



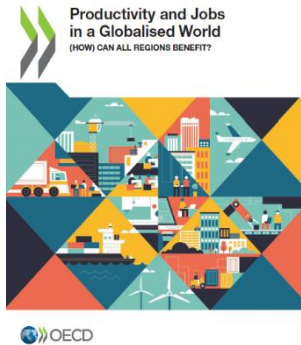
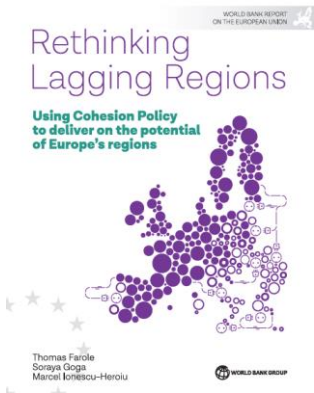
# The POINT methodology to prepare for a transformative EDP

EWRC Session: Shared Agendas: the Next Stage of the EDP

Dimitrios Pontikakis *and* Anabela Santos, *JRC, B3 Territorial Development*

*7 October 2020*

## The 3 Frames of Innovation

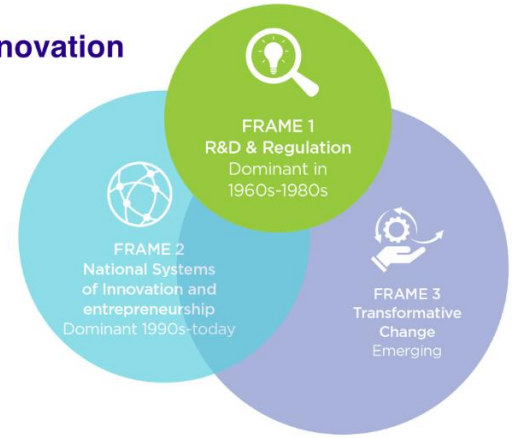


## A European Green Deal

Striving to be the first climate-neutral continent

## Global trends

- *Deep productive transformations*, esp. in energy and transport systems, and digitalisation
- Resurgence of interest in *industrial policy* – no longer a taboo
- Emergence of new framework of thinking: *transformative innovation policy*
- *European Green Deal and EU Recovery Fund (>1 tn EUR for Green and Digital Transitions)*



## Challenges of lagging regions

- Industrial decline and mass emigration
- Structural change: low-productivity agriculture/tourism
- Weak tradable sectors; Investment barriers
- Lacking scale-efficient production and business innovation
- Societal and environmental challenges
- Large infrastructure gaps

**Pressing need to develop knowledge-intensive production capabilities**

→ *Problem*: no framework available for full-blown industrial policy!

# need to re-discover planning capabilities

## Saturn V: world's most powerful rocket

- Dependent on massive network (est. 400,000 people\*)
- Network disbanded since early 1970s
- Humanity has **since lost** heavy-launch capability
- No point using old 'blueprint' – world moved on

## Industrial transitions

- Lost capability for long-term, large-scale social action
- Climate emergency: Non-negotiable deadlines, Massive coordination task
- No point reviving 20<sup>th</sup> cent. industrial policies - world moved on

[\\*https://www.theguardian.com/science/2009/jul/02/apollo-11-back-up-team](https://www.theguardian.com/science/2009/jul/02/apollo-11-back-up-team)



# where to begin?

- What does a broad framing of innovation imply for EDP?
- What should be the objectives of transformative EDP?
- How to coordinate between policy portfolios (innovation, skills, regulation, investment support, ...)?
- Who to engage with in the territory? (who to invite to EDP workshops!?)

→ ***Understanding the system is key to preparing a truly transformative EDP***

# how to understand transformative change

- Literature on system innovation / "Transition management"
- Not the same as "*innovation system*"!
- **Production / Consumption** at centre
- science and technology one (of many) vectors
- ~ **macro-level organisational innovation**

## Builds on:

- Socio-technical transition experiences (large body of knowledge in NL)
- Multi-level perspective (Frank Geels / Johan Schot)

