

# Towards an ideapolis: the creative Helsinki Region

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We can change the world through our own actions – in co-operation with others.

The above could be a summary of an extensive inquiry (see frame at end of article) conducted among the managements of municipalities, universities, research institutes and business enterprises in the innovation and technology sectors in the Helsinki Region, as well as representatives of the ministries concerned.

The study clearly showed that local players are eager to identify a common vision and to develop a globally unique profile based on local expertise that will help keep Helsinki among the 10–15 most important growth centres of Europe.

The interviewees (see frame at end of article) believed in Helsinki's chances to act as a hub of the global information society, a hub where arts and culture, sciences and social life develop side by side with new technology and economy. At best, Helsinki can be a global growth centre and cultural metropolis with an all-European touch, yet firmly rooted in its own traditions.

Helsinki can enhance its reputation as a place where modern urban professionals can fulfil their need for leisure, arts, culture and self-fulfilment in an environment that respects the ideals of beauty, kindness, love and truth. The Helsinki Metropolitan Area is ready to proceed on its way towards a global "new wave" information society.

## **To create a unique global profile**

Today, the world seems fairly well aware that Finland is a strong player in the innovation sector. Not surprisingly, the Helsinki Region was one of the 22 European regions given the Award of Excellence for Innovative Regions in 2002.

Nevertheless, the Helsinki Metropolitan Area, i.e. the four central municipalities of the Helsinki Region, is facing challenges. Its profile must be further raised – a fact agreed upon by the interviewees. For one thing, it is never wise to rest on your laurels, and secondly, there are studies that rank Helsinki surprisingly low as an innovative milieu. The European Cities Monitor 2002 put Helsinki as low as 27<sup>th</sup> among "the best cities to locate your business today".

Yet, according to statistics from the Finnish National Technology Agency, 40 per cent of Finnish R&D is conducted in the Helsinki Metropolitan Area, while the area has only 25 per cent of national manufacturing. It is true, of course, that the regions of Oulu and Tampere, two other major Finnish ideapolises, have twice as high an R&D ratio per capita as the Helsinki Metropolitan Area – a fact which has, naturally, channelled considerable R&D funds to these regions. Oulu and Tampere have also received relatively greater proportions of EU financed projects than the Helsinki Metropolitan Area.

It should also be pointed out that the Helsinki Metropolitan Area has eight strong universities. Moreover, knowledge-intensive services have clustered very strongly in the area – near the expertise and the R&D. The Metropolitan Area is also home to several knowledge clusters of an international magnitude such as the Otaniemi area and the Viikki Science Park. Thus, the area has considerable potential to become stronger as a hub of knowledge, innovation and business enterprise.

However, criticism is not totally unjustified: knowledge and innovation in the Helsinki Metropolitan Area is fragmented and passively organised and financed. As a result, there have been difficulties in getting EU funded projects to the area, especially since the sixth Frame requires applicants to have extensive corporate collaboration and an ability to set up and carry out strategically significant large projects.

Also, the Helsinki Metropolitan Area should, obviously, be collaborating more with the state authorities to attract new creative professionals and entrepreneurs. The interviewees of the survey (see frame at end of article) mentioned several norms, attitudes and practices that essentially hamper evolution towards internationalism and multi-culturalism.

## Other cities in the global information economy

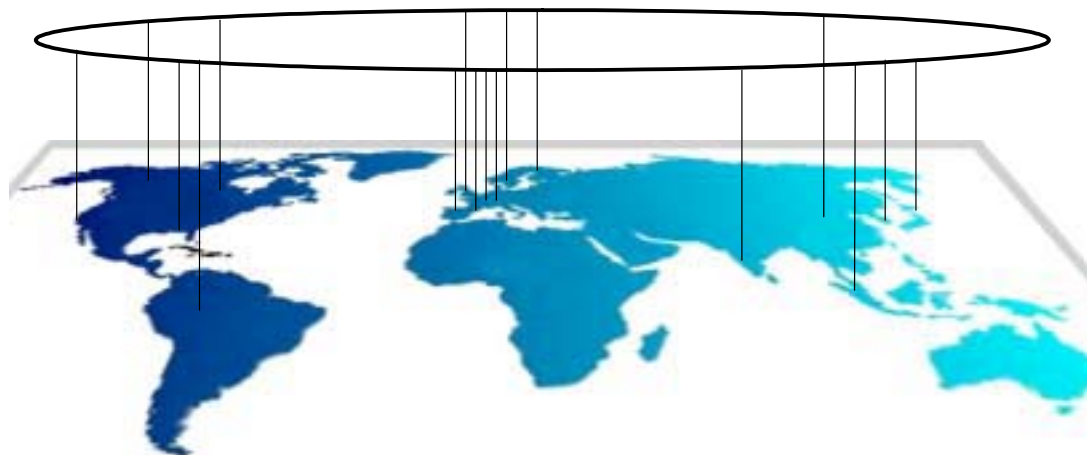
It is a widespread maxim today that the evolution of not only countries, but also cities, depends on their international competitiveness. Earlier, urban areas were “subordinate” to national policies of growth and competition – policies mainly based on manufacturing. Today, institutional, knowledge-related and financial instruments are being crafted with the primary aim of helping to develop innovative and internationally competitive urban centres of growth.

In line with these trends, Finnish urban regions, too, such as Oulu and Tampere, are specialising in internationally competitive expertise to create a unique and sustainable role in the international scramble between urban regions.

