

## Local Action Plan Kortrijk

### **INTRODUCTION: Why a local action plan for creative spillovers?**

In the various economic policies (Plan New Kortrijk, Regional Charter 2013 to 2018, strategic plan West Deal of the Province West-Flanders, Strategy Eurometropole 2014-2020), the ambition is pronounced to develop our region to a top region of creative manufacturing industry.

Hereby the production capacity and technical creative skills of the extensive economic fabric, consisting of dynamic SMEs together with a number of larger global players, who are leaders in their field, are considered as the basic elements to further develop the economy of the region. Unlike before, the presence of a significant proportion of manufacturing companies today is rather considered as an important asset, because ultimately it forms the foundation of the economic system. On the other hand the manufacturing economy is through the globalization and the rapid evolution under strong pressure and its future, perhaps even more than other sectors, depends on its innovation capacity.

The necessary economic transformation is such that it requires more than just a sectoral innovation (innovation seen as a more or less linear evolution). Basically it requires a combination of innovation and creativity. Creativity seen as the capacity to make rapid new connections between existing phenomena or objects, that bring them together in an unexpected way. Such a combination of innovation and creativity is nourished through cross-sector innovation, open innovation, user led design, etc. The success of the economic transformation of our region will depend on the extent to which we succeed on one hand in bringing creativity both within the companies themselves, as in education, government, and society and on the other hand in building a critical mass of creative professionals and service companies.

The experience in the partner cities of the Urbact Creative SpIN learns us that this don't happen by itself. On the contrary, it requires a coherent and thoughtful cooperation of many partners in setting up processes, projects and activities to stimulate these spillovers between the creative industries and the manufacturing economy.

## PART I - Local context, assets and challenges

Kortrijk is a medium-sized city of 75,000 inhabitants and is the largest city in South West-Flanders (approx. 80 km<sup>2</sup>). It fulfills a center function in a region of 280,000 residents. It's located in the Flemish-speaking part of Belgium, at only 20 kilometers from the French border and approx. 50 km from Ghent, and only 100 km away from Brussels and Antwerp.

The international highway E17 connects the Kortrijk region with Ghent and Antwerp to the north, and with Lille and Paris to the south. Brussels is just one hour by car, Paris takes two hours and Amsterdam takes three. London by road is just 2½ hours away.

Kortrijk is situated just 20 km from Lille-Europe rail station, the most heavily used high-speed train hub in the world. From here you can connect with Brussels in 38 minutes, Paris in under one hour and London in just over 1½ hours.



Kortrijk is also part of the rising metropolitan area around the large city of Lille in Northern France, home to two million inhabitants. It formed the first cross-border European Grouping of Territorial Cooperation (EGTC) Eurometropolis Lille – Kortrijk – Tournai.

In France, the city of Lille is the country's second tertiary centre and ranks third in France for office space. On the Belgian side, the dual nationality metropolis is second only to Brussels for economic activity.

### Demographic challenges

However, the city is outside the central "Flemish Diamond" of Gent, Antwerp, Brussels and Leuven, where the lion's share of the economic development takes place. As a provincial town, it suffers from an ongoing brain drain and therefore an ageing population.

The Kortrijk Region (South-West-Flanders) had between 2000 and 2012 the smallest population growth. Forecasts predict by 2025 an increase of 1.4% of the population, which is significantly lower than in Flanders (+ 3,9 %). The number of people over 65 will increase sharply by 28.4% between 2007 and 2025. As a result, the flow rate drops to 81.6% in 2025, meaning that the number of incoming young people (15-24 years) is less and less sufficient to replace the number of outflowing elderly (55-64 years) in the labor market.

### **Economic profile**

Kortrijk traditionally is an area where many small and medium-sized businesses are located. 63 % of the companies have less than 100 employees.

Its economy is industry and service-based, with a long history in the industry of textile (flax) and building materials (bricks and tiles). Local SMEs have shown strong flexibility and capacity of conversion and innovation during the different (textile) crises. Entrepreneurship and resilience are main characteristics of the regional economic system.

Due to this reconversion, new spearhead sectors have developed: plastic processing, mechatronics and visualization and communication technology.

The Belgian plastic processing industry is concentrated in the Kortrijk region. Not only is the city of Kortrijk home to the Flemish Plastics Technology Centre (VKC) and the Flemish Competence Centre Flanders' PlasticVision, but the region benefits from a large network of SMEs specialized in various plastic processing technologies. Plastics and new materials has been selected as the key sector to be developed through a cluster policy.

Many SMEs and some global companies, like LVD, VandeWiele, Picanol, are specialized in machine building, sensor technologies and other mechatronics disciplines. With Barco, one of the world leaders in visualization solutions is located in Kortrijk.

