to WTO GPA. However, some academics (Soshnikov, 2018) think that entering WTO GPA by Ukraine is in contradiction with the principle of equal treatment since it violates rights of domestic customers.

Norway, on the other hands, demonstrates no concerns regarding these three common principles. However, as it was evidenced in the previous chapter the principle of sustainability is the main concern of Norwegian academics. Though it is not directly called as such a principle, the content of the articles and the provisions of the

legislations give reasonable grounds to ascertain that this principle is enshrined in the public procurement system of Norway.

The main difference between the studied procurement systems, is that in Ukraine the principle of sustainability has no place neither in the legislation, nor in the academic articles. But since Ukraine confidently expresses its EU direction, such principle is expected to be enshrined in its public procurement system. Now Ukrainian public procurement system is concentrated on the development of the transparency principle in its public procurement system.

### 5.1.3. Differences and similarities in the elements of both systems.

<i>Element</i>	<i>Norway</i>	<i>Ukraine</i>	<i>Common</i>
<i>Policy making and management</i>	socially-oriented policies;	transparency-oriented policies;	influenced by EU
<i>Procurement regulations</i>	different at different levels	unified	same authorities are in charge for regulations
<i>Authorization and Appropriations</i>	high standards of budgeting planning;	problems with funding	sparsely addressed in articles
<i>Procurement Function in Operations</i>	decentralized system	centralized unified system	low level of participation of SMEs
<i>Feedback</i>	dialogue-based system	no-feedback oriented system	sparsely addressed in the articles

Table № 5.3. Differences and similarities in the elements of both systems.

In the theoretical chapter one of the models presented was the model describing the elements of the public procurement system. The model consists of five elements. The comparison for each element is depicted above. Though a lot of information is stated in the table, I will briefly address differences and similarities regarding each element.





## ***Policy making and management***

Though both Norway and Ukraine are not members of the EU, their public procurement policies are heavily influenced by the EU laws. It is explained by two following factors:

- 1) Norway is the member of the EEA and undertook obligations regarding implementation of some EU laws;
- 2) Ukraine signed the EU Association agreement and undertook obligations to adapt its domestic laws to the EU policy.

But notwithstanding same influence on the policies of both countries, they are different in their nature and in approaches: Norwegian public procurement policy at the contemporary stage is aimed to satisfy social needs, while Ukrainian is concerned with transparency issues which always have been a room for discussion in Ukraine. It should be noted that in Norway state-owned enterprises formally are not subject to the requirements on sustainable public procurement, but practically they comply with such requirement.

It was reiterated several times that both countries are parties to WTO Government procurement agreement. As it was mentioned earlier, in Ukraine this agreement is criticized. However, I did not find any statement regarding critique of such membership in the articles on Norwegian public procurement.

It should be noted that this element of public procurement is extremely important since all the other elements are dependent on the chosen policy and way of management.

## ***Procurement regulations***

In both countries the Ministries of trade are in charge of the procurement regulations. However, Norway has a special authority dealing with the issues of public procurement - Norwegian Agency for Public Management and eGovernment (Difi). Ukraine has a state-owned enterprise “PROZZORO” which in itself is a system of public procurement, but it has limited powers comparing to the ones Difi has.

As it was mentioned, both systems require some thresholds to be met in order for tenders to be publicly available at their e-procurement systems. However, Norway has a gap in this regard and some bids below the threshold can be publicly published at DOFFIN. Furthermore, Norway allows contracting authorities at different levels to have its own regulations within the limits granted by the legislation. Also it gives opportunities for stakeholders to be heard and participate in creation such regulation. The same could not be said regarding Ukraine. Ukrainian system is quite strict and not so flexible.

### **Authorization and Appropriations**

The information regarding this element in both countries was sparse. There were no articles regarding Norway addressing the issues on this element. But basing on the content of all the other articles the following conclusions may be reached:

- 1) Norway has a problem with regard to the availability of information on timely payments, but it has high standards of budgeting planning;
- 2) Ukraine has problems with budget-planning and funding in regards to development of public procurement.

### **Procurement Function in Operations**

This element is the most important and at the same time the most researched element in both systems.

Two studied system have significant differences in terms of this element since they have different structure: the public procurement system in Norway is decentralized while Ukrainian one is centralized. Thus contractual authorities in Norway have more powers than in Ukraine.

Both countries are noticed to have low level of participation of SME. However, in this field Norway tries to take much more steps to overcome this problem, issuing different guidelines for SMEs and various authorities.

