

Public procurement of innovation – the policy logics behind the strategic use of procurements

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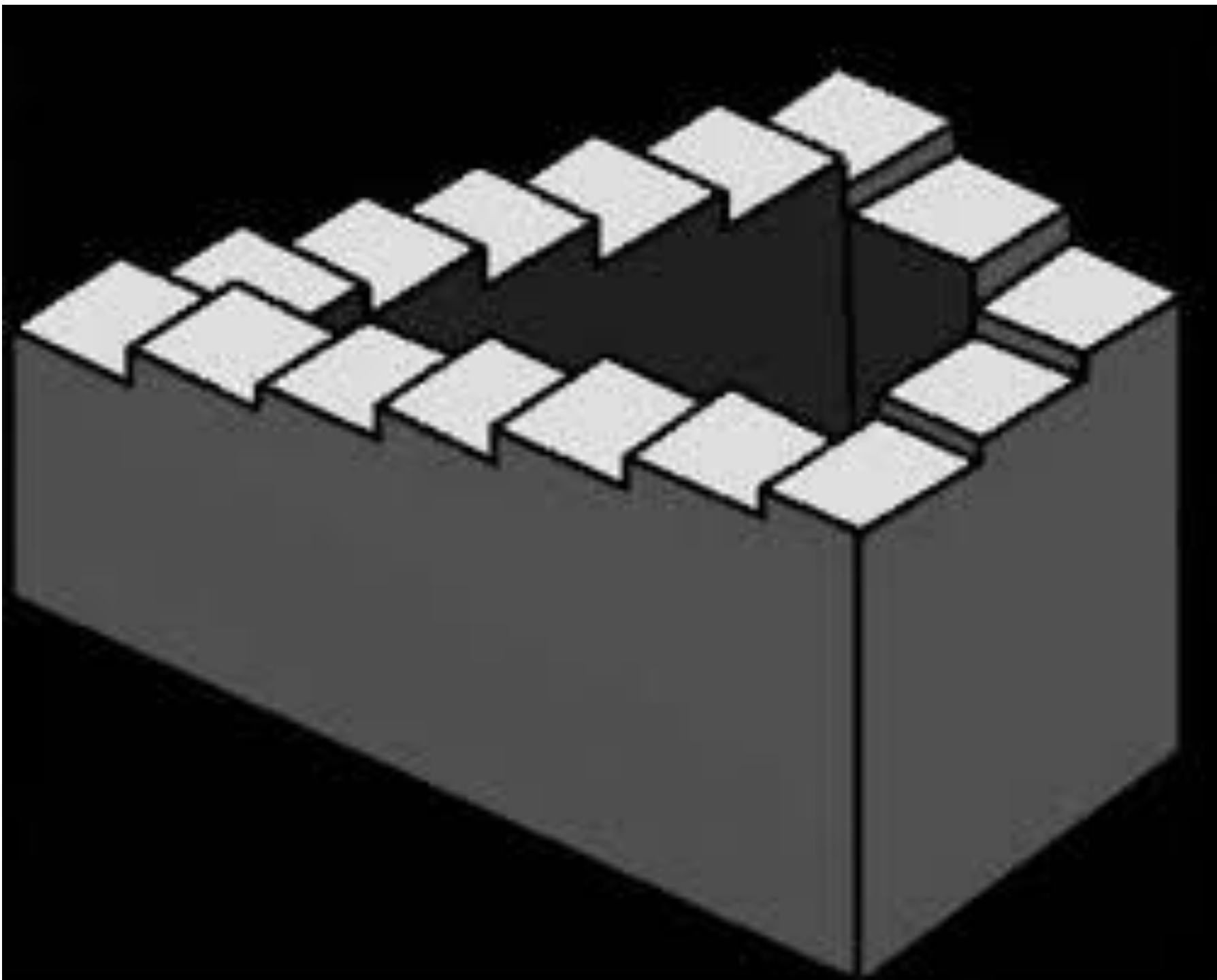
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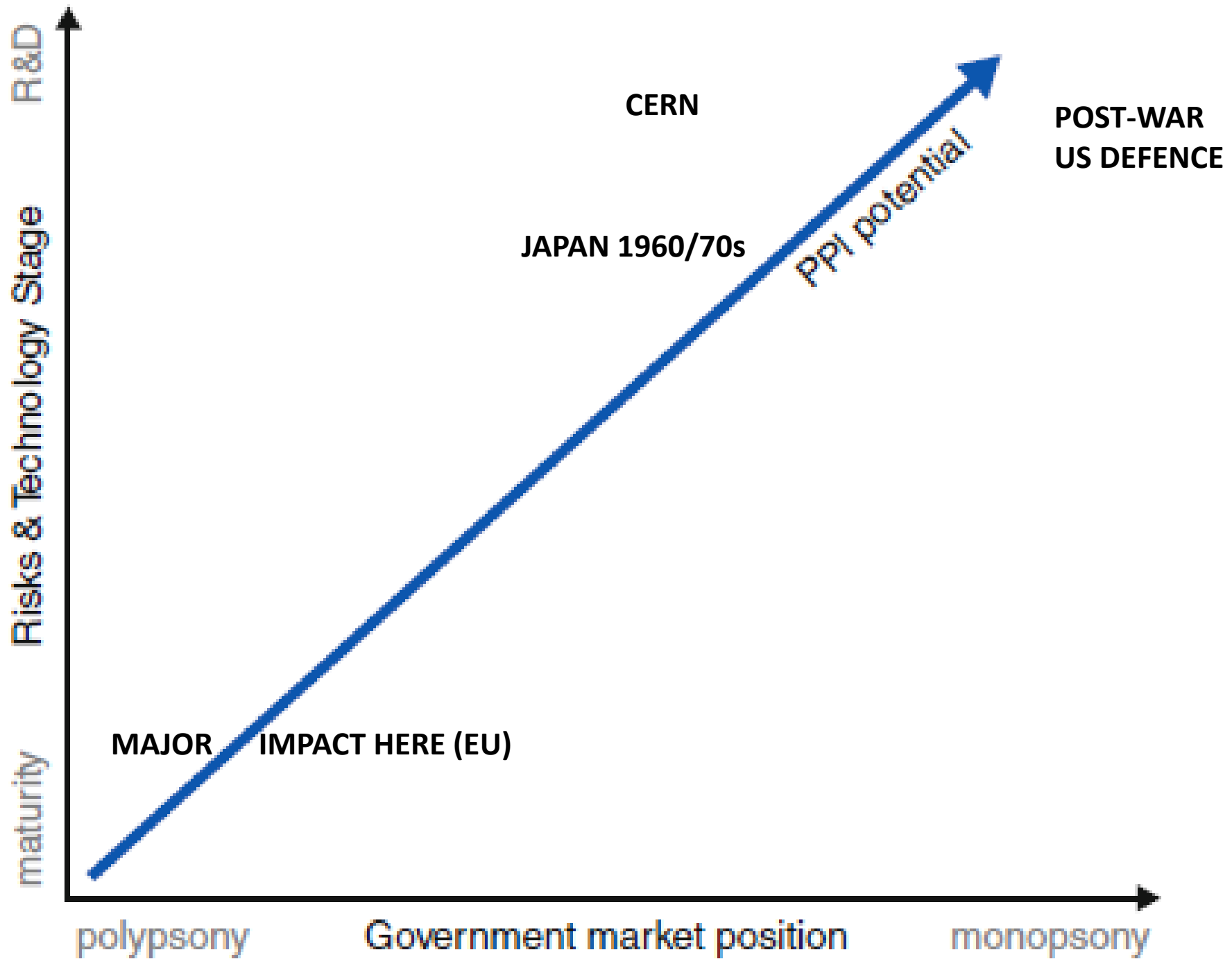
Main argument

