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# Creative Cities in Europe

## Urban Competitiveness in the Knowledge Economy

*The European knowledge economy requires “creative cities”, competitive urban areas that are able to combine concentration, diversity, instability and a positive image. Examples of creative cities in history and recent “best practices” of such cities in Europe show that local governments cannot plan knowledge, creativity and innovation from scratch. How, then, can policymakers help in preparing Europe’s cities for the requirements of the knowledge economy?*

If anything, the 21st century’s economy is a knowledge economy. In the highly developed area of Western Europe knowledge has become a determining competitive factor, not only in the commercial world but also in regions and cities. Greater investments will have to be made in the knowledge economy if we wish to maintain present levels of European welfare.<sup>1</sup> The development of knowledge, in fact, underlies new products, services and processes (innovations) that end up constituting the engine of economic progress. To express it in the words of the well-known economist, Joseph Schumpeter: knowledge-intensive activities set off a process of “creative destruction” in which the existing disappears and something new is born.<sup>2</sup> New knowledge can lead to a wide range of innovations, varying from breakthroughs in information technology, life sciences and nanotechnology (radical innovation) to small changes in everyday objects (incremental innovation).

However, where knowledge and innovation are concerned they do not necessarily have to be about new technologies; innovation is possible as well in the field of organisation, marketing and logistics as, for example, the McDonalds fast food chain has demonstrated. Throughout the centuries knowledge and innovation have, of course, always played an important part in economic life – here we only need think of the steam engine, which heralded the Industrial Revolution. But compared to earlier times, innovations today follow one another much more quickly.<sup>3</sup> It is, for instance, estimated that between 1966 and 1990 there were as many innovations as between 1900 and 1966. And in a country such as the United States in 1999 more than half the economic growth came from activities that had scarcely, if at all, existed ten years previously.

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No company, region or city can hold itself aloof any longer from this “knowledge race” and its economic consequences.

This article analyses in particular what the knowledge economy means for cities in the European Union. It emerges that cities are the locations par excellence where knowledge, creativity and innovation flourish. But the accolade of “creative city” is not one accorded to every city, as we shall also show. True enough, some factors can be identified as potential contributors to a good starting position for a city in the knowledge economy: concentration, diversity, instability and reputation. After having discussed these elements we deal with the question of what city authorities can do to create and reinforce them, and then focus on the experience of authorities in three European cities – Copenhagen/Malmö (Øresund), Barcelona and Tilburg – with local initiatives in the field of the knowledge economy.

### Cities in the European Knowledge Economy

The rise of the knowledge economy in Europe is closely linked to a structural trend in the world order familiar to all of us as “globalisation”. Globalisation is a far-reaching form of internationalisation that has slowly but surely led to the worldwide integration of spatially spread activities since the 1980s.<sup>4</sup> The movement towards the European Union, the fall of the Berlin Wall and with it the collapse of communism, have led to an increasing belief in the advantages of free trade and the market mechanism. Indicators for the globalisation trend are the gradual disappearance of borders, the rise in exports and imports, an increase

<sup>1</sup> P. Cooke: Knowledge Economies: Clusters, Learning and Cooperative Advantage, London 2002, Routledge.

<sup>2</sup> J.A. Schumpeter: Capitalism, Socialism and Democracy, London 1943, Allen & Unwin.

<sup>3</sup> P. Cooke, op.cit.; R. Rutten: The Entrepreneurial Coalition: Knowledge-Based Collaboration in a Regional Manufacturing Network, Tilburg 2002, Tilburg University.

<sup>4</sup> P. Dicken: Global Shift: Transforming the World Economy, London 1998, Chapman.

in foreign investments and the lively mobility of labour and capital. On the one hand the countries of Western Europe benefit from this development because companies have found new markets and investment opportunities abroad. On the other hand globalisation gives rise to new players competing against the West European economy. The rise of areas where labour costs are far lower, such as Eastern Europe, South-East Asia and Latin America, has not only sharpened up international competition but has also changed its character radically.<sup>5</sup> It is no longer sufficient for highly developed countries such as Germany, Denmark and France to compete on the basis of cost; instead they have to draw their competitive advantage from knowledge-intensive and high-quality innovations. It is not only countries, large companies and employees – the “knowledge workers” in Drucker’s words – that are having trouble keeping their feet.<sup>6</sup> The same applies to cities: they too have to ask themselves how they can compete in an intelligent manner in the globalised knowledge-based economy.

The consequences of the worldwide knowledge economy for cities are not immediately obvious. Some authors are pessimistic and see the growing increase in integration as a threat to the continuing existence of the traditional city. They point to the major effect of what are known as “space-shrinking technologies”, which have made the knowledge society and the global community possible.<sup>7</sup> These are technologies that make the world smaller, as it were, such as transport technology (ever-faster planes and efficient logistic solutions) and information and communications technology (for instance: email, internet and i-mode). These technological developments are said to have done away with the role played by distance and proximity, and thus the requirement that knowledge workers should be positioned at a particular physical place.

In the view of the pessimists the place where you happen to be is no longer of importance: all the world citizen needs is a good cable connection that puts the entire world within easy reach. The consequence of this “death of distance” is said to be that the city of streets, squares, stations, shops and restaurants will be replaced by a “city of bits”, a virtual city with a street pattern consisting of digital “information highways”.<sup>8</sup>

<sup>5</sup> IPTS (Institute for Prospective Technological Studies): The Competitiveness Map: Avenues for Growth, Sevilla 1999, IPTS.

