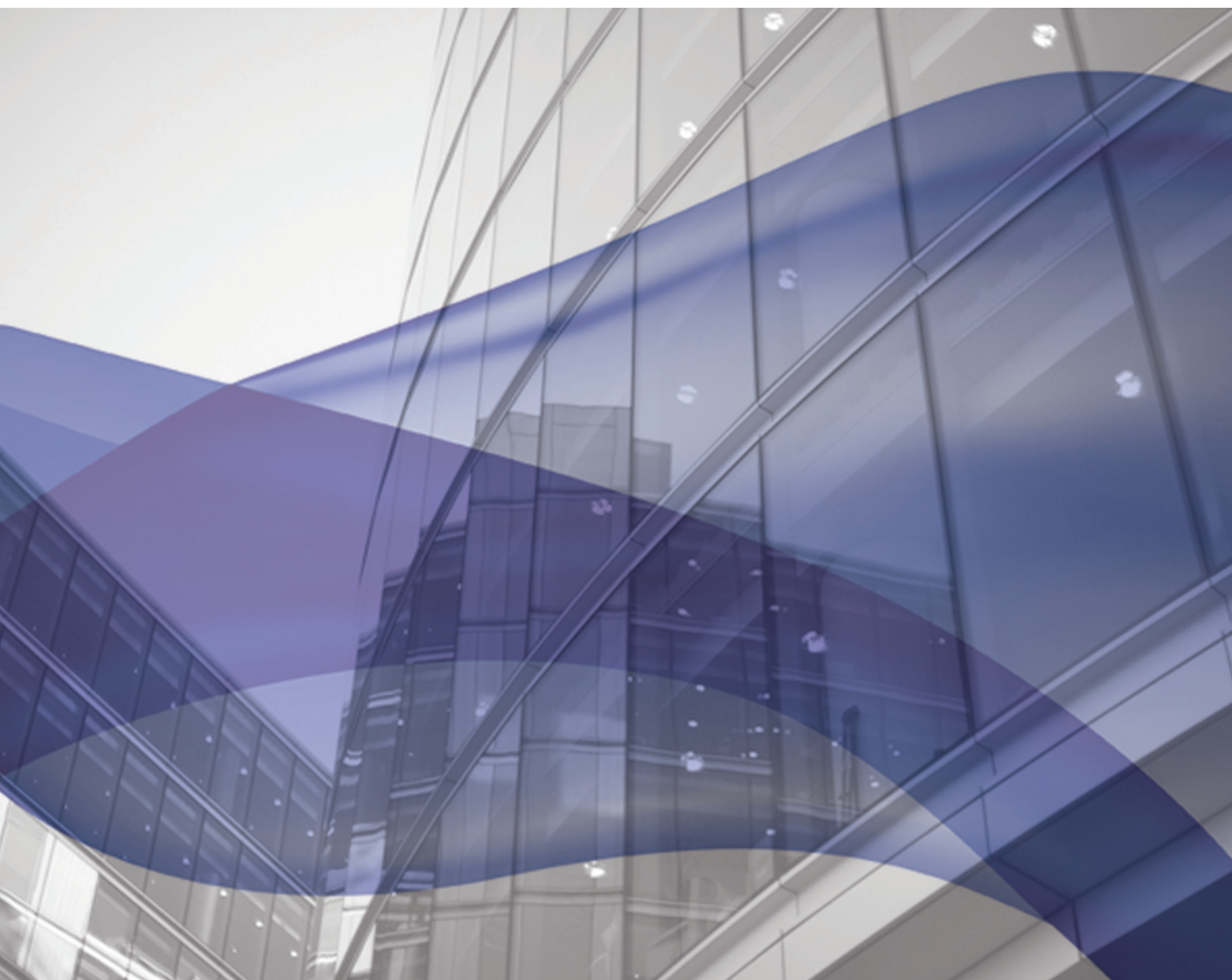


# Ideopolis: Knowledge City-Regions

City case studies executive summaries

the work foundation



# Ideopolis: Knowledge City Regions

## Contents

### UK case studies executive summaries

Birmingham	3
Brighton	4
Bristol	5
Cambridge	6
Edinburgh	7
Glasgow	8
Manchester	9
Newcastle	11
Sheffield	13
Watford	14

### International case studies executive summaries

Boston	15
Dublin	16
Lisbon	17
Munich	18

# Ideopolis: Knowledge City Regions

## Birmingham Case Study

### Executive Summary

*“Birmingham has undergone an amazing urban renaissance which has transformed the city”*

Nick Raynsford, former Local Government Minister

Birmingham is increasingly a ‘professional services’ city, with high-skill jobs in financial and business services. However the city and the wider region are struggling to retain its high-value manufacturing base. Birmingham has seen massive investment in the city centre, changing the reputation of the city (particularly within the UK). The city – and the West Midlands region – suffers from social and economic inequalities and these threaten to constrain future growth.