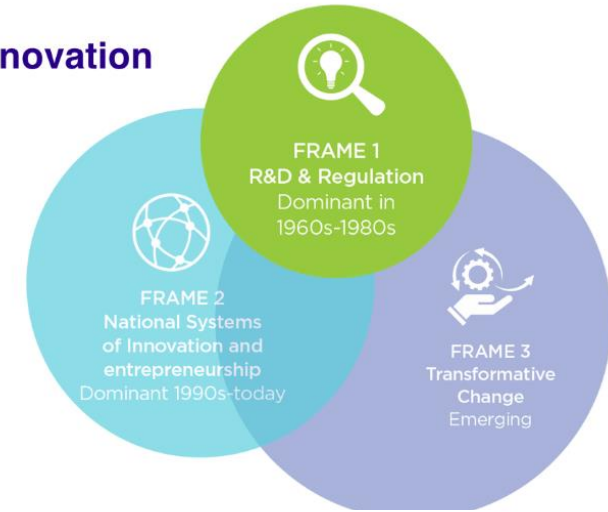
See links below::

OECD [System Innovation Synthesis Report](http://www.tipconsortium.net/)

<http://www.tipconsortium.net/>

<https://www.sciencedirect.com/science/article/pii/S0048733302000628>

## The 3 Frames of Innovation

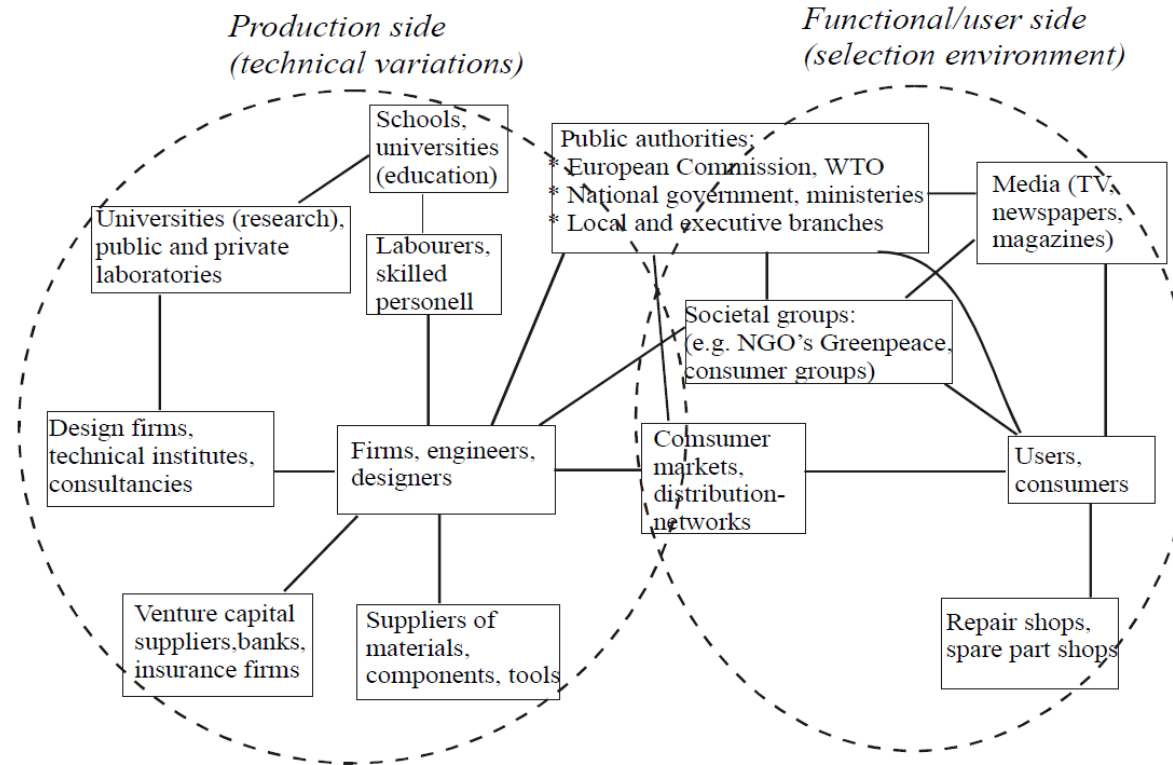


SYSTEM INNOVATION:  
SYNTHESIS REPORT



# what is “system innovation”? not *just* S&T, not *just* '3-ple/4-ple helix'

Figure 1.2 Societal groups involved in system innovation



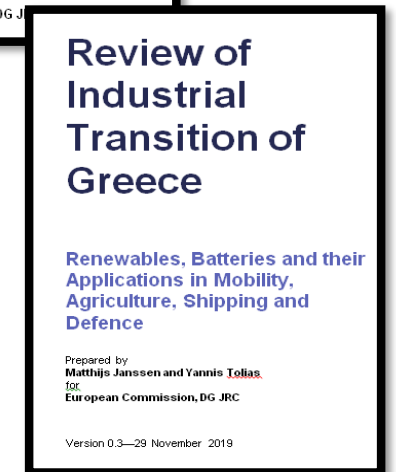
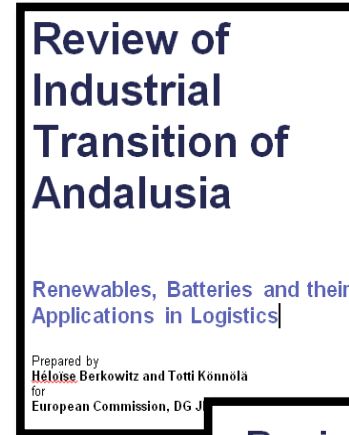
Source: Geels (2004: p.901) “From sectoral systems of innovation to socio-technical systems: Insights about dynamics and change from sociology and institutional theory”, *Research Policy*, 33(6-7), pp. 897-920

# first step is evidence: POINT Reviews of Industrial Transition

Coordination hinges on non-readily available **evidence**

Each review is a **study** of the affected industrial system in the territory. Aims:

- Provide evidence about the affected production and consumption system and its direction;
- Identify realistic transition pathways and associated institutional, investment and skills needs;
- Propose governance solutions so that disparate policy domains coordinate under a coherent industrial development logic;
- Make concrete policy recommendations for the advancement of the transition and for managing its downsides.



Four pilot reviews on-going in Andalusia, Bulgaria, Greece and Romania.  
Summaries here:  
<https://s3platform.jrc.ec.europa.eu/industrial-transition>

# the POINT methodology for reviews

## POINT - Projecting Opportunities for INdustrial Transitions

- Structured methodology to identify viable transition paths; emphasis on positive, ambitious visions
- Draws from expertise on system innovation / new industrial policies / foresight / innovation governance
- Developed internally at JRC, with contributions from leading experts (WG Advisory Board)
- Stakeholder interviews (over 50 per territory), combined with desk research
- Focus on territorial responses to one (or more) global impulses for transformational change (e.g. SDGs)
- Gather evidence on functional systems, prevalent territorial values
- Point to synergetic, high spillover paths, make suggestions



JRC TECHNICAL REPORT

Projecting Opportunities for INdustrial Transitions (POINT)

*Concepts, rationales and methodological guidelines for territorial reviews of industrial transition*

Pontikakis, Dimitrios  
Fernandez, Tabiana  
Janssen, Matthijs  
Guy, Ken  
Marques Santos, Anabela  
Boden, Mark  
Mancada-Paternò-Castello, Pietro

