

POINT Reviews: A tool to explore industrial transitions

**An activity of the JRC Lagging Regions Working Group
"Understanding and Managing Industrial Transitions"**

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Challenges of Lagging Regions

→ Regions with low growth / low income per capita

Long-term challenges:

- Industrial decline and mass emigration
- Structural change: low-productivity agriculture/tourism
- Lacking large-scale production and business innovation
- Barriers to investment
- Societal and environmental challenges
- Large infrastructure gaps

Pressing need to develop knowledge-intensive production capabilities

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

The JRC Working Group: "Understanding and Managing Industrial Transitions"

How to mobilise efforts from all levels/portfolios to develop knowledge-intensive employment (production capabilities)

Contribute to the development of:

- An integrated policy framework in support of industrial transitions
- Appropriate lessons for the revision and extension of S3

Central to the approach:

- **Two-sides of the transition:** not just threats/downsides, but also *opportunities*
- **Interdependencies:** Interdependencies can reveal unnoticed levers for change
 - **Cross-portfolio coordination:** e.g. R&I, skills/education, employment, large physical infrastructures (energy, transport, environment), public procurement
- **Cross-stakeholder mobilisation:** engage with both supporters and detractors

Global impulses present a unique window of opportunity

- Global impulses: climate change and massive investments in renewables, batteries and electric mobility. Circular economy. AI.

Paradigm shift in electric mobility (a technological revolution?):

- strong backing from global finance
- consumer shift + old comparative advantages nullified = massive business opportunities
- massive implications for infrastructures
- strong synergies with other global impulses (renewables + AI + I4.0 + circular economy)

→ *Example*: RIMAC in Croatia (est. 2011). 500+ people, producing world's fastest (until last year) sports car.

Conceptual framework

Literature on system innovation/
"Transition management"

Not the same as "*innovation system*"!

Builds on:

- Socio-technical transition experiences (mostly in NL)
- Multi-level perspective

See links below::

https://www.innovationpolicyplatform.org/sites/default/files/general/SYSTEMINNOVATION_FINALREPORT_0.pdf

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

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

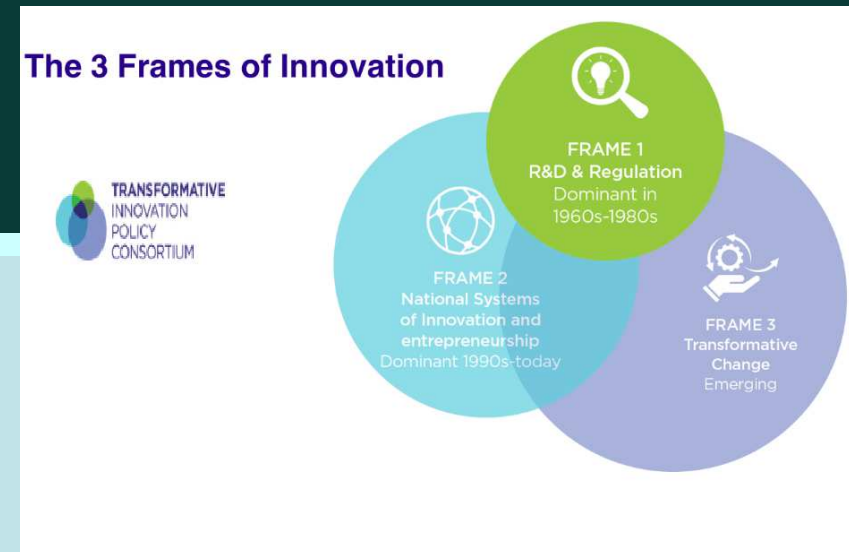
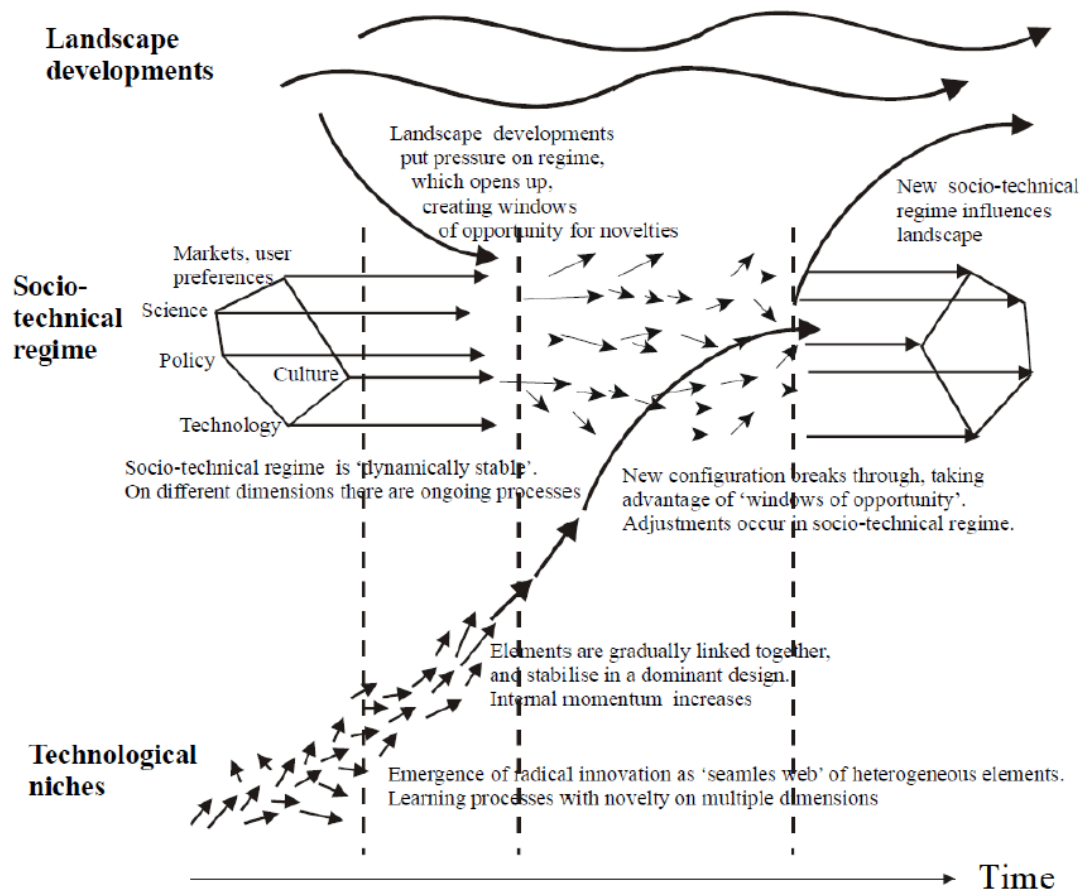