The secondary sector is relatively still important, although with a declining share of 21.8% of total employment. On the other hand, the tertiary and quaternary sectors are less developed than in the Flemish Diamond.

South-West-Flanders is still a prosperous region with strong economic assets. The increase in the gross domestic product per capita to 32 926 euro in 2010 is significantly above average in Flanders. The employment rate of 67.9% is quite high.

Yet the last decade South West Flanders has a relative decline in economic performance. An unemployment rate of 5.8% in 2012 means a sharp increase in unemployment of 26.2% compared to 2000.

Kortrijk is a strong educational center for the region, hosting a campus of the Catholic University of Leuven and two university colleges, good for some 10 000 students. This is larger than in any of the other smaller cities in Flanders (such as Bruges, Ostend, Mechelen etc.).The University College Howest offers Bachelors in Multimedia and Communication Technology, Industrial Product Design and Embedded System Design, digital art and entertainment.

## **Economic challenges**

- A too low start-up ratio. The spin-off creation is virtually zero.
- The share of foreign investment in West Flanders stagnates at a too low level. Growth is only endogenous and can reach his limits.
- the presence of lead plants from large companies is limited
- West-Flanders is the only province that doesn't have a full university.
- The share of public research budgets remains shameful
- the managers indicate the need for qualified personnel as the most important need. The combination of a structural brain drain with a clear ageing population and technical education that difficult finds connection with the industrial fabric, is one of the biggest threats in the short term.
- The industrialization level is above average, which constitutes a major asset, but also an increased risk. It puts a lot of pressure on the innovation capacity of companies.

## **Cultural and creative industries**

### ***Number of firms in creative industries***

The figure of 1,897 registered businesses (31/12/2008) – with 2,922 workers (31/12/2007 – demonstrates that the creative economy is embedded in the economic structure of the region. Nevertheless with an employment of 2,54 % of the total employment, this was a low number in comparison with other parts of Flanders. Striking is the very limited size of the companies with an average of 1.54 employees per business.

Among the creative industries games/software (30%), broadcasting (14%), trade of cultural goods (14%) and design (10%) were the main sectors.

**Design** has been integrated in local industrial activities since the early 20th century.

Kunstwerkstede De Coene was the biggest production center of interwar Art Deco furniture in Belgium, with an international reputation and after World War II for all social classes the distributor of modern furniture, but also the producer of the Benelux expensive Knoll cabinet.

In 1968 the first Design Biennale Interieur was organized in Kortrijk. Today it has become next Milan a top event which offers an overview of the most recent developments and the most successful projects in product development and design.

Desingregio Kortrijk is a partnership between the City of Kortrijk, Interieur Design Biennale, Howest (TU), Chamber of Commerce and the Inter-communal Development Agency Leiedal. Designregio Kortrijk wants to introduce design-thinking in the SMEs, education, public sector and the society. It works on a periodical publication to promote the best 50 design products of the year from local companies. Designregio Kortrijk is recognized as the regional HUB of the Flemish Design Platform.

The city celebrates a week of design, during which schools and professionals show newest innovations in the business sector and work of graduates..

The University College Howest offers a higher education program in industrial design engineering and industrial product design. It's combined with the Industrial Designcentre, knowledgecentre for design and prototyping.

Also the Flemish competence centre for product design Flanders Inshape is located in Kortrijk.

**Digital media and gaming** are other key sectors with potential to develop.

The University College Howest has the largest contingent ICT students in Belgium. The program DAE (Digital Arts & Entertainment) started in 2006 and has become the most successful (> 600 students) with a strong international reputation. They are "technical artists" or "artistic technologists". DAE has over the past seven years, put 213 alumni on the market, which are employed in nearly all relevant game and movie studios. With this Howest built up a reputation as an internationally recognized competence centre in the field of (interactive) 3D technology. On the competence centre The Level also an incubator is attached.

The Devine program trains digital creatives into web designers and in New Media and Communication Technology (NMCT) are learned to program applications for digital tv. In 2012, Microsoft started an innovation Center (MIC), with a focus on e-health and care.

Since 2002 the city has developed an urban renewal program to turn the **Buda-island** in the inner-city into a breeding nest for culture, creativity and artists. Additionally to the art production the goal was to realize a sustainable urban development. In the last years the policy focus has moved from a separated strategy for culture on one hand and design and innovation on the other, to a "spillover strategy" combining culture, creativity and economy. The Budafabriek, a renovated former factory, is the mayor project in the new strategy. Opened in October 2012, it interlinks designers, product developers, entrepreneurs, students, artists and citizens in order to enhance cross-pollination for innovative products, applications and new concepts.

