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Exploring value creation from an ecosystem perspective: A critical examination of social procurement policy

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IMPACT

Public procurement policy reforms, and specifically social procurement practices designed to support the social economy and create social value, are growing in popularity. However, there is still limited knowledge around the extent to which rhetorical aims of procurement reforms are perceived to be realized through the implementation of social procurement policies. This research provides important insights for social procurement advocates and, in particular, for policy-makers and public managers working at all levels of government. The authors highlight how reforms in Scotland have seemingly benefited the social economy by tangibly directing significant spend toward social economy organizations and changing societal and individual beliefs about their social and economic value. At the same time, there are still barriers to value creation at organizational and individual levels. These findings are important for those attempting to strengthen their social procurement policies and encourage collaboration in a way that advantages actors working across the public service ecosystem.

ABSTRACT

From qualitative research undertaken in Scotland, the authors analyse procurement policy reforms. Utilizing a public service ecosystem framework, barriers to value creation were found, including overly bureaucratic practices, centrally devised rules, and conflicting organizational aims. The authors develop insights into ways policy design and implementation creates (or does not create) value across the many levels of an ecosystem where procurement policy reforms have impact, demonstrating the benefits of using a service ecosystem framework for understanding nuanced impacts and perceptions of policy implementation.

Introduction

In recent decades there has been a significant recognition of the role and engagement of non-governmental actors in the development and implementation of public services. Around the same time, residualization of welfare systems affected by dominant logics of neoliberalism and competing resource demands has driven governments to adopt new or renewed approaches to eliciting value that was historically created through programmes of public investment. One such renewal is a reprise of 'social procurement' policies associated with public procurement reforms (Furneaux & Barraket, 2014; Howells et al., 2020). Social procurement is the practice of using purchasing power to explicitly create social value, above and beyond goods or services commissioned. It typically involves the consideration of social targets, such as inclusive employment outcomes or stronger community organizations, alongside instrumental procurement requirements such as time, cost, and quality (Barraket et al., 2015). With a long history stretching back to the co-operative movements of the industrial revolution (McCrudden, 2004), the recent re-emergence of social procurement in many countries has been driven by increased focus on the role of private and social economy

organizations such as co-operatives, mutuals, foundations and social enterprises in the delivery of government programmes.

Using public procurement to capitalize on the collaborative potential with social economy organizations has been underpinned by a re-positioning of governments as enablers rather than providers of social welfare services, amid this broad shift from public to private (non-governmental) provision (Lonsdale et al., 2016). Research to date has broadly focused on the mechanisms that can facilitate social procurement and how its impacts can be measured (for example Halloran, 2017; Loosemore et al., 2020) while broadly recognizing 'a lack of embedding [of] the policy commitments in procurement policy, strategy, procedures and performance management' (Murray, 2011, p. 279). With few exceptions (for example Cutcher et al., 2020; Denny-Smith et al., 2020), far less emphasis has been placed on analysing the rhetorical aims of social procurement policy. Hafsa et al. (2022, p. 830) have called attention to the need to focus more on 'how competing values impact the implementation' of public purchasing policies and highlighted that discussion of policy implementation is often missing from the existing literature.

While there are examples of scholars examining an implementation gap in public procurement from the perspective of policies supporting SMEs (Arosa et al., 2024; Flynn & Davis, 2015), research on *social* procurement policies, which tend to target social economy organizations specifically, remains sparse. Public procurement remains a strong tool for realizing policy ambitions: between 14 and 20% of the European Union's EUR 15 trillion annual GDP is spent via procurement (Varga & Hayday, 2023). As social procurement specifically continues to gain traction, more knowledge is needed about the extent to which social economy organizations—in addition to those attempting to implement the policies in the public sector—perceive social procurement policies as generating value in practice; and where, how, and for whom this value is perceived to be created.

We address this gap in this article by exploring whether implementation of social procurement policies has enabled value creation (see Malacina et al., 2022) through presenting a critical assessment of Scotland's procurement policy reforms, considering the aims and ambitions of its social procurement policies, and how key beneficiaries of the policies (i.e. social economy organizations) perceive and experience the implementation of those policies. Scotland was an early mover in the adoption of social procurement policy, making it a fascinating environment to critically analyse implementation and impacts over time, rather than solely measuring immediate outcomes of direct public purchases, as is common in much of the existing literature (Hafsa et al., 2022). While social procurement is not directed solely to social economy organizations in all jurisdictions, this is a key characteristic of Scottish policy and thus informs the study design and results presented in this article.

We were guided by the following research question:

To what extent have the ambitions associated with social procurement policy (i.e. generating value for social enterprises, people, and communities) been realized in practice?

