

Institute for Innovation and Public Purpose

Mission-Oriented Innovation Network (MOIN)

Annual meeting

The Rockefeller Center, Bellagio, Italy

27-29 March 2019



Institute for Innovation and Public Purpose

The mission of the UCL [Institute for Innovation and Public Purpose \(IIPP\)](#) is to change how public value is imagined, practiced and evaluated to tackle societal challenges — delivering economic growth that is innovation-led, sustainable and inclusive.

Growth has not only a rate but also a direction: IIPP confronts this directionality head on. Finding solutions to global challenges requires purposeful organisations to collaborate in fundamentally new ways — across the state, businesses and civil society. Together, they can help reshape markets to produce growth that delivers public value. Building symbiotic eco-systems requires new tools and new forms of collaborations.

IIPP rethinks the role of the state in these collaborations. Rather than just a market fixer, it can be an active co-creator of value. A mission-oriented approach can be used to set inspirational goals, with dynamic tools — from procurement to prize schemes — to nurture bottom up experimentation and exploration across different sectors. IIPP's research and teaching helps create the new economic thinking and practical tools to make this a reality.

IIPP is a department within University College London (UCL) — founded in 1826 to solve grand challenges — and is part of The Bartlett faculty, known internationally for its radical thinking about space, design and sustainability.



Mission-oriented Innovation Network (MOIN)



The launch of MOIN in London, March 2018

MOIN is a global network of public organisations with the aim of empowering them in the pursuit of public-value driven innovation. IIPP launched the network in March 2018.

MOIN will create and test a new policymaking framework that is able to justify, nurture and evaluate policies which actively shape and create markets—not only ‘fix’ them—and are driven by public value.

The key outputs will be a peer-learning platform and a new policy toolkit focused on the development of capabilities and capacity needed to nurture collaborations across the economy which can drive innovation across society-wide missions. Our methodology is based on co-creation between policy actors (network partners) and academic research, where policy implementation and capacity is not an afterthought but key to the research process its.

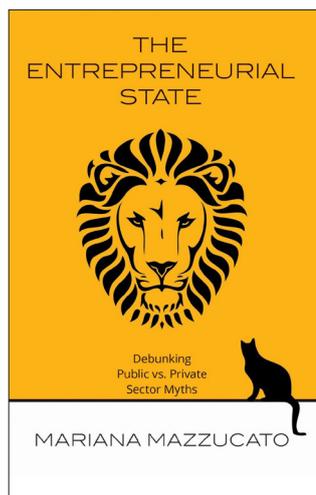
MOIN is the focal point for IIPP’s collaboration with the OECD, UNDP and multiple governments across the world.

The network is supported by the Rockefeller Foundation and forms a key policy engagement platform for EU Horizon2020 project on Growth Welfare Innovation Productivity (GROWINPRO).

You can see a full list of the MOIN members on the website at ucl.ac.uk/iipp.

ROAR: A framework for market co-creation

The first key problem for entrepreneurial states is that any framework that conceptualises policy in terms of fixing failures, and especially market failures (but not only), is that it does not embody any explicit justification for the kind of market creation and mission-oriented **routes and directions** that are required for innovations such as the Internet and nanotechnology.

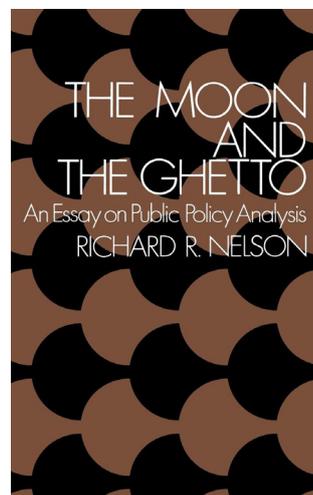


Directionality of innovation becomes all the more important when public organisations attempt to tackle societal challenges through innovations. As Richard Nelson argued, solving the ghetto problem is harder than getting to the moon!

Secondly, by not considering the State as a lead investor and market creator, such failure-based approaches do not provide insights into the type and structure of public sector **organisational capacity** that are needed in order to provide the depth and breadth of high-risk investments.