The city of Kortrijk and the region have invested quite a lot in architecture. Several projects illustrate the ambition of the city to boost contemporary high-quality architecture and renewal of the public space (e.g. the reconstruction of the banks of the river Leie with 7 new bridges).

### **Assets for the creative industry and spillovers**

The Kortrijk region has two major assets in the field of creative industries, moreover with a strong economic focus and thus having the potential to provide an important input to the traditional economy. It will be the two action lines to develop the creative industries:

#### 1. Product development and design management:

With the programme industrial product design of Howest, the postgraduate integral product development of the KULAK university, the Industrial Design Centre, Flanders

Inshape, Designregio Kortrijk, Biennale Interieur, and numerous companies (see Design X 50) a strong base is present.

The specific training and skills of designers to work from a multitude of creative ideas within numerous constraints towards a product or service, that can be valorized, is usable in numerous sectors and for a lot of challenges.

2. New digital media, visualization technologies, 3D visualization and gaming

Gamification, namely the use of game elements in real processes and activities to enhance the user's experience, is one of the most important and promising trends in today's society. It can be used for many purposes (training, services, products, ...) and in all sectors (healthcare, education, ..).

Also 3D applications are becoming more numerous. 3D simulations are used for research, design and production purposes, training, ...

The importance of these sectors is increasingly recognized and recently in the European and national funds to support creative industries and the audio-visual sector specific funds for the gaming sector are provided.

With Barco as a global player in the imaging technology and Multi Mania, a major multimedia conference other basic elements are present. Moreover, in Tourcoing the important French audio-visual cluster Pictanova is established, which also has a gaming section. So there are opportunities for international clustering. The first collaborations between Howest and Pictanova incurred already during the European project Tandem.

Other assets are:

- Budafabriek and its mission to encourage cross-pollination, with the Buda:lab, a fablab where students, individuals, businesses, schools, artists,... can go to make things, to execute projects, to attend workshops, to meet, to be inspired and challenged.
- Designregio Kortrijk, to link designers and traditional companies and introduce design thinking, user-led design and open innovation in the economy and society.
- Design Biennale Interieur and the Design Week as vitrine and platform to disseminate results of creativity and innovation.
- The Center for Entrepreneurs where innovative start-ups can find support
- Arts Centre Buda with the existing programme of artists in residence.
- Existing programmes for stimulating business start-ups in the creative industries. These programmes together cover a broad range of creative branches, including industrial product design, multimedia, gaming and music. The design and implementation of these programmes are closely linked to regional institutions like HOWEST University, Chamber of Commerce West Flanders or entrepreneurs' associations. The programmes concentrate on university students and graduates with innovative ideas and provide a variety of services, including business plan contests and training and coaching by experts.
- Existing programmes for stimulating networking between creative businesses or entrepreneurs, like Buda Libre, Kortrijk IN,... Some platforms do not exclusively focus on creative businesses but nevertheless offer networking opportunities for this specific target group.

## PART II – The Main Challenges for Creative spillovers to take place

The region is in the field of creative industries, start-ups and spin-offs facing the following problems:

- You need a creative industry of a sufficient critical mass to realize spillovers. The creative industry of the region is not really growing. The design sector is strong but the city needs to strengthen the local CCI as a whole to obtain sufficient critical mass. The recognition as a design region and / or competence region is apparently not sufficient for cranking local creative industry. It faces several challenges in developing the creative industry:
  - The city is still not able to retain its students. Although the student population as such is of considerable size, relatively many of the students leave Kortrijk before graduation to continue their studies in larger cities (Ghent, Brussels, Leuven, Antwerp) and do not return afterwards.
  - The majority of alumni from the creative technical training fade into the other Flemish provinces or abroad due to lack of quality jobs within the creative industry in the region.
  - the city faces the permanent challenges to keep up its image as 'design city' against larger Flemish cities (Ghent, Antwerp) that also claim this title and to inculcate 'design- and creativity thinking' among the regional population at large. The idea of creative region is seen as something for the city of Kortrijk and not for the whole region.
  - Secondary importance of Kortrijk in the Flemish regional policy: regional development policy in Flanders is first and foremost focused on the 'Flemish Diamond' of Gent, Antwerp, Brussels and Leuven as the economic powerhouse of Flanders.
- A low start-up rate and the spin-off creation is virtually zero. Creative start-ups are very difficult. A quality training to "creative" clearly offers no guarantee of a successful start-up. If the start-ups are successful, they disappear rather quickly from the region towards Ghent, Antwerp, Brussels, ...
- Institutional fragmentation  
There is a fragmented multitude of institutional arrangements by agencies – public, semi-public as well as corporate - in the region that are working on overlapping projects and themes without sufficient co-operation, co-ordination or cross-fertilization.
- Lack of a persistent vision on the creative economy in the region:  
The Kortrijk region lacks a persistent and holistic strategic vision on creativity and innovation. There have been two policies developed. One starting from an economic point of view, namely strengthening the innovation of the existing manufacturing economy by developing the concept of Factories of the future. The other starts from the cultural and creative sectors such as art and design. The economic vision has been developed at regional level by the province of West Flanders. The vision of creativity has been developed rather at city level, developing the strategy for Designregio Kortrijk and Budafabriek. Both strategies have to be merged to stimulate the spillover potential.

