

## BASELINE STUDY

### Abstract

#### Introduction

The UNIC project has been selected as a Thematic Network project within the URBACT II programme, under Priority Axe 1 – Cities, Engines for growth and jobs, and in particular under theme 1.2. Improving Innovation & Knowledge Economy. The UNIC project is therefore an **innovation-driven** project.

The main objective of the project is to allow all European cities impacted by economic transition - from a traditional economy with strong “heritage” value conveying cultural identity, towards a sustainable innovation economy - to anticipate, prevent and address the economic, cultural and social consequences of these changes and to begin moving effectively towards a sustainable innovation economy linking research and education, economy, culture, social and urban promotion.

Albeit strongly rooted in one sector it should be made clear that the UNIC project is not (just) about the ceramic sector: it is about **change**, and how to build on industrial heritage and traditional competitive factors in order to build new competitive factors for the knowledge economy in a global world.

The objective of the Baseline study is to provide a contextual framework defining and supporting the activities of the network through the time-line of the programme.

Within the framework of UNIC, the baseline study has been mainly considered as a working document that would highlight the synergy and common challenges faced by the partners, establishing the **starting point for a cooperation** that could lead each partner one step further into its transition into a more competitive and innovative city.

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## Baseline study – abstract

The question that UNIC partners will try to address is:

***“How can local economic communities based on traditional industries, and in particular ceramics, prosper in the rapidly changing, increasingly open global economy?”***

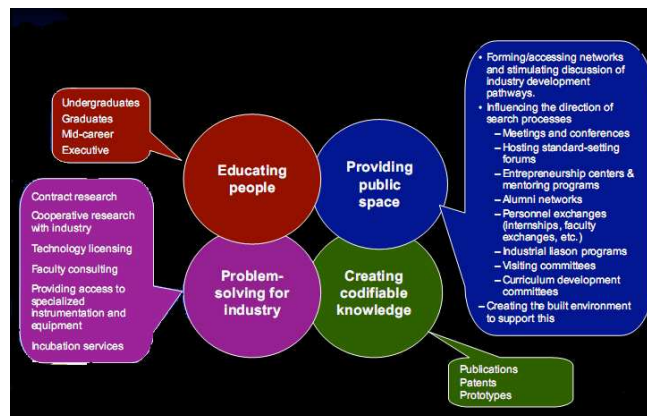
There are at present two clear distinct and competing innovation scenarios for local economies:

- ‘Hollowing-out’
  - Local companies reaching farther afield to tap into the global network of ideas and skills, and eventually moving out altogether.
- ‘Agglomeration’
  - Local companies strengthening their local ties
  - Local/regional economy emerging as a centre of new knowledge creation and application, stimulating and attracting new enterprise.

High technology companies, once tied to their locations, can now move their production to anywhere in the world. Still in order to stay competitive, key parts of their operations need to be based in knowledge and innovation-intensive regions.

To be globally competitive countries, regions and cities need to invest in their Innovation Systems. The UNIC challenge is to promote the “**Agglomeration**” scenario in the partner cities for local firms, while at the same time trying to capture external firms “**hollowing-out**” from other regions. For that they must build on their competitive factors, often related with their tradition and heritage to set the context and stimulate the creation of local knowledge (“Combining heritage and innovation”), namely through intervention – direct or indirect – in 4 areas, as pictured below: provision of public space, educating people, creating and disseminating knowledge and contributing to problem solving for industry. Public research centres and universities are key players, as they can contribute to all four.

Picture 1 – New knowledge creation dimension (“Combining heritage and innovation”)

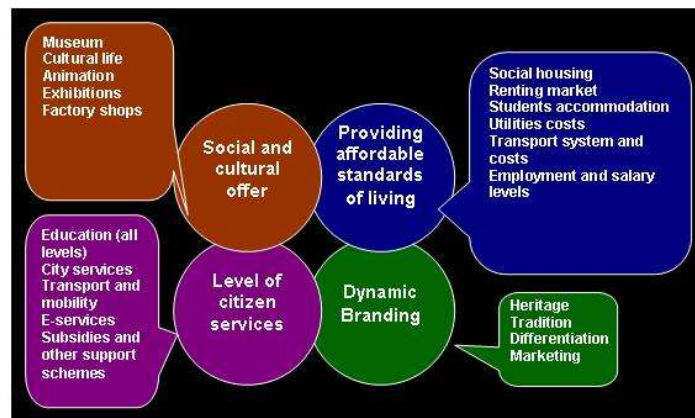


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A city that is not able to provide competitive offers in the 4 components above will not be able to foster the creation of knowledge and lose the possibility to follow an innovation-led growth path – which is possibly the only sustainable path for growth in Europe.