One more thing in which these systems differ is that Ukrainian e-procurement system is much more transparent and open. In short, information on payments, awards decisions, evaluation reports and the final version of the contract are not published since it is not required by the law. However, in Ukraine all these types of information are publicly available.

The common for flaw in both systems is that they do not allow to trace and monitor performance of the contract.

## **Feedback**

This element is the last, but not least element in the chain since it gives more room for improvement of the public procurement systems.

The system of appreciation feedback is more developed in Norway since Norway has a high standard societal culture of open dialogue. It can be seen from the website of DOFFIN, where in the main page it has user satisfactory survey. Furthermore, as it was stated before, stakeholders' interests are taken into consideration when creating relevant regulations.

Ukraine, unfortunately, cannot boast with such achievements in terms of feedback, but I hope it has all prerequisites to develop such feedback culture in the future.

### **5.4. How can institutional logics explain these differences and similarities?**

In methodological chapter I stated that it is my intention not just to see the differences and similarities of both systems, but also to find out why such differences and similarities exist. And it was decided to find this explanation through the lens of institutional logics.

As it was previously mentioned, institutional logics have great influence on development of public management. However, one should understand though countries are aiming at harmonization of public procurement through international regulation,

the system development would also diverge because logics that guide it can be different due to institutional contexts. Since public procurement in academical field was seen though institutional context sparsely, I do believe that my work will serve a good contribution to the understanding and development of institutional logics and their influence on public procurement.

As it was agreed in the theoretical part, public procurement is influenced by three types of institutional logics: managerial, political and community –building logics.

The analysis of the empirical data showcased that in both countries managerial logic prevails, i.e. it is dominant. However, the proportion between these three logics differs a lot since in Norway it precedes only by 7%, thereby having almost equal percentage with other types of institutional logics. In Ukraine it precedes by 20% showing the significant supremacy in influence.

### **Managerial logic**

From the point of managerial institutional logic an organization can be seen as reflection of the values and cognitive bases of its managers (Hambrick and Mason, 1989). Managers play significant role in the fate of the organization and its effectiveness as they form business models, define culture, performance measures etc. (Afuah, 2004). In case of public procurement systems, in the most common sense, a manager of the public procurement sense is the state which manages the system through relevant authorities. In both cases it is the Ministries of trade (in Norway it is also supplemented by Difi). Therefore in our case managerial and political logics are so close to each other, but still they should be distinguished. The main aim of the manager is to develop efficient system, get the best performance and involve as many customers and contractors as possible. In this regard these both systems are similar. However, managerial logic clearly explains why they are so different in terms of flexibility.

As it was previously mentioned, Ukrainian public procurement system is inflexible and strict, while the public procurement system in Norway is characterized by flexibility.

The reason because of decentralized (Norway) and centralized (Ukraine) nature of the systems. From the managerial perspective it is because of the different systems of their managers, which in this case are the states. So though Norway and Ukraine are unitary states, the administration of the states are different. Norway is divided into counties which are administrated through directly elected county assemblies who elect the County Governor. Thus Norway, being a unitary state, has a decentralized approach of administration. Ukraine also has local regions with separate administration, but they are not administered independently, the system is not decentralized, they are directly controlled by the Cabinet of Ministry of Ukraine. Hence Ukraine's governance is centralized.

It should be noted that Ukraine has started the decentralization reform. Thus it may be expected that in the nearest future it will adopt the decentralization system of public procurement. At least, the managerial logic implies for such an outcome.

### **Political logic**

Since public procurement system is managed by the state it may be difficult to distinguish it from the managerial logic. However, one should understand that from the political perspective the aim differs from the one we explored in the managerial logic. From the point of the political logic the aim of public procurement is promoting democratically values, develop international relationships of the state, maintain internal stability.

Political logic explains why both countries implement some amendments to legislation. So, since both countries are associated with the EU (Norway is also a member of the EEA), they have to fulfill their international obligations to maintain international relationships with neighbors. Therefore Norway adopted the above mentioned amendments required by the EU Directives, and Ukraine introduced e-procurement system since it had to fulfill its obligations under the EU Association agreement. That's why the public procurement systems are so influenced by the EU policies. Thus the studied public procurement systems are not completely independent, and that's why they have so much in common in terms of their legislation.

## **Community-building logic**

In the theoretical chapter it was argued that the main actors of the community-building logic are civil society and organizations. Cavaye (2000) defines capacity building as creating mechanisms for local people to articulate and act on concerns, building personal relationships between public servants and community members, and creating formal structures which acknowledge local participation. So community-building logics refers to organizing and enhancing social connections, building common values, promoting human rights and common goals.

