

# Ideopolis: Knowledge City-Regions

Executive Summary

the work foundation



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- Increasing the volume of knowledge intensive economic activity is essential if developed countries are to remain prosperous. This reflects a transition from an economy based on land, labour and capital to an economy where the source of comparative advantage is likely to be found in the production of information and knowledge.
- Knowledge intensity increases productivity growth and prosperity through innovation. It is important to be clear too that the knowledge economy is not just about science and technology: it is about highly skilled individuals adding value to all industries and about knowledge intensive industries, which are more likely to employ highly skilled individuals.
- Cities matter to businesses in the knowledge economy: they are the places that offer organisations access to highly skilled workers, affluent consumers and the opportunity to innovate and exchange ideas.
- The Ideopolis is the vision of a sustainable knowledge intensive city that drives growth in the wider city-region. It gives cities a framework for developing knowledge-intensive industries that will be economically successful and improve quality of life.
- Cities benefit enormously from using the Ideopolis framework to increase their knowledge intensity. Cities with more knowledge intensive industries and occupations are more economically successful and can improve quality of life for many local people.
- Ideopolises are characterised by:
  - High levels of economic success
  - High levels of knowledge intensity based on The Work Foundation's definition of knowledge intensity (see Box D on page 28)
  - A diverse industry base including distinctive specialist niches
  - One or more universities that have a mutually beneficial relationship with the city, leading to industries built on research strengths, transfer of knowledge to businesses and the retention of graduates
  - Strong communications infrastructure and good transport links within the city and to other cities, including by air, rail and road
  - A distinctive long-term 'knowledge city' offer to investors and individuals alike, created by public and private sector leaders
  - Strategies to ensure that all communities benefit from the economic success associated with knowledge.

- There are nine drivers of an Ideopolis:
  1. Creating the physical knowledge city – having the architecture and accommodation that knowledge intensive businesses and workers require
  2. Building on what's there – recognising the city's existing strengths and weaknesses and playing to these
  3. 'Diverse specialisation' – having a diverse range of economic specialisms for which the city is known
  4. High skill organisations – organisations that rely on the 'high road' to productivity through high quality jobs and highly skilled people
  5. Vibrant education sector embedded in community and economy – one or more universities linking closely with the city and businesses, supported by good education institutions helping all individuals develop their skills
  6. Distinctive 'knowledge city' offer – a distinctive offer for knowledge intensive businesses and workers who are considering investing, working and living in the city, supported by diverse cultural and leisure facilities
  7. Leveraging strong connectivity within and outside the city-region – good communications infrastructure combined with quick links both within the city and to other cities via air, rail and road
  8. Strong leadership around knowledge city vision, supported by networks and partnerships – civic or private sector leadership around the vision of a knowledge intensive city, based on strong networks across different industries
  9. Investing in communities – investing in strategies to ensure the benefits of knowledge intensity are experienced by the whole community.
- Ideopolises need to consider economic success and sustainability together.
- The Ideopolis is a framework for growth within a region. Successful Ideopolises need to work with, and will drive economic growth in, other cities and areas within their region. Smaller cities can use the framework to drive growth and work with the core Ideopolis:

**Secondary Ideopolis:** Some cities are not the main drivers of growth in their city-region, and so cannot become Ideopolises. They can, however, use the Ideopolis framework to become Secondary Ideopolises' or 'Knowledge Cities' that link closely with an Ideopolis. This means that both the smaller and larger cities benefit from each other's different strengths, rather than setting up an unhelpful competition.

- Internationally, Ideopolises include Boston and Munich.
- In the UK, London and Edinburgh are currently Ideopolises. Bristol and Manchester are fast moving towards becoming an Ideopolis, with Newcastle and Glasgow not far behind.
- There is a 'tipping point' at which knowledge intensive businesses generate benefits for the city above and beyond any other sector. This tipping point is increasing year by year. Based on the OECD definition of knowledge intensive businesses, 17 per cent of a city's businesses need to be knowledge intensive for there to be a significant impact on economic success. Based on The Work Foundation definition, 25 per cent of a city's businesses need to be knowledge intensive.
- There is also a 'tipping point' at which knowledge intensive occupations make a real difference: cities where more than 14 per cent of the working population are senior managers are more successful.
- Cities that have more than 19 per cent of their workers with degree level qualifications see a significant increase in their economic success, and this increases further when more than 29 per cent of the working population have a degree.
- An Ideopolis needs to be supported by powers and funding at a city-region level.
- Those cities that want to become an Ideopolis should:
  1. Conduct an 'Ideopolis audit': where is the city now in terms of knowledge intensity, industry mix and demographics? What are the city's main strengths and weaknesses?
  2. Review whether the city could become an Ideopolis or a Secondary Ideopolis and plan accordingly
  3. Focus on building on the city's strengths, for example working with the university to identify research strengths, working with businesses to understand their needs in a location, or looking at the industrial legacy of a city and striving to make a particular sector more 'high value'
  4. Invest in local skills at all levels – tomorrow's knowledge workers already live in the city
  5. Concentrate on what makes the city distinctive as a way of attracting

knowledge intensive businesses and investment

6. Ensure that any strategy to increase knowledge intensity and economic success has a complementary strategy that allows benefits to be experienced by the whole community, rather than by-passing those in deprived communities or with lower skills.

- The Ideopolis vision offers cities and their regions a framework to help them increase their knowledge intensity and in turn this will drive economic growth and an improved quality of life. It offers national policymakers an insight into how the knowledge economy works at a regional and sub-regional level, and into the policy levers that facilitate knowledge-based cities and knowledge-based growth.