We look to build upon scholarship exploring the rhetorical claims of social procurement (Denny-Smith et al., 2020; Esteves & Barclay, 2011; Teasdale et al., 2012) and to address a lack of policy implementation evidence in this area. Illuminating this evidence is important to inform social procurement policy design and implementation to maximize its potential to support value creation, not only in Scotland, but also in other countries implementing social procurement such as Australia (Denny-Smith et al., 2020), Canada (Dragicevic & Ditta, 2016), Sweden (Troje, 2021), and China (Nawaz & Guribie, 2022).

Our article is organized as follows: first we explore the literature on procurement policy reform within the context of shifting traditions in public management and ideas about value creation. Our theoretical framework is then set out, as is our methodological approach. Our findings are then presented, organized using Osborne et al.'s (2022) integrative framework for value creation, considering questions related to social procurement policy in the context of a public service ecosystem. Finally, acknowledging the uneven ways that our analysis demonstrates value is created or not across various ecosystem levels where social procurement policies and services have impact, we discuss the implications of our study for scholarship, and for policy and practice.

Procurement policy and public management reforms

A key characteristic of public management reforms of the 1980s, particularly in OECD countries, was a significant move to institutionalize private sector thinking and organizational best practice within public sector entities, ostensibly framed as a means of holding them accountable to the public. The processes by which public sector bodies purchased goods and services became highly technocratic, characterized by regulation and cost reduction as a way of demonstrating effective stewardship of public money (OECD, 2019) and informed by principles of competition policy which have been taken up in many jurisdictions worldwide. 'Value' in public procurement came to be increasingly considered narrowly in terms of relative financial cost, often to the detriment of broader societal goals. As a result, public procurement was positioned simplistically as a technical function of government administration, viewed in isolation from other policy instruments used to promote overarching policy ambitions and goals.

Over time, these market-oriented public management reforms somewhat fell out of favour and a newer collaborative paradigm in public administration and management began to emerge. Collaborative governance approaches which emphasize multiple interdependent actors collaborating through new 'hybrid' organizational arrangements between government, private for profit, and non-profit organizations (Bromley & Meyer, 2017) grew in popularity, especially in OECD nations. On a theoretical level, collaborative governance literature to date has tended to emphasize the processes of inter-organizational collaboration at the organizational level, rather than its impact or the extent to which value is co-created more broadly in society or for individuals through these collaborative governance arrangements. Furthermore, limited attention has been given to specific policy reforms —such as social procurement policy—which could be considered emblematic of observable shifts in public management traditions (Barraket et al., 2015). Aligned with these observable shifts, using public procurement as a tool to support value creation is increasingly on government agendas, with a push to focus reform efforts on collaboration, training, flexibility, and sustainability (see Patrucco et al., 2023). Yet scholarly literature has not kept pace with the acceleration of social procurement policy development globally (Hafsa et al., 2022). The lack of systematic research attention has resulted in a lack of conceptual clarity and empirical data, impeding the development of generalizable knowledge and practice around social procurement (Barraket et al., 2015; Loosemore et al., 2021).

More recently, some governments have started to think about public procurement as a means to generate social value by working in partnership with actors in different sectors in the design and delivery of policies and services with a focus on outcomes (Selviaridis et al., 2023). The concept of social value, nevertheless, still lacks clarity and agreement, having been defined in the context of social

procurement both normatively as an outcome of utilizing certain suppliers (Barraket, 2020) and pragmatically as the inclusion of social, environmental, and/or economic benefits that can be accrued to communities. Within this context, social procurement has been positioned as a means of achieving policy goals and pursuing various socio-economic outcomes, particularly in the realm of social welfare and sustainable development. Many countries, particularly in the OECD, have started to explicitly prioritize social procurement as part of a wider suite of public sector policy reforms (Furneaux & Barraket, 2014; OECD, 2019; Troje, 2021) and their approaches tend to fall into two categories: direct purchasing targets, and contractual mandates (Barraket, 2020). As an example of the former, governments look to purchase directly from social economy providers, thus strategically channelling public investment into organizations directly serving citizens and benefitting communities (Lindsay et al., 2014). As an example of contractual mandates, suppliers from any sector can be required by contract to guarantee that a percentage of local disadvantaged workers will be employed on a publicly funded project (Troje & Andersson, 2021).

The release of numerous reports on the potential of social procurement and various guides on social or sustainable procurement standards in the grey literature has encouraged national and local governments to formalize social procurement in legal and policy frameworks (Hamilton, 2022). Yet the limited academic research has demonstrated that most social procurement legislation only goes so far: typically it provides only general recommendations, leaving procurement professionals with significant discretion and uncertainty around implementation (Storsjö & Kachali, 2017). Further, even when this legislation is part of broader policy reforms shaped by discourse around value creation, it is being cascaded and implemented within broader systems that have not necessarily been subjected to the same levels of reform, and which are often characterized by significant institutional barriers to social procurement implementation (see Loosemore et al., 2022; Troje & Andersson, 2021).