<sup>6</sup> P. Drucker: Management Challenges for the 21st Century, New York 1999, Harper Business.

<sup>7</sup> P. Dicken, op.cit.

<sup>8</sup> W.J. Mitchell: City of Bits: Space, Place and the Infobahn, Cambridge MA 1995, MIT Press.

Other writers are less pessimistic and see globalisation as an exceptional opportunity for cities. In order to develop new knowledge and the innovations to which it leads, they believe that face-to-face contacts between people at a certain place remain of crucial importance. New ideas and innovative solutions, in fact, come into being by intensive communication and exchange of knowledge with others. The proximity of people is a condition here, as the Silicon Valley success story demonstrates: it makes more sense for knowledge workers to pop into a colleague’s office than to work via email on a new project with an unknown person on the other side of the world.<sup>9</sup> In addition, people still have the need for physical contact with others not only in their work but also in their free time. And it is precisely the city, with its busyness and range of pubs, cinemas and shopping centres that offers all the space required for this. How can we otherwise explain the fact that it is precisely innovative cities such as Stockholm, Barcelona, Munich, Toulouse, Dublin and Louvain that have blossomed in the world of the knowledge economy? The optimists then reply by saying that knowledge development, globalisation and vital cities do not need to be mutually exclusive. On the contrary, for the cities the knowledge economy means “localisation” – the increasing importance of the local level and thus the city – rather than globalisation.<sup>10</sup>

We can propose equally valid arguments for the views of both pessimists and optimists. By way of compromise, let us agree that there is an apparent contradiction between cities and globalisation. In other words, we may be dealing here with a “global-local paradox”: it is precisely in a world that is becoming increasingly more integrated that cities must lean more and more heavily on their specific local characteristics. These unique characteristics, indeed, determine the things in which a city excels and in which it can distinguish itself in the competition with other cities in the knowledge economy.

The European knowledge economy and the related global-local paradox mean that cities, more than in the past, compete for the favours of inhabitants, companies and visitors. Here every city derives benefits by drawing in and binding to itself knowledge workers and knowledge-intensive activities. This is something from which a city can derive competitive advantage. And the battle for knowledge is being hard fought in Europe, a process caused partly by the advanc-

<sup>9</sup> A.L. Saxenian: Regional Advantage: Culture and Competition in Silicon Valley and Route 128, Cambridge MA 1994, Harvard University Press.

<sup>10</sup> P. Cooke, K. Morgan: The Associational Economy: Firms, Regions and Innovation, Oxford 1998, Oxford University Press.

ing process of European integration: every city that wishes to have something of a high profile has its own university or institute of higher education, high-quality shops, a music centre or a renowned theatre. This similarity in the form of cities, demonstrated especially in a comparable range of facilities, knowledge institutions and cultural provisions, is seen in Europe particularly in the region known – because of its shape – as the “Blue Banana”.<sup>11</sup> In this homogenous and prosperous region between London and Milan the cities have come more and more to resemble one another over time. European convergence of this nature has major consequences. In fact it means that small details, such as the city’s image, can be decisive in decisions taken by companies or individuals looking for a place to settle or to visit. In order to maintain and increase their attractiveness to knowledge workers and other target groups cities must reflect on what sort of profile they should have. For this a clear competitiveness strategy is required. If someone is free to choose, in the end it is the most attractive city that will win. The local parties involved in this process have to deal with a wide variety of questions. Which target groups should they focus on? What sorts of activities (culture, economy and/or leisure) should be employed in the strategy? How do they want their city to be known to the outside world? Providing answers to such questions requires a great deal of creativity on the part of city authorities, the local population and the business community. Cities can hope to distinguish themselves from others only by finding creative solutions and in this way hope to beat the competition. In other words, the hefty inter-city competition for knowledge and innovation requires that they become “creative cities”.

#### The Concept of Creative Cities

Though the worldwide knowledge economy may lead to a “global village”, we have just seen that this does not necessarily mean that the city is on its last legs. And what is more, paradoxically enough vital and innovative cities have the future in their hands. But cities – especially in Europe – will certainly have to defend and strengthen their competitiveness in order to ensure that they are not wiped off the map by their rivals. Clever and original strategies on a local scale are required for this. Cities that succeed in developing such strategies have the opportunity to grow to become competitive, creative cities. But what, in fact, are creative cities – and how can we recognise them? It should be stated from the outset that it is no simple task to indicate precisely what a creative city is.<sup>12</sup> This

<sup>11</sup> D. Delamaille: *The New Superregions of Europe*, New York 1994, Dutton.

<sup>12</sup> J. Simmie (ed.): *Innovative Cities*, London 2001, Spon Press; Z. Hemel: *Creative Cities!*, The Hague 2002, Vereniging Deltametropool.

can be seen, for instance, in the book “*Cities in Civilization*” (1998) written by the famous English professor, Sir Peter Hall.<sup>13</sup> He shows that the creative city is a phenomenon that belongs to every era, but that no single city always shows creativity. In the course of history we come up against various types of creative cities: technological-innovative, cultural-intellectual, cultural-technological and technological-organisational cities. We will deal with them briefly in order to find out what the cities in the current European knowledge economy might be able to learn from their earlier colleagues.

