

THE ROLE OF KNOWLEDGE MARKETING IN SMALL- AND MEDIUM-SIZED CITIES

ABSTRACT

Cities are recognised as playing a fundamental role in the promotion of the knowledge economy but most research and policy has focussed on large cities with World-class educational and research institutes and advanced clusters of economic activity. There are clear and significant gaps in the knowledge of how smaller sized cities, with different types of knowledge institutions and different levels of economic activity can compete within the Knowledge Economy.

The URBACT II Thematic Network "The Role of Universities in Urban Poles" has addressed in a uniquely different way the fundamental issues of how universities should engage with their local communities with a particular focus on medium-sized cities; the role of local authorities and municipalities and the importance of triple helix structures for supporting economic development and encouraging entrepreneurship.

This paper provides a summary overview of the challenges facing 9 European cities in knowledge marketing and concludes that only by understanding the structures, contacts, research and educational themes and existing approaches of universities can city partners fully support the development of triple-helix structures and the alignment of activities to local economic development priorities

TRACK INDICATION: Science to Business Marketing



1. INTRODUCTION

Defining the knowledge economy has been the subject of significant debate and while a number of general definitions have been articulated no single definition has been able to capture all aspects of the commodity that is knowledge (Brinkley, 2006). Given this confusion an alternative argument has emerged that the knowledge economy is not a new phenomenon and that “the economy has always been driven by knowledge leading to innovation and technological change and knowledge based institutions have helped store and share knowledge for centuries. What we see today is essentially more of the same but operating on a bigger scale and at a faster pace” (Brinkley, 2006).

For a local economy engagement in knowledge based industries (although they do not fully represent the scope of the knowledge economy) can have a significant impact, between 1995 and 2005 employment in knowledge based industries in the European Union went up by 23.9% in contrast with 5.7% for all other industries. In particular while manufacturing employment overall in the period between 1995 to 2005 declined by 5.6% on average across the EU only 2.4% of employment losses were from technology based manufacturing. In comparison knowledge based services have seen significant employment change of 30.7% across the decade in comparison to 13.5% for less knowledge intensive services.

For the partners in the URBACT II network " The Role of Universities in Urban Poles" (RUnUP) understanding the dimensions of the knowledge economy is critical as the profitable utilisation of knowledge can have a significant impact on the modernisation of existing industries through technology adoption, the diversification of existing industries into new economic sectors, the transplantation of industry (inward investment) and creation of new indigenous industries.

2. RUN-UP: ADDING VALUE AT THE CITY AND EUROPEAN LEVEL

To support the development of their local economy the partners in the RUnUP network need to examine how knowledge is transferred into the economy. The RUnUP partners operate in urban areas with generally a large number of micro-sized companies and Small and Medium-Sized Enterprises. The partner cities of RUnUP are:

Gateshead: Occupying a central position in the Tyneside conurbation alongside the City of Newcastle on the South bank of the River Tyne.

Águeda: Located in the central region of Portugal, in the NUT III Level area of Baixo Vouga. Its territory covers 335.2 km² and is therefore the largest municipality of the Aveiro district.

Barakaldo: With a population of 98,000 people is located in northern Spain, in the Autonomous Community of the Basque Country which is



divided in three provinces (Álava, Bizkaia and Gipuzkoa). Barakaldo is situated in Bizkaia.

Campobasso: With a population of 53,321 people is the capital of the central Italian region of Molise bordered by the Sannio and Matese mountains and the Adriatic Sea.

Dunkerque The Greater Dunkerque Council consists of 18 towns, located in the region of Nord Pas de Calais that stretch from the Belgian border to the Calais region with 210 000 inhabitants.

Leszno: With a population of 63,955 people is located in Central West Poland, Wielkopolska region between the economic centres of Poznań and Wrocław.

Patras: The City of Patras with a population of 171,616 people is the capital of the Peloponnese region of Western Greece and Prefecture of Achaia.

Potsdam: With a population of more than 150,000 people is the capital of the state of Brandenburg within the convergence region of Brandenburg South-West

Solna: With a population of 65 000 people is located in the east central Sweden, part of the capital Stockholm metropolitan area.

The network has taken an integrated approach to economic transformation examining the role of universities and economic development partners at a local level in particular utilising a general framework from Massachusetts Institute of Technology (MIT), (Lester, 2005), which has allowed us to understand the specific challenges faced by cities much more clearly while at the same time providing a structure for comparison and the drawing of general policy conclusions.

3. RUNUP: PARTNER ISSUES AND CHALLENGES

Traditionally medium-sized urban areas seeking to work with and to integrate universities into their economic activities often take a “classic perspective” of universities focussed solely on technology transfer and spin-out activity linked to research. The adoption of an integrated approach provides a mechanism through which local authorities can become actively engaged in defining and delivering their local approach to engage business in the knowledge economy and influencing the role of local and regional universities in line with the principle of the triple helix of university-industry-government relations.

The introduction of a model (Lester, 2005), for mapping the transition of local economies with university roles provides a structure for debate between municipalities and universities on how to drive forward and support their local business community in line with the principle of the triple helix of university-business-government relations.

Utilising this model as a framework for exploring the future activities of the RUnUP network comparisons can be made between the detailed problematic of each of the partners that will be explored.

i) Creating New Economies

The creation of new economies based on Knowledge is a key focus and problematic in all of the partner cities with the exception of Dunkirk and to a lesser extent Leszno. This is not unrealistic as the partners are pro-active in seeking to develop their economies around higher value adding sectors in line with the principles of the Knowledge Economy. For Águeda the municipality has already identified the importance of establishing a business incubator linked to environmental technologies. Such an activity linked to commercialisation approach of the University of Aveiro and the School of Technology and Management in Águeda is essential to encourage entrepreneurial development among students, graduates, staff and the local community.

