

**Accommodating Creative Knowledge: Urban and Regional Policy  
Perspectives  
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**Conference Report**

By

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## **Introduction**

On Wednesday 27 May 2009, a 1-day conference on attracting and retaining creative and knowledge-intensive companies and the talented people working for them was organized in Amsterdam. The conference was an initiative of researchers from the EU-funded project 'Accommodating Creative Knowledge' (ACRE) together with Creative Cities Amsterdam Area, an institute that stimulates and facilitates creative industries in the cities of Amsterdam, Utrecht, Haarlem, Zaanstad, Hilversum, Amersfoort and Almere.

The conference was opened by **Caroline Gehrels**, the alderwoman of culture, media and sports of the City of Amsterdam. She emphasized the economic importance of culture and creativity for Amsterdam, as well as the relevance of internationally comparative research like ACRE. The conference continued with five presentations of researchers involved in the ACRE project; a presentation by a representative from policy practice; a panel debate with representatives from policy practice; and finally a site visit to a temporary 'hotspot' of creative industries.

## **Academic lectures**

**Sako Musterd** gave a general introduction of the goals and setup of the ACRE project and offered insight in some of its most striking results so far. The project started in October 2006 and will run until October 2010. It consists of 13 case studies of European city-regions and their comparison. The central research question of the project concerns the conditions (spatial, economic, social) that make a city-region attractive for companies in creative and knowledge-intensive sectors as well as for the people working in those sectors. An important finding is that next to the often debated 'hard' factors like land and real estate prices, taxes and infrastructure, and the increasingly popular 'soft' factors like 'urban atmosphere', amenities, diversity and tolerance, we should not underestimate the importance of social networks and personal life histories. In most of our cities these personal and social network factors were more important for our respondents than the 'hard' or 'soft' factors. Examples include being born and raised in the city-region; having family and friends in the city-region; moved to the city-region to study; finding a partner in the city-region, etc.

In the ACRE project, the importance of the historical development path of city-regions is also stressed. The current state of city-regions is partly determined by decisions, people and ‘windows of opportunity’ of decades and sometimes even centuries ago. This was clearly illustrated in the three next presentations about the cities of Barcelona and Helsinki and the 5 post-socialist cities in our project.

**Montserrat Pareja** discussed the case of Barcelona. This city has a long tradition as a cultural centre, but the emergence as a ‘knowledge hub’ is much more recent. The city and its metropolitan region have been ‘re-invented’ since the late 1970s in relation to Spain’s political transformation from a centralized dictatorial state to a decentralized federal state, in which Catalonia (of which Barcelona is the capital) gained considerable autonomy and Catalan culture could reclaim a prominent position. The Olympics of 1992 were an important catalyst of urban regeneration, too, as well as Spain’s accession to the EU and the impressive economic development following it. New development pathways have been established by the local and regional governments in close collaboration with private partners: culture-based internationalization of the city, strategic planning (first local, later regional), and the encouragement of knowledge and ICT industries with the 22@ project. Montserrat Pareja mentioned several ‘enablers’ of Barcelona’s success, like: trust in the political long-term strategy; soft location factors (climate, geographic setting, leisure supply, ‘human scale’ of the city); the strong Barcelona brand; political stability; and the top-down approach. But there are just as many ‘inhibitors’ of success, including: difficulties in changing the productive model (low salaries, low productivity); scarcity of investments in R&D; limited capacity to attract multinationals; weak educational structure; and ‘excessive’ leadership of the city of Barcelona.

**Mari Vaattovaara** revealed that the emergence of the Helsinki region as an ICT and telecommunication hub actually already started in the late 19<sup>th</sup> century. As early as 1879, the Finnish telephone sector was already privatized, resulting in more than 800 private phone operators in Finland in 1938. So to some extent Nokia did not start the Finnish prime position in ICT and telecommunication, but only continued a long tradition. Still, Nokia is a crucial player in the Helsinki area now; in 2002 it was responsible for no less than 63% of all Finnish R&D investments, making it also the largest R&D investor in Europe. Another important element of innovative success is the long egalitarian tradition in Finland, in which ‘education for all’ has always been very important. The national policies to support the creative knowledge industries connected to that tradition, focusing mainly on raising the education levels across all socio-economic strata further, since “Finland could not afford to have any part of the population left out”. Partly for the same reasons, being a country with little inhabitants, Finland had to internationalize early compared to other countries. Another expression of the egalitarian ethos is found in Finnish policy practice: consensus seeking and networking also have a long tradition at national and local level. Missing links so far, however, are a national metropolitan policy and city-regional policies and strategies.

