

SPACES & PLACES FOR SMART SPECIALISATION

THEMATIC WORKSHOP BORDEAUX, 22-24 NOVEMBER 2017

Resulting thematic note

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1. Introduction

The urban economy is changing, and so are the locational needs for companies and workers. How can cities cope with this? This thematic note reflects on the development of new workspaces and places, in the context of **smart specialisation** strategies of cities and regions. It is based on a literature study and a thematic meeting on the theme, held in **Bordeaux** in November 2017. The 10 members of the IN FOCUS project gathered, and exchanged experiences regarding their efforts to promote and develop new spaces&places for the urban knowledge economy.

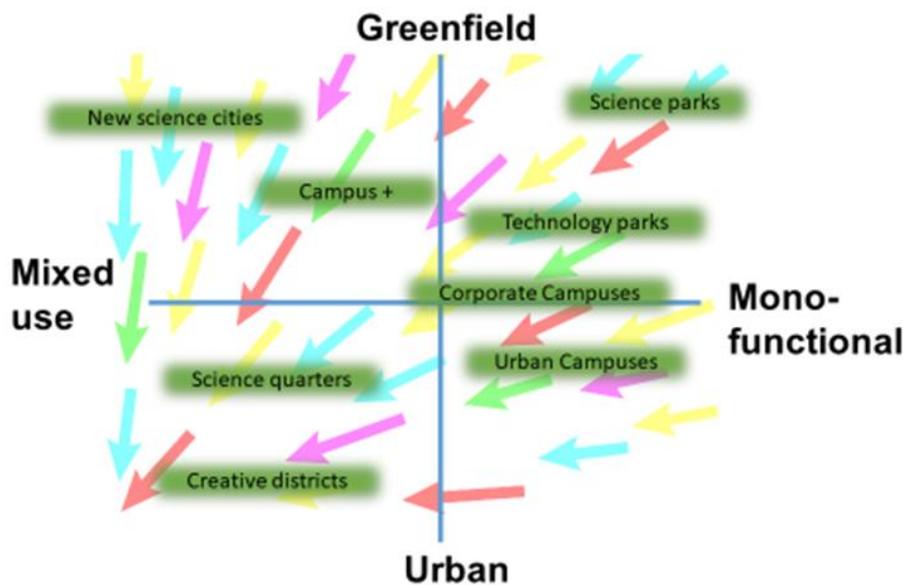
This note starts, in section 2, by introducing several new types of spaces. Next, we discuss the development of various types of spaces and places, going from larger to smaller scale: Large urban redevelopment areas (section 3), and co-working spaces (section 4). Section 5 contains the conclusions.

2. New types of places and spaces

In Europe, we see a rich and growing variety of knowledge hotspots: university campuses, technology parks, science parks, (corporate) campuses, etcetera. These areas are developed to house companies, research and education, but increasingly also to facilitate knowledge transfer, to act as a seedbed for start-ups, to stimulate innovation, to regenerate derelict urban eras, to lift a region or city into the knowledge economy, to attract foreign investment, to sustain local political discourses or to make money on real estate inflation.

In figure 1, these hotspots are divided along two axes: below, we have ones that are integrated in the city, and above, there are the greenfield hotspots, built outside the city at a greenfield location; to the right, we see monofunctional hotspots, with only have offices, labs and working spaces; to the left, there are the mixed-use hotspots, with a mix of function including housing, retail, leisure etc. Some are specialised in particular sectors (like biotech, ICT, creative), others are more diverse. Some are dominated by one player (university or corporate campuses), others less so.

Figure 1: Knowledge hotspot typology



Our research over the last few years suggests that the wind in this picture definitely comes from the north-east. Knowledge hotspots are moving from greenfield, mono-functional concepts to more urban and mixed use areas. The knowledge economy is becoming more urban, integrated with city life.

This happens in two ways. First, traditional mono-functional science parks and campuses are being urbanised: redesigned and “retrofitted” to include more diversity. New functions are added, such as residential zones, business incubators, retail, and cultural facilities. It is tried to dynamise them by attracting visitors from outside the area, through events, cultural facilities, or by adding consumption functions like shopping malls or cinemas. Secondly, new campuses, science parks and technology parks are nowadays built in a more mixed way from the start, as part of the urban fabric, and no longer at greenfield locations.