Another trend today is that internationally competitive urban regions are forming networks and strategic alliances not only within their countries, but also across national borders and even oceans.

Canada has formulated as its national strategy to grow and develop as a globally competitive knowledge society. For this reason, the country has invested substantially in the “Unleash our Potential” campaign to promote its five largest growth centres

### Ideopolises in the global division of work



(Ottawa, Toronto, Vancouver, Winnipeg and Montreal) as global players in the field. The main message of the campaign goes: "Despite 21<sup>st</sup> century challenges, cities are still governed by a 19<sup>th</sup> century model". Thus, Canada is focusing not only on the new knowledge itself but also on its framework in terms of governance and administration. The country is investing hundreds of millions of dollars in researchers and consequent research to make each of the selected growth centres a competitive part of the global economy.

A good example of strategic alliances in Europe is the Öresund Region straddling the sea border between Sweden and Denmark. Including Copenhagen, and a number of other cities, it has 3.5 a total of million inhabitants and 12 universities. To date, around €10 billion has been invested in turning the area into a world class growth centre. Elsewhere in Europe, EU funds have been used to set up strategic alliances between cities, such as the IntelCities project, which includes Manchester and Helsinki, for example.

The Netherlands is investing both at the regional and national level. It has set up a national Innovative Platform, whose task it is to catalyse and fuel new innovative ideas and projects for the information society. The Innovation Platform disposes over €185 million for the development of expertise and innovation. In addition, The Netherlands is investing another €90 million in strategic development projects that require extensive co-operation networks and consortia. One important target is Amsterdam, where the KnowledgeLand Foundation has been established as a think-tank for information society development and an incubator of new innovative business.

In Germany, the city of Bremen, which is applying a very independent innovation policy, has established an organisation of its own as well as a company to manage the R&D and innovation of public service. Measures include commercialisation and public-private partnerships. Elsewhere in Europe, Westminster, Eindhoven, Gothenburg and Luleå have devel-

oped new forms of finance and administration for local R&D and innovation.

London, Barcelona, Öresund, Toronto and Singapore launched their planning of globally profiled knowledge already in the late 1990s. London is deliberately developing itself as a global metropolis relying on a creative information economy. Barcelona is developing its profile as a creative location for international business enterprise, and therefore boasts a modern telecom infrastructure, pleasant housing environments and innovative academic and research milieux. Singapore profiles itself globally as an efficient hub of logistics that also has considerable capacity for turning innovation into industrial production.

Overall, the industrial policies of urban regions have entered a new and very challenging phase since the late 1990s. We are witnessing a new kind of growth and competition policy where cities and regions are looking beyond national policies and infrastructures to find a place for themselves, and therefore shape their visions, strategies and policies accordingly.

## Helsinki's policy

To summarise the interviews in the survey, the actions needed to raise Helsinki's profile as an ideapolis are as follows:

- 1 strengthen co-operation between the universities of the region, or even merge them, and shape a shared international profile for them.
- 2 develop new forms of organisation and finance for new service technology and even for industry creation based on scientific and applied research.
- 3 further up intensify the co-operation between companies, universities, research institutes and the public sector by creating public-private partnership and similar models including open-source development.

- 4 set up new kinds of internal R&D functions within public service such as welfare services, telecom, logistics and transport. This requires cities to expand their present R&D activities and to decide to allocate sufficient resources for them. (Such measures are also necessitated by the urgent need for improved cost efficiency.) This task (in fact, a national project) can subsequently be turned into a positive growth impulse for new social and technological innovation.
- 5 increase funds for prototyping and piloting, science-based venturing and risk management.

Yet another conclusion was that co-operation between local players could, at best, provide a rich multi-disciplinary basis for development. It could contribute to social-technological-financial innovation springing from the notion that the behaviour and actions of people and communities constantly challenge the developers of services and technologies. Thus, cities can act as 'living labs' for a cultural, social, technological and financial renewal. At present, the EU is about to allocate funds for these types of projects.

In spring 2003, the Centre for Knowledge and Innovation Research CKIR of the Helsinki School of Economics was commissioned to analyse the strategic opportunities for developing the Helsinki Metropolitan area into a globally profiled centre of innovation and business enterprise. The study was commissioned by Culminatum – Helsinki Region Centre of Expertise, Helsinki City Urban Facts, the Employment and Economic Development Centre of Uusimaa and the Association of Finnish Local and Regional Authorities.

The study interviewed 100 people including (1) holders of key posts in the management of the cities, the management of public services and the development of industrial policy in the Helsinki Metropolitan Area, (2) rectors, other managers and experts of universities and polytechnics, (3) managers and experts of local research institutes, (4) experts and managers of institutions funding sciences, R&D and business start-up in the area, (5) experts from the ministries of Trade and Industry, Education and Interior, (6) representatives of innovation-based business enterprises, and (7) managers of the local technology industry.

The aim was to find out what the interviewees thought about the following issues:

- 1 what strategic opportunities there are to raise the Helsinki Region into a globally profiled and influential innovation environment, and
- 2 what are the most important measures of research and development to be taken to achieve this goal.

A major seminar was also arranged for these 100 people by the Culminatum Centre of Expertise on 27 April 2003, and a report was presented in December 2003.

At present, the Culminatum Centre of Expertise is drawing up a globally profiled innovation strategy in extensive co-operation with these local players.