MAGNUS GRÄSBECK (EDIT.)

Conference on Metropolitan Challenges and Innovation

Finnland-Institut, Berlin, April 2008

Content

To the Reader

This issue of Discussions Papers includes the essence of the stimulating presentations delivered at the Conference on Metropolitan Challenges and Innovation held at the Finnish Institute in Germany in Berlin on 24-25 April 2008. The conference was organised jointly by the Institute and its collaborators in Berlin and Helsinki. The conference programme proved both topical and appealing, with a total of nearly 150 participants attending the lectures.

The conference taught us much about competitive cities in the global economy and about underlying theories and policies. There were also lectures presenting sophisticated case studies based on local and regional experiences, as well as presentations of interesting comparative urban studies. These were followed by rewarding discussions on city comparisons and the impact of globalisation on cities.

Major cities are important for the future of their countries. Recent OECD research shows that almost half the output and jobs of many nations is found in their largest city. The role of universities and polytechnics in the future of their cities and countries was acknowledged and discussed. The conference also demonstrated the importance of strategic capacity and of joining forces in cities and their regions.

Interaction between research, innovation and urban policy is a common trend in future-oriented cities today. And with increasing focus on more comprehensive innovation, this implies new demands on universities. Consequently, authorities are giving increasingly greater prominence to education – and to the quality and skills of the workforce. People and human resources are being brought into focus. There is also awareness that initiatives to foster innovation and competitiveness need to be coordinated with policies addressing urban and regional diversity and a multi-cultural society.

The creation of vibrant, exciting places is a common element in competitive urban policy. So is support for the formation of clusters. This all goes back to the concept of a "Knowledge City", meaning a city which transforms intellectual, social and creative potential into economic activity and quality

of life. At the conference, challenges of strategic planning for the knowledge city were thoroughly presented and debated. Attention was given to the necessity of empirical research on the knowledge environment. Local communication processes were found to be crucial and so-called knowledge forums were recommended as a suitable format for these continuous processes.

The Editorial Team at Helsinki City Urban Facts Office wishes to extend its cordial thanks to all parties involved, especially to the Finnish Institute in Germany and the speakers at the conference, who also took the additional trouble of transforming their lectures into the articles published here.

Asta Manninen　　　*Markus Laine*　　　　　　*Magnus Gräsbeck*
Director　　　　　　　Acting Research Professor　　Executive Editor

Lukijalle

Käsillä olevassa Keskustelunaloiteessa julkaistaan oleellisimmat näkökohdat niistä ajatuksia herättävissä esitelmistä, jotka kuultiin 24.–25.4.2008 Berliinin Finnland-Insitut in Deutschlandissa pidetyssä Conference on Metropolitan Challenges and Innovation -tapaamisessa. Konferenssin järjestäjinä olivat instituutti ja sen yhteistyökumppanit Berliinistä ja Helsingistä. Konferenssin ohjelma osoittautui ajankohtaiseksi ja kiinnostavaksi, ja yhteensä lähes 150 osallistujaa kävi kuuntelemassa luentoja.

Opimme paljon uutta kilpailukykyisistä kaupungeista globaalitaloudessa ja taustalla olevista teorioista ja politiikoista.Luennot käsittelivät metropoli-ilmiöitä paikallisesta, alueellisesta ja vertailevasta näkökulmasta. Keskustelut laajenivat käsittelemään globalisaation vaikutuksia kaupunkeihin.

Suuret kaupungit ovat tärkeitä maittensa tulevaisuudelle. Tuoreen OECD-tutkimuksen mukaan melkein puolet monien kansakuntien tuotannosta ja työpaikoista sijaitsevat niiden isoimmassa kaupungissa. Korkeakoulujen ja ammattikorkeakoulujen rooli on kaupunkikehityksessä entistä keskeisempi, koska tutkimuksen, innovaation ja kaupunkipolitiikan välinen vuorovaikutus on yleinen trendi tulevaisuustietoisissa kaupungeissa. Samalla tiedostetaan myös tarve koordinoida erilaisia innovaatio- ja kilpailukykyaloitteita sellaisten toimenpiteiden kanssa, jotka koskevat urbaania ja seudullista monimuotoisuutta sekä monikulttuurisuutta. Viranomaiset kiinnittävät kasvavaa huomiota koulutukseen – ja työvoiman laatuun ja osaamiseen. Kaupungit ovat entistä kiinnostuneempia osaavista yksilöistä. Mikäli he kiinnostuvat kaupungista ja viihtyvät siellä, myös yritystoiminta kukoistaa.

Pyrkimys luoda sykkiviä ja jännittäviä paikkoja on tavallinen elementti urbaaneissa kilpailukykypolitiikoissa, ja niin ovat myös erilaiset tukitoimenpiteet klusterinmuodostukselle. Tämä pohjautuu ”osaamiskaupungin” käsitteeseen, millä tarkoitetaan kaupunkia, joka muuntaa älyllisiä, sosiaalisia ja luovia voimavaroja taloudelliseksi toiminnaksi ja elämänlaaduksi. Konferenssissa esiteltiin haasteita, joita osaamiskaupunkien strategisella suunnittelulla on edessään – ja niistä keskusteltiin perusteellisesti. Huomiota kiinnitet-

tiin osaamisympäristöä koskevan empiirisen tutkimuksen tärkeyteen. Paikallisten kommunikointiprosessien todettiin olevan ratkaisevan tärkeitä, ja ns. tietofoorumeja suositeltiin sopivaksi tavaksi hoitaa näitä jatkuvia prosesseja.

Helsingin kaupungin tietokeskuksen toimitustiimi haluaa sydämellisesti kiittää kaikkia osallisia, erityisesti Finnland-Institutia ja konferenssin luennoitsijoita, jotka vielä näkivät vaivan muuntaa omat luentonsa artikkeleiksi, joita saamme lukea näillä sivuilla.

Asta Manninen
johtaja

Markus Laine
vt. tutkimusprofessori

Magnus Gräsbeck
toimittaja

Till läsaren

Detta nummer av Debattinläggen innehåller kontentan av de tankeväckande föredrag som gavs vid Conference on Metropolitan Challenges and Innovation på Finnland-Institut in Deutschland i Berlin den 24.–25 april 2008. Konferensen hade ordnats i samarbete mellan institutet och dess samarbetspartners i Berlin och Helsingfors. Konferensprogrammet visade sig både aktuellt och attraktivt, och sammanlagt bortåt 150 deltagare besökte föreläsningarna.

Vi lärde oss en myckenhet om konkurrenskraftiga städer i globalekonomin och om underliggande teori och policy. Föreläsningar om sofistikerade fallstudier baserade på lokal och regional erfarenhet hördes. Intressant jämförande stadsforskning presenterades – och följdes av givande diskussioner om stadsjämförelser och om globaliseringens inverkan på städer.

Stora städer är viktiga för sina respektive länders framtid. Enligt färsk OECD-forskning finns nästan hälften av många nationers produktion och jobb just i deras största stad. Universitetens och yrkeshögskolornas viktiga roll konstaterades och diskuterades. Vikten av strategisk kapacitet och av att förena olika krafter i städer och regioner demonstrerades.

Växelverkan mellan forskning, innovation och stadspolitik är idag en allmän trend i framtidsmedvetna städer. Och med ökande fokusering på mera övergripande innovation innebär detta nya krav på högskolorna. Följaktligen fäster myndigheterna ökad vikt vid utbildningen – och vid arbetskraftens kvalitet och kunnande. Människan och de mänskliga resurserna sätts i fokus. Det finns också ett medvetande om att olika initiativ för innovation och konkurrenskraft behöver koordineras med åtgärder inriktade på urban och regional diversitet och ett multikulturellt samhälle.

Strävan att skapa pulserande och spännande ställen är ett vanligt element i urban konkurrenskraftspolitik idag, liksom också stödåtgärder för klusterbildning. Allt detta bottnar i begreppet "kunskapsstaden", alltså en stad som omvandlar intellektuell, social och kreativ potential till ekonomisk verksamhet och livskvalitet. Vid konferensen presenterades utmaningar för den strategiska planeringen i kunskapsstäder – och dryftades ingående. Vikt fästes

vid nödvändigheten av empirisk forskning kring kunskapsmiljön. Lokala kommunikationsprocesser befanns vara av avgörande betydelse, och såkallade kunskapsfora rekommenderades som ett lämpligt format för dessa fortgående processer.

Redaktionsteamet vid Helsingfors stads faktacentral vill rikta ett hjärtligt tack till alla delaktiga, i synnerhet till Finnland-Institut och konferensens föreläsare, som dessutom gjorde sig mödan att omvandla sina föreläsningar till de artiklar vi får läsa här.

Asta Manninen
Direktör

Markus Laine
Tf. forskningsprofessor

Magnus Gräsbeck
Redaktör

Marjaliisa Hentilä
Direcktor, Finnland-Institut in Deutschland

Welcome address

Dear Representatives of the Cities of Berlin and Helsinki
Dear Seminar Speakers, Ladies and Gentlemen

Welcome to our Conference on Metropolitan Challenges and Innovation! This Conference was organised by the City of Helsinki, the Center for Metropolitan Studies in Berlin at the Technical University and by the Finnish Institute in Germany.

I would like to warmly thank all our cooperating partners, especially the City of Helsinki Urban Facts, Director Ms Asta Manninen and Research Professor Markus Laine, and the Director of Helsinki City Business Development, Mr Eero Holstila for good, smooth cooperation. In addition, I extend my thanks to our German partners, Prof Klaus Brake at the Center for Metropolitan Studies in Berlin and Dr Helge Neumann from the Wista-Management Berlin Adlershof for their assistance in the planning of this seminar.

A hundred years ago, at the turn of the 20th century, Finnish students could learn from geography textbooks that Berlin was the capital of Prussia and Germany. Berlin was home to the biggest university in the entire country, the academy of arts, several learned societies and a number of important museums. Berlin's geographical position on the Spree and at a main railway junction made it an ideal centre of trade.

Communications between Finland and continental Europe improved, partly because of a railway link from the 1870s onwards and partly because of regular shipping connections between Helsinki and Stettin or Lübeck.

Studying abroad was a key issue in the case of some subjects. The emergence of new specialist fields after the mid-19th century and the lack of opportunities for education in Finland forced certain professional groups, such as engineers, physicians and veterinarians, to pursue further and advanced studies abroad, mostly in continental Europe. Also many Helsinki city officials undertook study trips to Berlin to study the infrastructure of the city, for example.

According to studies by Academy Professor Marjatta Hietala, there were no less than 274 Finnish male students and 11 female students studying at German universities in the first decade of the 20th century. Of all universities in Germany, Friedrich Wilhelm University, nowadays Humboldt University, was the most popular with Finnish students. Whilst Berlin was the most popular city, Finnish students were also attracted to Leipzig and Munich.

Today, we can document for the first time in history that, in terms of total numbers, Finnish universities, especially those in the Helsinki Metropolitan Area, attract more German students than vice versa. Also the number of visiting groups of German school officials has reached a historical high during the past decade. If we look at the long historical trends in German and Finnish relations or at the relationship between Helsinki and Berlin, we notice that the impulses have never flowed in just one direction. At all times, there has been real interaction between Helsinki and Berlin among various occupations, artists, students, city officials and businessmen.

Ladies and gentlemen, one way to learn from each other and to exchange ideas and experiences is to meet colleagues at international conferences. In this conference, scientists and representatives of Helsinki and Berlin will discuss and compare the role and development of European metropolitan regions. The topics during our first day will be the economic questions surrounding globalisation and urban competitiveness. Tomorrow, the conference will discuss the exciting role of culture, creativity and innovations as driving forces of metropolitan regions.

On behalf of the Finnish Institute in Germany, I wish you all a rewarding conference.

Klaus Brake
Professor of Urban and Regional Development,
CMS, TU Berlin

Introductory address

For the Center for Metropolitan Studies (CMS), this conference is a very welcome and important contribution to our field of activities.

The Center for Metropolitan Studies is an interdisciplinary, internationally-oriented research center at the Technical University Berlin that attends to historical and contemporary questions on the subject of the metropolis.

As for teaching, the CMS offers a 2-year Masters Program in Historical Urban Studies.. The course of study provides a comprehensive insight into the various facets of urban studies. It also offers fundamental knowledge concerning the development of the city in all of its aspects. At the same time, it draws attention to the historical context out of which the modern city evolved. The chief aim of the course is to develop the ability of students to understand and probe the current and future trends of cities, with relation to their historical origins. The programme is directed towards a wide range of career paths within the sphere of the city.

Furthermore, the CMS hosts the Transatlantic Graduate Research Program Berlin – New York (TGK), a 3-year Ph.D.program in Metropolitan Studies. The Program is an unprecedented cooperation of seven renowned Universities: the Technische Universität Berlin, the Freie Universität Berlin, the Humboldt Universität Berlin, New York University, City University of New York (CUNY), Columbia University, and Fordham University and is funded by the German Research Foundation (DFG). Within the scope of the program doctoral candidates and post-docs from different disciplines and nations will receive scholarships for three years, including a visiting fellowship at an American Partner University. In return, American doctoral candidates will join the Berlin team at regular intervals.

In the field of Metropolitan Research, CMS aims at combining basic university research with application-driven research and consulting, the international promotion of young researchers and at encouraging joint cooperation and communication between actors from science, the economy, politics and

civil society. The CMS commissions further research through third party funding projects and strives for projects in cooperation with the economy, politics, and research foundations. Academics and experts in different disciplines – cultural scientists, politicians, urban planners and architects, ethnologists, media scientists, security experts and businessmen – are invited to investigate the challenges and problems of metropolises together, to exchange their experiences and to develop possible solutions for the future of our cities.

In this respect, this conference is a very important forum for CMS and for our common intentions: to analyze and compare recent problems in different cities across Europe, to clarify the challenges, to formulate purposeful recommendations and to discuss how to implement them in the current process of urban and metropolitan development.

Among the important topics we are discussing concerning the future of the metropolis, the issue of knowledge-based urban development constitutes specific challenges: What are the interrelationships between the so-called economy, associated patterns of everyday life, urban conditions and civil governance? What must be done to develop a competitive knowledge industry within working life in a city? What special conditions are required to generate more creativity? And what is the role of a metropolitan region as a forum both for more synergies within and for more successful competition worldwide as well?

These questions are particularly important for Berlin: a city which is urged to totally reinvent itself, after having entered into a market economy after reunification and facing decline and the lack of new options. A city such as Berlin not only has enormous knowledge resources in science, culture and social skills, but also very high potential and interest in empowering its own qualities. In this situation, active "Metropolitan Studies" are required to enable us to learn from the experiences of other cities and regions and to make cities like Berlin even better.

In this context, the experience of Finland, and its very vibrant capital of Helsinki, in building a metropolitan region is not only of specific interest to the agenda of Berlin, but also to the research agenda of the CMS. Thus, the conference is a very important forum and perhaps the first step towards a sustainable exchange of opinions and experiences as well as further collaboration.

Willem van Winden
PhD, Amsterdam University of Applied Sciences

Globalisation unpacked: some impacts on cities

Introduction

Within developed countries, territorial disparities are highly significant and persistent. Income differences across nations have fallen, but inequalities between regions within each nation have risen. Some types of regions are evidently better prepared and equipped than others to benefit from changing economic circumstances. There are signs that globalisation and the shift towards a knowledge-based economy have reinforced the role of some metropolitan areas as powerhouses for economic growth and innovation, leaving others in relative decline.

This short paper focuses on the impact of globalisation on different types of cities. First, we decompose the word 'globalisation' and see what it means to the economy of cities. Next, we identify a number of challenges for cities (different types) and national governments.