What is behind this shift towards urbanisation and diversification? A number of factors can be discerned:

- There is the rise of open and networked innovation practices where companies and knowledge institutes innovate together and work in all sorts of alliances; splendid isolation is no longer seen as a blessing.
- There is a blurring of boundaries between disciplines, and we see emerging interplays between technology, design, finance, and behavioural sciences in the development of new products and services; “new combinations” of all these knowledge types seem more likely to emerge in exciting urban environments that facilitate serendipity.
- The preferences of highly educated people concerning their working environment are changing – they increasingly prefer a social place, well connected, with a strong identity, with amenities nearby. Employees seek flexible combinations of working, parenting, caring and leisure, and denser, mixed urban areas are fit for that.
- A shift from hierarchical structures to networked and project-oriented ways of working (a “project economy”): Innovative companies often work on projects with changing partners from within and outside their own organisation; an open, flexible and accessible workplace is important to facilitate these new ways of working.

Realising these trends, many city and campus planners in Europe have trashed the greenfield science park model, and replaced it by a more compact urban “**New York City**” innovation concept: keywords are vibrance, liveliness and diversity in a densely built environment, a mix of old and new architecture, filled with offices but also restaurants, hotels, all sorts of leisure and retail functions, culture etc. These types of areas are more dynamic, they facilitate unexpected encounters between people, they have plenty of networking places. Innovation is not planned or managed, it “emerges” in this dynamic urban cocktail. Proponents of this new model call for mixing functions and open architectures, with many meeting places and central points. They advocate self-governance: rather than deploying rigid zoning or planning, give people and firms room to shape their own innovative environments that fit their needs best. Urban campus models are more sustainable, because they tend to be much better accessible by public transport, and their facilities can be shared by more users.

There is another reason for the “urbanisation” of knowledge hotspots: city planners realise that technology hubs and campuses can be important dynamizers of urban life: they bring a lot of buzz and liveliness, (especially when they attract many students) and help to sustain amenities that can also be used by other citizens, like restaurants, café’s etc. Then, there is the argument of visibility. Research institutes, universities and innovative companies are nowadays the flagships of the urban economy, and we want to see them. Urban hotspots can help to boost the image of a city as innovative knowledge city. Politicians are very sensitive to this.

3. Cases from IN FOCUS

During the seminar in **Bordeaux**, we discussed several examples of large urban (re) developments for fostering economic development. Here, we briefly summarize three of them.

Bordeaux-Euratlantique is one of the largest development operations in France with more than 730 ha in Bordeaux, Bègles and Floirac. It is situated in a large area on both sides of the river and close to the city's central station (since 2017 very well connected with a high speed rail link to Paris). The area is an operation of national interest (OIN), it is led by a special public agency created in 2010. With a demanding programming of 2,500,000 m² of housing, offices and public facilities, it will be home to ultimately 40,000 new inhabitants and 30,000 new jobs that are expected in this area south of the Bordeaux metropolis. It will host a large variety of creative firms, services industries and knowledge-based industries, mixed with housing and cultural amenities. The development area reflects the very strong urban economic renaissance that the Bordeaux city and its region are experiencing in recent years.

This case reflects the trend that new hotspot areas are developed as lively and mixed zones from the start, without a single a priori economic specialisation.



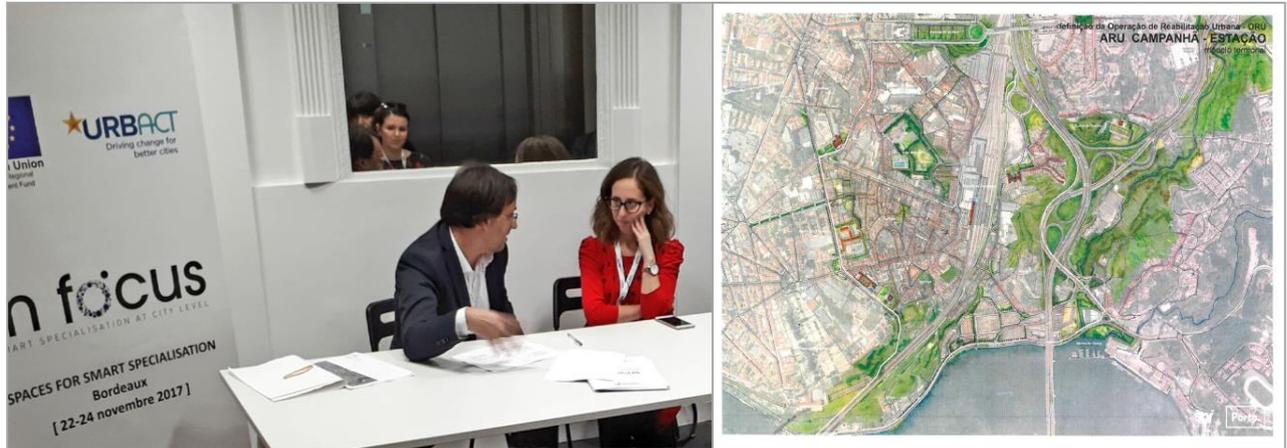
IN FOCUS partners at "Session 5: Bordeaux Euratlantique as new Metropolitan Innovation Hub", Bordeaux Thematic Workshop