But for a competitive affirmation of cities and regions in a dynamic context, another dimension must also be considered, important for the attraction and retention of talents (the “City as a centre of attraction”), which are in turn also vital for knowledge creation: the “identity creation” dimension, through intervention in another 4 areas: capacity to offer social and cultural life, affordable housing, appropriate level of services, and a dynamic and attractive “brand” and image (e.g. as Italy for design, France for food, ...). These aspects matter - policy often focus on few high technology fields, but 70% of OECD countries workforce is in the service sector and cultural industries are becoming a major driver globally, accounting for 7% of GDP and growing at 10% annually.

Picture 2 – New identity creation dimension (“City as a centre of attraction”)



The two dimensions – “Combining heritage and innovation” and “City as a centre of attraction” – are not absolutely independent. On the contrary, quite often an intervention in one area causes an effect in the other, while some efforts lay in-between these two dimensions. This “grey area” between the two dimensions above-mentioned is in itself a third dimension for intervention, referred within the scope of the UNIC project as “**Integrated Urban Approach**”.

Within the UNIC baseline, all partner cities have been evaluated, as regards their strengths, weaknesses, opportunities and threats (SWOT) in face of three dimensions above, and focusing on the ceramics heritage that is the core of the project and links all partner cities.

The analysis of the partner cities allows to conclude that, while there are certainly differences amongst cities, there is a common understanding of the network’s core topics, in particular in its dimension of creation of new knowledge (innovation) and creation of a new identity (attractiveness). A more detailed analysis of the results for each city clearly identifies two main clusters, as regards the first dimension – creation of new knowledge: one grouping the Competitiveness cities, and another, slightly less developed, grouping the Convergence cities, as pictured in Figure 1 below.

These findings are in line with the initial expectations and with most studies regarding innovation (e.g. the Community Innovation Scoreboard). However, such a distinction is

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not evident in the second dimension – creation of new identity, that will reflect the attractiveness of cities to people, companies, investments... – here are the individual merits and experience of cities, more than the global regional or national context, that seem to make a difference.

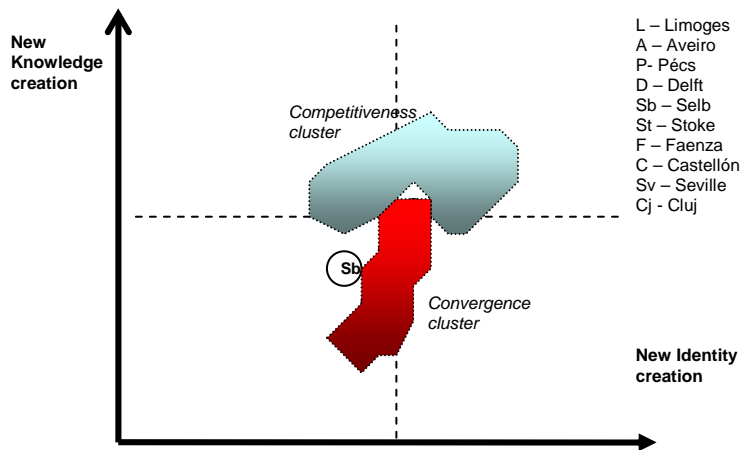


Figure 1 – Positioning of partner cities regarding the two main dimensions of the project

Overall, there is a quite extensive sharing of the topics of the project, represented in a cohesive grouping of the cities, in a relative small area of the graphic above (no “lost sheep” effect). The cities, albeit with very different tradition and economic relevance from their local ceramic sectors, share common concerns and objectives, and there is plenty of space for cooperation with benefits for all.