The Urban Impacts Of Globalisation, Unpacked

Globalisation is the process of an ongoing removal of implicit and explicit barriers that hinder the free movement of capital, goods, services and people between countries, and the subsequently growing interconnectedness of economies. Evidently, the effects on the global urban system are fundamental. Without claiming to be exhaustive, this section rushes through some aspects of globalisation and assesses the impact on cities.

Larger markets. Globalisation enlarges the market for many companies, which gives them growth opportunities but also more competitors. Some economic sectors are much more exposed to global competition than others, and it is important to note that the vast majority of economic activity in urban ar-

eas serves local and regional markets. Nevertheless, firms that compete on global markets face ongoing pressure to reduce costs and create innovations at the same time. Firms need to (re)combine many types of knowledge (market knowledge, technological knowledge and organisational knowledge).Urban areas that have a strong knowledge base plus international accessibility and cultural openness/connectivity are likely to grasp the opportunities.

Increased concentration of finance, command and control. The internationalisation of economic activity has increased the need for global command and control, and ICTs have widened the span of control of companies enormously. They can therefore grow larger than before and, from a central point, drive and steer many more activities over far greater distances. This may explain the wave of concentrations and scale enlargement in many sectors during the 1990s. This tendency has benefited "global cities", and, to a lesser extent, a number of national capitals that are the core locations for multinational headquarters. This tendency also implies that the economy of other cities has become more dependent on location decisions that are taken in far-a-way headquarters. For example, the pharmaceutical and biotech industry in Lyons, France, is heavily dependent on investment and divestment decisions made in Paris and London in the headquarters of the pharmaceutical conglomerates.

Faster economic restructuring. The integration of world markets in tandem with ever decreasing transport costs enables companies to benefit from large local differences in factor endowments and prices. This explains the massive shift of low-complexity production (and increasingly also services) to China and other low cost locations. This shift has hurt traditional industrial cities relatively hard. Also some cities in "emerging" economies face a loss of jobs in routine activity. In South Korea, for instance, footwear industries shifted production from Busan (Pusan) to lower wage countries in China and South East Asia. These shifts are disruptive for large groups in urban areas. Many cities contain a growing urban "underclass" of people that are unqualified to find a place in the restructured urban economy. This increased segmentation and polarisation is not only undesirable from a social point of view; but it potentially undermines a city's economic future.

Increasing pace of knowledge and technology advancement. Due to globalisation and ICTs, the diffusion speed of information and knowledge has increased dramatically. New technologies, ideas and concepts become public very quickly and are easily copied. This speeds up advancements in a number of knowledge fields. New knowledge or innovations that formerly took months to spread are now globally available in seconds. Because so much information and knowledge is available nowadays, it has become a crucial ability to select and interpret new information and knowledge, and to turn it into profitable activities, putting a premium on human capital that uses new technologies to improve service and products, and become more productive.

This tendency favours cities that manage to produce and exploit new knowledge adequately.

Increasing "critical mass" for some clusters. In some sectors, globalisation and market integration lead to the increased clustering of economies, especially in highly advanced activities. This entails a heavy concentration in a limited number of places. In biotechnology, there are also indications that the number of substantial clusters is reducing. Only attractive places that combine a superior knowledge infrastructure with a large biotechnology and pharmaceutical sector are likely to emerge as true centres of excellence. Leaders of smaller cities are faced with the question of what to focus on: they need to pick a niche where the critical mass required is not too big.

Intensifying competition for knowledge-intensive activities. Cities compete fiercely for increasingly mobile knowledge-intensive activities such as R&D, management, marketing/design, highly-complex financial services, sophisticated manufacturing, etc. In this game, the large, diversified and attractive cities are in the winning positions, as they have the right asset mix to attract. Key assets are excellent research institutes, quality of life, amenities and diversity (to attract and retain (foreign) knowledge workers), international accessibility (to maintain international networks); and the quality of links between research, education and business. It is illustrative that Renault Samsung Motors, the biggest employer in Busan (Korea) relocated its technical centre to the capital region of Seoul, because most of the labour force it required, i.e. engineers for R&D and design functions, is concentrated in the capital region.

Increased international competition for talent. The international mobility of high-skilled people is increasing for a number of reasons. Firstly, national policies, bilateral and multilateral agreements have facilitated the flow of skilled workers. Secondly, higher education is rapidly becoming international. In Anglo-Saxon countries, higher education institutes have managed to attract an increasing number of foreign students. In fact, higher education has become a major export product for the UK and the US, and several European and Asian countries are following this trend. Cities with high-quality, outward looking universities benefit most. Thirdly, the rise and increasingly global presence of multinational companies has increased the number of temporary migrants, the "expats". The lion's share of this (wealthy) type of migrants is received by the global cities and capitals, where multinationals have concentrated their higher-level functions. Fourthly, new, skilled labour markets have developed: the IT sector is an example where growing demand has created intense international competition for experts.

Detachment from nations. An important consequence of globalisation is that urban regions become more detached from their national context. There are three reasons for this: 1) their economy is increasingly integrated into global webs and less dependent on national demand or supply; 2) these areas

are part of an international labour market and "recruit" internationally, which makes them less dependent on national labour markets and educational policies; furthermore, their population no longer has a uniform national identity, because of international immigration, and 3) in some parts of the world – notably in the EU – political and economic integration makes macro-economic conditions and institutional frameworks more similar, and limits the influence of national governments. Urban areas may become less dependent on the macro-development of their nation, at the same time they become more interwoven with their functional hinterlands. The urban hinterland has become an essential element of "quality of place". It provides space for recreation, people have second homes there. The enlargement of hinterlands requires integrated forms of spatial planning on a larger geographical scale.

Some key policy challenges

In the light of the developments outlined above, cities face the challenge of improving their urban assets and simultaneously achieving, at times, conflicting goals: improving their economic vitality, limiting social exclusion, enhancing quality of life and accessibility. To generate sustainable economic growth, cities need to be attractive places. The increasing mobility of human resources and companies will punish cities that fail to invest sufficiently in their attractiveness. Secondly, cities are facing challenges to better exploit their current assets. Cities should focus on their strong points to promote economic development and go for those clusters in which they have a relative advantage. In the global economy, places can benefit enormously if they become concentrations of specialised knowledge (embedded in people, firms, and institutions): this will enable them to attract similar activities from elsewhere, thus further strengthening their local clusters. One policy challenge in almost any city is to increase knowledge spillovers, mainly between universities and the business sector. Thirdly, in every urban area, governance can be improved with positive impacts on performance. Cities may take initiatives to improve cooperation with central, state or local governments; they may design a metropolitan vision to promote policy integration and channel investments. Given the intensifying competition, urban marketing and branding (preferably at the metropolitan level) become more important to promote the strong points of a metropolitan area. Integrated city marketing can be an important instrument, not only to promote and develop the region with all the stakeholders, but also as a platform where the stakeholders meet and negotiate common goals.

The last (but by no means the least) challenge for cities is to maintain and foster a local identity or a 'sense of belonging' in a globalising world. The world is changing fast, citizens are asked to 'adapt' and 'be flexible and mo-

bile', and immigration brings in new ways of life that may give rise to cultural conflicts. Globalisation deeply affects traditions, social relations and networks, and a growing number of people are unhappy with that. Therefore, social innovation is needed to foster new identities and traditions that respect the past and face the future. Urban policy makers are only just beginning to realise this.

Global cities and national capitals are the main beneficiaries of globalisation and the transition towards a knowledge-based economy. Their key challenge is to manage growth and ensure that growth does not harm the assets behind the region's success. Core aspects of growth management are how to deal with gentrification, crowding out processes and increased pressure on the hinterland.

For industrial cities, investments in quality of life are needed for future competitiveness. Moreover, they need to combat the negative image through integrative city marketing strategies. These cities should resist the temptation to support declining industries; this may not always be easy, especially when there are powerful defensive institutions or interest groups. Softer policies based on indigenous strengths often yield much higher returns.

Smaller cities, especially those located far away from a major metropolitan area, face the threat of losing skilled people and knowledge-intensive business to larger agglomerations. They may develop a distinctive niche or cluster, preferably one in which the city has strengths in both the business sector and the university. Because of their quality of life assets, some of these cities are in a good position to develop tourism or to attract (wealthy) elderly people can be a source of growth.

National governments need to recognise the distinctive and growing role of urban areas as primary sources of national growth and competitiveness, but also as possible focal point of social problems and threats. An important challenge is to design policies and policy frameworks that fuel urban engines. One role of national governments is to fight policy fragmentation. Another instrument to empower urban regions is a decentralisation of fiscal resources. A critical success factor for effective decentralisation is the quality of urban management. One of the most important challenges is capacity building for policy actors at the local level. To safeguard the vitality of smaller cities, policies need to be formed to strengthen their specialisation. Governments could encourage smaller, non-metropolitan cities to develop specific niches and specialisations in a creative way and to engage in strategic partnerships with other cities.

Werner Heinz[1]
PhD Dipl.-Ing, Senior Researcher, German Institute of Urban
Affairs DIFU, Head of the Cologne Department of the Institute

The radical change– German cities in the wake of globalisation[1]

1. The present process of globalisation

Globalisation, it is widely agreed, is a process with a long history and different stages of development. In the 1970s, after a longer interruption caused by two world wars and their consequences, the globalisation process reached a new phase where it was again set free. The main forces driving this development were:

◆ the crises of the so-called Fordistic phase of the capitalist economy,
◆ the policies and strategies institutionalised to fight this crisis and to open new markets, regions and sources for profit: from liberalisation of the exchange of goods, services and capital as well as from deregulation of the public and private sectors and the privatisation of public services,
◆ the simultaneous gain in importance of the ideology of neo-liberalism, which provided the theoretical basis for these strategies,
◆ far-reaching technological innovations, by which new strategies and changes were rendered possible and accelerated, as well as
◆ several geopolitical changes, which began in the late 1980s and which considerably increased the spatial scope of the influence of the globalisation process: the collapse of the Soviet Union and its partner states, the opening of the People's Republic of China to world markets and the successive transformation of the planned economy of India.

The main consequences of these developments and strategies were and are increasing global interdependencies, a growing global division of labour, an intensifying competition including more and more regions and spheres,

---

[1]This paper is based on a broader study by the author (Werner Heinz, "Der große Umbruch – Deutsche Städte und Globalisierung", Berlin 2008).

far-reaching changes in the economy and its businesses, as well as a general acceleration of working methods, production processes, the transport of goods, finances and information.

The characteristic and promising development trends in the present process of globalisation are predominantly concentrated in a limited part of the globe: this is the so called triad made up of the European Union, the North American Free Trade Area (NAFTA) and the southeast Asian and Pacific region. The states within the Triad not only cover three quarters of world trade, but, at the same time, they are also locations for world financial markets and the biggest multinational corporations.

These states are home to centres of global maritime and air traffic, global centres of high-tech and the media, the strongest agglomerations of the world in economic terms and, with the so-called "global cities", management and control centres of the world economy.

2. Structural change of German cities

As for German cities and their structures, the present process and driving forces of globalisation, as well as the politics of the European Union and Federal Government – which may play a mediating as well as an accelerating role – have given rise to far-reaching changes. This is true as regards the economy and labour markets, demographic, social and spatial structures and, last but not least, the political and administrative organisation of local authorities.

All cities and towns are affected by these changes in positive and negative ways, directly and indirectly and, because of the specific conditions of individual cities, differently with regard to intensity, degree and time.

Transformation of the economy and its business

The central characteristics of the radical transformation of the German economy and its business – starting in the 1970s – were and are:
◆ sectoral changes such as the downsizing and reorganisation of the secondary (industrial) sector with a simultaneous upsizing of the tertiary (service) sector,
◆ changing and transnationally organised structures of production,
◆ a change of business structures, characterised by large-scale mergers and outsourcing at the same time as
◆ adjusting business goals to the profit expectations of the financial markets.

Far-reaching changes of the labour market

Changes in business and production structures in tandem with growing internationalisation and continuous strategies for cost-reduction have resulted in a far-reaching transformation of the labour market, too. This entails:
- a significant increase in unemployment (together with a rather stable number of people employed),
- an erosion of secure full-time employment,
- an increase in new, often only temporary jobs; these are part-time, subcontracted or "mini jobs" as well as
- a distinct income polarisation linked to growing income poverty. At present 22% of the overall workforce (6.5 million German employees) are working in low paid jobs (< €7.5 per hour).

Demographic change

Globalisation and geopolitical changes have direct and indirect impacts on demographic development, too. This is true for the quantitative dimension, as well as for the population composition as regards age and ethnic background. Falling birth rates are less the result of hedonism and a striving for professional careers than an expression of growing uncertainty as to employment and economic transformation. There is an obvious relationship, too, between high numbers of singles and changing job conditions, in conjunction with a transition to flexible working hours and increasing job mobility.

Population decreases – in connection with changing age structures towards a higher percentage of older people – appear differently depending on the specific economic and labour market structures of German regions. The so-called south-north incline of the 1980s has been superposed by a west-east incline, starting in the 1990s.

In many states of South and East Germany, geopolitical changes and far-reaching social transformation processes have resulted in significantly growing numbers of migrants and Aussiedler (returnees) from Eastern Europe – especially in the 1990s. Here too, there are considerable differences as regards spatial distribution. In cities like Frankfurt, Stuttgart or Munich, around a third of the population has a migrant background, whereas in East German cities like Dresden or Leipzig, the figure is less than 5%.

Increase in poverty and social polarisation

High unemployment rates and changing economic structures have led to increased social inequality and poverty in Germany, too. According to the First Government's report on poverty and wealth, the number of property million-

aires was already approaching 1.5 million in 2001. At the same time, 13.6% of the population (almost 11 million persons) were considered to be poor.

The large-scale and small-scale spatial distribution of poverty is quite different in Germany. On the one hand, there are clear differences in poverty rates in the old and new German Länder (states). On the other hand, there is a significant concentration of poverty and social inequality in the three city states, as well as in larger cities and city regions.

Unlike earlier years, poverty and unemployment are increasingly accompanied by a risk of social isolation and exclusion. The social stratification of "top" and "bottom" has been superposed by a new separation between "in" and "out".

Growing spatial disparities

Also spatial development is marked by increasing segregation into winners and losers. This is true at all spatial levels. On a large scale, there is a division into regions with distinct signs of de-economisation and decline, which are mostly located in Eastern Germany, and into regions with relatively stable structures and clear growth rates, which are predominantly situated in the so-called old Länder.

Large scale disparities at the regional level compare on a smaller scale with a growing heterogeneity at an urban level – especially in the bigger cities. Economic and social segregation of the urban population is increasingly related to spatial effects.

Erosion of local self-government

Globalisation and its driving forces do not just affect the framework and structures of urban development. Since the early 1990s, also local self-government, its structure and competences are exposed to increasing pressures from different sides:

◆ European Union policies oriented towards liberalisation and competition,
◆ increasing problems of local budgets because of growing disparities between income and expenditure as well as
◆ the increased importance of New Public Management, which started at an international level already in the late 1980s, and which aims at the introduction of private sector management principles into the public sector.

3. Local strategies and activities

Cities and towns are responding to current challenges and changes with a variety of activities. Which of these activities are realised depends on the structures, scopes of actions and constellations of the actors in individual cities.

There is no panacea for the direct and indirect consequences of the present process of globalisation. Nevertheless, despite all local differences, a number of common strategic focuses and priorities have evolved which clearly differ from earlier days. These orientations and activities range from a progressive internationalisation of local relations and changed priorities as regards economic structures to a broad spectrum of policies geared towards offers and demands, as well as increasing relevance of the private sector and its actors.