As the analysis of the empirical data points out, the main difference between these two systems lies into community-building logic. Mainly, it is because from the point of the historical perspective, the community culture is quite different. It was mentioned that Norway is well-known for its high standard culture of open dialogue. That is why, as it was pointed out above, feedback element is much more developed in Norway, stakeholders are allowed to participate in creating public procurement regulations. Historically, mainly because of totalitarian policy of the USSR Ukraine community is not so open to dialogues, not so initiative and active in terms of community-building.

It also explains why public procurement policy of Norway is so socially oriented, includes sustainability requirements, develops green procurement, concerns about participating small and medium enterprises, non-profit organizations in public procurement. It is because the level of community-building in Norway is much higher, citizens are much more active and initiative. Thus their opinion is taken in consideration when public procurement procedures take place.

The most interesting thing can be seen in the case of the sustainability requirements. As it was earlier mentioned, even when such requirements had not been compulsory, sustainability requirements were put into the contracts. The same can be seen in the above-mentioned situation with the state-owned entities for which these requirements are not obligatory, nevertheless they follow them.

Also I have indicated that there are some gaps in the Norwegian public procurement systems. However, it was also stated, that Difi periodically issues guidance (which are not compulsory) to overcome these gaps and, for example, help small enterprises exercise equal rights in public procurement procedures.

So, in the present case community-building logic plays the most important part and explain the brightest differences between the studied public procurement systems.

## **Summary**

The research of this thesis was to compare the public procurement systems of Norway and Ukraine through finding difficulties and similarities in their institutional environment, principles and elements. Furthermore, it was decided to explain these similarities and difficulties through the lens of three types of institutional logics. The research showed that there are a lot of differences and similarities in these two systems. The main differences are explained through community-building and managerial logics.

## Chapter 6: Conclusion

*The conclusion does not belong to the artist.*

*Emile Zola*

### 6.1. Summary of the study.

The goal of this study is to find possible solutions for improvement of the studied public procurement systems in the future by their comparison through the following research questions:

- 1) What are the differences and similarities of public procurement in Ukraine and Norway?
- 2) How can theory on institutional logic explain these differences and similarities?

The conducted researched showed that none of the studied public procurement is perfect. Both of them have own gaps and benefits. However, these both systems can get lessons from each other despite their crucial differences which stem from their nature.

The public procurement reform in Ukraine is now in its final stage. It is worth admitting that the contribution of the Ukrainian academic was really significant since the amount of the articles and the issue risen demonstrate high concern and interest in the developing of the efficient public procurement system of Ukraine.

I decided to compare the Ukrainian experience with the Norwegian since, as I mentioned, in the first chapter, Norway is well-known for its high standard public procurement system. And after having conducted the research I am really impressed with how truly unique and developed this system is. However, it also has opportunities to get some lessons from the Ukrainian re-invented public procurement system, which only starts its fruitful way of development.

This thesis was aimed to find differences and similarities in the studied systems and to find out which lessons each of them can gain from this comparison. Though these



differences and similarities were discovered generally through analyzing of the interpretation of someone's views, the comparison conducted brought some results which, at least I hope so, show the directions for possible improvements of these systems.

The comparison of the public procurement systems demonstrated that Norwegian public procurement systems can be characterized as socially-oriented public procurement system. In my opinion, it is the most crucial and unique benefit of this system. However, unfortunately, the same could not be said regarding Ukraine. It is one of the direction Ukrainian public procurement system should implement and follow in the future.

As it was described, Norway implements sustainability requirements at each stage of the public procurement. Social element is essential element in Norwegian public procurement even though it is the state who tries to satisfy its interest. The highly developed community-building logic and high culture of open dialogue led for such an orientation in the Norwegian public procurement system development.

Norwegian public procurement system is open to the dialogue, each stage of public procurement is open to receipt of the propositions, feedbacks. As it was stated before, even DOFFIN web-site contains user-satisfactory survey, stakeholders are invited to give their opinions at the stage of policy making etc. Again, it is very foreign for Ukrainian public procurement system, mainly, for historical reasons which lead to the development of the other community-building logic. It is the main and most crucial difference between these two systems: Norwegian public procurement system is oriented mainly on the interest of the society, while the main goal of Ukrainian public procurement system is to satisfy the needs of the state. To my mind, it is not possible to implement such orientation to the public procurement system of Ukraine at once. However, when it becomes stable, I truly believe that the next step will be inclusion of sustainability principle in its system and developing feedback element of the public procurement system. Such forecast can be also explained by EU-direction of Ukraine. The EU has such requirements and, highly possible, Ukraine will implement such

requirements in order to adapt its legislation and to enter into the EU. But as for Norway, the most interesting thing is that, even when such requirements had not been binding in Norway, Norwegian public procurement contracts mostly contained sustainability provisions.