- Uptake, spread and depth of „modern“ PPI policies has remained limited in spite of strong conceptual and policy rhetoric
- No need to stick to one-size-fits-all policies; historically, PPI has had many different driving policy logics
- Context matters, though



Innovation and public procurement

- Dual framework: innovation *in* and *through* public sector
- Innovation is by definition about facing *uncertainties*, which assumes *risk-taking, financing* and *learning*
- PPI can *incentivize* risk-taking, provide finance to *drive down costs* and provide learning environments (*temporary niches*)
- Either by *deliberately stimulating* markets or providing the markets with the *possibility* to come up with innovations



PPI policies in 21st century

- A gap between rhetoric and action
- Seismic shift in context: legitimacy of government as innovation driver, vertical dis-integration and international policy space
- Direct approaches so far mainly about re-thinking procurement procedures and raising awareness, dedicated programs only starting to emerge
- An add-on to supply-side policies rather than a clear break

Historically many different PPI policy logics

- Technology missions (health, defence, energy, ageing etc)
- Industrial competitiveness (from East Asian to European context)
- R&D capabilities (SBIR-type of programs)
- „No policy“ policy
- Procurement procedures and skills (central focus today?)
- (Digital) service innovations (emerging challenge?)

Governments could:

- aim at shifting procurement culture horizontally
- nurture pockets of excellence (experimental approach)
- use fiscal stimulus towards domestic high performers
- „anchor“ or legitimize the idea of PPI to public sector missions or challenges (from security to ageing)

All this calls for very different state, policy and administrative capacities

Thank you!

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