International orientation

Examples of the growing international orientation of cities are:
◆ an increase in the number of urban networks – especially at a European level,
◆ growing numbers of partnerships with cities of the new members of the world market: China and India, as well as with local authorities in the so-called transformation states,
◆ the installation of representative offices in foreign cities as well as increasing numbers of trips abroad by city mayors and
◆ a significant gain in importance of international conferences and fairs for the local level and its actors.

Changing priorities with regard to economic structures

In response to economic crises, starting already in the 1960s in a few industrial branches and then spreading to increasing segments in the industrial sector, nearly all cities tried to set out new economic priorities and to expand the tertiary sector. These endeavours resulted in a growing diversification of local economic structures.

However, in recent years, growing exports of industrial products have given rise to a significant increase in the importance of the secondary sector in many cities with references to existing potential.

Stronger emphasis on endogenous potential is also given to the development of branches connected with high expectations in the context of the present globalisation process. These branches especially include:
◆ the broad area of high technology, linked in many ways to the main German export industries,

◆ logistics, which in recent years has grown in importance on the back of increasing world trade, the institutionalisation of the European Union, and the central position of Germany in the European economy as well as

◆ tourism, which, as regards revenue, ranks among the leading sectors of the German economy and which has become a significant economic factor in many cities.

Broad spectrum of local policies

The broad spectrum of policies, implemented by cities and towns to meet the challenges of the present process of globalisation is characterised by an increasing dualism between location policies referring to outside competition on the one hand, and domestic policies concentrating on the urban population on the other.

Competition-driven location policies

Although the strategies of the first group of policies evolve quite differently because of the structural and financial conditions and opportunities of individual cities, they all share a common goal: an improvement in local attractiveness and competitiveness as regards external actors such as investors, enterprises with high potential for future development, highly-skilled workers, as well as tourists.

These strategies and activities cover a broad spectrum and especially include:

◆ new transport infrastructure facilities to improve (inter-) national accessibility, ranging from major urban projects such as new railway stations and airports to the extension and conversion of river and sea harbours,

◆ the establishment of technology and science parks for future-driven enterprises,

◆ a catalogue of measures to increase the image and attractiveness of city centres and inner city areas. These activities range from a variety of "light-house" projects, especially in the cultural sector, to the reconstruction of historically significant remains often associated with high symbolic values.

Strategies geared towards increasing competitiveness include the realisation of mega-events, fairs and congresses in the context of growing business and the increasing internationalisation of trade links, as well as a variety of infrastructural and urban development activities to enhance local attractiveness to secure skilled labour and high-income residents.

Citizen-focused domestic policies

Strategies geared towards improving local image and competitiveness go hand in hand with a variety of rather less visible public policies geared towards actual needs and demands. These policies – as well as competition-focused policies – cover a wide spectrum of areas: labour market and housing, education and integration as well as urban renewal. These strategies include:

◆ a variety of social policies,
◆ labour market and employment policies (which depend largely on the activities and funds from federal government),
◆ the provision of educational infrastructure,
◆ local policies for integration (from the promotion of linguistic competences to the extension of opportunities for political participation) as well as
◆ a broad number of activities in reaction to regionally different changes in the population structure.

Privatisation of local services and public utilities

Since the early 1990s, the external pressures for a change in local political-administrative structures, mentioned before, were met by a number of substantial reforms, which opened up these structures to private market forces and their principles. These reforms range from modernising local administration along the lines of business management to the opening up of local facilities and services to the private sector. The latter includes the partial or total transfer of competences and services to actors in the private sector on the one hand and the partial or total privatisation of local enterprises, mostly public utilities.

4. Results and concluding demands

The results of the broad spectrum of activities realised by German cities and towns in order to meet the challenges and demands of the present process of globalisation are ambivalent.

◆ On one side – and this is on the success side – we can find attractive locations for a broad field of future technologies, a variety of housing, educational, cultural and leisure time facilities, especially for highly-qualified, well-paid employees , and we can also find spectacular projects that have contributed to improving local image and attractiveness, as well as revitalised or reconstructed city centres, forming the background for increasing numbers of events and functioning as magnets for growing tourism.

◆ At the same time – and this is the other side of the ambivalence – social and economic problems and disadvantages have hardly been improved. The percentage of insecure and often poorly-paid jobs has increased – together with declining unemployment rates. The poverty rate has continued to grow and, despite the increased importance of local child-orientation, children are among those hardest hit by poverty. According to the Children's Report of the Children's Relief Organization, one in six children aged under 7 is dependant on social welfare. Child poverty is highest among ethnic minority households. These show strong and increasing deficits, too, with regard to education and qualification. Spatial disparities have quite often been strengthened, too: with areas separated from each other not only in ethnic terms, but also with regard to income and the social situation of their residents.

These ambivalent findings highlight a significant gap between local strategies and activities on the one hand, and the problems and challenges facing cities on the other. It seems this gap cannot be closed merely by correcting the symptoms or modifying the programmes.

Strengthening the local level and turning away from the present erosion of local self-government is certainly a matter of necessity. And there is also a necessity to change paradigms from the predominant orientation towards competition and outside attractiveness to stronger emphasis on the actual needs and specific interests of all local residents. This change of paradigms should not apply only to the local level, but also to all actors within the complex multi-level political system into which cities are nowadays integrated.

These concluding demands do not advocate a rejection of globalisation and a turning back of history, they just aim at a new focus in the present process of globalisation – in the words of American Nobel Prize winner Joseph Stiglitz – towards "globalisation with a human face".

Peter Ache
Professor, Helsinki University of Technology

The ambivalent role of the metropolis

Introduction

In the third millennium, a strong urbanisation process is under way in Finland after the first wave of strong urbanisation in the 1960s. Whereas elsewhere in West European countries, the percentage of people living in an urban environment already varies between 80 and 90 per cent, the present figure in Finland is 66 per cent (European Environment Agency 2006).

But, both the United Nations [speaking about an 'urban millennium'] and Statistics Finland predict that the urban population in general, and in Finland in particular, will increase considerably by 2030. Thus, a rapid and extensive urbanisation process is still expected to continue in Finland especially in the metropolitan region around Helsinki. Small wonder to hear that the Greater Helsinki Region, comprising fourteen municipalities, invited entries for an idea competition, the Greater Helsinki Vision 2050, which, among many other things, included the dwellings needed to be developed for an additional 700,000 inhabitants within 2050/1/ . But also beyond this singular competition event, the Helsinki metropolis is subject to regular attention, its form as an individual object, its part in the national urban system, its function as a policy and strategy object and many times as the object of desires, to be competitive with other parts of the world are being debated.

The dynamics of this process are discussed as largely driven by 'globalisation' and the 'informationalisation' of our economy and society (Castells 2002; Buck et al. 2005). In times of globalisation, the larger agglomerations especially and the metropolitan regions in particular gain importance as strategic objects (Jonas and Ward 2007). They are concentrations of political and economic control functions, of specialised services and advanced infrastructure systems of an internationally important order. They are also the nodal points in national and international communication systems

distributing people, goods, capital and, in particular, new ideas (Taylor 2004).

Being at the top of the national hierarchy of settlement structures, metropolitan regions, or more precisely actors and decision makers therein, have also to face the harsh wind of competition first. At the end of the day, highly-skilled labour and innovative industries are ultimately a scarce resource for which fierce competition between locations exists, ultimately on a global scale (Veltz 2004)/2/. To have the right mix of soft and hard location factors is indispensable in this context, as is the right 'territorial response capacity' (Ache 2006) or 'organising capacity' (van den Berg, Braun, and van der Meer 1997). In other words, the promotion of appropriate governance structures is vitally important for the dynamics of urban growth (Ache 2006), to provide for the well-being of citizens.

Ambivalent role of the metropolis

With this rapid urbanisation process and the dynamics behind it, several aspects have to be reflected, highlighting in part the ambivalent roles played by the metropolis.

In a recent publication, the OECD (2006) comments on the ambivalent role of metropolitan regions outlining a set of dilemmas which public and private actors, developers and city users have to face, now and in the future. These can be grouped into three dimensions, first the question of economic perspective, second the governance dimension, and lastly the interaction between the private and public sector. A set of questions highlight these ambivalences, also to signal the possibility of time and place contingent answers:

Are metropolitan regions causes or consequences of economic growth? In other words what precise economic role do Helsinki, the Greater Helsinki Region and the national urban system play and how can this be reinforced, promoted and optimised? Is the sole aim economic dynamism or is the aim still a liveable city, i.e. how can a balance between competitiveness and cohesion be found for Helsinki?

The metropolitan region needs appropriate governance structures and processes. In other words, how can we strike a balance between new scales and proximity to citizens in Helsinki? How can we mediate between government-driven metropolitan policies and regional and local policies/3/? In budgetary and fiscal terms, how can we uphold standards of infrastructures and service provision by sharing burdens and undistorting subsidies between advantaged and disadvantaged locations/4/?

More private sector activities are clearly needed in times of public scarcity. In other words, how much private sector actors can public governance

bear? Which functions have public strategic visions in market contexts, i.e. how can an appropriate and comprehensive vision be formulated capable of steering voluntary agreements and commitment? How do planning and the planning profession change in the course of this?

In summary, these questions open a range of perspectives on the metropolis and strategy formation on such a level, for which the already mentioned time and space specific answers need to be found.

Helsinki metropolis?

Finland, despite its belated urban dynamics, also witnesses an increased interest in the object of the metropolis. Since 2006, in an almost concentrated effort, many actors started working on the metropolis, no matter on which spatial scale we look. Helsinki, the core city, drafted several strategic plans, including international visions which position Helsinki as a metropolis of the Gulf of Finland or as the northern hub of a 'north-south interface', a European development corridor via Vilnius, Warsaw, Bucharest, Sofia, Thessaloniki, down to Athens (Gordon 2007a, 2007b). At the level of the region, we saw the Greater Helsinki Vision competition, which was already introduced in 2007 and is a coordinated effort by the fourteen municipalities that constitute the Greater Helsinki Region.

This international competition had about one hundred entries, nine of which were awarded prizes or purchases. In a continuing effort, actors from municipalities use a moderated process (for which amongst others YTK is responsible) for working out a vision and elaborating on particular elements of this – including aspects of a specific 'Finnishness'. At the government level, since 2006, a concentrated effort can also be seen in favour of 'metropolitan policies'. The Vanhanen government follows an agenda to formulate a 'metropolitan policy' for which a coordination unit, a secretariat and expert rounds were established. The issue at hand is to try and identify policy elements or establish institutions and procedures to foster the metropolitan region on a global scale.

The impulses for the latter can be seen in several previous efforts such as a study by the OECD on Helsinki (2003), which called for an integrated approach towards the metropolis, or also in comments made during the pre-election period of 2006, outlining the importance of the metropolis in all policy dimensions/5/.

However, at a meta-level, a question of interest here is how prepared Finnish society is to accept this development towards a 'metropolis', something so detrimentally different from a nice, cosy life style? Something often portrayed as a unit of 'concrete', density, encounter with the 'alien' other, noise,

pollution and challenging if not 'antisocial' behaviour – what some people would consider to be a HelsinkiBabylon/6/?

As expressed elsewhere, the government of Finland runs ambitious development projects such as the realisation of the 'information and communication society', which are accepted on a societal basis. This already deeply changes Finnish society. A metropolitan policy will have to reflect issues regarding the information and communication society/7/ and will have to actively contribute towards this change – and is certainly a serious, far-reaching challenge to inherited mindsets. In other words, can Finland afford not to be metropolitan, not having the buzz and creativity and conflict, a large concentration of diverse lifestyles and 'cosmopolitans' in stock?

Reconciling competition and cohesion

At the moment, we are clearly in a period in which the metropolitan region is one-dimensionally defined as a 'competition engine'. The current actors are expert groups from various policy areas, driven by political requirements and decisions often formulated using very abstract notions, in particular 'global competition' (Ache et al. 2008). The 'metropolis' in this context provides a rather 'fuzzy concept' (de Roo and Porter 2007) with enough leeway for agreement and concerted action.

In the actual policy setting, the strengthening of the large motoric units is seen as the Kingsway towards economic, social, and not least, territorial cohesion. But we are clearly entering an experimental phase with this new /8/ policy approach. However, in particular the effects of the spread depend on operational institutional structures and procedures – otherwise the winner will take it all.

Those effects have been seen in Finland, too. Some relationships between municipalities within the metropolitan region are clearly competitive and not interested in sharing. However, the further functional dependency grows and the higher the external pressure for Finland at the periphery of main European or global economic centres, the less beneficial is an 'internal' competition scenario.

A couple of propositions to conclude at this point:

The potential for a multiplication of possibilities and options is given in the current setting – including possibly a reconciliation of the 'metropolis' through inclusive processes.

The potential for reconciliation between competition and social cohesion is also given – Finland's asset is 'human capital' and it therefore needs to be interested in social aspects such as broad and good qualification and inclusive societies.

If 'we'/9/ can manage to create the open arenas (Healey 2002), the response capacities, a widely shared vision for the metropolitan region, we can 'make this place the best place to live' – on a cosmopolitan scale.

/1/ See http://www.greaterhelsinkivision.fi/.
/2/ Despite the critical discussion about the actual characteristics of the competition, cf. Krugman (1994).
/3/ The first category might be labelled 'outwards looking', addressing global competition issues, the second might be labelled 'inwards looking', being more interested in locally-defined problem dimensions – though this is not exclusively the case.
/4/ In Germany, this perspective culminates at the moment in a spatial planning debate on ‚Verantwortungsgemeinschaften', communities of shared responsibility between cores and hinterlands. (BBR 2005)
/5/ Across the political party spectrum, Helsingin Sanomat, Finland's leading daily, found a unanimous view on the importance of the Helsinki metropolitan region.
/6/ Babylon here interpreted as the overambitious metropolis building a tower reaching towards heaven.
/7/ In fact, following Castells the metropolis resembles the nodal points in spaces of flows which constitute the new geography of the information and communication society.
/8/ Which is in fact not so new and goes back to almost historic concepts of growth poles (Malecki 1991). The expectation is that all outside the growth pole will benefit from spread effects.
/9/ Now deliberately using an inclusive term to demonstrate the author's interest as an academic to take a share of the responsibility.

References

Ache, P. 2006. Creativity, Innovation and Governance in Metropolitan. Helsingin seudun suunnat (Nro 2):2630.

Ache, P, HT Andersen, T Maloutas, M Raco, and T Tasan-Kok, eds. 2008. Cities between Competitiveness and Cohesion: Discourses, Realities and Implementation, The GeoJournal Library V93. Dordrecht: Springer.

BBR. 2005. Raumordnungsbericht 2005. Bonn: BBR.

Buck, Nick, Ian Gordon, Alan Harding, Ivan Turok, and (Eds.). 2005. Changing Cities. Rethinking Urban Competitiveness, Cohesion and Governance.

Basingstoke, New York: Palgrave Macmillan.

Castells, M. 2002. Local and global: Cities in the network society. Tijdschrift Voor Economische En Sociale Geografie 93 (5):548558.

de Roo, Gert, and Geoff Porter, eds. 2007. Fuzzy planning: the role of actors in a fuzzy governance environment. Aldershot: Ashgate.

European Environment Agency. 2006. Urban Sprawl in Europe. The Ignored Challenge. In EEA Report. Copenhagen: European Environment Agency.

Gordon, Douglas (Ed.). 2007a. Gulf of Finland Spatial Vision. PolyMETREXplus RINA. Helsinki: Helsinki City Planning Department.

— — — . 2007b. NorthSouth Interface. PolyMETREXplus RINA. Helsinki: Helsinki City Planning Department.