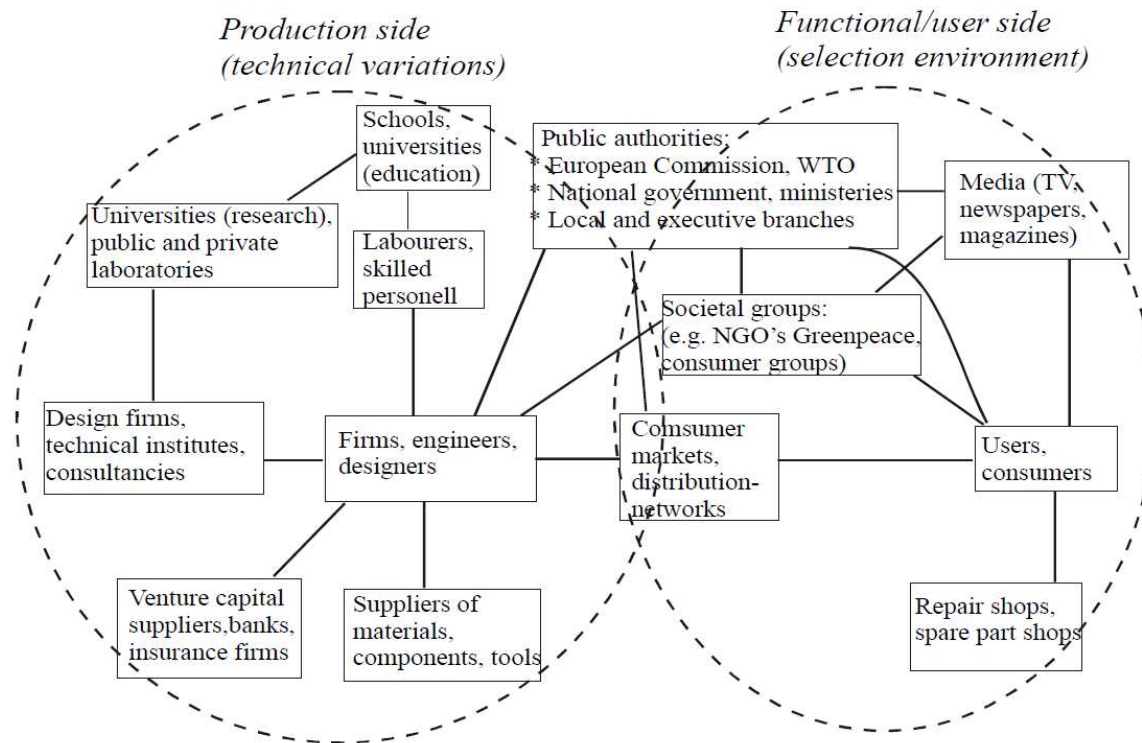
Figure 1.3 A dynamic multi-level perspective on system innovations



Source: OECD (2013), adapted from Geels, 2002: 1263.

Not just R&I, not just '3-ple/4-ple helix'

Figure 1.2 Societal groups involved in system innovation



POINT Reviews – what are they?

- Case studies, using a structured methodology: POINT (*Projecting Opportunities for INdustrial Transition*)
- POINT methodology developed internally at JRC, with contributions from leading experts (WG Advisory Board)
- POINT Methodology draws from expertise on system innovation/industrial policy/foresight
- Contribute to the evidence base for fulfilment criterion 6: "*Actions to manage industrial transition*" (without prejudice to the final decision of the EC)

POINT Review Pilots

- ~50-page reports, product of thorough expert review
- First wave: Andalucía, Greece, Bulgaria
- Catalonia participates with own resources

Steps:

- Select 1-3 themes with authorities and set objectives
- Map existing production and consumption systems
- Envision future configuration of systems that meet objectives
- Develop recommendations across 4 axes

POINT Review outcomes

Suggestions along 4 axes of actions

- Governance of government
- Support coalitions
- Managing resistance to change
- Experiments, reforms, policies and instruments

→ to address both opportunities and threats (downside of the transition)

→ Co-define a policy experiment

- Low total cost/quick signalling
- In area with high spillovers
- Potentially scalable / replicable

WG Outputs and outcomes

Advisory Board with distinguished experts

First meeting 9 July.

Next meetings 9 December 2019, [TBC] March 2020.

Expected outcomes by June 2020:

- **POINT Review methodology** Technical Report (end 2019)
- up to 3 **transition reviews** in lagging territories (spring 2020)
- co-develop **policy experiments** (scalable/replicable)
- A horizontal **synthesis report** (June 2020)