Value creation in ecosystems

The ecosystem perspective developed in service research has worked to explain the process and complexities of value co-creation where service is the basis of exchange. Lusch and Vargo (2014, p. 161) define a service ecosystem as a 'relatively self-contained, self-adjusting system of resource integrating actors connected by shared institutional logics and mutual value creation through service exchange'. Focus thus tends to be on interactions, experiences, and perceptions of those integrating resources and accruing value, with value described as phenomenological, co-created, multidimensional, and emergent, rather than embedded in policies by governments and transferred to citizens and communities, as is the case from a value-in-exchange perspective. Instead, value is co-created through interactions (value-in-use) and determined subjectively and uniquely by the beneficiary, often in culturally-specific ways (value-in-context) (Vargo et al., 2017). In a public service context, value is accrued by individuals, communities, organizations and society (Osborne et al., 2021) and can be enabled or constrained at different levels of the ecosystem

through various, often interconnected, interactions (Osborne et al., 2022). Understanding the complexities of value creation therefore requires consideration of the 'constellation of actions and actors' and 'a more systematic view of value' which includes the various relational interactions across a system (Vargo et al., 2017, p. 118).

In service research, the concentration on 'value-in' tends to emphasize both process and outcome in its focus on relational interaction and value accrual. This is extended in Osborne et al.'s (2022) presentation of a multi-level framework (i.e. the public service ecosystem) for exploring dimensions of value creation within service ecosystems. Osborne et al. (2022) propose two additional dimensions of 'value-in': *value-in-production*, deriving from involvement in service design or improvement is generated at the production stage through the engagement of different stakeholders; while *value-in-society* includes 'the indirect impacts of the service upon society' (Osborne et al., 2022, p. 641). The emphasis on collective value accrual for society is closely related to the concept of 'social value' regularly referred to in the social procurement literature, but value-in-society also encompasses the values, rules, and norms important to society.

In any ecosystem, there is a wide array of interdependencies and non-linear processes between intent and outcome, and between different actors and policies. From such perspectives, end-users play an integral role within the value co-creation/destruction process but interactions among various other stakeholders across the ecosystem and the integration of their resources also shape and influence value creation and accrual (Hodgkinson et al., 2017). While we are aware that other analytical frameworks—particularly drawing on ecological systems theory (Bronfenbrenner, 1994)—have been utilized for exploring various constellations of actors involved in public procurement (see Woolcott et al., 2019, 2023), adopting a 'public service ecosystem' lens allows us to consider the various value co-creation activities and interactions taking place, while providing useful insights into the extent to which social procurement policy has (or has not) generated value for people and communities. Moreover, by employing this framework we are directly acknowledging this as an extension of a tradition of public management research that has considered policy implementation in the context of governing through networks and New Public Governance, to which Osborne has made seminal contributions.

Policy analysis: A public service ecosystem perspective

Solely analysing value creation at one level of an ecosystem within the context of a particular policy reform is insufficient for understanding the ways in which multi-layered levels of resource integration and service exchange leads (or not) to value creation across a tiered public service ecosystem. For Osborne et al. (2022), the integration of resources takes place on four levels:

- The macro-level, where societal values, norms, and rules influence the context and processes of value co-creation, enabling or constraining value outcomes (value-in-society).

- The meso-level where collaborations between stakeholders can support organizational learning and/or value for those participating (value-in-production).
- The micro-level, where value is co-created during use (value-in-use) and determined subjectively by individuals through experience and within their own lives (value-in-context).
- The sub-micro-level, where personal and professional beliefs construct the individual context for value creation (value-in-context).

Although each level can be analysed separately, to understand value creation comprehensively, the four levels should be considered together as interrelated layers, as Figure 1 denotes.

Trischler et al. (2023) have argued that the ecosystem perspective from service research can also be used as an analytical framework that can be applied to different phenomena such as policy. Table 1 maps the levels and value-added dimensions introduced by Osborne et al. (2022) in their public service ecosystem framework to questions around perceptions of social procurement policy implementation.

Through this theoretical framework, we chart a course to critically analyse our empirical data and move beyond important *theoretical* conceptualizations of value creation in service ecosystems to generate a *practical* understanding of varied perceptions of value creation in the context of social procurement policy. Now that we have set out our theoretical framework, we next turn attention to the specific context in which our study is undertaken, and the methodological and analytical approaches that have guided our study.

Methods

Study context

The Scottish context is useful for examining procurement policy reform for two reasons. First, not only was the devolved Scottish Government an early adopter of procurement reform, but Scotland's social economy, and the support and recognition this sector receives, is significant and internationally recognized (Roy et al., 2015). There is a strong ecosystem to support social procurement implementation and existing data which at least captures more traditional value-in-exchange created by social procurement policies (SEWF, 2022). Second, while grassroots, collaborative policy development and an emphasis on localism has historically been valued and promoted throughout Scotland, local policy-making surrounding the third sector also has a unique style in this jurisdiction, where it has developed to cope with the distinct challenges of the often competing demands of the polities in which it is embedded, namely local government, the Scottish Government, the UK and (now historically) the EU (McMullin et al., 2021).