#### Strengths, challenges and opportunities

- **Physical knowledge city:** In the past twenty years, £9 billion has been spent on regenerating the city, particularly the city centre which has been transformed.
- **Building on what’s there:** The first four-wheeled petrol driven car was built in Birmingham. However, with the closure of Longbridge last year, there are concerns that Birmingham will no longer be able to rely on the motor manufacturing industry as it has done in the past.
- **Diverse specialisation:** Birmingham’s dominant sectors are financial and business services, the public sector and manufacturing. There are specialisms within manufacturing (although this sector is in decline) and in creative and cultural industries.
- **High skill organisations:** Birmingham’s working age population has lower skill levels than the UK average, but the city does have an average proportion of high-

skill occupations. Wages are lower in Birmingham.

- **Vibrant education sector:** Birmingham has a strong research intensive university sector. Like other cities it suffers from stark polarisation in educational outcomes from different communities – and this is a major challenge.
- **Distinctive knowledge city offer:** Birmingham’s distinctive economic offer (motor manufacturing) is threatened and the city ‘hasn’t got the cool factor that emerged in Manchester’.
- **Leveraging strong connectivity:** Birmingham has strong national and international connections; however ‘inadequate’ connectivity within the city is seen as exacerbating inequalities.
- **Leadership around a knowledge city vision:** Birmingham City Council is the largest (by population) in Europe. The city is a leader in the integration of decision-making at city-region level.
- **Investing in communities:** The number of people who aren’t ‘included’ is ‘shocking’.

#### Policy recommendations

- Need an **integrated vision** of what a good and distinctive city looks like in its region: how to ensure that growth in Birmingham won’t mean decline in the Black Country.
- Invest in **diverse** economic base.

#### Lessons for other cities

- **Using development to upskill:** the Bullring development specified that 50 per cent of employees had to be from ‘hard-to-reach’ groups, with the objective of putting a stop on future exclusion.

# Ideopolis: Knowledge City Regions

## Brighton Case Study

### Executive Summary

***“Brighton has become sexy again”***

Anthony Seldon, Observer, May 2003

***“Brighton brings the quirky into the mainstream”***

Ideopolis Interviewee, January 2006

Brighton punches above its weight in the knowledge economy, with the city’s renaissance being aided by an abundance of creativity. Like other cities, the key challenges that Brighton faces relate to labour market polarisation, coping with the ‘overheating’ consequences of success (congestion and house prices), and political tensions that inhibit leadership around a knowledge city vision.

#### Strengths, challenges and opportunities

- **Physical knowledge city:** Brighton is landlocked by the sea to the south and the downs to the north. Creating the physical knowledge city demands boldness in building on what is there.
- **Diverse specialisation:** Brighton has a diverse economic base with some niche specialisms, particularly within the creative and cultural industries. A potential weakness is the over reliance on small businesses, with only a handful of large private sector employers.
- **High skill organisations:** Brighton has a skilled labour market, but there is a concern about the lack of graduate jobs to retain talent in the city and also the low-wage element to the economy.
- **Vibrant education sector:** Brighton has two universities and there is scope to improve the link between the universities and business.

- **Distinctive knowledge city offer:** Brighton has a distinctive “quirky” offer, most notably in the substantial arts and cultural offering (especially Brighton Festival, the largest arts festival in England). Any future planning decisions need to be mindful of retaining Brighton’s distinctive identity.
- **Leveraging strong connectivity:** The city is well connected and uses proximity to London to its advantage. The main challenge is related to planning for and managing growth.
- **Leadership around a knowledge city vision:** Brighton needs better political cooperation to back the strong vision for the city.
- **Investing in communities:** Like other cities, Brighton has not seen the ‘trickle down’ effect of increased prosperity improving the quality of life for all residents.

#### Policy recommendations

- **Addressing over-skilling** and creating ‘good work’ at the bottom end of the labour market;
- Making **strong links between social and economic policy** for the city.

#### Lessons for other cities

- Developing strong **creative and cultural industries**, and a distinctive arts and cultural offering.
- Using **proximity to London** to own advantage.

# Ideopolis: Knowledge City Regions

## Bristol Case Study

### Executive Summary

*“The most beautiful, interesting and distinguished city in England”*

John Betjeman, former poet laureate

Bristol’s economy is knowledge intensive, with significant niches in aerospace, and this knowledge base is growing at an above average rate. Bristol and the wider city region have a competitive offering for business investment and for quality of life, with the newly formed West of England Partnership being the potential mechanism to ensure continued growth.