For a start, we can find examples of technological-innovative cities in the past. Such places functioned as the birthplaces for new technological developments or sometimes even for real technological revolutions. Generally only a few innovative entrepreneurs – “new men”, as Schumpeter calls them – were capable of causing the city to bloom by creating an atmosphere of collaboration, specialisation and innovation.<sup>14</sup> A classic example of this type of technological-innovative city was Detroit, where Henry Ford and his Model T laid the foundations of the American automobile industry around 1900. Other examples are 19th century Manchester (textiles), Glasgow (shipbuilding), the cities of the Ruhr (coal and steel) and Berlin (electricity). Technological-innovative cities of more recent date are to be found particularly in America’s Silicon Valley (San Francisco and Palo Alto) and Cambridge, Massachusetts, both of them Meccas of information technology. Currently such “technopoles” represent the target to be aimed at for many European (urban) areas: simply the names, such as Dommel Valley (Eindhoven), Silicon Glen (Scotland), Silicon Saxony (Dresden), show how much people hope to imitate the technological success of Silicon Valley.

Creativity in cultural-intellectual cities is of a totally different order from that found in technological-innovative cities. History shows that in “soft” cities of this type culture (e.g. the figurative and performing arts) and science bloomed in a period of tension between the established conservative order and a small group of innovation-minded radicals. It is precisely that generation gap that produced creative reactions on the part of artists, philosophers and intellectuals. In its turn this “creative revolution” again acted on outsiders as a magnet, outsiders who saw the cities as places where they could give free rein to their talents. By way of il-

<sup>13</sup> P. Hall: *Cities in Civilization*, London 1998, Phoenix; see also R. Florida: *The Rise of the Creative Class: And How it’s Transforming Work, Leisure, Community and Everyday Life*, New York 2002, Basic Books.

<sup>14</sup> J.A. Schumpeter: *Die Theorie der Wirtschaftlichen Entwicklung*, Leipzig 1912, Duncker & Humblot.

illustration we could call to mind the Athens of classical antiquity – the cradle of democracy – and Florence during the Renaissance. But also 17th century London (theatre) and Paris (painting), and Vienna (science and art) and Berlin (theatre) in the early 20th century are examples of cultural-intellectual cities. With a little goodwill we could also regard lively university cities such as Dublin, Heidelberg, Toulouse, Amsterdam and Louvain as contemporary European representatives of the cultural-intellectual city.

The third type of creative city is the cultural-technological one. In essence, this type of city is a merger of the major characteristics of the two already referred to. In cultural-technological cities, in fact, technology and culture go hand in hand. In the past this has resulted in so-called “cultural industries”, such as the film industry in Hollywood (1920) and its Indian variant (Bollywood) in Bombay, the music branch in Memphis and the fashion (haute couture) industry in Paris and Milan. Examples of this sort of city in the 1990s are Manchester (New Wave music) and Leipzig after the fall of the Berlin Wall (multimedia). Moreover, we encounter cultural-technological elements in Amsterdam, not only during the city’s Golden Age but also today (Amsterdam Osdorp) and in Rotterdam, a city chosen as European Capital of Culture in 2001 partly because of its architecture and film festival. Peter Hall expects a great deal from this type of creative city in the 21st century. He particularly sees a golden future for places that are capable of combining the internet and multimedia in an intelligent manner with culture, for instance in the form of virtual museum visits.

The last category is that of the technological-organisational cities. Such cities are creative to the extent that local actors have found original solutions to problems stemming from large-scale urban life. Here we can think of the supply of water for the population, the need for infrastructure, transport and housing. Examples of cities that shine in this type of “urban innovation” are Rome under Caesar (aqueducts), 19th century London and Paris (underground rail system), New York around 1900 (skyscrapers), post-war Stockholm (durable housing) and London in the 1980s (the re-structuring of the Docklands). Currently some European cities have shown that they have technological-organisational creativity at their disposal: here we are thinking of Tilburg (running the city as a company) and Rotterdam (revitalisation of the docks area with the Kop van Zuid). In contrast to the other types of creative city, in the technological-organisational cities it is mainly the government that goes to work in a creative fashion in collaboration with the local business community. In such cases we then speak of public-private collaboration on a local level.

### Conditions for a Creative City

If history from the time of the ancient Greeks up to the present makes one thing clear, it is that *the* creative city does not exist. At first sight the Athens of Pericles, Manchester during the Industrial Revolution, the film city Hollywood and the Rotterdam of the 1990s have little in common. But on closer inspection these cities can be seen to agree on one point: they were without exception breeding places of creativity, whether on the technological, cultural, intellectual or organisational level.

It is impossible to predict where and when a creative city of this sort will come into existence. That is related to the essence of creativity: the capacity to think up original solutions to day-to-day problems and challenges. The creative mind sees what others see but thinks and does something different. The result is that existing ideas not previously linked together lead to an innovation. In the words of Schumpeter: creativity leads to “Neue Kombinationen” (new combinations).<sup>15</sup> An illustration of how creativity works is the invention of the printing press in the early 15th century. For centuries people had been used to engraving symbols on wooden blocks, stamping seals on letters and pressing grapes to make wine. And yet it was only in 1450 that the penny dropped: at a wine festival in Mainz, where all these attributes were present, the pious German monk Gutenberg had the idea of combining them to create an apparatus that could multiply Bibles in a simple way – and the printing press was a fact.<sup>16</sup> This example shows that creativity is not only human work but is surrounded by coincidence and unexpected circumstances. So it is an illusion to think that one can force creativity or “construct” a knowledge-intensive city. And yet there are a few factors that can increase the chances of urban creativity developing and that thus can contribute to an urban knowledge economy. In general terms these factors are

- concentration
- diversity
- instability.