Thirdly, as long as policy is seen only as an “intervention,” rather than a key part of the market creation and shaping process, the type of **assessment and evaluation** criteria used to assess public investments will inevitably be short-termist and unable to take into account spill-overs and uncertainties of innovation processes.

Fourthly, by not describing the state as a lead risk-taker and investor in this process, the failure-based approaches have avoided a key issue regarding the distribution of **risks and rewards** between the state and the private sector.



¹For a more detailed discussion see, Mariana Mazzucato (2016), *From Market Fixing to Market-Creating: A new framework for innovation policy, Industry and Innovation*; ²Mariana Mazzucato (2018), Mission-oriented innovation policies: challenges and opportunities, *Industrial and Corporate Change* (ICC).

We propose to co-create a policy framework for market shaping activities with MOIN partners. This framework should offer answers to the following questions **(ROAR)**¹:

1 Routes and directions: How can public policy be understood in terms of setting the direction and route of change; that is, shaping and creating markets rather than just fixing them?

2 Organisational capacity: How should public organisations be structured so they accommodate the risk-taking, explorative capacity and capabilities needed to envision and manage contemporary challenges?

3 Assessment and evaluation: How can this alternative conceptualisation be translated into new dynamic indicators and evaluation tools for public policies, beyond the static micro-economic cost/benefit analysis and macro-economic appraisal of crowding in/crowding out, that stem directly from the market failure perspective?

4 Risks and rewards: How can public investments along the innovation chain result not only in the socialisation of risks, but also of rewards, enabling smart growth to also be inclusive growth?

At the Bellagio meeting we will discuss the four elements of the ROAR framework, with extensive input from you, our MOIN partners, through sharing your experiences, lessons and challenges.

With subsequent additional research from IIPP the main outcome of the Bellagio meeting will be *The ROAR Guidebook: Mission-oriented Policies and Dynamic Capabilities in the Public Sector* that entails practical examples, cases and policy tools to help policymakers to embark on ambitious mission-driven policies.

Agenda

Wednesday 27 March

7:00pm Welcome cocktail followed by dinner in the Villa Main Building

Thursday 28 March

9:00am **Session I: SETTING THE STAGE**

From market failure to market shaping: the ROAR framework
Mariana Mazzucato (IIPP) and Rainer Kattel (IIPP)

10:00am **Session II: ROUTES AND DIRECTIONS**

Missions in practice: Lessons learned from IIPP's work with the European Commission and the government of Scotland and the UK
George Dibb (IIPP)

Case studies

Co-creating missions: the case of United Arab Emirates, *Shatha Al Hashmi (United Arab Emirates, Mohammed Bin Rashid Centre for Government Innovation, Prime Minister Office)*

Developing a well-being ecosystem in Finland, *Timo Hämäläinen (SITRA)*

Introducing missions in Sweden, *Dan Hill (VINNOVA/IIPP)*

Refreshment break

Breakout sessions

Discussion

1:00pm Lunch

2:00pm Break: walk and talk

3:15pm

Session III: ORGANISATIONAL CAPACITY

Dynamic capabilities in the public sector

Rainer Kattel (IIPP)

Case studies

Pre-legal innovation, *Noah Raford (Dubai Future Foundation)*

Diagnostics for strategic capacity for innovation, *Piret Tõnurist (OECD OPSI)*

Digital capabilities: the case of Barcelona, *Francesca Bria (Barcelona City/IIPP)*

Refreshment break

Breakout sessions

Discussion

7:00pm

Dinner

Friday 29 March

9:00am

Session IV: ASSESSMENT AND EVALUATION

Tools for evaluating mission-oriented policies

Mariana Mazzucato (IIPP) and Rainer Kattel (IIPP)

Case studies

New governance models for public-private partnerships,
Christian Bason (Danish Design Center)