#### Strengths, challenges and opportunities

- **Physical knowledge city:** Bristol and the wider region has a competitive quality of life offering and the city centre has an attractive built environment, which has benefited considerably from regeneration in recent years.
  - **Building on what’s there:** Bristol has a well-established knowledge economy (for example, aerospace companies have been based in the city since the early 20<sup>th</sup> century), with the economic structure reflecting earlier historical decisions.
  - **Diverse specialisation:** This is one of Bristol’s key strengths, and one that has equipped the city to be “resilient in weathering economic change”.
  - **High skill organisations:** Bristol has a highly skilled labour force, however there is also a significant group without skills. With the labour market expected to ‘tighten’ in coming years, skill shortages will potentially constrain economic growth and this is a key challenge for Bristol.
  - **Vibrant education sector:** Bristol’s higher education sector is strong. A significant challenge for the city is the difference in educational attainment between state and independent school pupils..
- **Distinctive knowledge city offer:** Whilst those living in Bristol have a distinct impression of the city’s strengths, there was a concern amongst interviewees that the city does not market itself well enough.
  - **Leadership around a knowledge city vision:** Partnership working between the key players in the city (including Business West, the City Council, HEIs and the RDA) and the recent formation of the West of England Partnership demonstrate leadership around the future vision for the city and wider region. There is an urgent need for Government to support the West of England to work at a city-region level.
  - **Investing in communities:** The divide between Bristol’s rich and poor communities, although a feature of all UK cities, is concerning.

#### Policy recommendations

- **Strengthening of the West of England Partnership** to drive growth and address challenges at a city-region level, particularly around major infrastructural issues;
- **Investment in state education sector**

#### Lessons for other cities

- Driving forward **partnership working** across different local authorities;
- **Distinctiveness:** Bristol has significant strengths in a limited number of growing sectors creating a diverse economic base that is resilient in the face of change.
- **Higher education sector embedded in the city** and wider region, for example the Universities of Bath, Bristol and the West of England setting up a Science Park with 6000 jobs expected.

# Ideopolis: Knowledge City Regions

## Cambridge Case Study

### Executive Summary

#### *'A low risk place to do a high risk thing'*

Andy Richards, 'serial' biotech entrepreneur, and Cambridge investor

Cambridge is a city with a considerable proportion of knowledge businesses and a highly educated population doing highly skilled jobs. It has developed a style of networking and consultancy that has allowed it to take advantage of the research base provided by the university. However, the city's future success depends on how it manages the consequences of success: high house prices, traffic congestion and business relocations present challenges to the city.

#### **Strengths, challenges and opportunities**

- **Physical knowledge city:** Cambridge has a number of high quality science parks on the city outskirts that have accommodated business growth and attracted new firms. However, the historic city centre constrains development, and house prices are high.
- **Building on what's there:** Cambridge has used its traditional academic strength to compete in the knowledge economy. Cambridge has seen considerable spin-off activity within a range of high-tech firms.
- **Diverse specialisation:** The driver of growth in Cambridge has been specialisation in a variety of niche, high-tech industries.
- **High skill organisations:** Cambridge produces jobs for scientists and personal service staff. However, it is less good at providing jobs in the middle, leading to concerns about a polarised labour market.
- **Vibrant education sector:** Cambridge University makes a huge contribution to, and plays a significant role in, the city.

- **Distinctive knowledge city offer:** Cambridge has an international reputation, and a distinctive business offering. A challenge here is the rise of companies that are seen to 'piggy-back' off the reputation of the university.
- **Leveraging strong connectivity:** The city is well linked to London and internationally. Economic success is leading to congestion in the centre though, and there are concerns that the governance structures do not serve the city's connectivity well.
- **Leadership around a knowledge city vision:** The city knows where it is going, although it lacks the institutions to deal effectively with economic growth.
- **Investing in communities:** Cambridge has good public services and an affluent population, but it needs to find ways to spread the wealth.

#### **Policy recommendations**

- Provide soft infrastructure in the new growth areas.
- Local authorities need to work better together: for example, to reduce traffic congestion by investment in public transport.

#### **Lessons for other cities**

- **Growth is a social phenomenon.** Cambridge has developed, in large part, because of the networks between groups of consultants, entrepreneurs and scientists. Realising it was in their interest to collaborate they did so, without state intervention.
- **Build on what's there.** Cambridge has a high-quality research university, and it has built on this to create economic success.