However, such socially-oriented policy in Norway also has its drawbacks, since state's interests are not fully considered because price is not the main criteria for the winner of the bid. In this regard Ukraine is not an example to follow either since it is too concentrated on the price. However, the best option, to my mind, is the middle ground of these two approaches.

As it can be seen from the analysis of both empirical and analytical chapter Ukrainian academics are very concerned with transparency issues. This concern is quite justifiable since the previous public procurement system of Ukraine was criticized for its non-transparent schemes and corruption. However, the Ukrainian public procurement reform born its very transparent well-functioned electronic procurement system, which is called "PROZORRO". It is the case when Norway could get some lessons from Ukrainian experience. Norwegian electronic system, as it was explained in the thesis, is not so transparent since have some gaps (for example, some contracts below the threshold can be published in the system, DOFFIN does not cover all the stages of the procurement etc.). Though PROZORRO is not so flexible as Norwegian DOFFIN, in terms of transparency it works truly great since it does not allow human intervention when choosing the winner.

It is really difficult to say whether such system could be implemented in Ukraine since: 1) Norway has decentralized system and it will be difficult to have one unified way of procuring for all the local authorities; 2) It is really difficult to imagine how DOFFIN can assess fulfilling sustainability requirements without human intervention. Thus maybe not so transparent, but flexible DOFFIN has its benefits.

One more thing Ukraine can learn from Norwegian experience is the policy of guidelines. In the analytical chapter it was identified that some problems are common for both systems (e.g., access of non-profit organizations or small enterprises to public

procurement). However, Norwegian authorities knowing that there is a problem, try to issue some guidelines to ease such access, while Ukrainian authorities just wait when these issue will be resolved legislatively. Of course, it could be explained by one more conclusion I reached – that Ukrainian public procurement system is far more norm-based, but one should understand that all the improvements are hidden in actions.

I used the above quote of Emile Zola to show that I am not the one who should make the conclusion, the real conclusion will be made by the relevant authorities on the basis of own existing experience taking into consideration the experience of other countries.

## **6.2. Propositions for further research**

During the research some ideas on possible further research issues have appeared. First, it seems interesting to clarify the role of feedback element in public procurement systems both in Norway and in Ukraine because, as it is evident from the empirical part, it is the element which is almost unaddressed. The analysis of the content of the articles showed that this element is quite important, especially in policy making which creates the field for further development.

Secondly, I assume one of the issue which should be further discovered is implementing sustainability requirements into Ukrainian public procurement system. I assume that earlier or later it will happen. However, for now Ukrainian academics do not address this issue.

Third, as to Norway, I am of the opinion that academics should discover drawbacks of DOFFIN system and to find room for possible improvements since the analysis show that there are some problems with this system.

Fourth, some academics criticized the way Norway implement the EU- legislation. So, I believe that one of the issue which should be studied is adaption of the EU legislation in terms of public procurement and whether independent domestic way is better.

Also the empirical part showed that there are very few issues common for more countries. I assume it is because of the different stage of development of the studied systems.