Evaluating industrial challenge funds, *Dan Hodges (Innovate UK)*

Metrics and digital transformation, *Mike Bracken (Public Digital/IIPP)*

Refreshment break

Breakout sessions

Discussion

11:45am

Break: walk and talk

1 : 00pm	Lunch
2 : 15pm	<p>Session V: RISKS AND REWARDS</p> <p>Smart, inclusive and sustainable growth: socializing risks and rewards <i>Laurie Macfarlane (IIPP) and Mariana Mazzucato (IIPP)</i></p> <p>Case studies Missions meet finance, <i>Shiva Dustdar (EIB)</i> Financing sustainability, <i>Kirsten Dunlop (Climate KIC)</i> Lessons from space missions, <i>Franco Ongaro (ESA)</i></p> <p>Refreshment break</p> <p>Breakout sessions</p> <p>Discussion</p>
5 : 00pm	Session VI: SURPRISE PROGRAMME
7 : 00pm	Dinner

Conversations from this event will be captured as written notes, audio and video recordings. Externally facing materials (videos, blogs, publications) will be produced from this event and if attributions are used, we will request your permission in advance.

Participants

Sam Adlen, *Catapult UK*

Shatha Al Hashmi, *Mohammed Bin Rashid Centre for Government Innovation, Prime Minister Office, United Arab Emirates*

Christian Bason, *Design Center, Denmark*

Mark Bazzacco, *CSIRO, Australia*

Mike Bracken, *Public Digital/IIPP*

Francesca Bria, *CTO at the City of Barcelona/IIPP*

Rowan Conway, *IIPP*

Joseph D'Cruz, *UNDP*

George Dibb, *IIPP*

Kirsten Dunlop, *Climate-KIC*

Shiva Dustdar, *European Investment Bank*

Simone Gasperin, *IIPP*

Timo Hämäläinen, *SITRA, Finland*

Dan Hill, *Vinnova/IIPP*

Dan Hodges, *Innovate UK*

Rainer Kattel, *IIPP*

Laurie Macfarlane, *IIPP*

Göran Marklund, *Vinnova, Sweden*

Mariana Mazzucato, *IIPP*

Franco Ongaro, *European Space Agency*

Åke Refsdal Moe, *Innovation Norway*

Noah Raford, *Dubai Future Foundation*

Edoardo Reviglio, *Cassa Depositi e Prestiti, Italy*

Michael Sachs, *Ministry of Public Enterprise, South Africa*

Siim Sikkut, *Ministry of Economic Affairs and Communications, Estonia*

Eduardo Spanó, *Department of Innovation and Technology, City of Sao Paulo*

Ville Takala, *IIPP*

Piret Tõnurist, *OECD OPSI*

Key contact: Rainer Kattel, +44 7752 652 531

MOIN activity to date



The network launched in March 2018, with presentations and workshops led by path-breaking innovators from 10 countries with experience in creating, capturing and nurturing public value.

During the first year, MOIN research activities focused

on the issues of appraisal and evaluation of mission-oriented policies. We explored ways in which policy analysis can go beyond the traditional 'market failure' framework derived from neoclassical welfare economics to a 'market co-creating' and 'market-shaping' framework.

During Spring and Summer of 2018, we organised a number of workshops and webinars on the issue with UK's Department for Business, Energy and Industrial Strategy (BEIS) that included civil servants and policy analysts across various government departments, and with MOIN members.

These activities resulted in the IIPP policy report *The economics of change: Policy and appraisal for missions, market shaping and public purpose* (available at ucl.ac.uk/iipp).

In January 2019, IIPP collaborated with Sitra in hosting a public policy colloquium "Sparking social innovation through crowdsourcing and prizes: Does Finland lead the way?". The event examined possibilities and limits of using challenge prizes as an instrument in driving mission-oriented innovation.