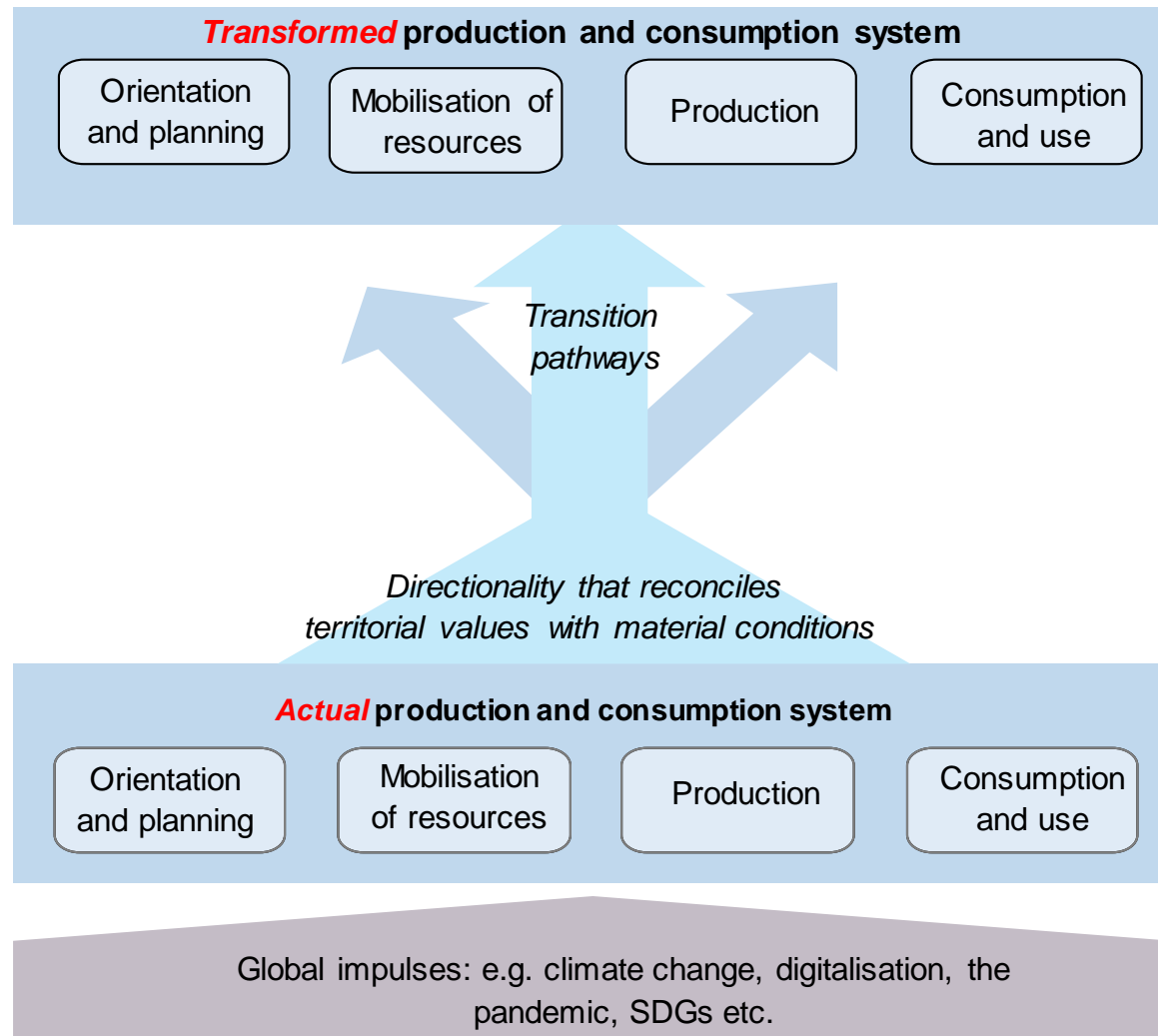
2020



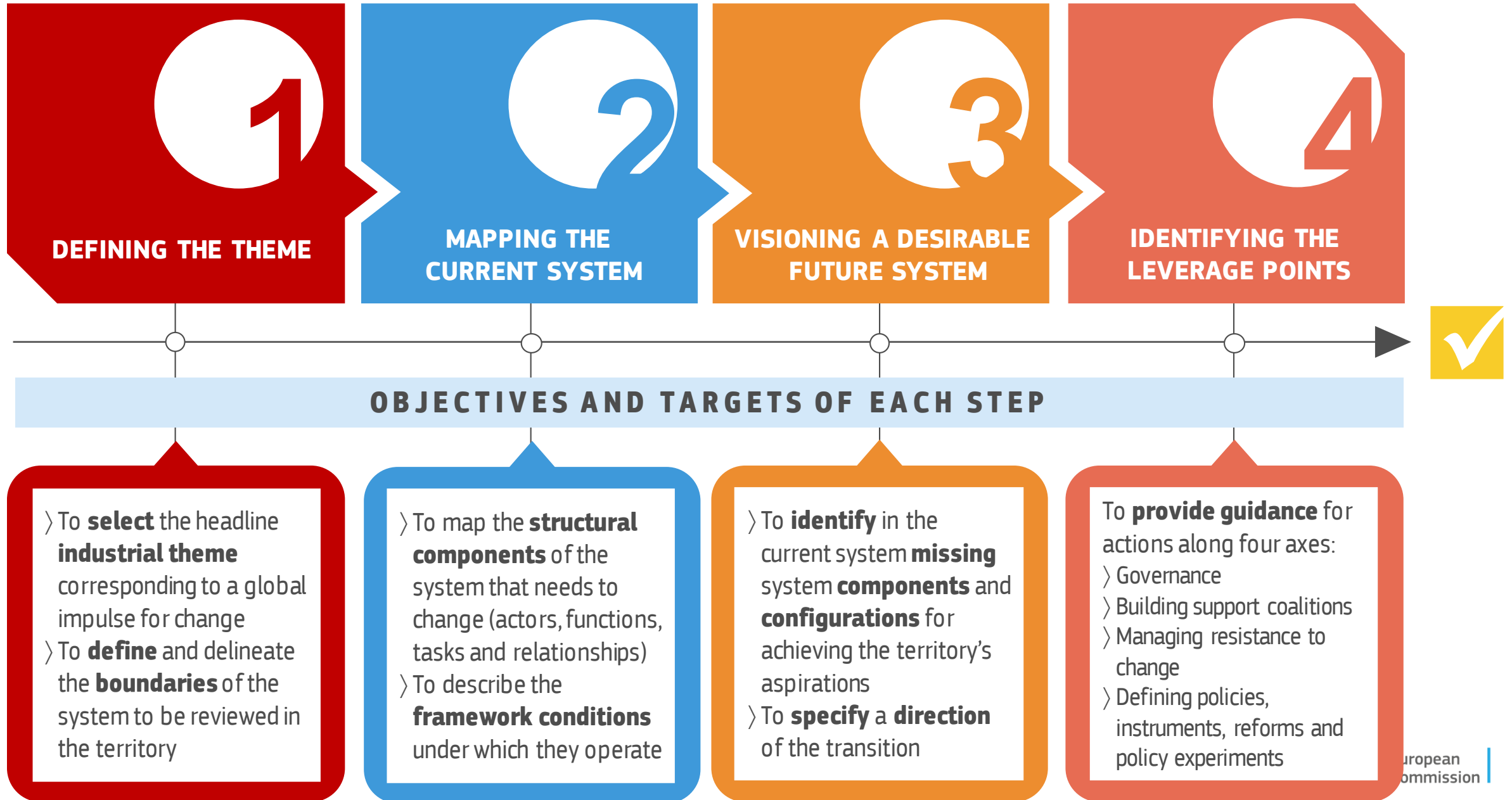
Download full report: <https://europa.eu/!Gr34Ng>



