

# TRANSITION MANAGEMENT FROM A POLITICAL PERSPECTIVE

Keynote speech (35 minutes including questions)

Knowledge network on System Innovations and Transitions

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## Introduction

The pursuit of sustainability is a key challenge in the 21st century. It is in this century that we have to make the transition to a sustainable society. We have to join forces to be able to live with twice as many people on earth in good health and with enough food. This is a hell of a job. But I am confident that we can rise to this challenge.

The transition to a sustainable society requires a fundamental, system-level change, in our production and consumption patterns. Technological changes should go hand in hand with changes in our socio-economic and institutional system as a whole. In fact it is a revolution that can be compared in scale and magnitude with the ICT and internet revolution of the late 20<sup>th</sup> century. Perhaps we cannot yet fully imagine how our energy technologies and material cycles will look by the end of this century, but we can be certain they will be different from the current technologies.

Understanding something about the dynamics of the transition to a sustainable society helps us in knowing how to influence this transition into the desired direction. The work carried out in the context of the Dutch Knowledge Network on Systems Innovation and Transition (KSI) has provided valuable insight into the theoretical approaches developed in transition management. Moreover, the researchers linked their theoretical work to practical examples of transitions that took place recently and in the past. With great interest I read the book 'Transitions to Sustainable Development' which is a compilation of the research work done in the Netherlands over the last six years. I would like to express my sincere appreciation for the content and deep insight of this book.

## Design of my presentation

In my presentation today I will reflect upon the major conclusions drawn from the transition management research and relate those conclusions to my own experiences in stimulating transition management as Minister of Spatial Planning and the Environment. Before I became Minister I was involved in transition management research as a professor at the University of Utrecht. This expertise was helpful when I was assigned to set up and coordinate a national Climate Change programme. How do I look back at my attempt to get transition management off the ground and what lessons can be learned both theoretically and practically? And how can the transition towards sustainability be managed from a governance perspective?

## Design of the Dutch climate change programme

Based on the literature on transition management, I formulated a number of guiding principles in designing the Dutch climate change programme:

1. All relevant actors should be involved in the change process.
2. Changes should take place at the micro-, meso- and macro levels.
3. A long term vision should guide the short term actions.
4. There should be room for experimenting and learning, because a transition process cannot follow a predetermined path. It is not a top-down manner of managing, but

rather a subtle way by stimulating transition processes towards a more sustainable state. One should continuously adapt, learn and respond to new situations. Learning is therefore crucial in the pursuit of sustainable development.

5. Connections should be made between innovative practice experiments and changes at the regime level.
6. One should be aware of the context specificity, the selection and empowerment of front runners and the composition of a transitional arena.

The national climate change programme had to be set up from scratch. Thus, it was a real adventure. In fact, we followed a similar iterative process of structuring the energy transition as mentioned in the book. We started with

1. problem structuring and organization of a transition arena, then
2. drafting a transition agenda, visioning and the identification of transition paths.  
Followed by
3. defining and performing transition experiments through mobilizing networks. And finally,
4. monitoring, evaluating and lesson drawing.

The programme was ambitious. We aimed at 20% renewable energy, 20% energy saving and 30% CO2 reduction in 2020. All sectors in society, which means all sectors of industry and all municipalities and provinces, were involved in the programme. Per sector clear targets for 2011 and 2020 were agreed upon and laid down in covenants. In close cooperation with the innovation platform energy transition, large budgets for innovation were provided to realize the targets in each sector. The deal was that additional, stricter measures were implemented if the targets were not in reach after 2 years. Just before we were to implement these additional measures the cabinet fell. Unfortunately.

### Learning experiences

What did I learn from this experience?

1. The climate change programme was an innovative manner of policy making, to which my colleagues of the cabinet had to get adjusted. A great number of my colleagues were assigned specific tasks and responsibilities in the overall programme, which they had to meet.
2. Involving many sectors in industry and society was a good approach to elicit a broad 'movement', but it required clear steering at all organizational levels per sector to get the results needed. This was particularly hard in sectors with lots of actors, e.g. in the SME sector and the private housing sector.
3. Learning processes took place in all sectors. The most successful were those sectors where explicit attention was paid to learning in networks. For example, practically all municipalities were members of a learning platform aimed at exchanging knowledge and experience on how to implement climate change policies at the local level.
4. Learning was a necessary, but of course not the only precondition for success. The institutional setting determined whether there was a willingness to act. For example, whether government policies were put in place to speed up the process, whether economic conditions were favourable enough, and whether inspiring examples showed that the transition was feasible for mainstream companies.
5. Existing structures and powers sometimes dominated the change process and blocked new, innovative ideas and initiatives. Sector organizations tend to defend the laggards instead of giving priority to front runners. I made special arrangements to leave room for frontrunners. For example: The building sector is a rather conservative sector