MOIN resources

European Commission, Missions Report 2018	Mission-oriented research & innovation in the European Union (<i>Mariana Mazzucato</i>) https://publications.europa.eu/en/publication-detail/-/publication/5b2811d1-16be-11e8-9253-01aa75ed71a1/language-en
IIPP Working Paper 2019-02	A mission-oriented framework for the Scottish National Investment Bank (<i>Mariana Mazzucato, Laurie Macfarlane</i>) http://www.ucl.ac.uk/bartlett/public-purpose/wp2019-02
IIPP Working Paper 2018-07	Movements with missions make markets (<i>Charles Leadbeater</i>) https://www.ucl.ac.uk/bartlett/public-purpose/wp2018-07
IIPP Working Paper 2018-06	The economics of change: Policy appraisal for missions, market shaping and public purpose (<i>Rainer Kattel, Mariana Mazzucato, Josh Ryan-Collins, Simon Sharpe</i>) https://www.ucl.ac.uk/bartlett/public-purpose/wp2018-06
IIPP Working Paper 2018-05	Mission-oriented innovation policy and dynamic capabilities in the public sector (<i>Rainer Kattel, Mariana Mazzucato</i>) http://www.ucl.ac.uk/bartlett/public-purpose/wp2018-05
Special issue of Industrial and Corporate Change, Volume 27, October 2018	
IIPP Working Paper 2018-03	The bit and the rainforest: Towards an evolutionary theory of policy capacity (<i>Erkki Karo, Rainer Kattel</i>) http://www.ucl.ac.uk/bartlett/public-purpose/wp2018-03
IIPP Working Paper 2017-05	Patient strategic finance: Opportunities for state investment banks in the UK (<i>Mariana Mazzucato, Laurie Macfarlane</i>) http://www.ucl.ac.uk/bartlett/public-purpose/wp2017-05
IIPP Working Paper 2017-01	Mission-oriented innovation policy: Challenges and opportunities (<i>Mariana Mazzucato</i>) http://www.ucl.ac.uk/bartlett/public-purpose/wp2017-0

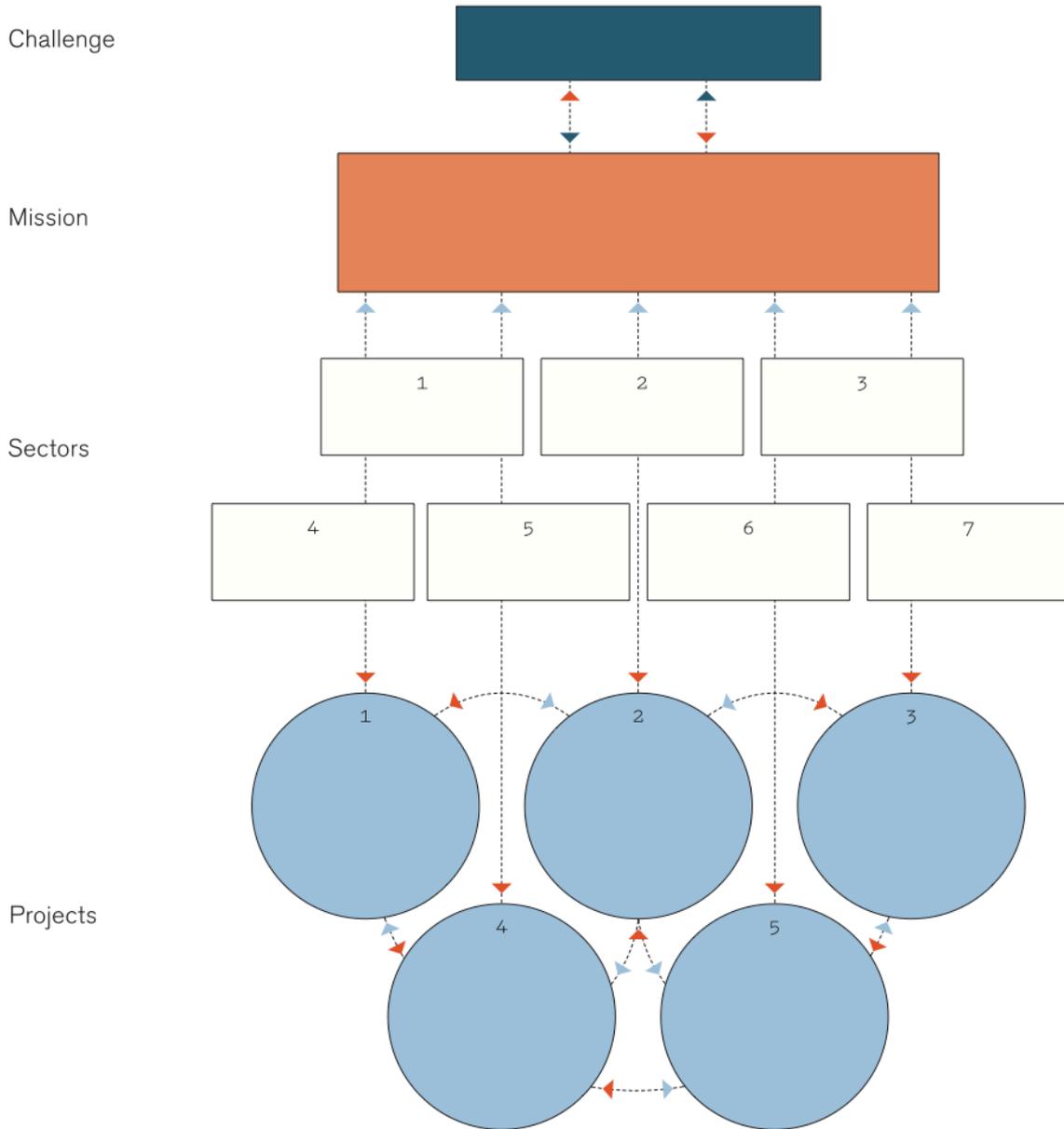
What is mission-oriented policy?

