

## EDOC – MGT 641 - Assignment n°3 – developing your mission and identifying the first pillars of the roadmap

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You have identified the policy pathway of your mission (contextualization phase). Assignment n°3 aims at turning the mission into an initial transformational roadmap. The roadmap is composed of a collection of projects and actions, which contribute to your specific mission and are coherent with the policy pathway which has been defined.

What should be the composition of the initial transformational roadmap ? Of course, it is important to think of projects and actions with high lever potentials. Scanning all your missions – one can find some ‘regularities’ – i.e. projects and actions of a similar nature which can be classified under 5 areas of policy interventions (see below).

*For this assignment, your goal is to identify what kind of changes are needed, what kind of solutions need to be developed. The policy tools and instruments to make these changes and development happening are presented in the course.*

How to write the assignment?

Remember our last discussion on assignment 2 : answering the following questions will help you to build the structure of the roadmap:

Where to start? What are the main focus and essential steps? Who is coordinating and leading the process? To answer these questions, you need to take each policy area of the framework and identify one (or several) critical actions to be undertaken related to the considered area.

**Important!** Assignment 3 is not the final one (which will be the strategic paper or policy brief to be delivered after the course). This means that for assignment 3, you don't need to write a complete roadmap but focus on what seems to you the two or three most important interventions among the following 6 areas.

### **Area 1 – Regulating the economy (firms)**

Particular class of firms to be regulated/incentivized in order to minimize important negative externalities on natural capital, human capital, social capital (e.g. trust and cohesion)

Particular class of firms to be regulated/incentivized in order to become more effective actors, through changing their business models and finding better trade-offs between financial gains and social outcomes

*Based on course lectures, identify the various classes of firms which need to be regulated (polluters, GAMMA, big pharma, etc..) and learn about the main policy instruments which can be used to help firms to fully internalize external costs (tax, regulation) and encourage them to find better solutions and alternatives*

### **Area 2 – Involving society**

Particular social groups to be included in the transformational path. This can be patients, local communities, certain type of consumers, farmers, etc..

*Based on course lectures, identify the social groups which should be centrally involved in the adoption of innovation or the evolution of social practices (and lifestyle) and learn about the policy tools which can be used in order to influence social practices*

### **Area 3 - Incentivizing innovation and adoption**

Critical technologies to be developed  
Critical scientific fields to be supported  
Critical innovations to be diffused/adopted by the economy or the society  
Critical skills/competences to be built

*Based on course lectures, identify your specific technological targets and learn about the innovation policy toolbox*

### **Area 4 – Winners and Losers – managing equitable transitions**

Any big transformation entails redistributive effects (winners and losers). A good policy needs to manage the transition and care of the potential losers.

*Based on course lectures, identify specific actions to support losers : subsidizing consumers to support the provision of products or services - which are aligned with the desired transformation but more expensive than the existing goods; supporting new business models and industry's transition for firms which need to change their activities to a significant degree; planning transitions for regions which are locked-in to industry specialization which are dis-aligned with the mission*

### **Area 5 - Financial engineering**

R&D and the development of useful products and services in some critical areas are becoming so increasingly expensive, lengthy, complex and risky, that new financial instruments (FIs) represent important solutions to be considered. Moreover, undertaking structural transformations involve changing infrastructures, developing social programs and supporting systems of coordinated investments in numerous complementary activities. Financial instruments have potential to solve complex funding problems and can help to greatly change the scale of funding by changing the properties of the risk-return profile of projects, to make them attractive for potential investors.

*Based on course lectures, identify specific FI tools which can fit the funding problem of your mission*

### **Area 6 – Public sector : experimentation and governance**

The public sector is needed to orchestrate the big transformations : align incentives, coordinate complementary investments, provide the necessary regulations and support early experiments. The governance of a *big push* to achieve a mission – involving changes in technology, the economy and society – must be built on an institutional architecture comprising various elements: embeddedness, discipline, public accountability.

*Describe a possible small scale experience in your case. Learn about and apply rules for better policies*

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This assignment involves studying this framework and identifying what projects/actions in each category make sense for your mission (i.e. should be included in your roadmap). Your objective is to generate a very preliminary and not yet completed roadmap based on the identification of the most critical interventions within a few areas.

However, the framework above (the composition of the transformational roadmap into 6 areas) is not cast in stone : some categories can be irrelevant for your own MISSION – not a problem – just don't consider it (them) !

Perhaps, you want to propose another type of policy action which does not really fit this framework. This would be wonderful and we will discuss your proposition and perhaps add your idea to the framework. For example, last year the idea of « undertaking small scale experiments » was suggested by a student and is now part of the framework.

Final note – reading documents are now available on Moodle to support your writing – on: social norms, externalities, technologies and better rules for policy.