The Procurement Reform (Scotland) Act 2014 and subsequent Scottish procurement strategies that have run from 2017 onwards all broadly outline an approach characterized by attempts to leverage public spending to achieve place-based, socio-economic and environmental outcomes and engage the expertise of diverse organizations to drive public value creation. For example, the strategy published in 2022 sets out how they will:

> … influence and empower buyer, supplier and key stakeholder communities to use public procurement to support an inclusive and green economic recovery [and] outlines how we will use the Power of Procurement to deliver and influence outcomes that are good for businesses and their employees, good for places and communities, good for society, and that are open and connected with the communities we serve. (Scottish Government, 2022, p. 7.)

These strategies and associated regulations, as well as their rhetorical positioning, represents a culmination of more than 15 years of Scottish public procurement reform, which arguably began with the *Review of public procurement in Scotland* (McClelland, 2006). The Scottish Government responded to this review by setting out steps to establish a distinct 'Scottish Model of Procurement'. During the decade between the McClelland review in 2006 and the release of the first Scottish Procurement Strategy in 2017, a significant amount of cross-sector work was conducted to support the acceleration of social procurement, leading to the formation of various intermediaries and oversight bodies as well as the development of resources to support social procurement and build awareness, capacity, and expertise across the public sector in Scotland.

Data collection and sampling

To enhance understanding of the perceptions of Scotland's social procurement policies and impacts of this series of procurement reforms, we 'purposively' (Mason, 1996) sought especially data rich participants from across Scotland's public procurement purchasing and supply chain: public sector officials, intermediaries and social economy suppliers. Participants were recruited direct via email contact, and data collected in three stages: first via exploratory interviews conducted between December 2020 and Feb 2021 ($N = 6$); then with two focus groups undertaken in July 2021 involving another six people in total; and then in–depth, semi–structured interviews conducted between May and July 2022 ($N = 23$) representing a total involvement of 35 people in our study. The focus groups engaged both suppliers and public sector procurers in conversation to identify the key benefits and challenges of implementing social procurement based on Scotland's more recent public procurement policy reforms. Our interviews explored *in situ* experiences focusing on how actors' experiences and perceptions of challenges compared, depending on their positioning in the sector, the level of government with which they were operating or engaging, and how long they had been involved with social procurement.

Analysis

After a first cycle of open coding (Saldaña, 2013), we organized our data into themes corresponding with the context of social value across multiple ecosystem levels. A team of three researchers was involved in the analysis and the process of comparing and cross-checking codes, categories, and themes, which helped researchers to understand their relative positionality, promoted reflexivity and minimized the potential for bias in the analysis. All interviews and focus groups were audio-recorded and transcribed 'intelligent verbatim' and, as with our approach to data collection, an 'abductive' (Peirce, 1932; Timmermans
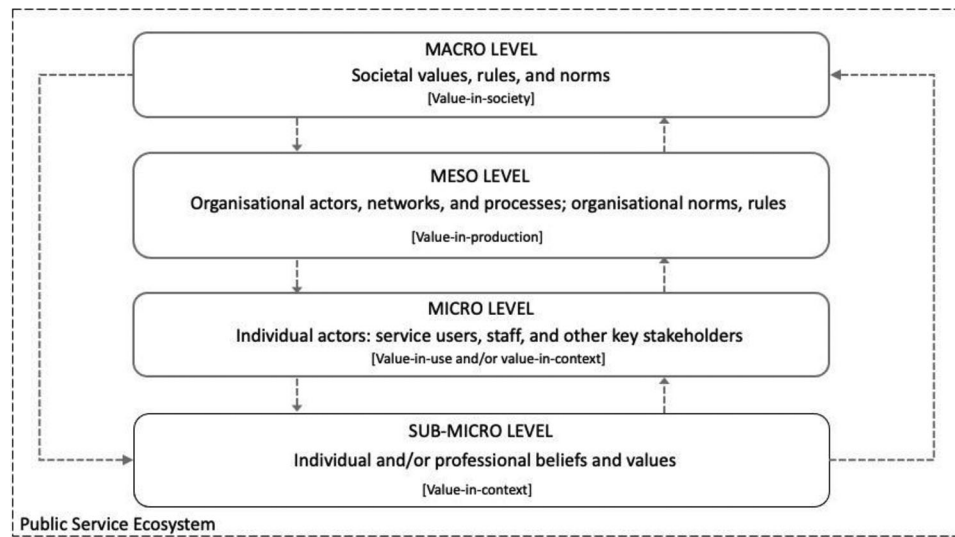
Figure 1. Different levels of the public service ecosystem.