In Campobasso and Patras there is a particular requirement to define these new sector opportunities in partnership with their local universities however it is considered that opportunities exist in the fields of; sustainable industries and bio-medical/biotech for Campobasso and Informatics and Communications and Environmental Management and Protection in Patras. Similarly, Barakaldo needs to define its sector focus but is clear in its aim in developing a joint local initiative that links research into the generation of spin-out companies and entrepreneurial activity, enhancing linkages with local business.

In comparison, Gateshead Council is already examining the potential for the creation of new economic activity around the cultural and creative sector, possibly focusing on a design led economy linked to the Design Centre for the North, although the viability and impact of such a focus must be examined. In Potsdam the University needs to articulate a strategy for enhancing its awareness of structures and processes for increasing its commercialisation activities and how these can align, integrate and mutually support the education and research activities of the university. Additionally in implementing a strategy for knowledge based transformation the university needs to encourage and develop business development skills and capabilities within their university staff to support longer term strategy implementation.

For Solna the situation can be more precisely defined. With the world-class Karolinska Institute located in their municipality and existing activity already in place to support the establishment of Bio-Tech and Life Science companies through KI Science Park and KI Innovations the focus of their engagement in the RUnUP network is specifically around supporting an additional-tier of spin-out companies through incubation and improvements to the referral process for potential spin-out and licensing opportunities alongside the establishment of stronger relationships between the Municipality of Solna and the Karolinska Institute.

ii) New Industry Transplantation

While new industry transplantation can be seen traditionally and more extensively in the lower wage economies of the European Union this element of University interaction with the economy has not been identified as a problematic by the RUnUP Partners. While Leszno with a focus on the development of Special Economic Zones has a potential interest in this area its main focus is seen as the modernisation of its existing industry in the design and manufacture of products and secondly in the development of incubation activity in support of the development of new economic sectors.

iii) Diversification of the Economy

Economic Diversification is seen as the key problematic in relation to Dunkirk where the university contribution to the economy is seen as insufficient and the linkage of the local economy to the energy sector makes the future particularly uncertain given the current global climate. The focus in this case is on the diversification of companies into new knowledge economy areas linked to the environmental sector and sustainability with particular links to the environmental research centre and developing entrepreneurial support services of the university.

In addition diversification within the manufacturing sector of Águeda is a priority as with nearly 50% of employment within manufacturing and the increasing pressures of globalisation in their traditional product markets they are seeking to move into environmental technology related economic activity areas. Diversification is also a related activity to modernisation. In this context this is a secondary priority for Gateshead, Patras and Campobasso.

iv) Upgrading of Mature Economies

Modernisation of industry is a primary goal of Leszno, whose economy is based on traditional industries with low levels of productivity. In delivering innovation led growth for Leszno through the modernisation of its existing economic base and the creation of new companies a new relationship between the municipality and business support organisations in Leszno needs to be established.

Similarly manufacturing remains a significant part of the Gateshead economy and there is a particular requirement to develop a strategy that supports the modernisation of its existing manufacturing and an upgrading of its skills base. The challenge facing Campobasso within this context is that its existing economic structure is dominated by the agriculture sector. The Scientific & Technological Park of Molise (Molise Innovazione) is supporting businesses operating in this sector but is limited in its current level of engagement and support for businesses. Its operations and approach to working with business need to be further developed and enhanced.

4. CONCLUDING REMARKS



The URBACT II RUnUP network provides a unique opportunity to examine the role of universities in urban poles from the perspective of Local Government, given the constitution of the partners rather than a traditional model taking Universities as the point of reference. In the development phase this unique perspective has provided valuable insights; namely:

1. Universities are positioned as mechanisms for research and development and subsequently licensing, patenting and spin-outs (and this is reinforced in European and National policies); although this may not be where their potential for supporting local economic development truly exists.
2. Local Government organisations see Universities primarily as vehicles for Education and Research & Development (see point 1) and expect them to support the development of their local economy by default although universities operate in regional, national and international markets and are not entirely (if at all) aligned to local priorities.
3. An economic development perspective examining the needs of the local economy, its modernisation, transformation, transplantation and new sector creation establishes common ground where local priorities can be articulated and the role of the university in this context can be openly explored and suitable knowledge transfer approaches defined in support of triple-helix development.

Moving forward at a local level it is recommended that the partners in the RUnUP network need to enhance their individual and organisational knowledge of their local and regional knowledge based institutions. Only by understanding the structures, key contacts, key research and educational themes and existing approaches of universities to working with their local economy can they support the development of triple-helix structures and the alignment of university activity to local economic development priorities. In parallel with this the partners as a prerequisite to the design of new schemes and approaches for university–business interaction need to consider defining their sector priorities and the state of economic transformation. As a result of this the distinctive characteristics of the RUnUP approach can be summarised as:

- The understanding of the concrete needs of each partner city in relation to its existing economic base and the ‘absorptive capacity’ of its firms, allowing us to map out strategies for the partner cities each with different economic starting positions.
- The alignment of university activity to economic transformation. Recognising that the traditional linear model of seeing universities as producers of knowledge from research and conversion into technology transfer and developing spin-outs is extremely limited. Universities can undertake much wider roles in local economies many of which

are more aligned to the focus of small and medium-sized cities. The activities of RUnUP will extend and highlight the range of alternatives regarding the role of Universities in such environments.

- A focus on the practical role that local authorities can play in Small and Medium-Sized Cities as the vital interface between the needs of economic actors and the knowledge base.
- By studying good practice both within and outside the RUnUP partners the approach will allow the network to provide practical guidelines for city managers while at the same time producing general policy recommendations to strengthen a vital component of the Lisbon Strategy.

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