Healey, P. 2002. On creating the 'City' as a collective resource. Urban Studies 39 (10):17771792.

Jonas, A.E.G., and K. Ward. 2007. Introduction to a debate on cityregions: new geographies of governance, democracy and social reproduction. International Journal of Urban and Regional Research 31 (1):16978.

Malecki, E J. 1991. Technology and Economic Development The dynamics of local, regional and national change. New York: Longman Scientific & Technical.

OECD. 2003. Helsinki, Finland. In OECD Territorial Reviews. Paris.

— — — . 2006. Competitive cities in the global economy horizontal synthesis report. Bilbao.

Taylor, P. 2004. World City Network. A global urban analysis. London: Routledge.

van den Berg, L, E Braun, and J van der Meer. 1997. The organising capacity of metropolitan regions. Environment and Planning C 15:253272.

Veltz, P. 2004. The rationale for a resurgence in the major cities of advanced economies. In The Resurgent City, Leverhulme International Symposium 2004. LSE.

Markus Laine
Acting Research Professor, Helsinki City Urban Facts Office

Challenge ahead: Helsinki's population turning more international

In an all-European context, Finland and its capital Helsinki appear as ethnically quite homogeneous. Similarly to other countries, though, the foreign-background population (=foreign nationals + Finnish nationals born abroad) typically accumulates in city regions. In 2007, foreign nationals accounted for slightly over 6% of the population in Helsinki, around 5% in the Helsinki Region (14 municipalities) and 2.5% in Finland as a whole. Over the last two decades, the number of foreign nationals in Helsinki has grown from 5,000 to 36,000, which is a considerably faster growth rate than elsewhere in Finland.

There have been times when Helsinki has had even higher percentages of foreign nationals. In the late 19th century, when Finland was an autonomous Grand-Duchy in the Russian Empire, and the influence of St Petersburg, the only metropolis of the Baltic Sea at the time, could be clearly felt here, those born abroad accounted for 15% of Helsinki's residents. After a long decline, the proportion of foreign nationals started to grow again in the early 1990s, when the national economy opened up and international migration picked up again in Helsinki (see Figure 2).

Population growth in the Helsinki Region depends on immigration from the rest of Finland and from abroad: since 2001, the majority of migrants to the region have had a foreign background (Figure 3).

Among foreign nationals residing in Helsinki in 2007, Russians were the largest group, followed by Estonians and, third, Somalis (Figure 4.) Of these groups, Russians are most evenly spread over the whole of Finland. Estonians and Africans are more accumulated in the capital region.

Assumedly, the greatest difficulties to adapt to the Finnish society are found among those groups coming from very different cultural milieux. Such groups include Somali, Chinese, Turkish and Iraqi immigrants.

Figure 1. Percentage of foreign citizens in Helsinki, the Helsinki Region and Finland 1990–2007
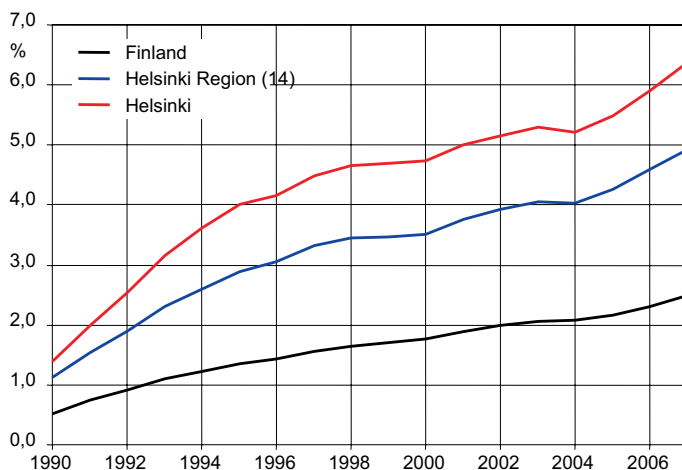
Source:Helsinki Urban Facts 2008

Figure 2. The share of population born in other countries in Helsinki other countries in Helsinki
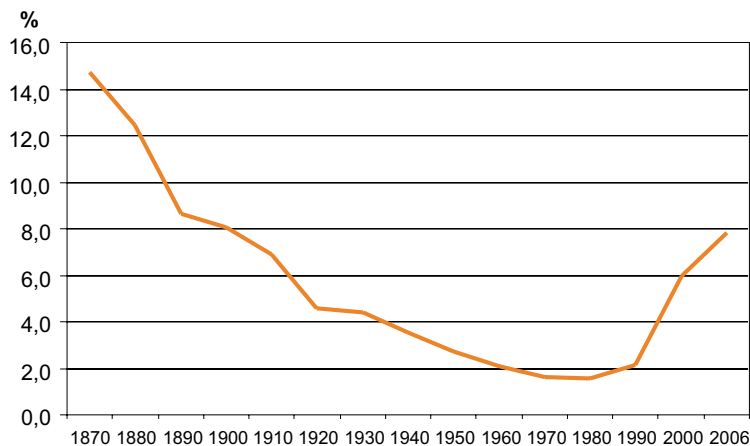
Source: Helsinki City Urban Facts 2007.

The latest increase in immigration started during the economic depression in the early 1990s. At that time, immigrants were mainly received on humanitarian ground. Only in the 2000s was a labour-oriented immigrant policy launched. And although immigrants have lower employment rates than Finns, the trend has been favourable: from 49.1% unemployed among immigrants in 1995 to 20.6% in 2006 (projected figure).

35

Figure 3. Migration by nationality and natural population change in the Helsinki Region in 2000–2007
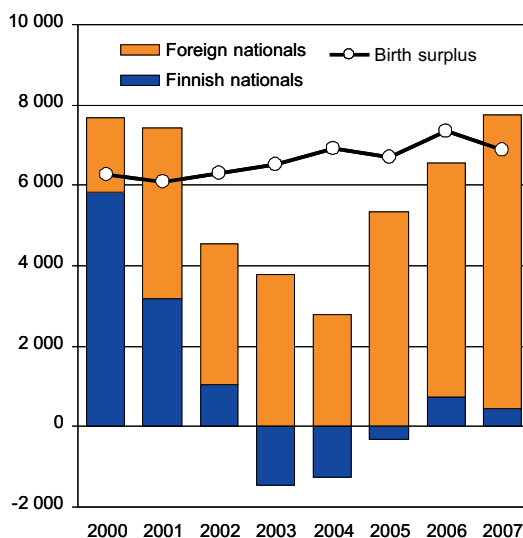
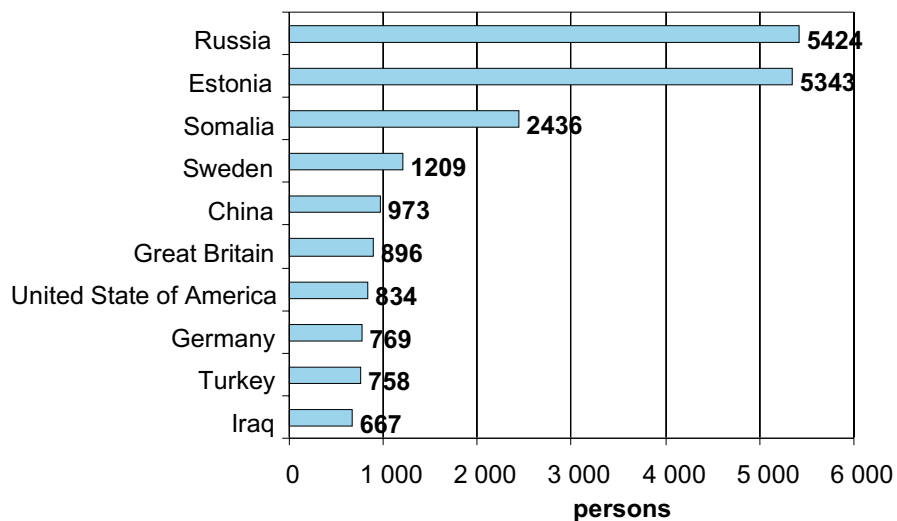According to the most recent population forecast, residents with a foreign mother tongue will have increased strongly in the Helsinki Metropolitan Area (Helsinki + 3 adjacent municipalities) by 2025. Then the same percentage of foreign nationals will be reached as in the late 19th century.

If population growth turns out as projected, Finland and the Helsinki Metropolitan Area face a serious challenge. Future will bring an ethnically more varied Helsinki and an increasingly more multi-cultural reality. The Scandinavian welfare model is in for a huge challenge: will it be able to provide equal opportunities to all, including the immigrants? Key responsibilities include basic education at schools, integration services to immigrants including, especially, language education (Finnish), and housing.

At the same time, the majority population should be capable of a continued constructive dialogue with people of a clearly different background. In this process, we could look for experiences and models from other cities – particularly in Europe – where internationalisation has come farther. At its best, such development could lead us to a pluralistic, thriving and competitive Finland with a good balance between labour demand and supply. These next few years and decades will show how well we have responded to this challenge.

Figure 4. Number of foreign citizens by nationality in Helsinki, 2007

Nationality	persons
Russia	5424
Estonia	5343
Somalia	2436
Sweden	1209
China	973
Great Britain	896
United State of America	834
Germany	769
Turkey	758
Iraq	667

Source: Helsinki City Urban Facts 2008.

Figure 5. Foreign language speakers in Helsinki Metropolitan Area 1.1.1995–2006 and projection 2007–2025

Source: Helsinki City Urban Facts 2008.

Rudolf Schäfer
Professor, Technische Universität Berlin
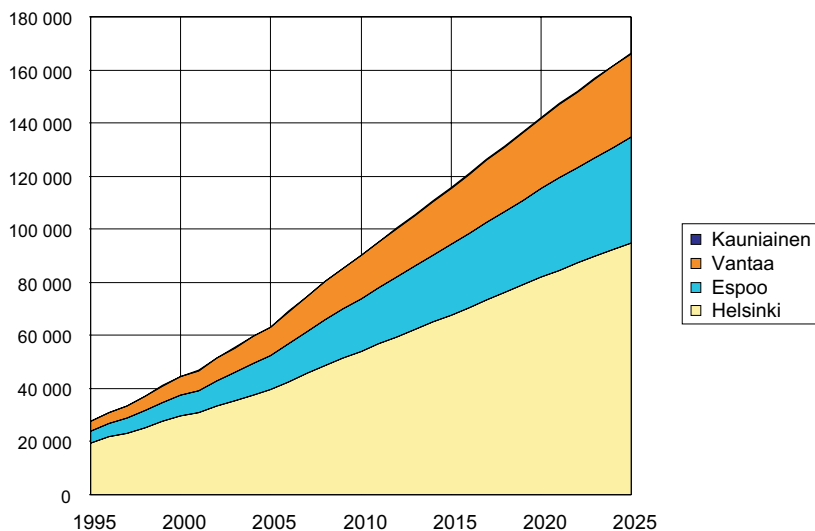
The Capital Region Berlin–Brandenburg

1. The Formation of European Metropolitan Regions in Germany

Situation at the beginning of the 1990s

◆ No formulated concept for metropolitan regions exists. Professional debate and spatial planning concepts are dominated by the categories of the Central-Place System with the category of high-level urban centres (Oberzentren) for the core cities of agglomerations.
◆ In a number of metropolitan agglomerations exist planning institutions involving the close surroundings with differing modes of institutionalisation.
◆ These planning institutions are primarily restricted to competences in regional and suburban planning. Only in exceptional cases, they are also allocated implementation competencies.

The professional debate on definition and delineation of metropolitan regions

In the professional debate (dominated by economic geography), metropolitan regions are qualified as: (I) functionally a cluster of metropolitan steering, innovation and service functions of spatial importance and hence generators of regional development, and (II) spatially consisting of one or several near-by large cities and their surroundings (Blotevogel, 2007).

A set of criteria became accepted based on three/four functions (Blotevogel):
◆ Decision, control and service function
◆ Innovation and competitive function
◆ Gateway function
◆ Symbolic function

The importance of scale as criteria is largely relativised also considering German conditions.

Tab. 1 Complementary functions among the top five of metropolitan regions in Germany
Komplementäre Funktionen unter den fünf bedeutsamsten Metropolregionen in Deutschland

	Berlin	Hamburg	Munich	Rhine-Main	Rhine-Ruhr
Decision, control and service function					
– Headquarter of 'global players'	+	++	+++	++	+++
– Financial services	+	+	++	+++	++
– Insurance	0	++	+++	+	+++
– Advanced producer services	++	++	++	++	+++
– Government, public administration	+++	0	+	+	++
– Embassies, consulates	+++	+	+	++	++
– NGOs, associations, lobby organisations	+++	+	+	+	+++
Innovation and competitive function					
– Public financed basic research	+++	+	+++	+	++
– Universities	+++	+	+++	++	+++
– Private research and development	+	+	+++	++	+++
– Knowledge-intensive services	+	+	+++	++	++
– High-tech industries	+	+	+++	+++	++
– Density of innovations/applications for patents	+	+	+++	+++	+++
Gateway function					
– Air traffic	+	+	++	+++	+
– High-speed rail traffic	++	++	++	+++	+++
– Position in the motorway network	++	++	++	+++	+++
– Cargo transport centre	+	+++	+	+++	+++
– Commercial agencies	++	++	+	+++	++
– Fairs and exhibitions	+	0	++	+++	+++
– Conferences	+++	++	+++	++	+++
Symbolic function					
– Media	+++	++	+++	++	+++
– Publishing companies	+++	++	+++	+	++
– Theatre, museums	+++	+	+++	++	++
– Architectural icons, cultural heritage	++	++	++	++	+
– Art and generation and distribution of signs, idols, fashions, interpretation offers	+++	+	+++	+	+|

Source: *Blotevogel* 2006a; modified

Initiatives and decision-making process

In 1995, the Standing Conference of State Ministers Responsible for Spatial Planning identified seven European Metropolitan Regions "as generators of societal, economic, social and cultural development they are to maintain the efficiency and the competitiveness of Germany and Europe" (MKRO 1998).

The German federal competition "Regions of the Future" (1997-2000 ff.) sets a starting point for cooperation between metropolitan areas. Following the competition in 2001, the seven European Metropolitan Regions and the City Network EXPO-Region around Hanover joined forces in systemically developed informal cooperation.

The Federal Spatial Development Report 2005 (BBR), as well as the new Federal Concepts of Spatial Development in Germany of 2006 (MKRO), explicitly support the approach of European Metropolitan Regions.

Current situation

Eleven European Metropolitan Regions displaying highly heterogeneous institutional settings.

