

## **Integrators in Defence: Is There a Trade-off between Gate keeping and Innovation?**

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### Abstract

The concept of system integrators in defence has resulted in a major contractor providing a complete network of systems to defence agencies and armed forces. Armed forces, then simply operate the network, while in the past they acted more as 'black boxes' in putting such systems together using assets from different contractors. Besides network advantages, such contracting-out to just a few consolidated firms results in gate-keeping the necessary technologies, while the armed forces become more of an end-user. This emphasis on the 'network-providing' characteristics of the consolidated defence firms could result in the integrator obtaining more of an expert status compared to the armed forces and consequently determine the technological feasible level of operations, as well as, raise the barriers to entry for new firms which can lead to a reduction in the level and speed of innovation.