# Ideopolis: Knowledge City Regions

## Edinburgh Case Study

### Executive Summary

*'This profusion of eccentricities, this dream in masonry and living rock is not a drop scene in a theatre, but a city in the world of reality'*

Robert Louis Stevenson

Edinburgh is an Ideopolis. It is highly knowledge intensive, has a highly skilled population and a range of economic strengths. Quality of life for most in the city is outstanding. To sustain its position as an Ideopolis, however, it needs to increase innovation and address the concentrated pockets of deprivation that remain.

#### Strengths, challenges and opportunities

- **Physical knowledge city:** The city has some good office accommodation, including the financial services district and business parks. Questions remain about whether it is possible for the city to accommodate further growth.
- **Building on what's there:** The city has taken advantage of its historical position as capital and administrative centre of Scotland.
- **Diverse specialisation:** Whilst Edinburgh's economy is diverse, there is a concern about reliance on the public sector, with any future cutbacks jeopardising growth.
- **High skill organisations:** The city's population is largely professional, and takes advantage of a range of reasonably well paid, high skilled jobs.
- **Vibrant education sector:** There are five HEIs in the city: they offer a high educational standard and are reasonably well linked to local businesses.

- **Distinctive knowledge city offer:** Edinburgh has a distinctive offer, helped by its attractive built and natural environment and strong cultural offering, such as the festival.
- **Leveraging strong connectivity:** International connectivity is strong, but connectivity within the city-region is threatened by current governance structures.
- **Leadership around a knowledge city vision:** Like others, the city lacks coordinated governance across the city-region level. This presents a current challenge (dealing with the consequences of success) as well as a future challenge (potential to constrain further growth).
- **Investing in communities:** The city is working to address the pockets of concentrated deprivation. A key challenge for social cohesion and social mobility is the high level of schooling in the independent school sector.

#### Policy recommendations

- Using **governance at a city-region level** to address the problems of coordination, which inhibit growth in the city-region. A city-region approach will also enable the benefits of growth to be spread more widely.
- **Focus on graduates:** work with universities to keep graduates in the city and to manage the potential consequences of an ageing population.

#### Lessons for other cities

- **Invest in high quality public realm:** Edinburgh did this 200 years ago and is still benefiting now.

# Ideopolis: Knowledge City Regions

## Glasgow Case Study

### Executive Summary

**‘Glasgow is still on an upward trajectory that started before it became European City of Culture’**

Ideopolis Interviewee

Glasgow scores well on measures of knowledge intensity and has developed a strong service economy. Culturally led regeneration (building on the 1990 European City of Culture) has had a significant impact in the city. Despite many successes, Glasgow suffers from labour market polarisation, prompting one interviewee to describe it as a ‘city of extremes’. Glasgow’s future success relies on a long-term vision around social and economic inclusion, and the strengthening of Edinburgh-Glasgow collaboration.

#### Strengths, challenges and opportunities

- **Physical knowledge city:** the 1990 City of Culture and 1999 City of Architecture have enabled Glasgow to create the physical knowledge city.
- **Diverse specialisation:** Glasgow has a diverse economy, with the top five industries being banking and insurance, business services, health, public administration and communications. Glasgow offers specialisms within the creative and cultural industries (broadcasting, TV and film production) not found elsewhere in Scotland.
- **High skill organisations:** Glasgow has many highly skilled workers doing high value jobs, but also many workers and non-workers with no skills. For future success Glasgow needs to tap the under-utilised sections of its population.
- **Vibrant education sector:** Glasgow is the largest agglomeration of higher and further education in Britain after London and Oxbridge.

- **Distinctive knowledge city offer:** Glasgow has a distinctive identity and external image, though within the UK this image is often about unemployment and poverty.
- **Leveraging strong connectivity:** Glasgow is well located within Scotland but is on the periphery of Europe. Glasgow would benefit from investment in high-speed rail connections to Edinburgh and other cities within the UK.
- **Leadership around a knowledge city vision:** there are three key players in Glasgow: the city council, Scottish Enterprise and the HEIs. Glasgow has the opportunity to use the 2014 Commonwealth Games bid to strengthen existing leadership, and could learn lessons from Manchester’s approach.
- **Investing in communities:** Investing in Glasgow’s communities represents the biggest challenge and also the biggest opportunity for the city.

#### Policy recommendations

- ‘There is still work to do in the poorer parts of the city to ensure that the vision for Glasgow is shared’.
- **Attracting ‘quality’ as well as ‘quantity’ in new jobs.**
- If 2014 Commonwealth Games bid is successful; **learn from Manchester’s approach.**

#### Lessons for other cities

- **Culture-led regeneration.**
- Developing a **strong service economy** which includes ‘high value’ jobs.