& Tavory, 2012) approach to analysis was employed where we moved back and forth, engaging iteratively with literature, our empirical data, and emergent theory. The first step involved researchers immersing themselves by repeatedly reading the interview transcripts to obtain a high degree of familiarity, including with relevant social procurement policy documents. Second, researchers generated an initial list of items/codes (first-order coding) from the dataset that had a reoccurring pattern. Third, researchers searched for recurring patterns, linkages, categories, and subcategories within the first-order codes relating to each research question. Fourth, researchers examined how codes combined to form overarching themes relating to the research questions. In the fifth stage, themes were further refined by continued searches for data that supported or refuted the initial themes, allowing further expansion, and connections between overlapping themes. This whole process continued in parallel with data collection until theoretical saturation occurred and no further themes emerged. Any instances of disagreement were resolved through discussion, a process which continued until 100% inter-rater agreement, and confidence in the theoretical validity of the emergent themes, was achieved.

Table 1. Value-added across public service ecosystems in the context of social procurement policy

Public service ecosystem level	Value-added	Social procurement context
Macro	Value-in-society	How (if at all) is social procurement policy viewed as altering the broader public procurement landscape?
Meso	Value-in-production	In what ways have purchasers in the public sector and social economy suppliers and intermediaries been able to engage with social procurement and do they feel their perspectives are valued in that process?
Micro	Value-in-use and/or value-in-context	To what extent do social economy organizations believe they have benefited from this legislation?
Sub-micro	Value-in-context	How might social procurement legislation have shifted individual beliefs about the mainstream roles social economy organizations can and should play in society?

Findings

Mobilizing our conceptual approach, we organized our findings according to the four levels presented in Osborne et al.'s (2022) framework to answer questions about value creation in the context of social procurement policy. We commence at the macro-level, and progress down to the sub-micro-level, recognizing that some comments relate to more than one level, and there are clear interconnections between each.

Value creation at the macro/institutional level

At the macro-level, we were interested in discovering how shifting governance philosophies and an increasing focus on social procurement in Scotland has altered the broader Scottish public procurement landscape. This level concerns the overarching social and managerial values (for example efficiency, accountability), rules, and belief systems that are considered to underpin procurement policy. Arguably the most abstract level of the public service ecosystem, value creation at this level (i.e. value-in-society) was only explicitly touched on by participants in limited ways. Participants cited various societal beliefs they felt Scottish Government procurement policy was attempting to represent, such as fairness, equitable access for all, and healthy communities, but these comments were often followed up with examples of practices that were falling short of these beliefs or goals. Respondents attributed this mainly to misalignment of macro-level procurement rules, which steer the social procurement ecosystem.

For instance, part of Scotland's overarching procurement policy framework includes a provision for 'supported businesses'. While this was created to make it easier for social economy organizations to win public contracts, the specific category of supported businesses refers to organizations whose workforce consists of at least 30% of individuals with disabilities or other disadvantages, consistent with EU directive 2014/24/EU, which mirrors the influential Italian model of 'social co-operatives'. Despite this organizational model being fairly commonplace around Europe, it is not a particularly common form of social enterprise in the UK at all. However, the Scottish

Government guidelines dictate that every public body should have at least one contract with such a 'supported business' and private sector companies are also encouraged to do so. This guidance supports value-in-society in terms of encouraging spending with supported businesses and other forms of social enterprise. It also facilitates the emergence of a gap between what public bodies and private sector businesses *should* do based on collective values, and what they *actually* do.

Even in instances where buyers felt compelled to follow the guidance, various public procurement representatives shared their frustration with the regulations around this framework: the complex process of becoming a certified supported business in line with the EU definition involves strict rules around employment figures, specifically excluding volunteers (posts that arguably could be converted into paid posts over time). A focus group representative shared that:

> … the whole ability to reserve for supported businesses is very difficult to achieve … One of the organizations we've been working with were definitely a social enterprise, but they weren't a supported business, we didn't have the ability to reserve for them. And the process of moving to be a formal supported business was really difficult for them, because they had to change their organizational aims, there was a lot of work needed for them to do that. And I don't know why these barriers exist to make it so difficult. (Tertiary education representative 1.)