The three elements are further elaborated below.

Urban creativity is first stimulated by the presence of a substantial number of people at a certain location. Concentration leads to the critical mass required for sufficient human interaction and communication. In the end, indeed, creativity, knowledge development and innovation are human work: not a city in itself but only its population can be innovative. The actual

<sup>15</sup> Ibid.

<sup>16</sup> Å. Andersson: Creativity and regional development, in: Papers of the Regional Association, Vol. 56, 1985, pp. 5-20.

number of inhabitants in a city is, incidentally, a limited rule of thumb for defining concentration.<sup>17</sup> Although in a city housing a large number of people the chances of creative ideas emerging are greater, a large population is definitely not a requirement for creativity. A knowledge city par excellence, the Athens of classical times, contained at its peak something like 200,000 people, including slaves. Indeed, that is more people than live in a standard provincial town, but it hardly represents the character of a metropolis with which creative cities are often associated. Concentration is not so much a matter of the number of people but rather of the density of interaction. A dense concentration of people at a certain location favours frequent meetings and happenstance contact between individuals and thus makes new ideas and innovations more likely. As far as this is concerned we have no cause for complaint in Western Europe. The Netherlands, for example, is small and densely populated, so that it sometimes seems as if every Dutchman can meet the rest of the population.

Diversity is the second factor that encourages urban creativity. Here we are talking about diversity in the widest meaning of the word: not just variation between the citizens, their knowledge and skills and the activities they pursue, but also variation in the image the city projects as far as buildings are concerned. Nobody has been as enthusiastic as the American publicist Jane Jacobs in propagating the notion of diversity as the fertile soil for the creativity of cities.<sup>18</sup> In her eyes a city with a diverse population (families, entrepreneurs, artists, migrants, old people, students) can benefit from an equally varied set of skills and demands. In a city of this nature there is every possible opportunity for the inhabitants to meet one another on the street, swap knowledge, pick up new ideas and bring about innovations. The built-up environment can give an extra helping hand here: in a street with “function mixing” – that is, a mix of buildings with differing functions (old buildings, new dwellings, offices, shops, churches, pubs and restaurants) – there is always something happening, day and night, and the chance of accidental encounters and “new combinations” is the greater. In this way a city can, says Jacobs, develop into a real breeding place for entrepreneurship, creativity and innovation. In short: diversity leads to dynamism and thus to a flourishing city life.

Concentration and diversity of people at a certain location are not, however, sufficient to allow us to speak of a creative city. Some cities possess these

essential ingredients and yet they are not creative. If we dip back into the past we notice that it is precisely in a period of crisis, confrontation and chaos that cities show the greatest creativity. Amsterdam around 1600, 19th century Vienna, London and Paris, as well as Berlin between the two World Wars – they were all far from stable. Some see “instability” as an extra condition for urban creativity. To clarify this vague and unpredictable factor – often referred to as “bifurcation” – we can think in metaphorical terms of a river running off a mountain: if the river’s fall is steep, the direction of flow is clearly defined (stable); but when the fall levels out, the river’s situation becomes unstable – with the river “hesitating”, as it were, as to which direction to take.<sup>19</sup> It then takes very little to determine the further progress of the river. Like a river, a city can also find itself in a vulnerable situation and invite creativity. Small, chance events such as the meeting between a few creative and enterprising persons can then be of major influence on the way the city is to develop in the near future.

An example is Vienna during the “fin de siècle”. To be honest, Vienna today does not make a particularly strong impression of creativity on the unsuspecting tourist. A century ago things were different: the Austrian capital was *the* intellectual and artistic focus of Europe – in other words, the centre of the then knowledge economy.<sup>20</sup> In a relatively brief period (1890-1930) countless learned people and artists with a reputation, such as Wittgenstein (philosophy), Freud (psychology), Hertz (physics), Schumpeter (economics), Loos (architecture), Klimt (painting) and Kraus (political ideology) were present in the city. In the Vienna of the time we find all three conditions for creativity. The city was coloured by over-population, a rich public life and tight networks. All the academic institutes were within walking distance of one another, something that fostered communication and interaction between intellectuals working in a wide variety of disciplines. In addition the city was in a state of permanent political instability: the crumbling of the Austro-Hungarian Empire and the First World War were widely opposed by the population and provoked lively discussions and every type of creative expression (philosophical treatises, writings, works of art). But perhaps the most important background to Vienna’s creativity around and after 1900 was the “café factor”: the countless *Kaffeehäuser* in the city, open from early in the morning till late at night, served as *the* meeting place of creative minds.

<sup>17</sup> C. Landry: *The Creative City: A Toolkit for Urban Innovators*, London 2000, Earthscan.

<sup>18</sup> J. Jacobs: *The Economy of Cities*, New York 1969, Random House.

<sup>19</sup> A. Buttmer: *Creativity and Context*, Lund 1983, University of Lund.

<sup>20</sup> M. Francis (ed.): *The Viennese Enlightenment*, London 1985, Croom Helm.

In these cafés many “Neue Kombinationen” were born over a cup of Wiener mélange.

