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Experiences from a pilot survey regarding the measurement of innovation procurement

Pilot survey on public procurement promoting innovation (PPPI)

- Project on behalf of the Ministries of Science, Research, Economy and Transport, Innovation, Technology
- Aim: Get a first assessment on the amount and type of innovative procurement in Austria
- Investigation work showed that there is very little information available (for volume of procurement or innovative share of it)
- In close cooperation with the 2 resp. ministries, a decision was made for a pilot survey among public institutions
- Reference year 2013

- 2-tier approach
 - Mini questionnaire attached to the Structural Business Survey (SBS) for **public enterprises**: approx. 800 units
 - Mini questionnaire as stand-alone survey, approx. 800 institutions of the **“Government sector”**
- Use of the concept of “intermediate consumption” (IC) and “gross fixed capital formation” (GFCF) as an approximation for total procurement (availability!)

- **Newly developed** goods and services for the requirements of the procuring organisation – (*„Development initiator“*)
- **First up-take** (goods and services of which the public institution knows it is the first organisation having bought this good; the public institution serves as a reference) – (*“First buyer“*)
- **Diffusion** (innovative goods and services already available on the market whose procurement was not a regular case in the organisation; the public organisation refers to already existing references) - (*„Diffusion accelerator“*)

Selection of the government units surveyed

- In total: 700 federal/regional institutions, 2,500 municipalities (according to National Accounts) in Austria
- For these units, individual “intermediate consumption” (IC) and “gross fixed capital formation” (GFCF) was available from National Account statistics
- $IC + GFCF =$ Proxy for total procurement volume (excl. social transfers in-kind)
- 800 units with the largest “procurement volume” ($= IC + GFCF$) were sampled for the survey, covering 90% of “total procurement”

- **“What were the total procurement expenditures of your organisation in 2013?”** (not asked for public enterprises, as already in SBS; gov. units: definition as in federal law on pub. procurement)
- **“What do you estimate the share for innovative procurement of total procurement expenditures in 2013?”** (either as % or volume)
- **“Tick the type of innovative procurement of your organisation in 2013:”**
 - Newly developed goods or services
 - First up-take
 - Diffusion

- Public enterprise survey: web questionnaire
Government sector: paper questionnaire
- Letters sent to individuals responsible for procurement, if known
- 2 written reminders
- Response rates: 46% (public enterprises), 68% (government units)

- **Volume of procurement:** Lack of precise definition, difficult to implement for respondents, IC + GFCF proved to be only a proxy (e.g. traders of electricity which often have large value flows as intermediate consumption in SBS, different understanding of procurement in government institutions than in National Accounts, social transfers)
- **Identifying the innovative procurement share** is difficult: organisations do not have data in their accounting/reports, often reluctant to give estimates
- Choice of the best **statistical unit** in the Government sector: “Federal state” in National Accounts is one unit, needs to be split up (Ministry of Justice vs. individual court, Ministry of Education vs. individual school, Ministry of Finance vs. individual tax office etc.)
- **Non-response**, esp. in public enterprises

- For **public enterprises** innovative share of total procurement volume is estimated at <1%, but most probably underestimated resp. total procurement overestimated. No imputation was made for large public enterprises which did not report data.
- 2 scenarios for **government institutions** were calculated: innovative share of total procurement volume is estimated between 2.3% and 3.3%.
- “**Diffusion**” the type of innovative procurement most often reported; “development of new goods” in federal institutions > regional institutions > municipalities

- Government sector: 60% of all institutions reported **no** innovative procurement; further 23% a volume of less than 5%
- Innovative procurement: Federal level > regional level > local level
- **Creation of awareness** for the political significance of innovative procurement among the surveyed institutions/enterprises

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