Value creation at the meso/service system level

At the meso-level of the public service ecosystem, we were interested in examining how organizations operating on both the supply and demand side of procurement relationships engage with social procurement legislation and reforms. While participants regularly commented on how there were positive overarching benefits for Scotland (i.e. value-in-society) due to procurement reform and an enhanced focus on implementing social procurement policies, they were far less complimentary and optimistic about the ways these reforms were supporting value creation through mutually beneficial relationships and engagement with specific organizations. The general sentiment among participants was one of frustration with what they referred to as a 'broken' and 'lazy' procurement system, ostensibly because of a clear 'disconnect' from the overall national rhetoric around progressive local procurement and fair labour markets. They felt there was too firm a focus on managerial values/ rules locally, in contrast to the overarching rhetorical intent. Starting from the beginning of the procurement journey, where an organization must tender for a public contract, participants cited multiple challenges and barriers to engagement (i.e. value-in-production), particularly for smaller organizations who were the initial beneficiaries targeted by Scottish procurement reform. As someone working in public sector procurement stated:

> The challenge [is] they're up against sometimes really large organizations who've got bid teams. So for an SME and a social enterprise they have to take time out of their job because there's not enough of them to fill in a tender: that can take them days and days and days because of the volume of what we ask, with no guarantee that they'll get the business. I know some SMEs who won't ever bid for a [public] contract because it takes them too long. (Government procurer 2.)

Challenges with procurement systems was an issue many suppliers also discussed. Those from smaller businesses with no specialized procurement expertise to draw upon discussed feeling unfairly disadvantaged in a process they felt was lengthy and elaborate, again reflecting the bureaucracy of underpinning rules (at the macro-level). They felt the system was stacked against them, detracting from their ability to meaningfully engage within their communities, thus constraining value-in-production. There were examples of organizations in the social economy delivering essential public services, who then—when their service was put out to tender—found themselves being asked to bid for contracts they were unlikely to win, thus hampering their ability to contribute to value creation in their communities. Suppliers are regularly faced with difficult choices about which vital resources of time and money—resources that are often in short supply in SMEs and the social economy—they must leverage to be competitive in the procurement process. As one supplier put it,

> [If] you think about boxing … you don't get a heavyweight versus a flyweight … There are weight categories. So the same should apply [in public procurement]. (Tier 1 supplier.)

This quotation highlights the inequitable impact of rules and the disjuncture between the aspirations of social procurement and the rules governing it.

Indeed, it can be exceptionally difficult for social economy suppliers to break into existing supply chains due to a variety of factors related to networks, norms, and rules, including the costs involved in tendering and compliance requirements. There can be strong incumbent supply chain relationships, and negative perceptions of social economy organizations being able to deliver against hard targets, or even a lack of understanding of what working in the social economy involves. All participants and focus group members mentioned 'the system' inevitably ended up rewarding larger, cheaper businesses, often based somewhere distant from where the work was being commissioned. This practice is considered to privilege cost over value, as one intermediary consultant highlighted: 'it isn't fit for purpose if we're deciding value on the basis of lowest cost' (Intermediary consultant 5). This example also emphasizes the inter-relationship between the various layers of the ecosystem, and what can happen when certain values do not permeate further down. If the value of equity is omitted or not emphasized, while a focus on the values of efficiency and value for money is retained and emphasized, then unintended outcomes tend to occur, and frustrations arise. Given the evident power of legal requirements, there was a strong feeling among suppliers that this process needed to be re-designed or guided by binding legislation to increase the value of social and environmental responsibility in tenders and better align procurement practice with policy rhetoric.

Value creation at the micro/stakeholder level

Analysing value creation at the micro-level within the context of social procurement policy implementation helps reveal the extent to which social economy organizations perceive their own benefits from the legislation. In response to some of the feedback around early iterations of procurement reform

in Scotland, which was perceived as inaccessible by the organizations it was attempting to support and advantage, the Scottish Government implemented a strategy of awarding contracts from industry-specific, pre-screened databases (referred to as 'frameworks'), some of which carried a ranking system. Some suppliers reported that frameworks assisted them in gaining contracts and increasing their company visibility. However, others described it as problematic:

> If you're number one on the framework lot, you'll get all the work unless of course you don't want it. Now that's not what a framework does and that's not what the policy, as far as I'm aware, talks about. It talks about spreading the load amongst the workforce, or amongst the [organizations], amongst all project owners and stakeholders, and I think there's a bit of missed opportunity there and that is quite a challenge for us on a corporate level. (Supplier contractor 3.)

Social procurement policies in Scotland do, in fact, support the distribution of contracts between multiple suppliers. Public procurement specialists, however, raised that many contracts are often simply far too large for SMEs and social economy organizations to deliver, especially when delivered alongside other, perhaps ongoing, contracts. For this reason, they argued that larger contracts should be broken up to encourage smaller enterprises to bid for public procurement contracts. According to the buyers and suppliers interviewed, this does not currently happen to any great extent.