# Ideopolis: Knowledge City Regions

## Manchester Case Study

### Executive Summary

**‘What differentiates Manchester is the airport, civic leadership, vision, dynamism and a skill base that wishes to engage and remain’**

Ideopolis Interviewee

Manchester has been one of the most forward-thinking cities in the UK when it comes to the knowledge economy and is on its way to becoming an Ideopolis.

#### Strengths, challenges and opportunities

- **Physical knowledge city:** Manchester has dramatically redeveloped its city centre offering residential and office accommodation – although some interviewees have concerns this may be bypassing central deprived communities.
  - **Diverse specialisation:** Manchester has diverse industries driven by private and public investment, and building on existing strengths including research, health and media. Independent businesses add distinctive value. However, innovation levels need to increase and the level of business failures remains too high.
  - **High skill organisations:** Manchester has a number of job opportunities for highly skilled people but not as many as some other cities. More demand from businesses for knowledge occupations would increase its knowledge intensity and its productivity.
  - **Vibrant education sector:** Manchester has used its higher education institutions to great advantage to provide research, help to generate local employment and secure public sector investment and work with the business community. Nearly 90,000 students also create high demand for services. Associated challenges the city is dealing with include managing the impact of students on local communities and improving the quality of local schools.
- **Distinctive ‘knowledge city’ offer:** A strong sense of identity and pride has supported the city in making a ‘distinctive’ offer to investors and residents, including strong leisure, cultural and creative sectors. The city needs to ensure it nurtures its independent businesses and continues to retain its distinctiveness.
  - **Leveraging strong connectivity:** Manchester Airport has been used very successfully to leverage local growth as well as incentivise more tourism. However, there remain acknowledged challenges around creating a more integrated transport system and addressing congestion.
  - **Leadership around a knowledge city vision:** Manchester’s strong leadership goes across the public, private and voluntary sectors and has enabled the city to use catalysts to maximise opportunities for growth. There is an urgent need for Government to support Manchester being able to work at a city-region level.
  - **Investing in Communities:** The city is working hard to address the challenges facing inner city communities, although some interviewees expressed concern about too much focus on economic growth and not enough on deprived areas.

# Ideopolis: Knowledge City Regions

## Manchester Case Study

### Policy recommendations

- **Make the concept of the city-region more meaningful** through funding and more powers around transport, skills and planning.
- **Explicitly link strategies for economic growth and social inclusion.**

### Lessons for other cities

- **Leadership and partnerships** can help drive a vision of the knowledge city.
- **Events** can be used to raise the city's profile and to catalyse economic growth.
- **Vibrant education sector:** Knowledge intensive businesses and workers can be generated through universities.

# Ideopolis: Knowledge City Regions

## Newcastle Case Study

### Executive Summary

**'Have you ever been to Newcastle?  
What a thriving, vibrant place it is at the  
moment'**

John Prescott

Newcastle and Gateshead are increasingly working together to create a 'knowledge city-region'. Strong engagement from universities in developing the Science City strategy, together with the potential for a highly distinctive 'knowledge city' offer for workers and investors, means that Newcastle is on its way to becoming a knowledge city. However, the city-region needs to ensure it develops strong expertise in more than one industry area to build on the 'diverse specialisation' of the economic base.

#### Strengths, challenges and opportunities

- **Physical knowledge city:** Newcastle-Gateshead has a strong quality of life offering and has benefited immensely from physical regeneration, especially the 'iconic' Angel of the North, Sage Gateshead and the BALTIC.
- **Building on what's there:** Following the decline of traditional industry, Newcastle has had successes in building on other assets, including the public sector and higher education. The challenge is to ensure that the city is proactive in using its assets to attract funding and inward investment.
- **Diverse specialisation:** The city retains a strong manufacturing base, and there is continuing reliance on 'individual sectors', but diversity is beginning to increase.
- **High skill organisations:** Skill levels in Newcastle are above the national average, however the wider region is lagging behind. Newcastle-Gateshead needs to focus on attracting high-skill organisations to retain talent.
- **Vibrant education sector:** The education sector in Newcastle is critical to the city's development and future economic success. The city needs a 'better infrastructure to exploit university knowledge into jobs and companies'.
- **Distinctive knowledge city offer:** Newcastle-Gateshead is being transformed, with creative and cultural industries at the heart of regeneration. Whilst the self-image of the city remains strong, external perceptions of city-region need to be updated.
- **Leveraging strong connectivity:** Newcastle has a good airport but, like many other cities, suffers from a rail network in need of upgrading to meet the needs of the city. Internally, transport links are strong, and the city is thinking ahead about the infrastructural consequences of further growth.
- **Leadership around a knowledge city vision:** Partnership working between Newcastle and Gateshead is working well, but there is a need for stronger governance at a city-region level.
- **Investing in communities:** communities in Newcastle-Gateshead are polarised: 'social regeneration is the slowest at the moment', this represents a significant challenge to future growth.