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## Appendix 1

### Articles on Ukrainian public procurement system

Name of the article	Year of publishing	Author/s	Focus on norms or actions	Which type of institutional logic is mentioned	Institutional forces on which article is focused	Elements which are analyzed	Principles
Diagnostics of the system of interaction between the government and business in terms of public e-procurement	2016	Volodymyr Yuzevych, Oksana Klyuvak, Ruslan Skrynkovskyy	Actions	Managerial	Technology, market	Procurement Function in Operations	Equal treatment
The Public Procurement System of Ukraine in the Context of the EU-Ukraine Association Agreement	2014	Vesta Malolitneva	Norms	Political	Legal	Policy Making and Management; Procurement regulations	Transparency
Current state and development prospects of the electronic public procurement in Ukraine	2016	Oleksandr Miniailo, Andrii Kostenko	Norms and actions	Political, managerial	Legal, Market, technology	Policy Making and Management; Procurement regulations; Feedback	Transparency, equal treatment
Practical aspects of assessing the efficiency of the modern system of public procurement in Ukraine	2018	Bohdan Dmytryshyn, Ruslana Zhovnovach, Oleksandr Levchenko, Yurii Malakhovskyyi, Viktoriya Gonchar	Actions	Managerial	Internal, technology,	Procurement function in operation	-
Socially Responsible Public Procurement Under EU Law and International Agreements: The GPA, CETA and the EU-Ukraine Deep and Comprehensive Free Trade Area	2017	Abby Semple	Norms	Community-building	Social, Legal	Policy Making and Management; Procurement regulations	-
Administrative and Legal Procedures of Public Procurement in Ukraine	2018	Yuliia Ovrामets	Norms	Political, managerial	Political, legal	Policy Making and Management; Feedback	-
Legal Framework for public procurement for innovations as a tool for economic reconstruction in Ukraine	2016	V. Malolitneva	Norms	Political	Political, legal	Policy Making and Management	Principle of inducement of innovations
The efficiency of electronic public procurement system in Ukraine	2018	Inna Shkolnyk, Alina Bukhtiarova, Ludmyla Horobets	Norms and actions	Managerial	Internal, market, legal	Procurement Function in Operations; Policy Making and Management	Equal treatment, identification, objectivity, informative

## Appendix 1

### Articles on Ukrainian public procurement system

							value, transparency
Procurement of medicines and medical devices in Ukraine	2014	M. Ostapyuk	Norms and actions	Political, community-building	Political, social, legal	Policy Making and Management	-
Financing and organization of public procurement in Ukraine: problems and directions of solving	2017	B. Shuliuk	Norms and actions	Managerial	Market	Authorization and Appropriations	-
The concept and essence of "public procurement" in administrative law Ukraine	2017	Y. Ovrामets	Norms	Political	Political	Policy Making and Management	-
Promoting the rule of law through free trade agreements: the case of public procurement reform in Ukraine	2017	Sarakutsa Mariia, Rabinovych Maryna	Norms and actions	Political	Legal, political	Policy Making and Management	Equal treatment
Electronification of the Public Procurement System: A Comparative Analysis of the Experience of the Russian Federation and Ukraine	2017	Sergey Tsygankov, Ekaterina Gasanova	Norms and actions	Managerial	Legal, political, market	Policy Making and Management	transparency
Implementation of the Association Agreement between Ukraine and the European Union in Public Procurement Field	2015	I. Vlialko	Norms and actions	Political	Legal, political	Policy Making and Management; Procurement Function in Operations	Equal treatment
The Influence of European Integration to the Sphere of Public Procurement in Ukraine	2014	Valeriy Daragan	Norms and actions	Political	Legal, political	Policy Making and Management; Procurement Function in Operations	-
Monitoring of the activity of public procurement system in countries of European union and Ukraine	2017	Iryna Ksonzhyk, Maryna Dubinina	Norms	Political	Legal, political, internal	Policy Making and Management; Procurement regulations	-
Importance of the government and business interaction in a web environment – example of public procurement in Ukraine	2016	Oleksandr Pachkal	Actions	Managerial	Technology, market	Authorization and Appropriations	transparency

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### Articles on Ukrainian public procurement system

E-Invoicing in EU Public Procurement as a Tool of Cross-Border Trade Barriers Elimination in Ukraine	2016	Oleksandr Tsaruk	Actions	Managerial	Legal, technology, internal	Policy Making and Management; Procurement regulations; Procurement Function in Operations	-
Theoretical and categorical analysis of the concept of public procurement and corruption risks in their implementation in Ukraine	2018	O. Altsyvanovych and Y. Tsymbalenko	Norms	Political, managerial	Legal, social	Procurement regulations; Procurement Function in Operations	transparency
Problems of public procurement in comparison with European experience	2017	A. Olefir	Norms and actions	Managerial	Legal, social	Policy Making and Management; Procurement regulations; Procurement Function in Operations	Transparency, equal treatment
The corruption risks of the law of Ukraine «About the effectuation of public procurement» and the ways how to overcome it	2014	Valeriy Daragan	Norms	-	Legal, social	Policy Making and Management	Transparency,
Arbitrability of disputes arising out of public procurement agreements in ukraine: perspectives after draft law no. 6232 becomes a law	2017	Oleksandr Frolov	Norms	-	Legal	Policy Making and Management	-
Establishment and Development of Ukrainian Anti-Discrimination Regulation within Public Procurement	2014	Oleksiy Solovyov	Norms	Political, community - building	Legal	Policy Making and Management; Procurement regulations;	Equal treatment
Implementation of international experience of counteraction to corruption to the national public procurement practices	2014	O. Krytenko	Norms and actions	Managerial, political	Legal, internal	Policy Making and Management; Procurement regulations	Equal treatment
Consideration of models and mechanisms of public administration of procurement of goods, works and services in construction in Ukraine	2018	T. Mitropan	Norms and actions	Managerial, political	Social, internal	Policy Making and Management;	principles of validity and innovation, fair choice of the