In essence, any value-in-use experienced by public sector procurement officials and officers through their interactions with the social procurement system policy is limited because of bureaucratic processes; hierarchies that create dependency; and overall policy that encourages short-term thinking and short-term solutions that do not bring best value for local places, organizations, or the environment (which again emphasizes the interconnections between layers). As a focus group participant pointed out, 'the money is allocated to that public body as their money, so they're responsible for it' (Focus group 2). Yet, the ability of public bodies to make locally informed decisions to maximize value regularly seems to be absent, thus preventing the people who are often best placed to make procurement decisions from doing so. This ultimately indicates that in the context of Scotland's procurement policy, the values, and rules at each level of the ecosystem —and especially at the macro- and meso- levels—could be misaligned, constraining value-in-use at the micro-level.

Value creation at the sub-micro/belief level

Examining the creation of value-in-context at the sub-micro-level uncovers how social procurement policy implementation may or may not have shifted individual beliefs about the roles that social economy organizations could and/or should play in society. Within this context, participants ~~in this study~~ discussed what could be seen as less obvious ways social procurement policy led to the creation of value-in-context. For example, the social economy representatives generally agreed that the current procurement policy reforms have helped raise awareness of their work and legitimize them as viable suppliers, shifting the beliefs of those involved in public procurement and giving more credibility to their business model. When

frustration was voiced about challenges posed to creating value-in-context, it was typically around not being able to do more, rather than not being able to create value at all. The desire for greater agency to be able to make decisions to support value creation for local places was prominent and detailed by a local government procurer:

> Everybody knows we want a local result. We want particular partners involved, but we have to go to tender, and the third sector has to respond to tenders, and they might not win. It's difficult to get them to engage with us when they've got to go through all of this. Where, if we could have a grown-up conversation with them about it and say, 'Right, we've got some funds from the Scottish Government that relate to local employability … '. If we could have an open discussion about, 'Here's our money, here's the budget, if you were to be involved in this … '. Because we're missing out. (Local government procurer 4.)

This participant went on to suggest that to create value-in-context by achieving complete buy-in from social economy and other organizations there would need to be some transformative changes to policy at the macro-level, or the meso-level, or both. In some cases, this could mean more tender policy flexibility and in others it could even mean removing the tendering process completely, as it was described as a barrier to engaging with local projects and partners fluidly and responsively.

Other individual participants also discussed the way the beliefs of those involved in the system, and specifically their advocacy, could support value creation, at least at the sub-micro-level. Despite perceptions that they had low levels of agency, public sector procurers sought to manipulate the system and exploit loopholes to encourage sustainable local procurement where possible:

> We can't skew it to local suppliers, but we try our best to steer a path to make their life easier … We're not setting any targets about so much of your supply chain must be based [here], but we want a report on it so we can actually say, that if any local subcontracting does occur, we want the ability to be able to shout about that, because it's a good thing. (Government procurer 4.)

The need to encourage such a course of action suggests that, despite attempts to divide responsibility and collaborate across government and sectors to reform procurement, the overall procurement experience in Scotland is still seemingly dominated by institutional hierarchies, transactional norms, and rigid processes. This makes it difficult to derive value through the production of procurement reform policies and services as well as through their use. Yet there are still local examples of champions at the sub-micro-level working to change beliefs and alter systems, albeit often in small, incremental ways, to generate some value-in-context.

Discussion

Overall, participants of both the interviews and the focus groups agreed that the presence of Scotland's procurement policy reform had positively set the scene for value creation in Scotland. However, the overarching narrative reveals the uneven nature of value accrual across different levels of the social procurement ecosystem. At the highest—macro— level, participants spoke positively about the underpinning values of procurement reform, as explicitly set out in the Scottish procurement strategy. Simply by engaging in reform and reporting on its social procurement policies and

practices (exercising symbolic legitimacy and a form of discursive power) the Scottish Government is changing the overarching norms, rules, and beliefs that govern public sector procurement. Communicating positive beliefs about the benefits of the social economy and their viability within public sector supply chains, for example, creates value-in-society by elevating their profile and potentially encouraging investment.

Nevertheless, participants' experiences of social procurement policies seemed to focus on levels of the ecosystem where value creation was tempered, or perhaps where value was even being inadvertently diminished. This emphasizes the complexity of social value creation, which is influenced by multiple interactions across all interconnected levels of the ecosystem. When examining meso-level value creation, the need for an accessible procurement system and a process reflecting the needs of suppliers and buyers so they work more collaboratively, in ways that did not lead to loss of value in communities, emerged repeatedly. Many participants discussed how value could be lost at this ecosystem level where suppliers' valuable time was taken away from serving communities to compete in a system that did not appear to be designed with them in mind, suggesting that future procurement reform efforts need to be more collaborative, elevating the voices of social economy supplies and public sector social procurement champions as equal co-producers of policy.