# Ideopolis: Knowledge City Regions

## Newcastle Case Study

### **Policy recommendations**

- Encourage **private sector** investment.
- Integration at **city-region** level: there is an urgent need for Government to support Newcastle-Gateshead to work at a city-region level.

### **Lessons for other cities**

- Culture-led regeneration.
- Recognition that local authorities need to join forces for future success
- Leveraging a strong higher education sector.

# Ideopolis: Knowledge City Regions

## Sheffield Case Study

### Executive Summary

#### 'Sheffield is at an interesting time'

Ideopolis Interviewee

Following post-industrial decline, Sheffield is now seeing signs of economic recovery. It has low levels of knowledge intensity but this is growing relatively fast. It offers a high quality of life, with excellent public services and some exciting cultural facilities. But its weakness is employment, as it lacks the critical mass of knowledge industries to attract and retain graduates and knowledge workers.

#### Strengths, challenges and opportunities

- **Physical knowledge city:** The built environment, particularly in the centre, has improved hugely over the last ten years. There are some attractive and high quality Victorian suburbs relatively close to the city centre. Concerns remain about the availability of office accommodation.
- **Building on what's there:** Sheffield has moved up the value chain in some areas of steel and manufacturing production, but has also lost large numbers of manufacturing jobs, creating complex social and economic challenges.
- **Diverse specialisation:** The city's industrial base is not historically diverse and it needs to invest in diversification as a risk management strategy.
- **High skill organisations:** Sheffield lacks a critical mass of high skill, high wage organisations which would keep knowledge workers and graduates in the city.
- **Vibrant education sector:** Sheffield has two good, locally engaged universities.
- Distinctive knowledge city offer: Sheffield needs to develop a distinctive identity. Whilst many of its assets are locally recognised, it needs to publicise them more.

- **Leveraging strong connectivity:** The Northern Way may isolate Sheffield from the main transport links: a framework is needed to connect more effectively with Manchester and the surrounding city-region to ensure it is not bypassed.
- **Leadership around a knowledge city vision:** The city-region may provide Sheffield with the critical mass to succeed, but there are concerns that local authorities are fighting for the same money. Greater recognition of where each town stands in the city-region is needed.
- **Investing in communities:** Like other cities, Sheffield suffers from polarisation. However, public services are generally good.

#### Policy recommendations

- **Build links between government departments and the local economy:** Subcontracting may allow local firms to develop.
- **Work with developers to build better quality office space.**
- **Decide what it wants to be, and build a vision around it** – distinct from other northern cities, and based on its assets.

#### Lessons for other cities

- **Diverse specialisation:** Sheffield's economic decline was closely linked to the city's industrial structure being based on a vertically integrated model around a few industries.
- **University spin-offs:** A few specialised departments have been highly successful in developing further growth.

# Ideopolis: Knowledge City Regions

## Watford Case Study

### Executive Summary

**'In terms of the infrastructure they've got it about right. Plenty of places to park, and a good shopping centre...lots of car parks around the town centre, and out of town shopping centres as well. And what is on offer is very attractive to some people. Cambridge just doesn't have that'**

Ideopolis Interviewee

Watford gets the basics right. It has some good facilities for its size, excellent transport links and, largely, good public services. These assets mean it is a popular location for businesses, and there has been some economic growth. However, Watford is very much part of the London city-region. What it lacks is distinctiveness, and it has lost firms to other places because it does not have a university. The future for Watford relies on the city being able to manage the consequences of growth, while maintaining strengths that are under threat from congestion, rising house prices and no distinctive identity.

#### Strengths, challenges and opportunities

- **Physical knowledge city:** There are some good business parks in the town and housing is relatively good.
- **Building on what's there:** In some areas Watford has moved up the value chain. The traditional publishing industry has diversified into multimedia sectors. But it is still reliant on corporate headquarters which are not particularly embedded in the town.
- **High skill organisations:** Watford residents can work in London, and this increases opportunities enormously.
- **Distinctive knowledge city offer:** Watford is not distinct from other similar towns and this is a weakness.

- **Leveraging strong connectivity:** Watford is very well connected, but its ongoing growth may lead to congestion, threatening this strength.
- **Leadership around a knowledge city vision:** Watford has an elected mayor, but lacks the geographical coverage or economic weight to coordinate growth properly.