The role of the metropolitan region in concept 1 "Growth and Innovation" of the new Federal Concepts of Spatial Development:

◆ Expanding large-scale transport infrastructure
◆ Stabilising regional forms of organisation
◆ Supporting European perspective by internationalisation
◆ Establishing spaces and networks of the knowledge society

Metropolitan Regions and the "periphery" – the concept of "Large-Scale Communities of Responsibility" (Großräumige Verantwortungsgemeinschaften) is being developed to avoid new disproportions between metropolitan areas and rural periphery.
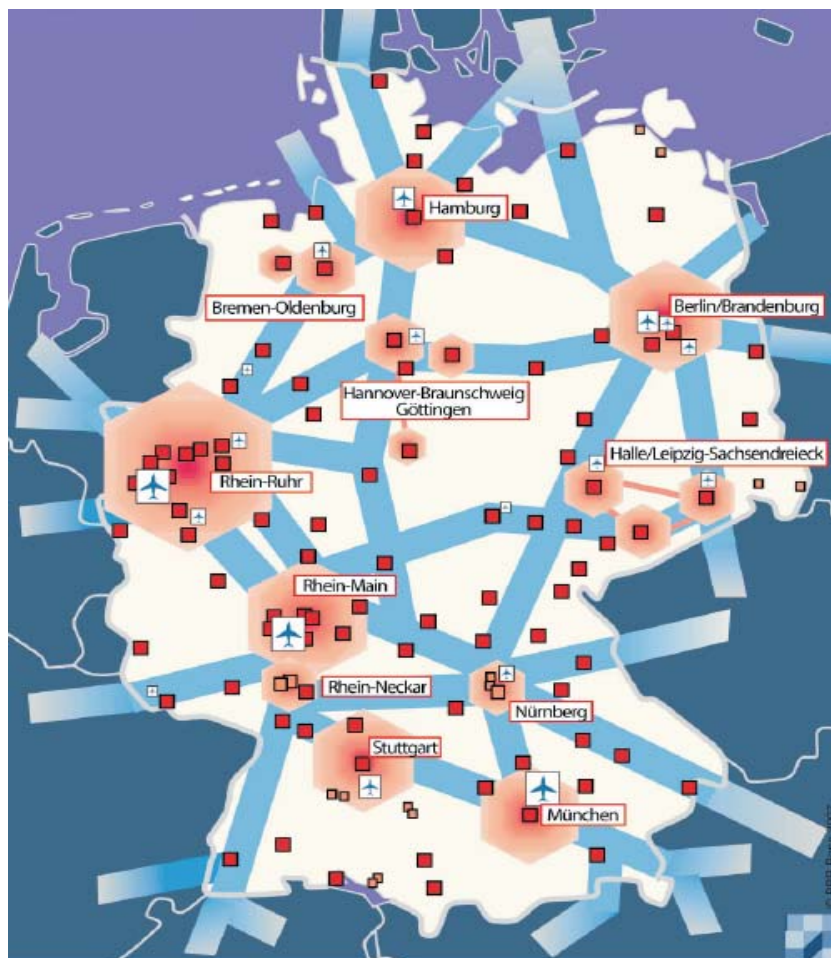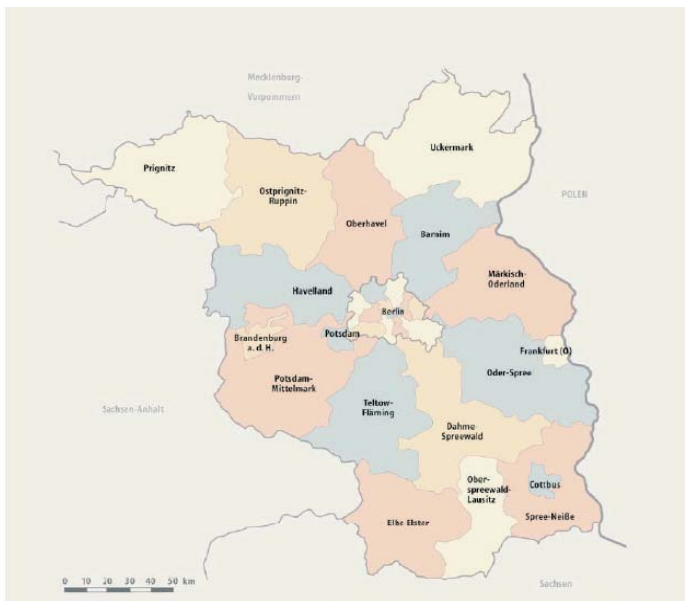
2. Capital Region Berlin-Brandenburg – Profile

Structural data

Einwohner 2004 in Mio.	6,0
Bevölkerungsdichte 2004 in EW/km²	196
Fläche 2004 in km²	30.300
BWS 2003 in Mrd. EUR	113
BWS je Erwerbstätigen 2003 in EUR	44.500
Arbeitslosenquote 2005 in %	20,8
Hochschulen WS 2003/2004	28
Studierende WS 2003/2004	179.300
Fluggäste an int. Flughäfen 2004 in Mio.	14,9

Features of the metropolitan governance structure

◆ Federative structure
◆ Dominated by the governmental level of the two federal states of Berlin and Brandenburg
◆ Institutionalized only for the Joint Berlin-Brandenburg Planning Department (since 1996)
◆ No systematic involvement of local/communal level
◆ No systematic involvement of civil society actors (economy, science, culture, etc.)
◆ Project oriented

3. Capital Region Berlin-Brandenburg – Fields of Activities

◆ The "Development Model" (Leitbild) discussion process for the Capital Region, including regional dialogues 2006/07, has been conducted
◆ Marketing structures have been developed
◆ The single airport Berlin-Brandenburg International is the most important project in and for the region
◆ Restructuring of regional planning (central-place system, State Development Programme and State Development Plan) has taken place
◆ Regional parks are under development
◆ Administrative cooperation is under way in different sectors
◆ Collaboration in the "Network of European Metropolitan Regions in Germany" (IKM)

4. Perspectives

The development of a functioning Capital Region can only be understood as a long-term project.

The first steps with the "Leitbild" process in 2006/7 were promising but not sustainably organised.

The framing conditions as described above seem to have restrictive effects.

Deficits and desiderata can mainly be found in the fields of intra-regional marketing and awareness-raising.

The institutional framework is comparatively poor. There is no remarkable effort to integrate the potential of civil society according to modern governance structures.

Laura Kolbe
Professor, University of Helsinki's Department of History

The Future Will Be Urban? Historical Developments of European Creative Milieus. Case Berlin – Helsinki

How is creativity measured? In 2008, we know that there are more telephones in Manhattan than in the southern parts of Sahara in Africa. Or the majority of world's population has not yet learned how to use a conventional telephone. Aspects like this are often repeated in western debate about the technology gap between "developed" and "undeveloped" countries. The urban aspect is always present when discussing, for example, telecommunication: the centres of technically advanced systems are most often to be found in great cities, metropolises, often capital city regions.

Today, the concepts of creativity, tolerance, technology, urban development and economic success are inextricably interwoven. "Success" is formed around creative milieux, which are usually metropolises or capital cities with global connections and a strong, historical past and successful present vision for the future. However, history helps us to understand the pattern of a "creative region" – it is closely linked to urban development. Already in the Middle Ages, the phrase "The air is freer in the towns" was well known in Europe. It was evident already then that cities were venues of hope and creativity. They were places with specialised differentiation of work and social resources – and could create wealth, mobility, civilisation and cultural innovativeness.

Creative city and a creative class

We also learn from world history that every national and European Golden Age we know is an urban age. Modern western historiography is told in chronological order so that great cities and certain innovative periods illuminate

the whole of world history. These creative regions and their histories are deeply rooted in our collective memory, with Rome, Paris, Amsterdam and London still topping the lists. The following chronological order is normally used when defining the common concept of an artistic milieu:

◆ Athens 500 – 400 BC: philosophy & democracy
◆ Rome 50 BC – AD 100 : imperial order & the first giant city in world history
◆ Gent, Bruges, Antwerp 13th century: industrial production & wool trade
◆ Florence, Milan, Genoa 15th and 16th century: Renaissance
◆ Amsterdam 17th century: global trade & bourgeois culture
◆ London 18th century: economic revolution & merchants and craftsmen
◆ Manchester 1760-1830: the first industrial city
◆ St Petersburg, Vienna 18th and 19th century: centres of military power & imperial policies
◆ Paris before 1914: centre of world culture & urban public works & fashion & all aesthetic fields
◆ New York 1880–1940: modernism & modern art
◆ Los Angeles 19th century: dream factory
◆ Stockholm 1945–1980: the Social Democratic Utopia
◆ Singapore, Hong Kong 1945–2000: a bridge between east and west
◆ Moscow, Berlin, Warsaw, Budapest in the 21st century: the capital cities of new liberal era

Cities like Athens, Rome, Florence, Antwerp, Venice, Amsterdam, London, Vienna, Paris, Berlin and Moscow, etc. symbolise whole belles époques within European history. These golden ages combine successful elements of economic, social, political, cultural and artistic developments, typically a unique combination of different elements. Great cities, world cities and innovative cities often spawn creative regions. According to many scholars within urban sciences, these regions usually have four or five key elements. They are centres of information and knowledge, both being transmitted among people. These regions have great competence in certain relevant activities, and finally, when these elements are combined, comes urban creativity.

Political dominion, economic expansion and cultural elitism grew in parallel in cities like Lisbon, Madrid, Amsterdam, London, Paris, St Petersburg and Berlin. Central power and trading demanded legal codification and enforcement, engendering a set of specialised functions – universities, courts, trading houses, offices, etc. Furthermore, because these cities were centres of culture and consumption, local demand gave rise to activities like schools, theatres, guild and club houses, art and architecture, music halls, museums, newspaper and book publishing. These functions tended to assist each other.

With the progressive growth of the service economy, most of these functions have expanded in scale and importance.

A basic feature of a creative city is communication between individuals from different areas and social backgrounds. That is what great cities can offer: a certain density of communication. A process of dynamic synergy is developed. The driving force is often technology, supported by a sound financial basis and by a certain uncertainty about the future. Most of the creativity has consisted of finding solutions to a city's own problems of order and organisation. As cities grow in size and complexity, as their citizens define the good life in material terms, as they acquire the political power to insist on their right to that good life, the maintenance of urban order or in modern terms, city planning, requires a steadily greater sphere of collective and creative action. Not necessarily public action, but it can consist of national, local powers or private agents. And as we have seen, during the 20th century our creative cities seem to have come a full circle from private to public and back to private agencies again.

During the political debate in the 20th century, many wished and hoped for the death of the Megalopolis, the giant multi-million city, to the Necropolis, as was the vision of Lewis Mumford, or as illustrated in Fritz Lang's magnificent film Metropolis. This has not happened. On the contrary, we can see this Mumfordian Megalopolis renamed today as the Global City. It commands and controls the new global economy. This fascination is based on the fact, that no one kind of city, nor any one size of city, has a monopoly on creativity or the good life. Also history shows that the biggest and most cosmopolitan cities, with all their problems and disadvantages, have throughout history been places where the creativity flourishes.

Many theories of urbanism (David Harvey, Manuel Castells) argue that the form and function of a city are an expression of its social circumstances as defined within the concepts of historical materialism. Class, capital and power shape a city and use it to perpetuate themselves. Urban planning and architecture always express order and ideology, power, conflict and contradictions. All these elements promote social change. Substantial private interests are present in a creative city (sometimes separate, like the City of London). This makes it very difficult to distinguish national forces from local and urban forms. There is no rule that a strong national and political city automatically attracts economic functions. But if that is the case, if the two forces assist each other, the result can be a global creative city.

There are five crucial conditions for the development of a creative milieu. First, there has to be a sound financial basis, but without tight regulation. Second, a creative milieu is born if there is enough basic local knowledge and competence, but an imbalance between experienced need and actual opportu-

nities. Third, a diversified milieu creates positive tension and dynamism. Fourth, structural instability can be a positive element. A genuine uncertainty about the future is seen as a challenge for general scientific and environmental development. Fifth, a creative milieu has good internal and external possibilities for personal transport and communication

Every innovative, intellectual or artistic milieu, as above described, creates a personality of its own, a personified role model of human behaviour, suited to be elites in the creative regions. These leading personalities produce also tastes and styles and easily become a role model of the time. The dense influence of every new group of creative personalities can accumulate to dynamism, paradigm shift and even to revolution. Decisive breaks can be marked by clashes between generations.

Berlin and Helsinki

Are Berlin and Helsinki creative milieux? Are they comparable cities? In a European context, both cities belong to the world of Central or Northern Europe. Both cities are a kind of "artificial creation", they started life as tiny villages on a waterway (Spree, Gulf of Finland). Both have grown to their present position from imperial tradition, but have managed to combine other, mainly bourgeois and intellectual elements in their development. Imperial tradition means state representation in 18th and 19th century urban planning and design. In Berlin, this can be seen in the Hohenzollern tradition in Brandenburg and Prussia and in Helsinki in the Romanov modernism and Russian influence. Monumental state planning and representative architecture defined the urban structure and architecture even later, in the 20th and 21st century.

When it comes to the notion of creativity in both cities, political development played a great role. The basic tension was created during the 19th century, when the needs of the dynastic legitimacy of the imperial house and the democratic foundations of society were confronted. The role of civic society grew as parliament, political parties, civic society and municipality gained more political power. Both capital cities developed differently from the state level; after 1918 in Berlin and Helsinki social democrats were strong.

Berlin, of course, has experienced huge political changes during the last 100 years; from the German Empire to the Weimar Republic and National Socialist dictatorship, followed by democracy in the West and socialism in the East, before finally sailing into the harbour of democratic Europe as the reunified Federal Republic. Thus the principal political turning points (1918, 1833, 1945–49, 1989) are the key markers of Berlin's history. So is also the case in Helsinki. The 1917–18 Russian revolution in resulted in independence and civil war; the German contribution was essential in liberating Fin-

land and Helsinki from red revolutionary groups. Later, Finland and Helsinki survived the Soviet Union military attack during 1939, 1942–44, and retained their independence. In the case of Helsinki, this opened up metropolis development. The end of the Cold War opened new possibilities for urban development, Helsinki being one of the core cities on the Baltic Sea.

Despite these political ruptures, Berlin and Helsinki display a remarkable urban continuity. To begin with Berlin, there are constant population figures: the estimated 4 million, which formed the basis for the Holbrecht city plan in 1862, proved realistic for the entire century to come. Also, the continuity in the fundamental image of the city is equally remarkable. Berlin has maintained its principal characteristics in urban plan and urbanity. During 1870–1914, a new united Germany arose to compete with the United States. Among great cities, New York, Chicago and Berlin emerged as innovative mainsprings. Berlin could claim to be the high-tech industrial centre of the world: the Silicon Valley of its time, as professor in urban history, Peter Hall, points out.

For Berlin, this was important for many reasons. The period was a vital turning-point in the history of urban innovation. For the first time in European history, innovations became dependent on systematic research, organised in laboratories of high-tech companies, whose very business was to innovate. Also, for the first time, companies became dependent on contracts with governmental and public agencies, especially those of a military basis. Berlin became a model for a new kind of industrial city. Its main areas of industrial activities were automobiles, chemicals and electrical goods. The story of industrial Berlin is very largely a story of innovation in electrical engineering. Berlin became the electrical capital of the world, a real Elektropolis, according to Peter Hall.

In Helsinki, industrial development was neither as rapid nor as massive. The city could befit from its provincial position as a capital city of the Grand Duchy of Finland, one of many Russian political entities. Helsinki's advantage has been modernism; it is a city with a willingness to create new and modern space and politics. Helsinki's development before 1914 was similar to that of many other medium-sized capitals in Europe. An administrative tradition of civil servant rule, an industrial structure still geared towards agriculture, a lack of capital and a slow industrial and logistic take-off caused the urbanisation process to begin late. The driving force of modernisation consisted of cadres and civil servants who had received a 19th-century education. The ambitious investments of the central power have greatly labelled the development of the capital Helsinki. Helsinki is not an old bourgeois trade town, but came about as the result of political projects.

An important modernist and democratic phase was seen between 1860 and 1914. Helsinki had become the cultural and political centre of the coun-

try, a real capital. The introduction of national institutions and the unicameral parliament in 1906 coincided with the birth of working-class and bourgeois values, and with the national awakening. This created the golden era of arts and culture and urban planning. The ideals of the bourgeoisie and the new middle class expressed themselves in the modernist and urban goals of the city's development. Helsinki followed the international debate on the consequences of becoming a metropolis and used local policies to do this development. Thus in Helsinki developed its long duré structures: local infrastructure is planned by the municipality. It is an infrastructure which provides the safe physical continuity of the environment and allows space for the development of innovations. Soft infrastructure has managed to support it. Social, intellectual and artistic networks and informal groups mix public and private interests. Consensus in common interests has provided a forum for creative ideas and local social capital. Seen in terms of cultural and political geography, Helsinki's location on the Baltic Sea, between East and West, has been an advantage for the city.