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### Articles on Ukrainian public procurement system

							best bidding, prevention of corruption
Monitoring of public procurement as a form of preliminary control	2014	M. Pysmenna	Actions	Managerial	Internal	Procurement Function in Operations	-
International Practices and Experience of Arranging Public Procurement	2015	Iaroslav Petrunenko	Actions	Political, managerial	Social, political, internal, legal	Policy Making and Management; Procurement Function in Operations	-
Non-competitive procurement procedure: lack of alternatives or losses resulting from violation of the principle to save public funds	2014	N. Zaiets	Norms and actions	Managerial, community-building	Legal, social	Policy Making and Management	Equal treatment
Public procurement as an object of analysis in the context of reforming the system of public finance management	2018	D. Grytsyshen; S. Svirko; I. Suprunova	Norms and actions	-	Internal, market,	Policy Making and Management; Procurement regulations	-
The Main Stages of Tenders in Ukraine and Their Shortcomings	2015	N. Zaiets	Norms and actions	Managerial	Internal, market, legal	Policy Making and Management; Procurement regulations; Procurement Function in Operations	-
Reformation of the system of public procurement in Ukraine	2016	Yevhen Romanenko, Rostyslav Shchokin	Norms and actions	Social	Social, internal, technology	Policy Making and Management; Procurement regulations; Procurement Function in Operations	Equal treatment
Problems and peculiarities of the reforming of public procurement process in public enterprises	2017	N. Topolenko O. Martynyuk	Norms and actions	Managerial	Internal, technology	Procurement Function in Operations	-
Optimization of public procurement: information and legal aspect	2017	N. Tsybulnyk	Norms and actions	Managerial	Social, legal, internal, technology	Policy Making and Management; Procurement	transparency

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						regulations; Procurement Function in Operations	
Public procurement in system of electronic governance	2017	T. Nyzhnii	Norms and actions	Political, managerial	Legal, internal, political, technology	Procurement regulations; Procurement Function in Operations	transparency
Electronic public procurement: EU experience and implementation in Ukraine	2016	N. Tkachenko	Norms and actions	Political, managerial	Legal, internal, political, technology	Procurement Function in Operations	-
Public procurement of Ukrainian railway enterprises in the conditions of reform	2017	Y. Yelagin	Actions	Managerial	Internal, market	Procurement regulations; Procurement Function in Operations	-
Evaluation of the functioning of the electronic system "Prozorro" as an instrument of public procurement	2017	L. Galchynskyi, A. Gavrylova	Actions	Managerial	Internal, technology	Procurement Function in Operations	transparency
The effectiveness of public procurement logistics under implementation of "Prozorro"	2017	N. Golovanenko	Actions	Managerial	Internal, market	Procurement Function in Operations	Competition
Current situation of legislative basis of providing public purchases in Ukraine	2016	G. Sevostyanova	Norms and actions	Political, community-building	Legal	Policy Making and Management; Procurement regulations	-
Actual problems of public procurement in Ukraine in conditions of reform	2016	G. Belinska	Actions	Managerial, community-building	Internal, technology, social	Procurement regulations; Procurement Function in Operations	transparency
Improving information supply public procurement in Ukraine	2018	A. Zhuk	Actions	Managerial	Internal, technology	Procurement Function in Operations	-
Some of the legal regulation of electronic trading in the armed forces of Ukraine	2017	S. Pasika, O. Kobyliaskyi	Norms	-	Legal, social	Procurement Function in Operations	Competition, transparency



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### Articles on Ukrainian public procurement system