#### Policy recommendations

- **Build distinctiveness.**
- **Better coordination of growth** so quality of life is not threatened.
- **Improve and encourage public transport** to maintain connectivity which is an important asset for the town.

#### Lessons for other cities

- **The basics matter:** Watford has good parking and shopping and relatively cheap housing – this has been behind its economic success.

# Ideopolis: Knowledge City Regions

## Boston Case Study

### Executive Summary

#### 'Boston looks like the future not the past'

Ed Glaeser, Harvard

Boston is an Ideopolis. It has a high level of knowledge intensity, offers and good quality of life. Its economy is specialised in a diverse range of sectors, most of which are highly knowledge intensive. Its three main industries, education, financial services and technology, each feed the success of the other and build (and rely on) high levels of human capital. However, Boston suffers from a housing crisis, has difficulties in retaining people and has a high cost of living. It has recently lost some corporate headquarters and concerns remain about private sector leadership in the city-region.

#### Strengths, challenges and opportunities

- **Physical knowledge city:** Some new businesses are innovatively placed actually on university campuses. However, there is a significant housing crisis, and high prices deter people from moving into the area.
- **Building on what's there:** Boston has built on its historical strengths in education to succeed in the knowledge economy. Universities such as MIT have had some highly successful spin-off firms.
- **Diverse specialisation:** The diverse industrial base helped it weather the dot-com bubble. The financial services sector provides venture capital for new firms.
- **High skill organisations:** Wages in Boston are 20 per cent higher than the national average, and the city has a diverse range of skilled employment.
- **Vibrant education sector:** Boston's strength in universities are crucial for the development of the city.

- **Distinctive knowledge city offer:** Boston has an international reputation, connected, in many ways, to the success of the universities.
- **Leadership around a knowledge city vision:** The city has a mayor, and public leadership is generally good, although there are concerns that the city lacks private sector leadership.
- **Investing in communities:** The city is losing population, in part due to the high house prices and cost of living: local families move out, while childless couples can afford to stay.

#### Lessons for other cities

- **Do the basics, and do them well.** Boston's government has concentrated on basic services that matter to people, including infrastructure, reasonable taxation and education.
- **Invest in skills:** One of the major reasons for the success of Boston is the high levels of human capital in the population.
- **Diversity is important; over-reliance is negative.** Boston was able to bounce back from the dotcom bust because its industrial base was diverse.
- **Understand that all universities are not equal.** Boston has invested in world-class universities such as MIT, and used their research and spin-offs to develop.

# Ideopolis: Knowledge City Regions

## Dublin Case Study

### Executive Summary

**‘The Irish model is as much sociological as it is an economic or political phenomenon’**

House & McGrath, 2004

Dublin has been at the vanguard of the Irish economic miracle. The industrial structure is knowledge intensive and includes sectors such as pharmaceuticals, financial services and education. Comprising around one third of the Irish population and producing around 40 per cent of GDP, the Dublin city-region is crucial for national growth.<sup>1</sup> But because of this dominance, Dublin’s problems, such as transport congestion and inequality, have consequences for the country as a whole.

#### Strengths, challenges and opportunities

- **Physical knowledge city:** House prices have increased exponentially, although the rate of new building is relatively high.
- **Building on what’s there:** Dublin has used its highly skilled population to attract mobile businesses, a significant factor in its growth.
- **Diverse specialisation:** The city has a range of specialisms, including pharmaceuticals and software. It has few large indigenous firms, and so is reliant on foreign businesses.
- **High skill organisations:** The Irish phenomenon has been, in part, about attracting companies which want to take advantage of its human capital. These jobs tend to be relatively high skill and high wage.
- **Vibrant education sector:** Dublin has three good universities, which are taking an increasingly entrepreneurial stance towards exploiting their intellectual property.

- **Distinctive knowledge city offer:** Dublin has benefited from the strong expatriate Irish community in the US, which has given Ireland an overseas identity.
- **Leveraging strong connectivity:** Transport remains a constraint to growth in the city with traffic congestion in Dublin a significant problem.
- **Leadership around a knowledge city vision:** Ireland has a consensual style of governance, and there is an increasing recognition of the transition to the ‘knowledge based’ economy.
- **Investing in communities:** Inequality in Dublin is high, a problem exacerbated by the rising cost of living.

#### Lessons for other cities

- **The institutions need to be in place to manage growth.** Lack of coordination around infrastructure improvements in the Dublin city-region threatens future growth.
- **Invest in skills.** One of the major reasons for the success of Dublin in attracting foreign firms is the high skill level of the population.