The role of universities as creators of elite groups must be underlined in both cities. Humboldt University became a leading intellectual centre for the education of the whole of Europe, even in Finland, during the 19th century. Professors Wilhelm and Alexander Humboldt are still considered to be the most outstanding citizens of Berlin. Their influential speaker in Helsinki was Professor J.V. Snellman, later known as the creator of national philosophy and politics in Finland. Following Snellman's ideas, Finland placed strong emphasis on education, especially on secondary schools and universities. Since the 19th century, education has been a typical value for Finns at all levels of society.

Forces for change in the future

What will be the forces for creative change during the 21st century? New systems of high-speed ground transportation will open up new possibilities for mobility. Within some years, Europe will have a network linking the capitals, creative regions and leading provincial cities. A crucial role will be played by a relatively few interconnection points by rail, linking London to Paris and Frankfurt, Malmö to Copenhagen and St Petersburg to Warsaw and Berlin. Technological change is likely to strengthen the role of the major cities. The largest cities tend to have the richest information technology networks as well as the richest facilities for personal mobility. These advantages seem to be cumulative, supporting each other.

Without a doubt, the future will be urban and the modern forms of urbanity will stay. In this process metropolitan clusters will continue to grow and expand. Politically, this can mean that creative cities – with their regions and

powerful elites – increase their demands on autonomy and self-determination vis-à-vis centralised, national state and municipal decision-making. Urban elites ask for more space, independence and mobility. They can become even more powerful actors on the international scene. But one global, racial, religious or ethnical crisis and we can see a total change of attitudes. This is something we can learn from history!

Bruno Broich
PhD, CEO, TSB Technology Foundation Berlin

Berlin Innovation Strategy

Historic and economic starting point

After the fall of the wall and German reunification in 1990, industry had totally collapsed in East Berlin and shrunk in West Berlin, since subsidies from West Germany's federal government were no longer granted as before. About 270,000 jobs were lost in industry and the result was a high unemployment rate of up to 20 per cent. On the other hand, federal and regional governments invested heavily in science and research and associated institutions. Consequently, the German Capital Region, Berlin – Brandenburg, is today one of Germany's major science and research centres comprising no less than 7 universities, 21 universities of applied sciences, 180,000 students, over a hundred acclaimed non-university research institutions and 40 technology parks, including Berlin-Adlershof, the second biggest technology park in Europe, and, last but not least, Charité, one of oldest hospital clinics in Germany and one the largest university clinics in Europe today. During the last two decades, the economic challenge or question has been by what means or strategy the region can capitalise on its science and research investments, drawing on the great industrial tradition that Berlin had in the first decades of the last century.

Strategic role of TSB

TSB Technology Foundation Berlin was founded in 1993 as a public-private foundation acting at the interface of science, the economy and policy in Berlin. Its remit includes conducting the strategic dialogue between these three sectors of the triple helix, supporting science, networks and projects, and developing Berlin's innovation strategy and centres of excellence on behalf of the Senate of Berlin, especially the Senator of Economics, Technology and Women's Issues.

Developing centres of excellence and clusters

From the beginning, Berlin's innovation strategy has focused on the strengths and resources in those areas of science and the economy that could be developed into centres of excellence and clusters, with growth potential through interaction and innovation. The development of these centres is a process started and driven by TSB initiatives for more than ten years and which is not yet complete. Figure 1 shows four major steps of process development.

In step 1, the process usually starts by evaluating the strengths of regional science and research areas and identifying those potential partners and companies from the regional economy and industry that might be interested in or benefit from potential knowledge and technology transfer. In those areas of technology in which common interests of scientific and economic partners and innovation potentials are identified, step 2 begins by building networks of scientists and entrepreneurs for knowledge exchange with the objective of creating innovations through either bilateral or multilateral cooperative projects.

In step 3, those areas of innovation are gradually transformed into areas of excellence which promise the highest potential for regional science – industry cooperation, international competitiveness and growth by innovation. Berlin's areas of excellence are

◆ Biotechnology / Biomedicine
◆ Medical Engineering

Building Centres of Excellence — TSB

Figure 1 — TSB Technology Foundation Berlin
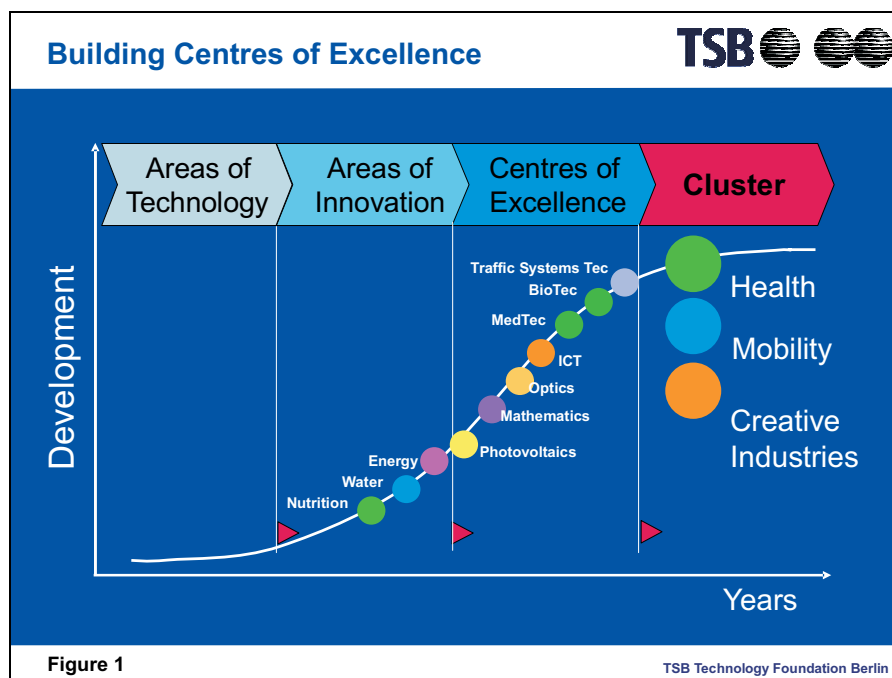
◆ Traffic Systems Technology
◆ Optical and Microsystems Technology
◆ Information and Communications Technology

Based on SWOT analyses, these five areas of excellence are further divided into application and market areas, with clearly defined regional unique selling propositions, strategic objectives, value chains and actions to be taken. Such strategies are described in master plans which are up-dated each year. They comprise actions not only in such areas as science and technology, networks and joint projects as initiated and organised by TSB, but also in other areas of strategic importance, e.g. finance, infrastructure, marketing, settlement and education which are organised by TSB's strategic partners, such as the Investment Bank Berlin or Berlin Partner GmbH, a regional economic development organisation in Berlin. Since other institutional partners besides TSB and the Senate of Berlin are involved in strategy planning, financing and execution, the strategy is called the Coherent Innovation Strategy (see also Figure 2). It is controlled by a Steering Committee chaired by the Senator of Economics, Technology and Women's Issues.

To date, 50 value-added networks have been developed in which some 1,360 highly innovative small and medium-sized enterprises and about 410 scientific institutes in Berlin-Brandenburg are participating.

In 1989, Michael E. Porter from Harvard Business School defined a cluster as "a geographically proximate group of interconnected firms and associated institutions in related industries". Based on this definition, Berlin's cen-

Coherent Innovation Strategy TSB

Excellent Science and Research

Coherent Innovation Strategy

Innovating SMEs

Centres of Excellence

Promoting Institutions
• Senate
☐ TSB
☐ Business Dvlpmnt. Org.
☐ Investment Bank Berlin

Masterplans

Supported by
☐ Networks / Iniatives
☐ Chambers of Commerce
☐ Associations
☐ Consultants
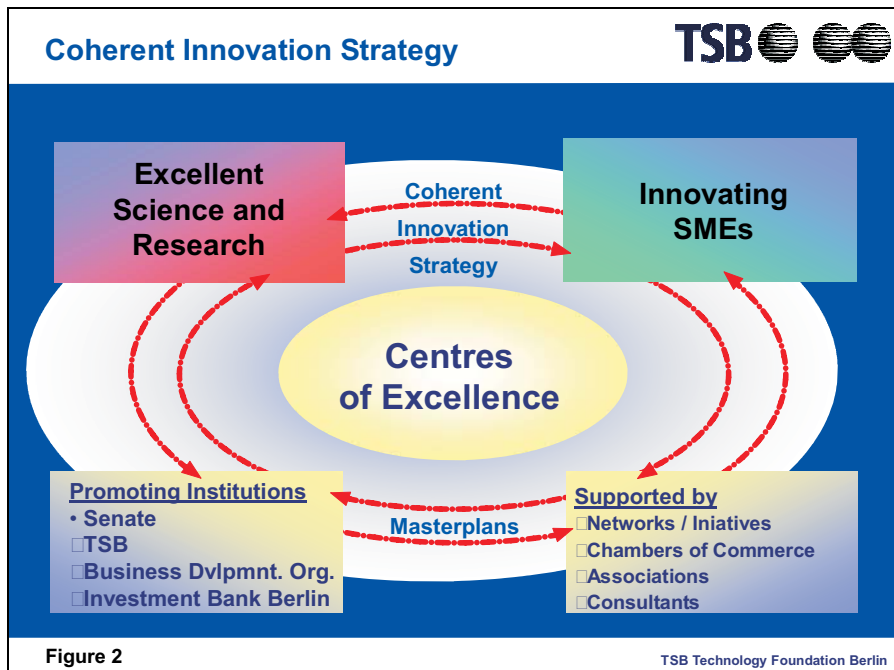
Figure 2   TSB Technology Foundation Berlin

tres of excellence are clusters. As such the coherent innovation strategy is actually a cluster strategy which can be defined in one sentence:

The Berlin innovation strategy is designed to achieve maximum results in our efforts to establish a new knowledge-based economy in Berlin and to develop its centres of excellence towards sustainable growth of internationally competitive, highly innovative science and industry clusters.

From present perspectives, policy makers in Berlin envisage three main high-potential industry clusters as indicated in Figure 1:

◆ Health Industry
◆ Creative and Media Industry
◆ Traffic and Mobility Industry.

Economic impacts

Centres of excellence can be considered as the scientific and technological basis for these three most promising industry clusters in Berlin. In recent years, about 70 per cent of Berlin's public business development and economic promotion funds flowed into the centres of excellence, raising the question of economic impacts. TSB has considered the trend in the employment rate over the past years as one indicator. The total number of employees in the centres of excellence account for just 6 per cent of employees in the total economy of Berlin-Brandenburg, but 33 per cent of the number of employees in manufacturing industries. As shown in Figure 3, whilst the number of employees in the total economy of Berlin-Brandenburg has grown by 6 per
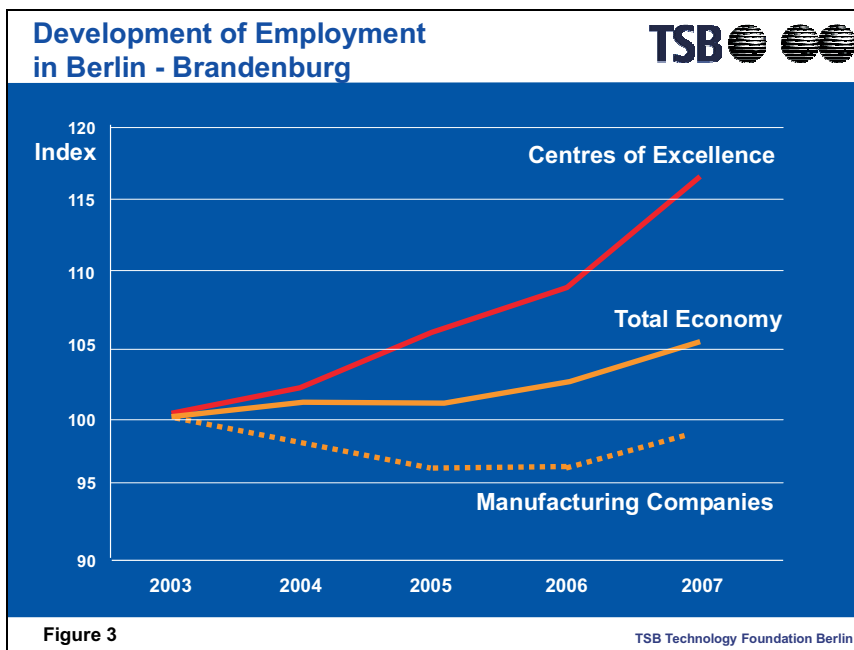
Figure 3

cent between 2003 and 2007, it has shrunk by 2 per cent in manufacturing companies over the same period. However, the number of employees in the centres of excellence has grown by 16 per cent. These figures clearly indicate that economic growth mainly comes from the centres of excellence and that Berlin-Brandenburg certainly has the right strategic focus. In the near future, we will complete a set of economic indicators to monitor progress of the regional cluster strategy more precisely and to allow comparisons with other metropolitan areas in Europe.

Conclusion and next steps

Our experiences show that the development of regional centres of excellence and clusters involving innovative companies, scientific institutes and other public institutions is the right strategic choice to build a new knowledge-based economy based on sustainable growth. This is especially true for the German Capital Region, Berlin-Brandenburg, where most of the companies involved are small ones. Taking into account the enormous scientific potential in Berlin, not all opportunities for knowledge and technology transfer and the cooperation of regional science and industry are being utilised. This is why TSB and its strategic partners will further define science industry networks, improve the innovation capability of SMEs, develop more joint projects and start new businesses or set up new companies.

Helge Neumann
Executive Manager, International Office,
WISTA-MANAGEMENT GmbH

Results of the BaltMet Inno project and future project work

Baltic Metropoles Network (BaltMet) represents a forum of capitals and large metropolitan cities around the Baltic Sea. It brings together the cities of Berlin, Copenhagen, Helsinki, Malmö, Oslo, Riga, Stockholm, St Petersburg, Tallinn, Vilnius and Warsaw. The main goal of the network is to promote innovativeness and competitiveness in the Baltic Sea Region (BSR) and also to identity innovation sites and market them within the BSR and outside.

To become a strong player on a European and global scale, Baltic metropolises have to be prepared to take an active role in the development of an innovation area which goes beyond their national boundaries.

Therefore, the Baltic metropolises have agreed to build a closely networked "Archipelago of Innovation". The BaltMet Inno project has pooled a diversity of competences by bringing together cities, regional development agencies, universities and science parks for closer innovation policy cooperation.

Special emphasis was given to analysing and developing:
A strategy and a governance regime –
A polycentric and diversified innovation archipelago at the top of the innovation chain
A communication framework –
Branding the region, and strengthening its identity
Selected science and technology clusters –
Well connected, globally competitive supported in creative environments
Innovation and Entrepreneurship (I&E) infrastructure – qualified innovation competences and skills, supported by I&E programs and instruments

BaltMet Inno has shown that science parks and innovation environments contribute significantly to the building and practical implementation of regional innovation strategies.

The building of clusters, cities and administrations play a significant role in creating appropriate conditions and infrastructure for the development and growth of regional clusters. Development and realisation of existing regional innovation strategies can demonstrate this fact.

On the other hand, science parks, technology parks, innovation environments, such as business incubators and innovation centres, contribute significantly to the development of regional clusters.