### The Role of Spatial Cognition

Above we saw that a creative city with opportunities in the knowledge economy, whatever else it might be, is a densely populated and diverse city with sufficient opportunity for the happenstance to occur. A reasonably large number of cities in Europe match this profile. And yet not every city has an equal chance of growing into a creative knowledge city. Even if a particular location possesses the basic ingredients for creativity, in the end the place is creative only if recognised as such. This has everything to do with what psychologists call “perception”. Because people – whether they be citizens, entrepreneurs or tourists – do not know everything when they take decisions, they use whatever knowledge they may happen to possess. That knowledge is always selective and is formed out of experiences from the past and by outside sources, by information gleaned from the media, for instance. Using this perception, people construct for themselves an image of reality. The view we have of the world is therefore always coloured. And the image we have of a particular human settlement is also formed in this way. In this context geographers speak of “spatial cognition”: the knowledge people have of spatial unities such as regions and cities.<sup>21</sup> That image is of major importance for the choices people make when deciding on where to work, live or spend their free time. Such decisions are not made on the basis of the objective characteristics of an area but on subjective grounds such as the perception people have of the area. The image summoned up in people by a particular region – in brief, its “image” – has, in other words, a great deal of influence on the choice of a place to settle down.

That which applies to areas in general also applies to cities in particular: unconsciously we all have a more or less well defined image of certain cities, whether based on correct information or prejudices. Research shows that a city’s image is influenced in a positive manner by the extent to which the city is known, or “unknown, unloved” and “known, loved”. It would also seem that Einstein’s famous statement (“It is easier to split an atom than a prejudice”) applies to the image forming of cities in the knowledge economy. This explains why metropolises such as New York and London – and also large cities in the Dutch Randstad in the Netherlands (such as Amsterdam and Utrecht)

– are often seen by outsiders as more creative and innovative than they really are. At the same time, cities that are relatively unknown to the wider public, such as places in the German Ruhr Area and in the Dutch regions of Twente and Zeeland, have a traditional image, though all the ingredients necessary for creativity are present there. Here the past history of such regions often plays a decisive role. Which means that they have been burdened for years with a rural, traditional and dull – even negative – image. In promoting such urban areas as knowledge regions, they will always lose out to cities in the Randstad that are already seen as “cool”. Thus, creative cities such as London, Paris, Berlin and Amsterdam can rest for years on the laurels gained in their creative past. Here we see a clear example of the “Matthew effect”, a phenomenon named after the old biblical principle: “For whosoever hath, to him shall be given... but whosoever hath not, from him shall be taken away even that he hath” (Matthew 13:12).

Most cities in Europe realise that apparently minor details such as the city’s image can be decisive for (knowledge-intensive) companies who may wish to settle in the city and for people looking for a place to live or spend their holidays. A bad image perceived by one or more of these target groups can drive them away and mean a loss of income for the city. More and more cities are therefore finding it insufficient merely to invest in the provision of urban facilities: they make efforts to communicate their attractiveness and creativity inside and outside the city. This strategy of positive image-forming is known as “city marketing” or “branding”. Currently it is a popular instrument which, it is hoped, will contribute to making the city known and to improving its reputation. Cities make extensive use of a headline-grabbing slogans and promotion campaigns to put themselves on the map. Though the effect of this city marketing is difficult to measure, it would seem that some cities really have succeeded in developing a “strong brand”. There are examples of this throughout Europe, such as Hull, Birmingham, Glasgow, Dublin, Munich, Lille and Sevilla.

It is remarkable how little trouble cities take to distinguish themselves from their rivals. For instance the Dutch cities of Delft, Enschede and Eindhoven have all adopted the profile of technology and knowledge cities – therefore qualifying themselves as “creative cities” of the technological-innovative type – without placing any emphasis on their own uniqueness. The result of this herd behaviour can be easily guessed at: vague slogans imparting little information, such as “Eindhoven: Leading in Technology” and “Knowledge City” (Delft and Enschede). By giving themselves this sort of profile, none of the three cities make it clear

<sup>21</sup> A.R. Pred: *Behaviour and Location: Foundations for a Geographic and Dynamic Location Theory: Part 1*, Lund 1967, University of Lund; J.R. Gold, S.V. Ward: *Place Promotion: The Use of Publicity and Marketing to Sell Towns and Regions*, Chichester 1994, John Wiley & Sons.

how they differ from one another nor do they give any idea of what they have to offer to the knowledge worker looking for a place to work and live. In this way the three university cities undermine their own competitiveness: in fact, real competitive edge can be gained from building on and emphasising the local conditions – in other words, a strategy of “trend through tradition”. That it is still possible to get a reputation as a relatively unknown city, is shown by the example of “city marketing” in the Dutch city of Almere.<sup>22</sup> The “geographical market research” commissioned by the city of Almere in the mid-1990s showed that the average Dutch citizen had little idea of what Almere was like. People usually came no further than descriptions such as “dull new town” and “city in the polder”. The city authorities then decided that a large-scale marketing campaign was needed to tackle the image problem. The aim was particularly that of attracting new commercial activity to the city, since as far as population was concerned Almere had already reached the position of fastest growing city in the country. In order to establish the city’s image as a centre of business activity the city council, aided by substantial financial support from the local business community, set up the *Stichting Stadspromotie Almere* (Foundation for the Promotion of the City of Almere). Under the slogan “It’s Really Possible in Almere” the organisation launched a promotion campaign which, apart from adverts placed in the national press, had an advertising spot on TV showing Almere inhabitants singing an urban anthem. Since then the foundation has pulled in large-scale events and projects within the city limits such as Holland Sand Sculpture and a branch of the World Trade Centre. The effectiveness of Almere’s branding strategy weapon in the urban competition struggle can be seen from the problems that surrounding local councils such as Lelystad and Dronten are having in their efforts to put their own cities on the map. Almere was ahead of them and its strong brand image will help it to benefit for years to come from its “first mover advantage”.