which relies heavily upon a regulatory framework. Because the mainstream building companies were afraid of strict standards they were reluctant to accept ambitious targets on the road to 2020. To overcome this deadlock I introduced the plan to select at least 10 so-called areas of excellence which were allowed to experiment with stricter building standards. Frontrunners played an important role in this negotiation process.

6. New government policies were needed in order to reach the ambitious targets. However, political differences of opinion sometimes frustrated the implementation of such policies. It required a lot of lobbying work to get things done.
7. Success factors in the process were: mobilizing power through lobbying, building trust among the actors involved and securing the legitimacy of the actions proposed. This transition management approach is not common practice in daily politics. Instead conventional policies tend to focus on command and control and symbolic actions.

### Reflections

As a Minister I had to act in different arenas and had to make sure that all actors stayed on board. The first step in the process was relatively easy: the design of the programme. This task was performed by a small group of civil servants under my supervision. In four months the whole programme was put on paper. The next step was to involve all relevant colleagues of the cabinet and assign responsibilities. This job did not take long either. Then the commitment of all stakeholders was necessary. First, an overall covenant with the employers' organizations (VNO/NCW and MKB Netherlands) was agreed upon rather quickly. However, the process of getting more detailed commitments for specific sectors (such as housing, agriculture, industry, traffic and transportation, municipalities and provinces) took more time than I expected. Powerful lobby groups were inclined to lower the ambition or be less restrictive in the measures to be taken. Even the involvement of frontrunners in the negotiations could not always solve this problem. Knowing that the lobby groups were influential in the political arena, I had to find pragmatic solutions. Of great importance was the agreement with all stakeholders that stricter measures would be implemented if the targets would not be in reach after 2 years. The long term targets were fixed.

In the process I have just described knowledge about transition management certainly helped me to set up the national climate change programme. Especially in the explorative and take off phase of the transition, guiding principles derived from the literature, were very helpful. Transition management literature taught us how to structure a complex, interactive design process in which all relevant stakeholders were involved. After launching the national programme, new initiatives started to bloom in a variety of sectors. All kinds of new sustainable businesses arose while societal support for the energy transition was growing as well. In the past the call for action on climate change came from specific groups in society (viz. environmental NGO's and frontrunners in industry). What we see now is that the issue is becoming part of a much broader movement. All kinds of new actors in industry and society at large, start to take up the issue. At the same time you see that opponents, who question the role of mankind in climate change, become more vocal as well. This rather chaotic dynamic is characteristic for the gradual shift from the take off phase to the acceleration phase.

In this acceleration phase other mechanisms and learning processes become essential in strengthening the movement towards a sustainable energy system.

A first crucial factor is securing the consistency of government policy. This means that government should stick to the national climate change programme, including the additional measures being prepared to achieve the ambitious goals set. Changing the rules of the game in

the meantime is disastrous for the process. It creates uncertainty in the market and reduces the willingness to invest. Good governance is key in the energy transition process. This also holds for international climate change policies. Unfortunately, it was not possible to decide upon a fully fledged treaty on climate change in Copenhagen. But negotiations continue. How to govern this international negotiation process successfully, is an enormous challenge and requires scientific guidance as well.

A second important factor is to steer industry in such a way that new businesses can sprout and existing businesses shift gears towards reduction of greenhouse gasses and sustainable energy use and production. In fact, niches should become mainstream and mainstream should be reformed. How to do this, requires scientific underpinning.

Investments in R&D should be capitalized and lead to new market developments.

Communities of practice should be set up to create spin offs of R&D. Here too, knowledge about innovation processes from idea to market introduction can be helpful in grasping the opportunities available.

Finally, it is important to understand how the societal movement towards sustainable energy systems can be strengthened. What should be done to make sure that present positive signals are reinforced. And negative ones are being put in a proper perspective.

Ladies and gentlemen. We are entering a new phase in transition management: the acceleration phase. This phase is crucial in achieving a transition to a sustainable energy system. In order to pass this phase successfully, policy makers need your help. You can provide insight into the way in which innovation systems can evolve and governance should be provided. I wish you all the best with your valuable work.