Networking of regional clusters by networking of science parks can provide relevant value for better inter-regional cooperation as these innovation structures provide appropriate infrastructure and conditions for cluster growth and development. This way there could be developed networks, tools and instruments for improved cooperation between existing regional clusters and win-win strategies can be created for participating partners.

On the other hand, the success of science parks and innovation environments significantly depends on their embedding into regional innovation strategies and interaction with their regional environments; spatial planning and infrastructure aspects have an important role in this respect.

Science parks and innovation environment can play an active role and become a key element in improving and supporting entrepreneurship in the regions. They might be excellent partners – particularly already in practice - to improve inter-regional networking of the BSR capital regions.

They offer useful and necessary services, in particular for innovative SMEs, to support cooperation, the creation of technology based networks, joint developments and access to international markets.

Networking between clusters, creating better market access for innovative SMEs within the BSR, jointly with integrated marketing approaches should be continued in a follow-up project.

To enhance regional and international cooperation of metropolises, businesses and universities, a common innovation policy framework, including concrete proposals for future joint actions was produced.

For future prospects there are plans for successor projects such as:

◆ Transnational cluster alliances, promotion of entrepreneurship and support of internationalisation for innovative SMEs (BaSIC)
◆ City branding of Baltic metropolises (BaltMet Promo)
◆ Creative industries – support systems and city development policies
◆ Innovation-friendly procurement processes

One particular follow-up of the BaltMet Inno project was prepared with BaSIC,

Baltic Sea InnoNet Centres (BASIC): BaSIC aims to build a "Baltic Sea Archipelago of Innovation" (recommendation of BaltMet Inno).The objective is to create a seamless working environment for fast-growth, innovative SMEs all over the Baltic Sea Region, embedded in a reliable network of leading science parks and clusters. Emphasis is given to identify, select, train and coach SME gazelles; to provide them with harmonised access to markets (establish a tool kit of market access points) and to connect them for access to finance for internationalisation and growth.

The project consortium consists of leading science parks, incubators and innovation facilitators, with strong support from the10 Baltic Sea Capital Regions (incl. Oslo and St Petersburg). This will guarantee the sustainability of good project results and their transformation into regional innovation strategies. Feedback from project monitoring and SME experiences will be used to identify and continuously improve essential services, infrastructure and the management of innovation infrastructure (science parks/incubators or clusters) in the BSR capital regions and to establish partnership agreements between leading science parks and those under development to help reduce disparities within regions and to improve the competitiveness and dynamics of the Baltic Sea area.

The project is open for cooperation and exchange with other projects. There are particularly strong links and joint presentations of SMEs to the sister project JOSEFIN, dealing with financing SMEs (credits, loans, etc.). Networking and developed services will be expanded to new partners and into other regions. Agreed joint marketing calendars and activities for partner region innovation sites and events will provide a schedule for SMEs to find the most important events, trade fairs and conferences for their business activities. Selected roadshows in the region will support the promotion. The pilot phase (project duration) expects a minimum of 30 trained SMEs, 3 brokerage events, 3 international training courses. To coach internationalisation of SMEs, 10 market access points (MAP) throughout the Baltic Sea Capital Regions will be installed. Thirty success stories will be told.

BaSIC will greatly benefit from achieved results of the Baltic Metropolises Innovation Strategy project. Identification and selection of fast-growth SMEs will be realised by developing and applying entrepreneurial training courses and by using cooperation initiated between clusters. Brokerage events in (pre)selected clusters (using BaltMet Inno results) will support the process. Continuous monitoring will accompany the progress of the work. Policy recommendations will be derived from monitoring and the feedback from SME clients and be reported to both the JTS and BaltMet officials as a steering group, and to representatives of the mayors. This will, besides excellent quality, ensure the good transferability and long term sustainability of the project results.

Specific problem

For fast growth SMEs, the BSR markets are full of hurdles and obstacles for smooth growth. BSR markets are still disconnected, innovative SMEs suffer from different regional regulations, legislation, finance conditions, different rules for investing, opening branch offices, creating ventures, etc. Harmonised instruments are needed to enable SMEs better access to international markets. Science parks/incubators offer tools to access markets and finance to their clients at a local level, but is limited, not networked, not harmonised and not transferable at the regional level. Finally, cities have not yet discovered the dynamic growth competences of science parks/incubators for networked economic growth and innovative international SMEs.

Transferable, easily understandable, operational solutions have to be found for the BSR to become competitive, to overcome disparities not only between old and new EU-member regions, but also between Scandinavian and "continental" regions. Time to market, easy access to cooperation partners, ventures and finance is becoming a limiting factor and a bottleneck.

BaSIC is understood as a pilot for proposing solutions and bridging this gap, to develop tools and instruments for quick, improved, harmonised and also for certified and transferable market access. The approach will contribute to establishing a "Baltic Sea Archipelago of Innovation" with seamless working conditions for innovative SMEs. It will provide a better visibility of the regions and their strengths to enhance better cross border cooperation.

It is an open approach involving all Baltic Sea Capital Regions, including already Oslo and St Petersburg and will be extended later to other regions within the BSR and also outside the EU.

Application of an integrated territorial approach

1. BaSIC supports seamless working conditions for SMEs with long-term available, joint and certified tools to access BSR markets (Market Access Points – MAP in all regions) to assist fast-growing innovative SMEs in their internationalisation approach.
2. BaSIC supports cluster alliances in the BSR to foster polycentric development.
3. BSR capitals are partners in BaSIC (steering group) to support the creation of an "Archipelago of Innovation" and to accelerate the innovation dynamics in the metropolis regions.
4. BaSIC will give recommendations for the improvement of innovation infrastructure (partnering) – to help overcome disparities between regions,

to build knowledge-based innovative growth regions between well-networked BSR partners. Related partnership agreements to improve the innovation infrastructure between developed and developing regions will also be signed.

5. Drawing up policy recommendations, BaSIC will improve innovation governance and promotion across the BSR.

Project partnership is composed as follows:

Berlin
   The State of Berlin (Berlin Senate); Adlershof Science Park (WISTA-MG) –
   Lead partner; Technology Foundation Berlin
Copenhagen
   Vaeksthus – Business link, Greater Copenhagen Region
Helsinki
   City of Helsinki; Culminatum Ltd. Oy
Oslo
   Oslo Teknopol (Plus support letter from City of Oslo)
St. Petersburg
   St Petersburg Government (CEDIPT); St. Petersburg Foundation for SME
   Development
Riga
   Riga City Council; Riga Technical University
Stockholm
   Stockholm Business Region; KISTA Science City AB; SU Innovation
Tallinn
   Tallinn Technology Park Foundation (Plus support letter from City of Tallinn)
Vilnius;
   Vilnius Sunrise Valley (Plus support letter from Vilnius City Municipal
   Government)
Warsaw
   City of Warsaw; TechnoPort Warszawa S.A.

Today, I am glad to say, that our joint effort was honoured. The JTS has informed about the approval decision of the Monitoring Committee on 24 October 2008.

Eero Holstila
Director, Business Development, City of Helsinki

Trends in innovation policy: Helsinki towards a Living Lab

The early 1990s saw the Finnish economy plunge into a deep recession, with a 10 per cent fall in GNP over 1991–93 and a loss of over 100,000 jobs in the Helsinki Region, where full employment had prevailed for years. In 1994, unemployment rose to 15 per cent in the region.

This shock led to a thorough change in government and city strategies. The Finnish Government had to make severe budget cuts, but at the same time it continued to invest in research and development and in Tekes, the Finnish Funding Agency for Technology and Innovation. Projects funded by Tekes typically involve actors from the academic and business sectors.

In 1994, Helsinki City Council approved an internationalisation strategy, focusing on developing the city region into a hub of science and education. At that time, the leaders of the region's two leading universities – the University of Helsinki and Helsinki University of Technology – made an initiative to combine the strength of regional actors into a common organisation tasked with launching from-science-to-business projects.

In 1995, the development company, Culminatum Ltd Helsinki Region Centre of Expertise, was founded by the City of Helsinki, its neighbouring municipalities and Uusimaa Regional Council, universities and polytechnics in the region, centres of technology and science parks, the chamber of commerce, a number of companies and Sitra, the Finnish Innovation Fund. Ownership shares are roughly one-third each for public administration, the universities and the private sector. This model has been referred to as a Triple Helix partnership involving the crucial actors in the local innovation environment.

Since its foundation, Culminatum has been implementing locally the national Centre of Expertise Programme basically funded by state ministries and cities. In the 2000s, the programme has turned into a development platform for selected knowledge-intensive clusters. Combined with substantial funding from Tekes, centre of expertise programmes have catalysed growth in high-tech companies and employment and thus contributed to an annual

economic growth of 4.8 per cent between 1995 and 2007 in the Helsinki Region. During this same timespan, the unemployment rate dropped from 15 to 5 per cent.

Vision and innovation strategy of the region

After the burst of the so-called IT Bubble in 2000, strong economic growth in the Helsinki Region turned into a slight recession. In 2003, the informal Future Group convened by the Mayor of Helsinki suggested the adoption of a new vision. The Group involved leaders of large companies, universities and cultural institutions and top leaders of ministries, Tekes and Sitra. This vision was soon approved by the cluster cities of Helsinki, Espoo and Vantaa. The objective was to make the Helsinki Region a world-class hub of innovation based on the joint strength of science, arts and creativity resting on a platform of sound basic education and an ability to learn for every citizen.

On the proposal of the Future Group, Culminatum, supported by all its shareholders, drew up an Innovation Strategy for the Helsinki Region. This was completed in 2005 and still guides the plans of all parties involved.

Figure: Four-pillar innovation strategy.

culminatum
YHDESSÄ HUIPULLE

A four-pillar Innovation Strategy

• Improving the international appeal of research and expertise

• Reinforcing knowledge-based clusters and creating common development platforms

• Reform and innovations in public services

• Support for innovative activities

-> 26 action proposals

The first category includes actions to further increase the international appeal of universities in Helsinki by, for example, increasing English-language masters and PhD programmes and upgrading international marketing and recruiting. The innovation strategy has contributed to a process whereby Helsinki University of Technology, Helsinki School of Economics and the Uni-

versity of Art and Design Helsinki will merge into the foundation-based Aalto University in 2009. This historic project is fully in line with the Helsinki Region Vision.

The second pillar of the innovation strategy contains proposals for a shift from a technology-transfer-based innovation system towards user-driven and market-directed innovation practices. This orientation puts a focus on testing platforms for products and services, platforms based on the concept of open innovations. In other words, competing companies may cooperate with each other and with universities, research institutes, cities and civic organisations to form Living Labs, where innovations are tested in real life. This leads to considerably faster R&D.

The third pillar emphasises a closer link between the city's operations and innovation. In Finland, municipalities, of which Helsinki is the biggest, are responsible for providing the basic public services of a welfare state including schools, health and social welfare services, and cultural and sports facilities. The cities are also responsible for planning, public transport and community infrastructure.

The economy of cities is based on a local income tax levied by the municipalities themselves. Since cities are very considerable economic actors, it is important they keep their activities up to date and invest in R&D projects in the same way as companies do. These municipal development projects may provide important development and testing opportunities for knowledge-intensive companies. The City of Helsinki has established a special Innovation

Figure: Helsinki living lab

Learning by Living
HELSINKI LIVING LAB

RESEARCH

R&D

BUSINESS
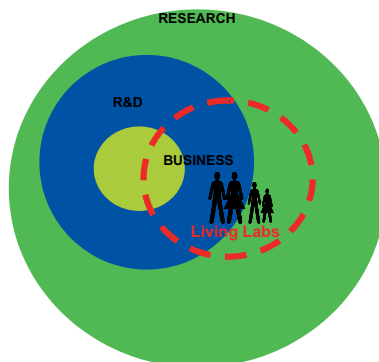
Living Labs

Living Labs are real life development platforms for…

…testing the services with user communities in their own living environment

… open and co-creative innovation

…involving the user communities in the development processes

…resulting in more acceptable solutions and better success rate

Original info:
Jarmo Suominen, UIAH

Fund to encourage its offices and departments to invest in development projects carried out together with universities and Tekes.

The fourth pillar includes initial funding for growing companies and of adapting business incubators to respond to the opportunities provided by the new innovation approach.

The first of two examples given here is Arabianranta, www.arabianranta.fi, a former china factory site where which Helsinki Living Lab helps promote user-driven methods and tools to improve the real-world development of products and services.

Helsinki Living Lab is both a communications hub and a brand to enable companies and the public sector to get in touch and cooperate with all the different Living Labs in the Helsinki Metropolitan Area.

The Arabianranta development combines housing, business enterprise, R&D, academic and campus functions. It is located approximately where Helsinki was founded in 1550 and is now re-assuming a vanguard position in urban development.

The second example is Forum Virium Helsinki, www.forumvirium.fi, a neutral, independent cooperation cluster, which promotes the development of digital services and brings together ideas and content creators with high-growth and established companies as well as public sector organisations.
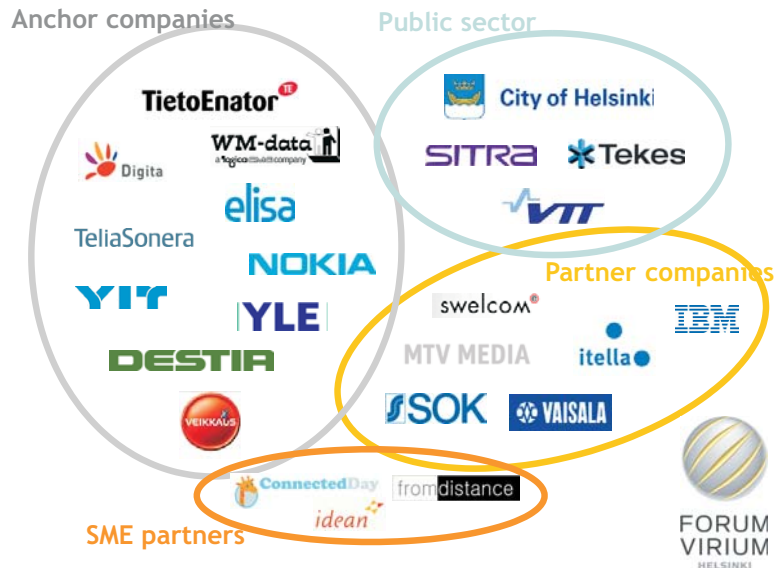
Besides playing a key part in creating Living Lab test environments in the Helsinki Metropolitan Area, Forum Virium Helsinki leads development pro-

Figure: Living Labs Arabianranta

Living Labs Arabianranta

Figure: Anchor companies of Forum Virium Helsinki

jects and establishes contacts with international markets. These initiatives are aimed at promoting next-generation digital services and business models.

Forum Virium Helsinki's key member companies are Destia, Elisa, Logica, Nokia, TeliaSonera, TietoEnator, YIT-Group and the Finnish Broadcasting Company. Partners include Digita, Itella, SOK, MTV Media, Swelcom and Vaisala. The public sector is represented by the City of Helsinki, SITRA (the Finnish Innovation Fund), TEKES (the Finnish Funding Agency for Technology and Innovation) and VTT (Technical Research Centre of Finland). SME partners are Adage, ConnectedDay, Futurice and Idean. FVH's development projects also encompass a large number of high-growth companies based in the Helsinki Region.

Conclusion

Helsinki can be seen as an ecosystem for innovation, an environment that can be developed to provide companies with world-class conditions for research and products and services development. Besides visible elements, the innovation environment includes cultural and social factors, and it seems pretty clear that Finnish society provides certain competitive advantages in this respect.

The most important competitive advantage is the human capital of mutual trust, which enables easy network-building and straightforward cooperation across administrative and sector borders. Here, a very low level of corruption and traditionally low social and administrative hierarchies are important.