---

<sup>1</sup>The Economist, ‘Why Worry?’ 14 October 2004

# Ideopolis: Knowledge City Regions

## Lisbon Case Study

### Executive Summary

#### 'Things just don't work properly'

Luis Centeno & Ana Pereira, CEEETA

Lisbon has been the focus of knowledge-based growth in Portugal. It has most of the country's research and development and a range of knowledge intensive industries, including finance, business consultancies and ICT. It is the most knowledge intensive city in Portugal. But it has many problems, and these prevent it from succeeding internationally. Not least is that, while the city is known externally as having a high quality of life, for many residents it remains a difficult place to live.

#### Strengths, challenges and opportunities

- **Physical knowledge city:** Lisbon has some good business parks. Notably, these often include good services to improve the quality of life of people working there.
- **Diverse specialisation:** As a capital city, the state sector is important, but Lisbon also has concentrations of knowledge industries, including an emerging ICT cluster.
- **High skill organisations:** Relative to the rest of Portugal, Lisbon provides some good work. However, many of the jobs are low skilled, low paid jobs, despite being in knowledge industries.
- **Vibrant education sector:** Many high tech companies are engaged with universities, but there are still concerns that the academic system rewards patronage rather than innovation.
- **Distinctive knowledge city offer:** Lisbon is seen as internationally distinct, in part due to its role as the capital and also because of events such as the European Capital of Culture, 1994. Its reputation for a high quality of life is not matched by the experiences of much of the population.

- **Leveraging strong connectivity:** Transport internationally is good, but developments in the expanding city-region tend to be haphazard and respond to urban growth, rather than predicting it. Consequently, congestion is a real threat to quality of life.
- **Leadership around a knowledge city vision:** Lisbon is seen as lacking strategic leadership.
- **Investing in communities:** The city has some problems with social exclusion and the rich have a considerably higher quality of life in the city.

#### Lessons for other cities

- **Get the basics right:** Problems in the wider socio-economic functioning of Lisbon have prevented it being more successful.

# Ideopolis: Knowledge City Regions

## Munich Case Study

### Executive Summary

**‘The once-staid Bavarian capital is currently rivalling big brother Berlin as Germany’s most cutting-edge city’**

Ian McCurrach, Guardian

Munich is an Ideopolis. It is economically successful, with a diverse range of specialised industries, including ICT, finance and insurance, high value-added manufacturing and publishing. It also maintains a high quality of life, with relatively high levels of social cohesion and an attractive and clean natural environment. It has an excellent record in research and development, including the research centres of Siemens and BMW.

Strengths, challenges and opportunities

- **Physical knowledge city:** A number of projects have sought to provide appropriate accelerator spaces for new industries, such as biotechnology. But expensive rents for businesses remain a challenge for the city.
- **Building on what’s there:** Munich has built on its historical position as the capital of Bavaria, and attracted some functions from Berlin after the partition of Germany.
- **Diverse specialisation:** Munich has a highly export-oriented manufacturing sector, and is strong in a range of sectors. As the centre for research for firms such as Siemens and BMW the city is highly innovative.
- **High skill organisations:** The new industries require high skills and high wages. However, these have led to a high cost of living, making it difficult for unemployed and low-wage workers to afford to live in the city.
- **Vibrant education sector:** The city is strong in human capital and research, but the unemployed are disproportionately those without formal training or a degree.

- **Distinctive knowledge city offer:** As the historical capital of Bavaria, the city has wider recognition, despite not being the capital of Germany.
- **Leveraging strong connectivity:** The excellent transport infrastructure has been an important driver of growth. Internal, regional and international links are good, with this being an important reason for firms to locate in the city.
- **Leadership around a knowledge city vision:** The State of Bavaria has taken some responsibility for innovation policy and there is also leadership from the private sector and the city government. However, the city lacks an institution covering its economic area, leading to problems of coordination.
- **Investing in communities:** Social cohesion in the city is reasonable, with some urban segregation but relatively little tension. This is in part due to relatively low unemployment, although poverty rates have increased recently.

### Lessons for other cities

- **Exploit devolution:** Munich was a regional capital, but took on many national functions after World War Two. Being the location of many strategic functions helped it cope with economic restructuring.
- **Invest in universities:** The high quality of Munich’s universities has attracted the research and development that has led to the economic success of the city

# Ideopolis: Knowledge City-Regions

First published in March 2006 by  
The Work Foundation, Peter Runge House, 3 Carlton House Terrace,  
London, SW1Y 5DG

© The Work Foundation 2006

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, and/or otherwise without the prior written permission of the publishers. This report may not be lent, resold, hired out or otherwise disposed of by way of trade in any form, binding or cover other than that in which it is published without prior consent of the publisher.

The Work Foundation is a registered charity no.290003

