

SELECTIVE PURCHASING POLICY GUIDE

Corporate Social Responsibility



Evangelical Lutheran Church in America
God's work. Our hands.

Goods and services represent a major portion of most organization's costs. Paying attention to choices in this arena represents a major opportunity to raise awareness, formalize a commitment to ethical purchasing, and make investments using our faith-based values. The Evangelical Lutheran Church in America (ELCA) has a long history of such purchasing. Endorsement of Project Equality by at least one of the predecessor church bodies and then by the ELCA in the 1990s represents a decision to source services from groups who ensure pro-active non-discrimination policies. The more recent coffee project sponsored by Lutheran World Relief is an example of grassroots decisions to purchase coffee from ethical sources.

This guide is intended to provide information for ELCA members, congregations, and related institutions to develop guidelines appropriate to their respective locales and situations. It should be noted that adopting such policies is not a one-time event, but rather a way to formalize a process to be used in making such choices. Monitoring purchasing choices, teaching the next generation of leaders, and adapting the policy for changing situations are all necessary for an effective, ethical purchasing policy. Individuals may want to pursue these policies in making their personal plans and purchasing decisions.

Why Selective Purchasing?

The 2003 ELCA social statement, *Sufficient, Sustainable Livelihood for All* states, "Human beings are responsible and accountable for economic life, but people often feel powerless in the face of what occurs" (p. 1) The statement calls for scrutinizing policies and practices and choosing those most beneficial to persons who are living in poverty. A daily individual and corporate practice involves choosing items to purchase and services to contract.

Christians, making decisions that can benefit all in society, may take into consideration some of the following factors:

Selective Purchasing vs. Boycott

Selective purchasing is a step along the continuum of private sector advocacy to influence behavior. It also can be seen as an individual or organizational commitment to use their financial resources in a manner consistent with their faith and ethics. Decisions based in this manner may be seen as positive choices rather than punishment for bad behavior.

The ELCA has an established policy related to endorsing a boycott. The purpose of a boycott is to persuade the targeted entity to cease certain practices judged to be unjust and/or to perform certain practices deemed to be just.^[1] A boycott is defined

as a collective effort to *abstain* from the purchase or use of products or services provided by a targeted firm, government, or other agency and seen as a final step in the continuum of private sector advocacy.

Who does selective purchasing?

In some ways all purchasing is selective. A choice is made to purchase or not purchase any item or service. In this effort however, the term "selective purchasing" means that the normal "best price" is not the only matter taken into consideration when making choices. This can be done by an individual, congregation, synod, separately incorporated churchwide unit, community, or social ministry organization or other church body or institution. There is no "one policy" that fits all of these entities. Each of these entities should develop an appropriate policy for its situation and locale.

Steps in Developing a Selective Purchasing Policy

1. Assessing the situation
 - a. Determine what level of interest and awareness is at hand to develop a policy. Is there a natural committee (e.g., finance, church in society, or other) that would take on this task?
 - b. Determine availability of products and services. Are local resources (e.g., governmental entities, hospitals, other faith-based organizations) available for guidance? See one-page reviews of areas that might be considered to include in the policy.
 - c. Understand the political decision-making process in the organization. Does the committee developing this have to go through the Church Council? Might the committee of an agency have to go through their board of directors? Knowing the process will help in exploring a time frame to develop a policy.
 - d. Review the attached one-pagers to see specific issues covered.
2. Develop goals
 - a. Might the proposed policy be focused on one area? For example, if the entity is a companion synod to a Lutheran church where growing coffee is important to the economics of that country and many of the ELCA synod members have visited, give consideration to starting with the coffee the synod purchases and uses at its synod assemblies to be the focus of the selective purchasing policy. A different example might be a synod that has stepped out publicly to reduce its carbon footprint. In this case selective purchasing around eco-friendly materials and contracts using green chemicals may be awarded.
 - b. When developing goals include time frames and address how the group can develop, support, and examine any financial implications associated with the goals.
3. Develop partnerships

- a. Pricing may be more favorable if partnerships are developed. For example, if a synod decides it will selectively purchase energy-efficient lighting, and many churches are moving in this direction, it may be prudent to look at bulk purchases of items that would be similar (e.g. light bulbs).
 - b. As this policy is being implemented, there may be opportunities for several churches to go together in a common effort, thus having a greater impact on the community in the decisions made with the policy.
4. Policy implementation
- a. When a policy is implemented, it is important to let members know of it so they can choose to make similar personal choices if they wish.
 - b. Decide on a time frame to evaluate the policy in order to determine if it should be expanded or changed.
 - c. Celebrate the positive steps made and keep it in front of people, always remembering to apprise any new leaders so that they understand the reasoning and decision-making process involved in the policy.

One page descriptions of issues for inclusion in a policy will be issued periodically.

ELCA Advisory Committee on Corporate Social Responsibility 2009

[\[1\]](#) A different and more technical definition would apply to organizations covered by the National Labor Relations Act (NLRA). Church bodies are not covered by the NLRA.