Electronic trade in armed forces Ukraine: problem questions, ways their development, perspectives of application	2016	M. Shevchenko	Norms and actions	Political	Legal, social, technology	Procurement Function in Operations; Authorization and Appropriations	transparency
Solution to the problems of limited access of SMEs public procurement: experience of EU member countries	2018	T. Synytsia, I. Osmirko	Norms and actions	Community-building	Legal, social, market	Procurement Function in Operations; Feedback	Equal treatment
Control of Public Procurement and Impact of its Results on the Effectiveness of the Implementation of Procurement Procedures	2016	N. Zaiets	Actions	Managerial	Market, internal	Procurement regulations; Procurement Function in Operations	-
Legal regulation of green public purchase to the European union	2018	B. Veselovskyi	Norms	Political	Social, legal, political	Policy Making and Management; Procurement regulations	Ecological principle, principle of social responsibility
Features of public procurement as an object of economy state regulation	2016	O. Melnykov	Norms	Political	Political	Procurement regulations	Competition, transparency
Features of public procurement as an object of economy state regulation	2016	N. Tsybulnyk	Norms	Political	Political, legal, internal	Procurement regulations	-
Administrative and legal basis for the implementation of public procurement	2017	N. Tsybulnyk	Norms	Political, community-building	Political, legal, internal	Policy Making and Management; Procurement regulations	-
Experience of EU countries in public procurements	2017	N. Tsybulnyk	Norms and actions	Political	Legal	Policy Making and Management; Procurement regulations	-
Administrative control of public procurement in Ukraine	2017	N. Tsybulnyk	Norms and actions	Political	Social, political, legal	Policy Making and Management; Procurement regulations	-
Administrative and legal criteria for defining public procurement	2017	N. Tsybulnyk	Norms	-	Legal, social	Policy Making and Management; Procurement regulations	-

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Some issues of improvement of the institute of administrative responsibility for offenses in the field of public procurement	2017	N. Tsybulnyk	Norms and actions	Political	Legal, social	Policy Making and Management; Procurement regulations	Transparency, equal treatment
Control functions of authorized entities on the implementation of public policy in the field of public procurement	2017	N. Tsybulnyk	Norms and actions	Managerial	Legal, social, internal	Policy Making and Management; Procurement regulations	transparency
The system of state control in the field of electronic public procurement	2017	V.Povodysh	Norms and actions	Managerial, political	Legal, social, internal	Policy Making and Management; Procurement regulations; Procurement Function in Operations	transparency
Public procurement: characteristics of procedures	2018	O.Dziuba	Norms and actions	Managerial	Internal, market, social	Procurement Function in Operations	transparency, competition
Unification assess innovative prospects of complicated technical systems as a factor in increasing the efficiency of R&D and public procurement management	2015	V.Vorotnikov	Actions	Managerial	Internal, technology	Procurement Function in Operations	-
Special ways of fighting with violations in the field of public procurement	2017	B. Derevyanko, H. Smolyn, O. Turkot	Actions	Managerial, Political	Internal, social, market, technology	Procurement Function in Operations	-
Main problems of public procurement as a mechanism for investment	2016	A. Olefir	Norms and actions	Managerial, Political	Legal, market	Policy Making and Management; Procurement Function in Operations	transparency
General theoretical provisions on public purchases: concept and appointments	2017	V.Kvach , R.Afanasiev	Norms	Political	Legal, political	Policy Making and Management	-
Features of realization of public purchases of commodities, works at services in the field of health protection	2016	Y. Dolinovskiy	Norms and actions	Community-building, managerial	Legal, market	Policy Making and Management; Procurement Function in Operations	-

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### Articles on Ukrainian public procurement system

Features of functioning of public purchase system in the conditions of transformation of modern economic processes	2017	I.Krupyak	Actions	Managerial	Market, technology	Procurement Function in Operations	-
Efficiency analysis of public procurement as state aid tool	2016	D. Martynovych	Norms and actions	Political	Political, social, market	Procurement Function in Operations	competition
Basic aspects of implementation ProZorro Public Procurement	2018	T.Marusey	Actions	Political, managerial	Political, social, market, technology	Procurement regulations; Procurement Function in Operations	-
Legal characteristics of public procedures purchase by the law of Ukraine "On public purchase"	2016	Y. Gorbatiuk	Norms	Political	Internal, political, legal	Procurement regulations	Equal treatment, transparency
Features of realization of account of public procurement in budgetary establishments	2017	N. Topolenko O. Martynyuk	Actions	Managerial	Internal, market	Procurement Function in Operations	-
EU public procurement market and its perspectives for Ukrainians companies to reach new outlets	2018	I.Dushenka, K. Kuznetsova	Norms and actions	Political, community-building	Political, market	Procurement Function in Operations	-
Public procurement analysis: methodological and practical aspects	2017	I. Parasiy-Vergunenko	Actions	Community-building, managerial	Social, market, internal	Authorization and Appropriations; Procurement Function in Operations	-
Comparative and legal analysis of procedures for public procurement in Ukraine and the European Union	2018	O.Kostenko	Norms	Political	Legal, political	Policy Making and Management	-
State purchases: problem aspects of controls	2018	I.Riaba, O. Artiuh	Actions	Managerial, political	Market, internal	Policy Making and Management	-
Professionalization of a public procurement in Ukraine.	2017	N. Tkachenko	Actions	Managerial	Internal, social	Procurement Function in Operations	-
The principle of non-discrimination as a basis for administrative legal	2017	O. Kostenko	Norms and actions	Managerial, community-building	Social, legal, internal	Procurement regulations; Procurement	Equal treatment