**Zoltan Kovacs** presented the special case of post-socialist cities in Central and Eastern Europe. Five cities in the ACRE project belong to this category: Leipzig, Budapest, Sofia, Poznan, and Riga. These cities started their development towards creative knowledge cities with a handicap compared to West-European cities in the early 1990s. In the early 1990s, many revolutionary changes took place in those cities. Prior to 1990, cities in Central and Eastern Europe hardly had self-government; the

economy was dominated by industrial production and internationally isolated; planning happened top-down with strong central state control; there was no land rent; and cities were still very compact. After 1990, political power shifted to the local level; globalisation and de-industrialisation changed the economy beyond recognition; cities became fragmented and sprawled; and planning mainly happened bottom-up from the local level. Despite a still existing general lack of innovation-, creativity- and knowledge-enhancing policies (except in Leipzig), the creative and knowledge-intensive sectors are quite large in terms of the number of jobs and companies. This can be explained first because the state-related knowledge sectors (higher education, R&D, and partly also ICT) are still large, which is partly a heritage from socialist times; second, because of many spontaneous initiatives of young creative people and market-led projects driven by developers. The conclusion seems to be: no need for big strategies! Still, there are enough causes for concern that need policy attention, like the outflow of talented people, the high level of bureaucracy and corruption, ethnic and cultural intolerance, the lack of regional cooperation, and the still immature civil society.

**Sabine Hafner** addressed the question whether city-regions should focus on policies for firms, or policies for individual people. In literature we also find this dichotomy: there are academics like Scott and Porter that stress regional production systems and institutions, and academics/consultants like Florida that have a more talent- or employees-oriented approach. The first focus would most logically lead to policies to improve interrelations and networks between producers, service providers, suppliers, research and education. The second focus instead encourages policies to improve the working and living conditions of workers in the creative knowledge economy. In the Munich case, the institution- and network-oriented approach is characteristic for the state of Bavaria, with programmes like Future Bavaria, the High Tech Initiative and the Cluster Initiative. At the same time, the city of Munich seems to focus more on employees-oriented policies, in particular through the initiatives of the Department of Labour and Economic Development. It is hard to determine which of the two approaches works best, since both are currently applied to the Munich region (or the core city part of it) and both can claim success.

**Marco Bontje** presented the preliminary findings for the case study region in which we met that day, the Amsterdam Metropolitan Area. The region is clearly the dominant concentration of creative knowledge in the Netherlands and has a prominent place in the European creative knowledge landscape as well. Amsterdam's creative knowledge economy is broad and diverse, with only one missing link: high tech production is as good as absent. Creativity and innovation are key elements of recent local, regional and national policies and strategies. Amsterdam's profile as a centre of creativity, culture, knowledge and innovation goes back at least to the 'Golden Age' in the 17<sup>th</sup> century. While additional assets are the strong brand, 'human scale' and connectivity (comparable to the factors mentioned for Barcelona), possible drawbacks are the uncertain future of crucial sectors like finance, the small home market, problematic prestige projects, and 'natural consequences of economic success' like housing shortage, space shortage and congestion. Marco Bontje once more focused the audience's attention on a clear outcome from the empirical studies in all 13 ACRE cities: the importance of personal trajectories of talents, managers and entrepreneurs in the creative knowledge sectors. Although soft factors like city atmosphere also appeared important in Amsterdam (maybe more so than in most of the other 12 cities),

decisions to move to or stay in Amsterdam were much more connected to personal networks, events and decisions: being born and/or grown up in the region, having studied there, having family and/or friends there. For those attracted from outside Amsterdam or even outside the Netherlands, first impressions of the region (often when visiting as a tourist) were also important, but already knowing people there was at least as important. At the same time, hard factors like career opportunities, job certainty, affordability of housing and workspace and (international) connectivity should also not be underestimated.

## **Creative city policies: opinions from policy practice**

**Robert Marijnissen**'s presentation provided the bridge between academia and policy practice. After working as consultant in urban planning, leisure and art management, and in policy practice for the Arts and Culture Department of the City of Amsterdam and for Creative Cities Amsterdam Area, he has recently started a Ph.D. research project at the University of Amsterdam about urban policies for the creative industries. He stated it is time for a new generation of creative city policies and already saw some examples of this in Amsterdam and other cities. Quite often such new initiatives emerge from the creative industries themselves or from non-profit organizations and networks of creatives, which are then subsequently picked up by the municipal and regional policy-makers.

We closed the conference with a **panel debate** with representatives from policy practice from the city-regions discussed in the academic presentation: Amsterdam, Barcelona, Helsinki, Munich and Budapest. These city-regions were represented by: **Amsterdam:** Jaap Schoufour, Project management Bureau City of Amsterdam, project manager *Broedplaats Amsterdam*; Zef Hemel, deputy director Department of Spatial Planning, City of Amsterdam; and Jan Rensen, deputy mayor and alderman of economic affairs, city of Hilversum

**Barcelona:** Angels Santigosa, director of economic studies, City of Barcelona

**Budapest:** Peter Gauder, Studio Metropolitana, an urban research institute founded by the city council of Budapest

**Helsinki:** Asta Manninen, City of Helsinki Urban Facts and Finnish National Urban Research Committee

**Munich:** Bernard Eller, Department of Labour and Economic Development, City of Munich

The debate was led by Joke van Antwerpen, director of the Amsterdam Innovation Motor (AIM), an organization that stimulates innovative economic development in the Amsterdam Metropolitan Area. Three statements about possible elements of creative city policies were discussed:

