

# Public procurement and innovation

Is defence different?

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## Abstract

A growing body of academic literature, in conjunction with interest from policymakers around the world, has focussed on the strategic use of public procurement. In particular, there has been a growing interest in the role of public procurement in influencing innovation. Innovation-oriented public procurement, sometimes also called ‘public procurement for innovation’ (PPI) identifies regulations, policies, and practices that enable public authorities to seek innovative products and services during procurement. Within science, technology, and innovation studies, there is increasing recognition of innovation as a systemic instead of a linear process, which emphasizes on the inclusion of user-perspectives and the role of demand in the development of new technologies (Edquist & Hommen, 1999). Public procurement is therefore identified as a ‘demand-side’ innovation policy instrument (Edler & Georghiou, 2007) which can perform several critical functions in the innovation process: articulate requirements, assume the risks of a ‘lead user’ for new technology, and support the uptake and diffusion of innovation. Essentially, public procurement can address the market failures associated with innovation, correcting the sub-optimal ‘allocation of resources for invention’ (Arrow, 1972).

Within the growing body of academic literature on public procurement and innovation, it is surprising to note the exclusion of defence procurement. Despite links between defence procurement and innovation (for example, technological developments based on military requirements have historically contributed to the wider economy), defence procurement is not commonly studied by innovation policy researchers (Weiss, 2014). Edler and Georghiou (2007) mention the ‘peculiarities’ of the defence sector as a reason for not including defence procurement in their highly-regarded review of public procurement as an innovation policy tool. However, there is no academic examination or investigation of what is different about defence procurement. Such an exclusion keeps defence in a silo, potentially contributing to the smokescreen around defence, and limits the possibilities of exchanging insights and shared learning across different sectors and with a larger community of scholars.

My doctoral project ‘Public procurement and innovation: is defence different?’ explores the assumptions about defence procurement and examines them within the empirical context of four recent public procurement projects in the UK (two defence projects, and two ‘civilian’ public transport projects). I worked under the supervision of Prof Andrew James and Dr John Rigby at the University of Manchester. The thesis was examined by Prof Nick Vonortas (The George Washington University) and Prof Jakob Edler (University of Manchester, Fraunhofer Institute for Systems and Innovation Research) in March 2021. In my presentation, I will briefly recount the research which was conducted, describing the dimensions along which defence and civilian procurement were compared (the framework), the different sources of data and research methods used (mainly text analysis), and the findings.

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