Mission-oriented thinking requires understanding the difference between (1) broad challenges, (2) missions, (3) sectors and (4) specific solutions. A challenge is a broadly defined area which a nation may identify as a priority (whether through political leadership, or the outcome of a movement in civil society). These may include areas like inequality, climate change, or the challenges of an ageing population. On a global level, challenges have been expressed as 17 Sustainable Development Goals (SDGs). One hundred and ninety three countries have signed up to these inspirational goals; hence, they provide an excellent opportunity to move forwards with mission-oriented thinking.

Addressing these challenges, around health and the environment, must not be seen as a trade-off with a focus on economic growth. Rather they present a means to focus on opportunities for investment-led growth — crowding-in activity across actors. In addition, targets must be set so that progression to achieving such challenges is as serious as the goal setting itself.

While the SDGs are useful to ensure focus, for the most part they remain too broad to be actionable. Missions, on the other hand, are concrete problems that different sectors can address to tackle a challenge, such as reducing carbon emissions by a given percentage over a specific year period. Sectors define the boundaries within which firms operate, such as transport, health or energy. Missions require different sectors to come together in new ways: climate change cannot be fought by the energy sector alone. It will also require changes in transport and nutrition, as well as many other areas. Finally, solutions are specific projects undertaken by businesses, governments, universities or the third sector that can help support a mission. Solutions have clear objectives and should involve many different sectors, and can be supported through the use of supportive policy interventions and financial instruments.

Missions road-mapping



The IIPP Master of Public Administration (MPA)

The Institute for Innovation and Public Purpose (IIPP) has a mission to change how public value is imagined, practiced and evaluated to tackle societal challenges and achieve economic growth that is more innovation-led, sustainable and inclusive.

Our MPA provides students with the dynamic skills required for purpose-driven organisations—in public, private and civil sectors—to confront the grand challenges of the 21st century. To tackle these challenges—such as climate change, aging populations, rising inequality—requires organisations to be dynamic, experimental and imbued with public purpose.

The programme is built on four unique and innovative modules: Public Value and Public Purpose; Grand Challenges and Systems Change; Creative Bureaucracies; and Transformation by Design. Students will develop an in-depth understanding of innovation in economics, technology and organisations, combined with cutting-edge thinking around public administration, governance, strategic design and digital transformation.

A graduate of the programme will be equipped to reshape organisations to be mission-led and driven by public purpose. They will be able to steer explorative and risk-taking processes that structural change, innovation and socio-economic transformation require.

For more information, please contact
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