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procedure of determining the winner of the public purchase bid						Function in Operations	
Characteristic of principles of administrative procedures for public procurement	2016	V.Bondarenko, N. Pustova	Norms and actions	Community-building	Social, legal, internal	Procurement regulations; Procurement Function in Operations	Transparency, professionalism, efficiency
Theoretical and categorical analysis of the concept of public procurement and corruption risks in their implementation in Ukraine	2018	O. Altsyvanovych	Norms	Community-building	Social, legal	Procurement regulations; Procurement Function in Operations	Transparency
Features of the system ProZorro Procurement Procurement	2016	V.Varenyk, L.Yevchyn	Actions	Political	Social, internal	Procurement Function in Operations	Transparency
Current measures to prevent corruption in public procurement	2014	O.Taranenko	Norms and actions	Political, community-building	Political, legal, social	Policy Making and Management; Procurement regulations; Procurement Function in Operations	Transparency; equal treatment
Efficiency of public procurements if the conditions of the contract are changed	2018	M.Halushchak, O.Halushchak, N.Gerasymchuk	Norms and actions	Managerial	Social, internal, market	Procurement Function in Operations	Transparency

## Articles on Norwegian public procurement system

Name of the article	Year of publishing	Author/s	Focus on norms or actions	Which type of institutional logic is mentioned	Institutional forces on which article is focused	Elements which are analyzed	Principles
Detection of White-Collar Corruption in Public Procurement in Norway: The Role of Whistleblowers	2016	Petter Gottschalk; Christy Smith	Actions	Political, managerial	Political ,legal, social	Procurement Function in Operations	Transparency
Effective use of resources in the public management sector in Norway	2015	Ole Boea , Øyvind Kvalvik	Norms and actions	Political, managerial	Political, technology, market	Procurement Function in Operations	Equal treatment
Green public procurement – A case study of an innovative building project in Norway	2018	Magnus Sparrevik, Helene Førstund Wangen, Annik Magerholm Fet, Luitzen De Boer	Norms and actions	Managerial, community- building	Social, ecological	Procurement regulations; Procurement Function in Operations	sustainability
Experience with Best Value Procurement in Norwegian Infrastructure Projects	2018	Atosa Joudi, Ingrid Børset Breivik, Paulos Wondimu, Leif Daniel Houck	Actions	Managerial	Internal, market	Procurement Function in Operations	-
Socially Responsible Public Procurement (SRPP) in Norway – Respect for Human Rights in Supply Chain	2017	Anne Cathrine Jacobsen and Nora Backer Malm	Norms	Political, community- building	Social, legal	Policy Making and Management	sustainability
What policy space for diaconal institutions? Challenges from public procurement	2018	Hans Morten Haugen	Norms	Political, community- building	Legal, social, political	Policy Making and Management; Procurement regulations	Equal treatment
The public procurement of information systems: dialectics in requirements specification	2017	Carl Erik Moe, Mike Newman, Maung Kyaw Sein	Norms and actions	Managerial	Market, social, internal	Procurement Function in Operations	Competition
Dialectics and Contradictions in Public Procurement of Information Systems	2014	Carl Erik Moe, Maung Kyaw Sein	Norms and actions	Political, Managerial, community- building	Legal, social, technology, internal	Procurement Function in Operations	-
Investigating the anatomy of supplier selection in green public procurement	2015	MiekoIgarashi, Luitzende Boer, OttarMichelsen	Norms and actions	Political, community- building	Social, ecological	Policy Making and Management; Procurement regulations	sustainability

Articles on Norwegian public procurement system

Innovation induced by public procurement: A firm-level analysis for Italy and Norway	2018	Marialuisa Divella and Alessandro Sterlacchini	Actions	Managerial, community-building	Social, market, technology, ecological	Procurement Function in Operations; Procurement regulations	-
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