An interesting analysis for further development regards the identification of the main practical experiences with regard to any of the dimensions in each of the member cities, and that can be shared or developed within the scope of UNIC network. These are presented in the table below:

Table 1 – Main experiences identified in Partner Cities

Partner City	Main experiences
Limoges	Pôles de Compétitivité ( <i>New knowledge creation</i> )
Aveiro	Preservation / conversion of heritage as in Cerâmica Campos ( <i>New Identity Creation</i> )
Pécs	2010 Capital of Culture /Szolnay Quarter ( <i>New identity creation</i> )
Delft	University – Industry Relations, water-ceramics integration ( <i>New knowledge creation</i> )
Selb	European Industrial Museum of Ceramics ( <i>New identity creation</i> )
Stoke-on-Trent	The Ceramics Biennial ( <i>New Identity Creation</i> )
Faenza	Toricelli Park ( <i>New knowledge creation</i> )
Castellón	Use of ceramics in city architecture, new congress centre ( <i>New identity creation</i> )
Sevilla	Network of technology parks ( <i>New knowledge creation</i> )
Cluj Napoca	Community or artists and designers ( <i>New knowledge creation</i> )

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The actions / activities listed in the table above should be regarded as valuable experience / good practice in each city to be contributed to the partnership and the trans-national process of learning and co-production to be developed under UNIC.

Overall, to a further or a lesser extent, all UNIC cities have already started their path towards becoming “knowledge cities”, as represented in the experiences above. The goal of the UNIC project is to help them in going further into that path, in particular by sharing experiences and practices and by mutual learning that can then be reflected in their local action.

Within such a process, as important as identifying good practice is to identify deficits and learning needs that each of the participating cities formulates with regard to the network’s topics. At this level it is important to know what exactly does the network have to offer and create so that the individual city will have a practical benefit and feel that it was worth the resources invested in the project.

Looking at the individual analysis of UNIC cities, in the 3 considered dimensions, and bearing in mind the need to keep the project focused and manageable around a limited number of topics, there are 5 main topics that clearly stand out, as concentrating the majority of interests and needs from the partners:

- Towards knowledge economy through promotion of innovation (Financing and evaluation of innovation)
- Industry strengthening, (in particular through university industry relations)
- Urban integration (Integrating heritage in the urban and economic fabric)
- Cultural, artistic and tourism values (Creating large scale dynamics), and
- Urban identity (City marketing and promotion)

The 5 identified topics will be addressed thoroughly during the implementation phase of UNIC through the establishment of working groups participated by the interested cities. Each working group should have between a minimum of 3 and a maximum of 6 city partners in order to keep the work effective.

The objective of the working groups will be that of analysing good practices in the topic and produce suggestions for concrete actions, that once validated within the network and discussed within each city at ULSG level, can make its way into the Local Action Plan that each city will develop within the project.

The overall UNIC cooperation flow should obey to some principles that have stand out during the baseline analysis:

- Local planning should address the dynamics of knowledge development and economy of intangible assets, which are very different then the ones of the traditional economy which is based on tangible goods.

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— While there are exceptions (Pécs Zsolnay Quarter, Torricelli Park, ...) in most cases it will not be possible to build nor a green field “knowledge city” neither brand new “Innovation Engines” (universities, capital markets, brownfields, etc.) that may lead the city into knowledge and innovation. The challenge would be usually to transform ordinary existing (and maybe even aging) urban constructs and re-invent them as true innovation engines.

— The activities that will stem out of the Local Action Plans (or the “Innovation Engines”) must not become isolated ivory towers. They must be connected continuously to each other as well as be integrated in all cities’ flows.

— Each city is characterized by different cultural, economical and political conditions. Therefore, the specific set of the city’ innovation paths, and the form they will take will be customized to the unique urban circumstances, competencies, opportunities and challenges, that must be characterized with the support of local stakeholders. A viable “Knowledge City” or any of its components will most likely not be architected by a single professional or urban department. Rather, it will be the outcome of a collaborative process which involves the talent, insights and perspectives of all stakeholders – council officials, senior citizens, local business people, academic, artists – i.e. the Local Support Groups in each city.