Our data indicate that the implementation of social procurement policy—or, at the very least, perceptions of this—does not fully reflect the outcomes-focused, collaborative, cross-sectoral goals, and approaches as framed by the various rhetorical statements related to reform. This result appears to be consistent with experiences elsewhere (see Murray, 2011), despite research that suggests countries like Scotland and various European states have strategically positioned themselves to embrace social procurement reforms (Ludlow, 2016). The findings also support the idea that social procurement ecosystems tend not to be characterized by mutual value creation, but often by the opposite: by conflicting and opposing interests and notions of value, which can impact perceptions of policies and their implementation (Hafsa et al., 2022). These findings also illuminate the interdependencies of levels of value creation in the system and the dissonance in social procurement reform where differing logics and practices prevail at different levels of the service ecosystem.

Finally, at the sub-micro-level, there is evidence of value-in-context. This is mostly due to individuals within the system exercising the limited discretion they have and not emblematic of more transformative shifts policy reforms often attempt to inspire. The implication of this finding is that since certain actors (those shaping political rhetoric and champions of social procurement) stand to benefit more from the policy reform than others (social economy actors and local communities on the meso- and micro-levels), and so many service users that the policy explicitly aims to support are not especially benefitting in practice. That said, at the sub-micro-level, we have also seen good examples of how individuals are intervening in the system to create their own informal rules and norms to address the limitations of formal systems.

While this multi-level analysis has allowed us to highlight the extent to which value can be generated within a broad and diverse ecosystem, we should recognize the current limitations of the analytical framework adopted. As indicated at the outset, other frameworks have adopted a roughly similar approach, such as Woolcott et al. (2019) who, drawing on Bronfenbrenner's (1994) social ecology approach and integrating this with social network theory, emphasized networks and the 'nestedness' (Neal & Neal, 2013) of various networks across different levels. Bringing both approaches together in future would go beyond an organizational focus that is common in network governance literature, while also facilitating a more complete understanding of value creation at different ecosystem levels.

Conclusion

We set out to examine the following question: To what extent have the ambitions associated with social procurement policy (i.e. generating value for people and communities) been realized in practice? We found that procurement policy reforms created value both at the macro-level and sub-micro-level, particularly around changing individual and societal beliefs. This was especially the case regarding the idea that actors in the social economy can be valuable and viable economic contributors that should be considered favourably in procurement policies. We have shown, too, that when it comes to implementation, and the ways in which citizens and organizations must interact with policies and services—particularly if they are situated within systems they perceive to be designed for others—some of the benefits of positive value creation at other ecosystem levels can become diluted or even lost altogether.

One key contribution of this research lies in demonstrating that the integrative framework for conceptualizing value creation in a public service ecosystem put forward by Osborne et al. (2022) is suitable for application in a policy analysis context. There is no doubt, however, that studies bringing this analytical approach together with the work ecology systems scholars would be of great benefit in the future. Our abductive analysis has nevertheless revealed narratives around value creation and commentary about value for whom and under what circumstances. Those interviewed throughout this project were predominantly stakeholders operating at the organizational level, whether public sector or social economy organizations, and so most of our richest data relates to value creation or destruction at the meso-level. While participants tangentially touched on elements of value creation in society, in context, and in use, their focus predominantly centred on value-in-production insofar as they frequently discussed how key organizational stakeholders were insufficiently consulted when procurement frameworks were produced. This highlighted how there is undoubtedly more that could be done in the context of procurement reform in Scotland to ensure that the policies are supporting value creation. Giving public bodies more agency in local decision-making processes (see Storsjö & Kachali, 2017) would enable more collaboration between SMEs and social economy organizations rooted within local communities and likely deliver increased overall value for local places. Further, perhaps more deliberate collaborative governance arrangements surrounding social procurement reform in Scotland might have improved organizational perceptions of the value those stakeholders could derive from such.

While Scotland can point to strong social procurement spend at the macro-level in the broader societal context, or highlight examples of procurement officers whose sub-micro-level beliefs may have shifted positively toward support for social procurement because of their reforms, experiences of value creation at the meso-level are far more mixed. We firmly recognize too the limitation of focusing on a single polity; however, we consider the findings are applicable to the broader social procurement policy arena and suggest that any countries implementing procurement policy reforms which aim to strengthen social procurement practices comprehensively consider policy reform impacts at various levels of their social procurement ecosystem. Further, we suggest that embracing collaborative procurement reforms that recognize and elevate the perspectives of many different actors involved can lead to more responsive policy reforms which enable, rather than constrain, value creation, particularly for social economy organizations.

To conclude, formal market and management-based systems have not (yet) sufficiently reformed to allow social procurement policies to realize their full potential. Both formal laws and regulations and informal elements contribute to the disjuncture between intent and practice. It is therefore important to consider not just the processes and relationships that public sector organizations are directly involved in, but also the broader context in which they operate, where diverse organizations can co-produce public services and policies that create value. This could be facilitated more effectively by engaging networks of non-governmental actors to help decide what specific, additional, social procurement services and activities could effectively generate value, and how this might be best accomplished.

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