Institutionell analys av offentlig upphandling av innovation

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The win-win-win situation

Public Procurement of Innovation (PPI)

Purchasing activities carried out by a public agency that lead to innovation

Satisfies a social need not previously satisfied by the market

Supplier needs to conduct Research and Development in order to deliver

PPI $\rightarrow$ Private sector R&D $\rightarrow$ Competitive advantage $\rightarrow$ Growth

PPI $\rightarrow$ More efficient public services $\rightarrow$ Saving public resources $\rightarrow$ …

Firm growth $\rightarrow$ More tax-money $\rightarrow$ Increased public purchasing power $\rightarrow$

Increasingly important: The qualitative dimension: social/sustainable innovation
2015

2014 Direktiv; ny procedur: Innovation partnership
Increase complexity

2004 Direktiv; ny procedur: Konkurrensdialog, Simpliciät

2000

1993 Tändas, förlagda direktiv

Ammending directives

First Procurement Direktiv (1970)

EU och Offentlig upphandling: Institutionell utveckling

EU level Funding Schemes

Pre-commercial procurement/Lead Market initiative

"Feasibility studies"/ guidelines

Embedded policy in the Direktiv: Promotion of SME’s, eco-innovation, social innovation → common societal goals

Lisbon agenda; towards an advanced knowledge economy, 3% of GDP from R&D

Innovation policies

Efficiency policies

Focus: supply-side innovation policy

Focus: demand-side innovation policy

Too restrictive

Did not open markets to the extent hoped for.

Ammending directives

Too restrictive

Did not open markets to the extent hoped for.

First Procurement Directives (1970)

Create a common market, transparency, competition, prevent protectionism

EU och Offentlig upphandling: Institutionell utveckling

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No. 3
(Old?) Perceptions of the Procurement Rules

- “tension between the EU procurement rules and the need to accommodate informal co-operation in the form of user/producer interaction related to technical change” (Edquist et al, 2000, p. 308)

- Other have warned that “[t]he consequence of rigid procurement rules may be that procurement processes give rise to solutions that are price competitive, but do not spur innovation and the dynamic development for firms and society as a whole” (Nyholm et al., 2001, p. 264).

- “Hopeless”

- “Without going into any details, it is evident that the EU procurement rules inhibit such collaboration and interaction for innovation.” (Edquist, Zabala, Timmermans, 2010, p. 27)

- …

Conclusion: Don’t even think about trying to procure innovation! 😞
“the rules of the game in a society… that shape interaction” (North, 1990, p. 3).

“the sets of habits, routines, rules, norms and laws, which regulate the relations between people and shape human interaction” (Johnson, 1992, p. 26).

“systems of established and prevalent social rules that structure social interactions” (Hodgson, 2006, p. 2).

→ “effectually collectively agreed on ex ante structures…” that affect innovation” (Rolfstam, 2012)

→ Institutional range (Jepperson, 1991)
Hierarki (Multilevel analysis)

<table>
<thead>
<tr>
<th>Global Level</th>
<th>GPA, UN Model Law</th>
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<tbody>
<tr>
<td>EU Level</td>
<td>EC Directives on Public Procurement</td>
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<td>National Level</td>
<td>National Procurement Law</td>
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<tr>
<td>Public Agency (National, Regional, Local)</td>
<td>Policies, Internal Directives</td>
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<tr>
<td>Procurement Division</td>
<td>“Practice”</td>
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Endogena och exogena institutioner

<table>
<thead>
<tr>
<th>Long term</th>
<th>Fixed term</th>
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<tbody>
<tr>
<td>Exogenous</td>
<td>Endogenous</td>
</tr>
<tr>
<td>Law, Mission of public agencies</td>
<td>Organisational choices regarding modes of coordination</td>
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<tr>
<td>Public policies, programmes</td>
<td>Contract</td>
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Institutioner som Rationalititer

An Organization or endogenous context fulfills its purposes under scarce resources. This means that actions carried out by an organization are purposefully selected (Vanberg 1997). This also implies that organizations must contain some kind of “procedure for determining the action to be taken” (Nelson and Winter 1982, p. 57), or, in the terminology used here, rationality. This rationality will affect the conditions for learning (Argyris 1992/1994) and the creation of organization-specific routines (Nelson and Winter 1982).
## Success factors: a summary

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<td>Commitment from institutional actors</td>
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<td>Institutional match</td>
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<td>Choosing universally best offer</td>
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<td>Innovation friendly environment</td>
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En avslutande fråga...

Kan man lösa problem på en institutionell nivå, genom att göra förändring på en annan?

Diagram:

- Global Level: GPA, UN Model Law
- EU Level: EC Directives on Public Procurement
- National Level: National Procurement Law
- Public Agency (National, Regional, Local): Policies, Internal Directives
- Procurement Division: "Practice"
Regler, Domare, Taktik, Val,…
Vad gör lag som förlorar en innebandymatch?

Photo: Ronnie K. Davidsen