*1. Recent policy initiatives for creative industries focus on the starting small companies on the one hand, and on the multinational 'star companies' on the other. Most companies, however, are neither of both. We should develop a life cycle approach, catering for the needs of creative companies in all stages of their development within the city-region.*

Most panel members did not agree with a 'life cycle approach'. The most difficult step is from 'loners' who start a company at home to finding appropriate company

space. After help with this first step, companies should be able to develop on their own strength. Starting up a company is already quite a risk to take, but this is even truer for creative and innovative companies. We should not try to support them ‘from cradle to grave’, though, was the common opinion, although Munich makes exceptions for a limited number of promising sectors like biotechnology. Amsterdam offers some good examples of ‘starting small, growing big’, like the yearly events PICNIC and Fashion Week. Next to accommodating in terms of workspace, start-up companies and small companies should be supported or encouraged to become more innovative and more export-oriented. Education and venture capital were also mentioned as possible spheres to support or facilitate. When developing policies to support or facilitate creative industries, we should not only think of stimulating measures like subsidies or providing easy access to affordable workspace, but also try to take away policy and bureaucracy restrictions. Still, while small start-ups are important, attracting large-scale growth industries and companies remains also an essential part of city-regional development strategies.

*2. Are the creative and knowledge-intensive industries the way out of recession, or were they part of the bubble? Will creative and knowledge-intensive industries return to their growth path once the ‘credit crunch’ and the worldwide recession are behind us? Are they still Europe’s best bet for economic growth and competitiveness?*

The panel members did not see creative and knowledge-intensive industries as ‘part of the bubble’ that burst recently, though we should of course make an exception of the sector where the crisis started: finance. The biggest problem for creative, knowledge-intensive and innovative industries is the same as in all industries: getting credit. Even large companies have recently hardly received credit from banks. If this reluctance of banks to give credit lasts, especially small companies will get into trouble. Most panel members still expected a bright future for creative and knowledge-intensive industries and for the city-regions that are most capable of attracting them. We should, however, not make the mistake of focusing on those industries too much; we should not forget the ‘old’ industries. A broad and diverse economic base is a valuable asset for the few city-regions that are lucky enough to have it. Within the ‘bigger European picture’ of a shrinking population in the next decades, creative cities will keep growing and attract people, companies and investors. The crisis may have positive effects too: it could encourage creative solutions and increase the availability of affordable housing and workspace. Questions were raised about the limits of public action (isn’t it mainly a market-driven process in the end?) and the need for education to prepare future entrepreneurs and policy-makers for ‘new leadership’.

*3. Most creative knowledge workers are not ‘hyper-mobile’ and not rich. Therefore, while creating short-stay facilities is important, it is much more important to make the city-regional housing market more accessible for those not born in the city-region, and to keep it (or make it) affordable.*

Due to limited remaining time, we could only address this issue briefly. Should we support creatives on the housing market or should they help themselves? And is permanent or long-term housing indeed more important than short-stay facilities, which are currently high on the policy agenda in Amsterdam? Maybe this issue is rather a typical Amsterdam issue than a general issue in European cities. Amsterdam

is still a very wanted city, but has a very immobile population. This is related to a quite unique housing market structure with a lot of affordable social rental housing, only little (and therefore very expensive) owner-occupied housing, and a largely lacking middle segment. As unique as Amsterdam may be, we can still generalise the housing situation of creative knowledge workers for European cities to some extent from the ACRE project. We found that creative knowledge workers are not hyper-mobile in our 13 cities in terms of housing. At the same time, however, they are quite mobile in terms of jobs, but they tend to change jobs within their own city-region instead of moving from city to city.

### **Excursion to ‘Duintjer CS’, temporary space for creatives**

After the conference, many participants joined a guided tour to the ‘Duintjer CS’ building. This is a large former bank office, which has recently been transformed into a temporary space for creative companies. About 60 companies are currently located in the building, with an interesting mix of start-ups, small, medium-sized and large companies covering the entire range of creative industries. Many of those companies had been located at the ‘Post CS’ building near Central Station before. This was also a temporary creative space, from which all users had to leave last year because the building would be torn down. Most companies and other users of the Post CS building wanted to stay in each other’s vicinity because they had built up several networks and business relationships. The Duintjer building was already empty for a while and was one of the largest vacant buildings in the city centre, so it was a natural follow-up candidate. However, also this space will only be for a few years at most as the building will eventually be torn down. We were received by representatives of the building management who toured us around the building. Several companies allowed us to have a short look inside their offices. A drink at the top floor of the building, where the debate on creative knowledge cities continued for a while more, was a good way to close a successful conference day.

I would like to thank all those involved in the preparation and organization of this conference, but in particular Anja van Os from Creative Cities Amsterdam Area who arranged a perfect conference location and excursion destination and was very helpful in promoting our event through the CCAA networks.