#### The Role of Local Economic Policy

If anything has become clear from the above, it is that there is no recipe for cities in the European knowledge economy. There are various types of creative city, and even cities of the same type, such as technological-innovative and cultural-intellectual cities, show enormous differences. The Detroit of Henry Ford is, at first sight, difficult to compare with today’s Palo Alto, and 14th century Florence would appear to have little in common with the Dublin of today. Despite their differences, however, all creative cities possess a

number of basic ingredients: a high concentration of people, a dose of happenstance and luck and – definitely not unimportant – a positive image familiar to the outside world. Local authority policy as an essential condition for urban creativity does not appear in this list because policymakers have played scarcely any part in the history of the birth of creative cities. It was only when a city had grown and problems were occurring, for instance in transport and housing, that the city authorities sometimes proposed creative solutions on the technological-organisational level. London and Paris, Stockholm and Rotterdam, for example, can thank the local authorities for their underground train systems and original housing projects respectively. At present, our cities are facing totally different problems, such as how to cope with maintaining their momentum on a global level in the inter-city knowledge race. In principle it ought to be possible for the authorities to come up with creative solutions in this case – even if the question of urban competitiveness is rather less tangible than the more fundamental problems that cities are used to wrestling with.

When making the city more attractive in the knowledge economy the local authorities can invest in the creativity of their own population. But a word of warning: creative cities cannot be constructed from the ground up. The roots of creativity, in fact, always lie in the existing, historically developed urban environment. In their enthusiasm, local authorities sometimes tend to forget this. Inspired by success stories such as Silicon Valley they hope to be able to make of their city a technopolis of similar stature. Terms such as Silicon Saxony (Dresden), Silicon Kashba (Istanbul) and Food Valley (Wageningen) speak volumes in this regard. That sort of copycat behaviour is, however, far from creative. The local authority would do better to proceed from the city’s specific characteristics, using them as a basis in the search for urban creativity (“localisation”). This is not the same thing as blue print planning: local authorities will have to be content with measures designed to create conditions whereby they do no more than increase the chances of creative powers coming into existence. To start with, the authorities can contribute to increasing the critical mass of their city by seeking collaboration with a neighbouring city in the fields of infrastructural, educational and cultural facilities (inter-urban networking). It is also possible to increase the diversity of the city with targeted policies, for instance by mixing residential and working locations (function mixing) and removing obstacles to migrant entrepreneurs (ethnic entrepreneurship). Finally the city government can consider holding a major event or organising a new project, for instance a competition for the population or for the business

<sup>22</sup> G.J. Hospers: Citymarketing: de stad als product, in: Stadswerk, Vol. 11, 2003, pp. 21-22.

community with the winner submitting the most creative proposal. Although this type of measure does not lead directly to urban creativity, it does increase the chances of it appearing.

In addition to creating conditions, the local authority can fulfil a useful role in promoting the city with a targeted “branding strategy”.<sup>23</sup> A particular place may fulfil all the conditions for creativity but it is a creative city only when perceived as such by the outside world. Because the “unknown, unloved” principle also applies to cities, local authorities would do well to invest in making the name of their city known and improving its reputation. It is of major importance that the authorities put out a realistic image of the city when branding it – in other words, project an image derived from and matching up with the specific context of the city in question. A small, sleepy, rural town that presents itself to the outside world as a cool technopolis tests credibility and is only treated as an object of derision. City marketing, it should also be said, is not a matter for the local authorities on their own. Work on a positive urban image requires collaboration on the part of the entire city, particularly entrepreneurs, of whom it can be expected that they have wide-ranging experience of marketing products to the people. Moreover local authorities and the business community have a common interest, namely that the city should remain attractive in the inter-city competition. One conurbation where a result-targeted and broadly supported branding strategy has borne fruit is the German Ruhr Area.<sup>24</sup> In this “Rust Belt” of coal and steel local parties have invested heavily in the integration of new technologies and trends into the existing local economic structure. Young, technologically high-value companies (“technostarters”) are housed in former factories and warehouses. And the industrial heritage is being recycled as exhibition halls, concert halls or restaurants. These symbols underpin the Ruhr Area brand as a place where trend and tradition are not mutually exclusive but get along fine together. With campaigns such as “The Ruhr Area: a Strong Piece of Germany” and “The Ruhr Area is Hard to Beat” the local authorities and entrepreneurs have succeeded in dragging the traditional industrial area into the era of the modern knowledge economy.

<sup>23</sup> L. van den Berg, E. Braun: Urban competitiveness, marketing and the need for organising capacity, in: *Urban Studies*, Vol. 36, 1999, pp. 987-999; P. van Ham: The rise of the brand state: the postmodern politics of image and reputation, in: *Foreign Affairs*, Vol. 80, 2001, pp. 2-6.

<sup>24</sup> A. Lagendijk, H. van Houtum: Contextualising regional identity and imagination in the construction of polycentric urban regions: the cases of the Ruhr Area and Basque Country, in: *Urban Studies*, Vol. 38, 2001, pp. 747-768.