- The traditional economic and industrial fabric is not sufficiently aware of the importance of these young creative sector for their own traditional business. This results in a lack of support from the existing economy towards the creative sector.
- During the Creative SpIN project and also during the first years that the Budafabriek now is operating, the important role of mediators has become clear. Since no people were exempt for the umbrella and cross--sector activities, the organization of activities in the Budafabriek now depends too much on the initiatives and opportunities of the individual partners.
- A shortage of inspiring (co-)working space for creative industries. The creative hub Budafabriek is besides home of the Buda fablab rather a place for exhibitions, workshops, etc. There is no working space for creative industries. The study of Janjoost Jullens in Rotterdam stressed the importance of shared workspaces to facilitate exchange.



## **PART III – Recommendations to support innovation through spillover –**

### **Overall goal:**

Enhance and unleash the total embedded creativity of the region to stimulate the innovation capacity of the (manufacturing) economy and tackle societal challenges.

In order to eventually produce spillovers from the CCI's, in the first place it's necessary to have enough intended (paid) collaborations and services between the CCI's and the traditional economy. Therefore an existing creative industry of a sufficient critical mass is a basic condition. The economic strategy and action plan to develop such a creative industry contains various actions,. For this Local Action Plan on creative spillovers (only) some of the elements has been taken from the general strategy, if they're directly relevant to create spillovers.

### **1. Actionplan 1: Realize a creative local eco-system, as breeding ground to unleash the creative potential of the region.**

It's accepted that creative industries can foster the innovation capacity of the economic system. Nowadays it is also recognized that not only the creative companies make the innovativeness of a region, but that the total embedded creativity in the whole society and the economic system matters. In this context, the realization of a vibrant local creative eco-system forms an essential condition. Such a creative eco-system relies on the full quadruple helix ( government, businesses, education and research, citizens and society) and forms the breeding ground for spillovers.

Elements in the strategy to develop this creative eco-system are:

- The Budafabriek as the creative Hub and iconic meeting point for all creatives, with
  - The fablab Buda:lab as driver for the development of a (makers-)community
  - Buda Libre: the at regular time recurring "one night café" network event
- Concentration of new creative industries in the neighborhood Buda and Overleie
- Branding of Kortrijk as creative city

For the further development of the Budafabriek as creative HUB: see action plan 2 concerning stimulate spillovers.

#### **Action 1: : expanding the Buda Libre network event from an informal meeting to a fruitful and powerful encounter.**

Buda Libre invites during a "one night café" entrepreneurs, artists, politicians, active citizens,... and creates a context in which they meet people they don't know yet. During five Buda Libres in 2013 we welcomed 685 visitors. The event in its current form has reached its limits. It is known in a particular group, but no additional people are reached. To stay interesting for the existing participants and to produce more outcome, an expansion and rethinking of the event is necessary.

The idea is to organize bigger versions (Buda Libre XL) where we offer the visitor a more elaborated program of short lectures, workshops, demonstrations,... For every edition we'll work with "a third party" that brings in his own network and determinates the topic of het night.

The program will be made by all partners of the Budafabriek

**Action 2:** expand the Budalab as a key element in the development of a local creative ecosystem and makers community.

**Action 3:** branding. Use the Biennale Interieur to create a buzz and combine it with a inner-city program, engaging the whole local community

**Action 4:** enhance the image of the city as creative city by a city marketing campaign, engaging creatives and local entrepreneurs (we are creators)

## **2. Actionplan 2: stimulate spillovers**

**2.1.** Set a new structure in place for the Budafabriek, that specifically deals with the stimulation of spillovers, cross-pollination etc.

**2.2:** use designers for introducing design thinking in the economy and society. Therefore organize also training to enhance the coaching capacity of designers. (e.g. Humin XL).

**2.3:** Continue the project of open labs that examines concepts of possible solutions to societal challenges in a cross-sectoral manner with experts in the field, designers and creatives. However, work harder on the dissemination of the results and involve more people in the process. (e.g. Open Carelab by Flanders Inshape)

**3. Actionplan 3:** transform the barn on Kortrijk Weide into an experimental room and an business accelerator specialized in IT and digital technology driven innovation and focused on supporting creative starters and sustainable spin-off companies.