# a functional approach to system transformation



# STEPS OF THE REVIEWS



## QUESTIONS / DIMENSIONS TO BE ANSWERED IN EACH STEP

- › Geographical coverage
- › Reasons for the transition (opportunities / threats for the region)
- › Thematic focus
- › Degree of ambition
- › Timeframe for the transition
- › Linkage with the reflected priorities of the relevant authorities

- › Main actors in the system: roles, capacities and linkages on the four functional sub-systems (orientation and planning; resource mobilisation; production; consumption)
- › Framework conditions of the system
- › Geographic boundaries of the territory in the four functional sub-systems
- › Governance

- › Current scope and degree of ambition
- › Stakeholder vision for the future of territory
- › Required connections and reconfigurations of the system
- › Complementarity between production systems
- › Role of science and technology (obstacles / improvements)
- › Missing parts of the desired system (solutions)

- › Lessons learnt from the past
- › Role of monitoring and evaluation
- › Ways to foster the whole-of-government coordination and mobilisation
- › Developing a support coalition for the transitions
- › Stimulating and protecting the coalitions
- › Resistance to change (reasons for delaying the transition and form of opposition)
- › Appropriate policies reforms, specific instruments and policy experiments
- › Interaction with S3 strategy
- › Financing of the transitions

# contributions of a review to transformative EDP

- A broad and relevant frame of innovation

key stakeholders in sunset and sunrise regimes

uncover underappreciated interrelations

- A widely-backed direction for the transition

drawing from both economic strengths and territorial values

multiple-value creation (economic, social, environmental)

- Diagnosis of functional failures that may thwart EDP

need for reforms and capacity building

- Pathways for advancing the transition and addressing its downsides

who to invite to EDP workshops (who to sit together!)

EDP as a forum for whole-of-government mobilisation

# conclusions

## **1. Coordination process essential**

Multi-level; multi-portfolio; multi-stakeholder; continuous.

## **2. Evidence-based support: JRC reviews as a tool to help.**

Provide non-readily available evidence; link-up disparate parts of the system

## **3. An enhanced EDP leading to Shared Agendas**

JRC reviews only a beginning. Not enough to change policies. Need to work directly with stakeholders on processes of change and build support coalitions

*No wind is favourable to the one who does not know  
to which port to sail.*

Lucius Annaeus Seneca (c. 4 BC – AD 65)



# Thank you!

<https://s3platform.jrc.ec.europa.eu/industrial-transition>

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