There are various interesting examples of cities where urban management has contributed to the rise of a local knowledge economy. Different authorities have had varying degrees of success in – for example – transplanting the success of the Silicon Valley towns to their own city. Sometimes it has succeeded, but the beckoning future of this Californian “hot spot” has also led regularly to disappointments. *The* doom-laden example in this context is Akademgorodok in Russia.<sup>25</sup> This “city of science” built in Siberia and based on the Silicon Valley model was, from its earliest beginnings in the 1950s, anything but knowledge-intensive and has been languishing for decades. The lesson to be learnt from “great planning disasters” of this sort is that a local knowledge economy cannot be produced *ex nihilo*. Knowledge-intensive activity must always have a basis in the existing local economic structure or at least be able to find some sort of link-up there. In addition, clear vision, collaboration, an eye for practical details and good marketing are indispensable ingredients for the successful development of knowledge cities. At least, those are the most important lessons that we can draw from successful examples of local knowledge policy. By way of illustration, below we examine experience with a policy of this type in three European urban areas. Successively we deal with the branding strategy applied in the Scandinavian Øresund (Copenhagen/Malmö), the City of Knowledge project in Barcelona, and the campaign in the Dutch city of Tilburg (“Tilburg: Modern Industrial City”). These cases not only illustrate the factors leading to success: they also make clear that urban policies to support the development of a local knowledge economy can have many faces.

#### Øresund: The Human Capital

The Øresund is a cross-border (Euregional) “double city”, linking Copenhagen (Denmark) and Malmö (Sweden) together via a large bridge, the Øresund Link. Although the Øresund with more than 3 million inhabitants is more a region than a city as regards surface area, it can be regarded as a single urban knowledge area. In the 1990s the location grew from a relatively traditional industrial area to become a true “creative hub”. The Øresund excels in “health”, i.e. all activities to do with health care (e.g. medical technology and life sciences). Next to London and Paris, the Øresund has already gained recognition as one of the top three “hot spots” in Europe in this youthful branch of the knowledge economy.<sup>26</sup> Collaboration in medical matters has been practised on both sides of the

<sup>25</sup> M. Castells, P. Hall: *Technopoles of the World: The Making of Twenty-First-Century Industrial Complexes*, London 1994, Routledge.

<sup>26</sup> Ministry of Foreign Affairs: *Focus on Denmark*, Copenhagen 1999, Ministry of Foreign Affairs.

border since the late 1980s, collaboration that was sealed in 1997 by the establishment of the Medicion Valley Academy, a joint venture between local medical technology companies, universities and hospitals. The project received extensive support from the European Union because of its innovative character. Employment in the health sector in the Øresund has shown vigorous growth in the last few years, especially as regards technically high-flying jobs. This is partly because the conurbation has shown itself able to draw in an increasing number of knowledge-intensive foreign companies, particularly from the United States.

What is the background to the excellent economic achievements of the Øresund? In the few studies carried out to explain the development of the region, at least two success factors are identified: effective collaboration between local parties and a clear branding strategy.<sup>27</sup> Indeed, there are few places in Europe where government, education and commerce have operated so effectively in a united manner as in the Øresund. The Øresund committee, with representatives from all the social parties, opted for the theme “man and his needs” as regional spearhead. Under this banner the committee has invested heavily in facilities related to human needs, such as health (medical technology), contact with others (the Øresund bridge) and recreation (varied supply of culture). The local parties realised that the presence of these elements was insufficient to place the region properly on the map. So they also worked on making the name of the Øresund familiar in Europe, partly by creating a well-maintained web page and producing innumerable brochures. In the media the region has been actively promoted as “The Human Capital” – note the double meaning – where it is good to live, work and take recreation. And even though it may be difficult to measure the effect of such branding strategies, one gets the impression that this targeted, localised approach to the Øresund has not left its creators empty-handed.

#### **Barcelona: City of Knowledge**

In order to give Barcelona a more well-defined place in the European knowledge economy, in 1999 the city authorities, the local Chamber of Commerce, Catalan employers' organisations and local knowledge bodies drew up a strategic plan under the title “City of Knowledge”.<sup>28</sup> The plan can be seen as a gathering together of initiatives that local parties had previously developed in isolation. For instance, Barcelona Activa,

part of the Economic Department of the Barcelona city authority, had for years targeted its policies on support for technostarters by offering them accommodation and financial aid in “incubators”, i.e. collective company buildings functioning as breeding grounds for young entrepreneurs. Quite separate from that, the local council's Spatial Planning Department in its turn had pursued its own knowledge-related policy, but only to the extent that it involved restructuring old neighbourhoods through innovation. The Autonomous University of Barcelona, again in isolation, invested in encouraging “knowledge transfer” between technical faculties and the local business community. However useful these separate measures may have been, Barcelona's knowledge-related policy was far from unambiguous, and certainly difficult for outsiders to untangle. The “Barcelona: City of Knowledge” strategic plan was intended to prevent further fragmentation. By tuning the initiatives related to the local knowledge economy to one another it was hoped, moreover, to prevent duplication of effort and to attain synergy.

An important measure in the creation of a recognisable local knowledge-related policy was the introduction of a separate city councillor for the “City of Knowledge”.<sup>29</sup> To start with, he was given the task of drawing up a list of the then current initiatives in the field of the knowledge economy in Barcelona. Subsequently he was expected to provide a structure for the complex policy field and to pump enthusiasm into the local business world and mobilise its efforts in the implementation of the plans. One of the results of the project was the development of Poble Nou, an old district on the edge of the Barcelona city centre, turning it into a “knowledge neighbourhood”. Almost 200 hectares of the neighbourhood were, with the aid of a zoning scheme, dedicated to the function of breeding ground for the development of new forms of activity, especially in the information and communications technology sectors. In order to capture interest for the project on the part of developers and investors, the city council included a number of exceptional conditions in the zoning scheme. One example was the condition under which office blocks specifically meant for knowledge-intensive activities could be two floors higher than new offices being built for more traditional forms of activity. Using this type of creative trick the city authorities succeeded in persuading even private parties to lend their support to the idea of “Barcelona: City of Knowledge”.