Continuing the tradition of joint nationwide efforts to overcome hardships such as wars and economic depressions, Finnish society tends to have a consensus-oriented approach to politics and a strong regional organisation capacity.

Klaus R. Kunzmann
Dr.techn. Dipl.Ing. HonDLitt (Newcastle),
Univ.-Prof. a.D. (TU Dortmund)

Strategic Planning for the Knowledge City

1. The knowledge city: a new paradigm for strategic planning in Europe

Across Europe, the knowledge city has become a new paradigm for planners, policy advisers and mayors, a new hope to overcome some of the negative implications of de-industrialisation and globalisation. New communication technologies and efficient global logistic chains have made it possible to shift industrial production to regions, where lower wages and less rigid regulatory systems make production cheaper and where large numbers of new consumers increase profit margins. Following the rationale of globalisation, it has become general wisdom that industrial products and processes in Europe have to become more advanced, more innovative, more intelligent, more sophisticated and more environmentally sound in order to remain globally competitive and to secure local and regional labour. This, however, requires a better qualified labour force to continuously advance the knowledge for developing and producing innovative products and production processes, and for marketing such products and processes on a culturally diversified global market. Consequently, education and research, in particular higher education and advanced research, have become key policy fields at all tiers of planning and decision-making in Europe. Across the continent, new public attention is given to universities, particularly to such universities which excel in elite education and advanced Nobel prize-winning research. The European Union is particularly keen to promote transnational education and research. The Bologna Agreement of the Member States of the European Union is one of the policy decisions towards that end. It promises to increase international mobility and inter-cultural education. Another policy is well-funded framework programmes which aim at encouraging international research teams to join forces, benefit from multidisciplinary knowledge and to overcome national socio-cultural barriers. University rankings increase competition among universities to attract the best talent from all over the world to their programmes

66

and research institutions. All this is done using the successful Anglo-American system of higher education and research as the role model and English as the lingua franca of advanced scientific knowledge.

When addressing the field of education and research in cities and regions to promote education and research, it soon became apparent that, as generally acknowledged in real estate businesses, location matters. Where in a country or region are institutions of higher education thriving and why? What can be done locally and regionally to support the system of higher education and research, to attract the talent as it has been postulated? Is it just long-established university cities such as Cambridge, Uppsala, Leiden, Bologna or Aachen that benefit from the new system, or metropolitan regions, which can offer greater choice and a more diversified entertainment environment? Or are corporate universities, adjacent to larger multinational corporations, the right answer to the new global challenge? And does it make a difference whether a campus in a city region is located like a gated community on a greenfield site on the urban fringe or is easy accessible in a vibrant urban city quarter.

The challenges for strategic planning are complex. The number of stakeholders and influential communities involved in planning and decision-making processes is enormous. Opinions, attitudes and value systems are extremely heterogeneous and conflicting. Experience shows that political and institutional power plays a decisive role, when it comes to initiating, developing and implementing strategies for improving urban knowledge environments and as regards location decisions. Strategic planning is essential to structure and streamline otherwise inefficient incrementalism within the competitive knowledge city.

2. Challenges of strategic planning for the knowledge city

Policies wishing to address and guide the future development of the knowledge city have to address local or regional communities as a whole. They have to aim to be comprehensive and holistic, favourably centred on selected catalytic projects. Sector strategies, such as education, science or transport policies, may successfully address single challenges. In the longer run they will merely cause new problems than achieve sustainable solutions.

The knowledge city is an archipelago of knowledge spaces in a city region. In the past, knowledge has hardly been a field, on which metropolitan strategic planning laid particular emphasis. While city region cooperation, transportation and logistics, or city marketing dominate mainstream metropolitan policies - if such joint metropolitan policies are carried out at all - strategic development of knowledge in a city region has not been a priority area. Only recently, with the globally spreading creative city fever, is a diffuse interest in knowledge industries emerging. This however, tends to be followed

up by local economic development agencies rather than by strategic development departments. The reasons for this relative political negligence are manifold. The prime reason is that, as a rule, the policy arenas and their concerns are quite different.

The university-centred knowledge complex is dealing with strategies of how to sharpen the international profile, how to maintain scientific excellence and competitiveness, to win more Nobel prizes, to attract international research grants, to move up the international and national university ranking lists, to attract more international students and researchers, to expand university facilities and provide space for new research centres and start-ups, to encourage former alumni to support the university, and to do all that in a very sensitive intellectual and academic environment, where decision-making is often based very much on consensus among all members and scientific communities of the university. Moreover, once there is more than just one large university in the metro-region, the whole local knowledge complex, including a number of research institutions and various technology and science parks, is often very heterogeneous with regard to targets and strategic development. This makes any coordinated efforts to develop a joint agenda for negotiations with the local government for promoting the knowledge city difficult and time consuming.

In contrast, the spatial concerns of the government in a metro-region are much more focused on overall urban development issues of the metropolis, such as intra-regional cooperation and solidarity, public transportation, shopping malls, water front development or brownfield redevelopment.

The mental maps of actors and stakeholders in the two policy arenas are quite different. They have different time schedules in their mind. Election periods play a big role and when elections take place, national policy themes may have unexpected local consequences. Personal networks differ and the decision-making chains are quite dissimilar. Commitments to vested interest groups at the local level influence decision-making processes as well as local media campaigns, reflecting issues of temporarily public concern. Obviously, individual personalities, their views, values and vanities as well as their political hobby-horses play a decisive role, too. Many of the issues essential for the sustainable development of a knowledge city risk being pushed to the edge of the respective policy agendas and given low priority for policy action, once the knowledge profile of a city is not fully acknowledged by the local community.

Much will depend to what extent the resident academic establishment is integrated into the city and linked to the city government, and to what extent the local economy relies on the academic community, on academic jobs, on housing or on the consumption of local knowledge workers. This certainly differs in a traditional gown town from an industrial town, which has been selected by a central government to have a university of applied sciences to

compensate for job losses in the local industrial complex. The local social, economic and physical embeddedness of the knowledge complex is a decisive factor for any strategic action in a city. As a rule knowledge does not have strong voting power. There is one more dimension: in party democracies the number of knowledge workers who venture into local politics and temporarily change an academic job with a political career is limited. Usually, a local political council has few members from the local academic community. This is probably because their professional interests are higher then their political ambitions.

It will make a difference, too, whether the university complex is a public sector institution, financed from annually-reviewed public budgets, which national or regional assemblies have to decide upon, or whether a university has its own funds from foundations or research contracts, from fees or other income, such as patents or properties. This will define the degree of relative independence of the knowledge complex from the local political system.

There is another constraint which hinders the active involvement of knowledge institutions in local politics. It is the lack of qualified management manpower in central policy functions of knowledge institutions. As a rule, the capacity of strategic planning within such institutions is limited. This implies that insufficient time is available for preparing, articulating and communicating future-oriented strategies, which go beyond the day-to-day- perceptions of what should and could be done to strengthen the knowledge complex in the local environment. A bi-annual routine meeting of the mayor and the university president, and sporadic side talks at official events cannot lead to sound strategies, linking city and university interests.

The same is true for the partner on the other side. Local administrations are hardly adequately staffed to deal with the concerns and challenges of the knowledge complex. While city governments have divisions for housing and local economic development, school education and communal cemeteries, they usually do not have a department for university relations, probably with the exception of a single liaison person, in the mayor's office, who is in charge of relations between the city and the local knowledge community. This relative weak communication between city and university may result from the fact that knowledge complexes in a city are, as a rule, developed and governed from the national state, following national rather than local rationales, regulations and mechanisms. This obviously contributes very much to the notion of gated academic communities in a city.

These and other reasons may be why, in the past, the city and the university complex hardly coordinated and concerted their strategies for local development. The new political interest in the knowledge city – in Germany, for example, reflected in the annual designation of a "Stadt der Wissenschaft" (city of science) –, may gradually change conditions and open up traditional institutional boundaries. Competition among cities in a country to be selected

for the annual title has caused local decision-makers in cities to apply for the title in order to get the additional funds linked to it. In preparing a joint bid, they learn more about each other's ambitions and are encouraged, if not forced, to collaborate. This initiative shows that media-covered opportunities have to be taken or created to address the manifold challenges of the knowledge city.

3. Strategic urban planning for the knowledge city

The prime challenge of strategic urban planning for the knowledge city is better integration of the various knowledge spaces into the city region. Better integration would improve the relationship of local communities with knowledge institutions, guide land policies and reduce local land use conflicts, provide inspirations for community development in urban districts, give additional directions to future oriented metropolitan infrastructure development and raise the profile and image of the whole city region. There are mainly seven key action areas of strategic urban planning for knowledge city regions:

◆ Raising public awareness of the knowledge city: To overcome a mere metaphorical treatment of the knowledge city, awareness has to be raised of the various substantive dimensions of the knowledge paradigm. This will very much depend on local milieux and traditions, the local media, local political milieu and the knowledge institutions' communication willingness and capability, how this could and should be done. The ultimate goal would be to open-up the ivory towers and to enhance a local identity, which accepts the knowledge complex as a key element of city politics.

◆ Carrying out in-depth empirical research on the knowledge environment: Experience shows that the information on the knowledge base of a city is very much atomised. The data relevant for policy formulation are not available or not accessible, scattered among the various stakeholders in the city region or out-dated. For this reason, a state-of-the art report containing quantitative and qualitative information on the various dimensions of a local knowledge environment is the indispensable starting point for developing a consistent and comprehensive knowledge strategy. Unless developments in the field are continuously monitored, even such a report will soon become a useless document.

◆ Establishing continuous local communication processes: It will not be sufficient for individual representatives of local knowledge related institutions to meet occasionally with city representatives to communicate their decisions and exchange their views or just to seek contacts once particular acute problems arise. Continuous communication processes with routine sessions, and clear working targets, have to be initiated to develop

mutual understanding and trust. Knowledge fora would be the right format for such processes. They have to attract and unite personalities in a city, who are committed to the mission and know the field. Ideally, external moderators should guide such fora over a few years.

◆ Forming continuous strategic partnerships. Communication fora would also offer continuous opportunities to develop strategic partnerships for joint action. Without such partnerships, it may be difficult to implement new projects to enhance the knowledge profile of a city. The better such projects are prepared during the discussion processes, the easier they may find political and financial support for uncontroversial implementation.

◆ Developing alternative scenarios for knowledge development: For preparing a convincing knowledge city strategy, future corridors of knowledge development have to be explored which relate to the local capital and reflect the range of opportunities that may impact on the strategy and its implementation. The resulting scenarios will demonstrate the complex interrelationships of factors influencing knowledge development. They will provide inspiring alternative corridors for screening future actions the indispensable information base for local communication processes.

◆ Designing a holistic strategy for promoting a city as a knowledge city: Given the scattered values, experiences and expectations of the various stakeholders in the local knowledge complex, only a holistic strategic document can guide, streamline and unite individual activities. Based on a concise memorandum, which serves a catalyst for opinion building, the strategy could be designed over time in various rounds of externally moderated communication processes. The spatial dimension of such a strategy is essential, as it makes strategic elements visible and easier to understand, though it should not dominate the process, as it may lead to undue dominance of architectural and urban design debates.

◆ Promoting district improvement schemes for better integration of knowledge institutions. It is in the suburban quarter surrounding an established university where the deficient relationship between a knowledge institution and the surrounding quarters is particularly felt. This calls for efforts to develop and approve district improvement schemes in such quarters. This should be done as a joint venture between the knowledge institution, the adjacent business community and all the other stakeholders with vested interests in the knowledge quarter. Thereby the city should be a moderator rather than a developer. Such schemes will soon reveal the various locally felt challenges, which could then serve as starting points for joint strategic action.

There are still many other elements of a sound framework for a future-oriented knowledge city profile. These include the strengthening of professional competence in strategic facility management in knowledge institutions, the

establishment of a policy division in the local government staffed with competent professional communicators, the formation of strategic alliances with other cities or instrumentalising city partnerships to communicate the knowledge profile internationally. Obviously the ambitious profile of a knowledge city requires more manpower and some institutional reorganisation.

Appendix: Programme of the Conference on Metropolitan Challenges and Innovation

Conference on Metropolitan Challenges and Innovation

24.-25.4.2008

Venue: The Finnish Institute in Germany/Finnland-Institut in Deutschland
                Georgenstraße 24, 10117 Berlin (opposite Friedrichstraße
                Station)

Cooperating   Center for Metropolitan Studies Berlin / TU Berlin
partners: City of Helsinki

<u>Thursday, 24 April</u>

14.15   Welcoming address
                Dr. Marjaliisa Hentilä, Director of the Finnish Institute

Part I. Metropolitan Regions and Globalisation
Moderation: Prof. Klaus Brake, CMS Berlin

14.30   Globalisation and Urban Competitiveness
                Willem van Winden, Associate Professor at the Rotterdam School of
                Economics and the European Institute for Comparative Urban Research,
                EURICUR

15.00   Globalisation and German Cities
                Dr. phil. Dipl.-Ing. Werner Heinz, DIFU Cologne

15.30   Coffee break

15.45   The Ambivalent Role of Metropolis
                Prof. Peter Ache, Helsinki Technical University

16.15   Internationalisation in Helsinki
                Research Prof. Markus Laine, City of Helsinki Urban Facts

16.45   Metropolitan Area of Berlin-Brandenburg (tentative topic)
                Prof. Rudolf Schäfer, TU Berlin

Part II. Culture and Innovation as Driving Forces of the Metropolitan Regions
Moderation: Ms. Asta Manninen

9.15   The Future Will Be Urban? Historical Developments of European Creative Milieus. Case Berlin – Helsinki.
Prof. Laura Kolbe, University of Helsinki

9.45   Innovation Strategy of the German Capital Region of Berlin-Brandenburg
Dr. Bruno Broich, CEO, TSB Technology Foundation Berlin

10.15   Coffee break

10.30   The Results of the BaltMet Inno - Project
Dr. Helge Neumann, WISTA-MANAGEMENT GMBH, Berlin Adlershof, The City of Science and Technology

11.00   Helsinki as a Living Laboratory
Mr. Eero Holstila, Director, Business Development, City of Helsinki

11.30   The Role of Culture in Metropolitan Development
Mr. Pekka Timonen, Director, Cultural Office, City of Helsinki:

12.00   Challenges of Strategic Planning for the Knowledge City
Prof. Klaus R. Kunzmann, Potsdam

12.30   Lunch / End of Conference

HELSINKISS BERLIN

DER FINNISCHE MONAT – ÜBERALL IN BERLIN
1. APRIL – 4. MAI 2008
DIE GANZE KRAFT EINER KULTUR:
MUSIK, MODE, DESIGN UND KUNST
WWW.HELSINKISSBERLIN.DE

2008 | 1

discussion papers

In April 2008, a Conference on Metropolitan Challenges and Innovation was held in Berlin at the Finnland-Institut in Deutschland. The invited experts from Germany, the Netherlands and Finland now present the essence of their lectures in the form of articles.

Huhtikuussa 2008 pidettiin Berliinin Finnland-Institut in Deutschlandissa konferenssi aiheesta Metropolitan Challenges and Innovation. Asiantuntijat Saksasta, Hollannista ja Suomesta esittävät nyt artikkelimuodossa konferenssissa pitämiensä esitelmien keskeisimmät kohdat.

I April 2008 hölls Conference on Metropolitan Challenges and Innovation i Finnland-Institut in Deutschland i Berlin. De inbjudna experterna från Tyskland, Nederländerna och Finland presenterar här i form av artiklar kontentan av sina föreläsningar vid konferensen.