#### **Tilburg: Modern Industrial City**

Since the early 1990s, like many other Dutch cities, Tilburg has had the ambition of profiling itself as a

<sup>27</sup> P. Maskell, G. Törnqvist: Building a Cross-Border Learning Region: Emergence of the North European Øresund region, Copenhagen 1999, Handelshøjskolens Forlag.

<sup>28</sup> J. Revilla Diez, M. Fisher, F. Snickars, A. Varga: Metropolitan Systems of Innovation: Theory and Evidence from Three Metropolitan Regions in Europe, Berlin 2001, Springer Verlag.

<sup>29</sup> Ajuntament de Barcelona: The City of Barcelona, Barcelona 2000, Ajuntament de Barcelona.

knowledge city. The city council's policy aim was clear: the city had to create new, high-value employment and thus attract young, well-educated people and keep them there. Tilburg realised that it was insufficiently distinguished from other cities in the competitive struggle and that "Tilburg: City of Knowledge" would lead to many people raising their eyebrows. The city had and projected a dull image: it just happened to be on the map. Which is why, in 1992, after intensive consultations with the local business community, the city council launched a large-scale promotion campaign with the slogan "Tilburg: Modern Industrial City".<sup>30</sup> The epithet did not go particularly unchallenged, but it did at least distinguish Tilburg from the rest. "Industrial City" referred back to the traditional economic structure of the city and of employment, while the adjective "Modern" was designed to show that Tilburg was at the same time contemporary and innovative. It was precisely the local educational institutes (especially Tilburg University and Fontys Colleges for Higher Vocational Education) that were regarded as sources of inspiration for the "modern industry". In 1999 the campaign was evaluated after eight years.<sup>31</sup> The evaluation showed that "Tilburg: Modern Industrial City" had become a brand name with strong powers of communication. And even though new "mission statements" such as "Trendy Tilburg" appeal to the imagination, such a new brand was considered to be unable to smother the old.

In order to live up to its brand as a "modern industrial city" Tilburg invested mainly in the "modern" in the 1990s. And thus public and private investors in the Veemarkt neighbourhood have consciously sought to combine education and culture: in addition to a pop centre (Popcentrum 013), creative courses (e.g. in the multimedia field), new media, advertising and the graphical industry all kinds of companies in the creative sector have sprung up in the neighbourhood. In this way the Veemarkt neighbourhood has become a sort of "knowledge park", where cross-fertilisation occurs between education, information and amusement. Tilburg's proven capacity to transform its relatively colourless image into that of a cool knowledge and student city owes its success partly to close co-operation between the city council and local educational institutes. By way of illustration: the city council's education sector and the university's public information department join together in providing in-

formation for prospective students. They issue a joint brochure called "Tilburg City of Students" and present themselves to the outside world together at the annual study fair in Utrecht. They also organise joint introduction/familiarisation days for secondary school study advisers and students. During these days the morning programme presented by Tilburg University is complemented by a bus tour around Tilburg's city centre and information about accommodation in the city.

### Conclusion: Giving Coincidence a Hand

In the European knowledge economy cities still hold the future. History teaches us that cities are the places par excellence where knowledge, creativity and innovation reach full maturity. But not every city has unquestionably good prospects in the knowledge economy. In the end the cities that will win the inter-city knowledge race are the "creative cities". These are cities that possess not only sufficient concentration, diversity and instability, but also project a matching image based on innovation and modernity. For the rest, the success of cities in the knowledge economy remains a question of human effort and happenstance. This somewhat fatalistic conclusion does not mean that cities can simply rely on fate and afford to adopt a passive attitude. On the contrary: certainly in the current inter-city competitive race it will be precisely its creative powers that a city will need to bring into play. But the unpredictability surrounding creativity and innovation means that a tailor-made, unambiguous creative competitive strategy for cities in the knowledge economy is simply not available. The only thing the authorities can do, in collaboration with local parties, is to increase the chances of creativity coming into being. In principle this is possible if certain conditions are created and investments are made to make the city's name known to outsiders. But success here is not assured. Local authorities wishing to give their city a place in the European knowledge economy will have to be content with the fact that they can only give chance a helping hand. Perhaps the famous chemist Louis Pasteur (1822-1895), an unrivalled "knowledge worker", best expressed what a realistic urban knowledge strategy should be. When he was asked how he arrived at his creative discoveries and innovations, he said, "Chance favours only the prepared mind."<sup>32</sup> And that is exactly the way of it: city authorities that organise their knowledge policy in a way that prepares good fertile ground for happenstance and creativity can certainly contribute to our cities flourishing further in the European knowledge economy.

<sup>30</sup> City of Tilburg: Tilburg: Modern Industrial City, Tilburg 1992, City of Tilburg.

<sup>31</sup> City of Tilburg: De Moderne Industriestad in de 21e Eeuw: Meerjaren Investerings- en Ontwikkelingsprogramma Tilburg 2009, Tilburg 1999, City of Tilburg.

<sup>32</sup> Cited in R. Florida, op.cit.