Bilbao Zorrotzaure is a large peninsula (839.000 m²), located in the Nervion river, and stretches to the North East. This island was the home of several manufacturing plants, including various types of production such as food, paper, etc. Most of them have abandoned the place, most buildings are vacant, and in many cases, the soil is polluted. But it is not only an island for production: it also has (cheap) housing and some minor retail activities, there are some people living there (about 300 houses). Also, it has a weekly market – well known by many Bilbao inhabitants-, there is a jazzclub, and the island has become a hip place for (illegal) parties. For Bilbao, the redevelopment of Zorrotzaure Island is a priority to take Bilbao to a next level as city of knowledge and innovation. It is located relatively central, not too remote from Bilbao city centre; there are opportunities to turn it into an attractive, mixed urban quarter that should lure higher-educated people, and make the city into an attractive magnet for talent that can compete with Madrid or Barcelona. The ambitious and integrated plan contains a mixed programme, of housing, retail, offices, production spaces, two technology parks; a redesign of the streets and public spaces and public transport, and new bridges. It is a multi-million programme, to be developed in stages, with a large number of stakeholders, public and private, and with involvement of the citizens that currently live there.

This specific case shows how derelict urban zones are being redeveloped into mixed urban zones, in which knowledge-based activities have a prominent place as catalyst for area development.

Grenoble is developing a large peninsula, historically a defense area with a polygonal shape. It was renamed “scientific polygon”, after many scientific institutions were established there. The next step is to diversify the area, open not only to scientists but as urbanized area for all citizens. The area will remain a powerhouse of higher education and R&D, but it is enriched with housing (2400 family homes), business/services/retail (160k m2), and leisure functions.

This case reflects the trend from mono-functional science location to more urbanised, mixed urban district that will still maintain a distinct identity as science quarter.



Mr. Pedro Baganha, City Councillor for Urban Planning of Porto, presents the Urban Rehabilitation Operation of Campanhã at “Session 3: Urban (Re) Developments for Innovation”, Bordeaux Thematic Workshop

4. Co-working spaces

Firms and knowledge workers in industrialized economies increasingly experiment with innovative work practices and new work locations. With mobile technology, professionals can work in other places than conventional offices. Locations such as libraries, lodges, hotels, or coffee houses have become increasingly popular as places to work. Part of the attractiveness of such places is that they offer an intermediate space between home and work (a “Third Place”, as coined by Ray Oldenburg¹) away from distractions and with a social and inspiring atmosphere. Open coworking spaces are examples of such third places. They provide interactive and collaborative environments, which for achieving innovations is important.

Coworking is a growing phenomenon. The term was coined by Brad Neuberg, an engineer who founded the Spiral Muse in San Francisco in 2005. Coworking spaces can be defined as “open-plan office environments where workers work next to other unaffiliated professionals for a fee”². The concept of coworking is getting anchored in the work landscape of major business cities.

The concept of coworking is associated with community-building, collaboration, openness and accessibility. Independent workers can use coworking spaces to meet others (“It’s all about who you know”) and highly value the collaborative environment to feed their innovation and creativity. Moriset describes such environments as “serendipity accelerators”³, places that facilitate unplanned interaction with peers. Implicitly, it is often assumed that the collaborative environments in coworking spaces contribute to innovation due to their network-enhancing characteristics.

How and to what extent can co-working lead to innovation? Figure 2 shows, conceptually, how interaction can be fostered in co-working spaces, and what the results could be⁴. The right hand side shows what the business benefits of co-working can be for the individual tenants. For them, being in a co-working space, interacting with others can lead to 1) new joint projects, 2) new clients, 3) new suppliers and 4) new knowledge and ideas. But these benefits do not come automatically. Just being together in a co-working space is not enough, there must be some strategies to foster interaction between the firms located there. Four types of strategies can be discerned:

1. The space manager acts as active connector of the tenants. He or she is aware of the skills, activities, developments, and problems of all the members, and thus can identify opportunities for members to connect and detect how members can be of value for each other.
2. The space management regulates the mix of tenants. By carefully selecting who can be in the co-working space (and who cannot), the management can optimize the synergy between the tenants.
3. The space is designed in such a way that interaction is optimized. This can be done by having well-designed open spaces, common facilities where people meet, etc.
4. The management actively promotes social networking, for example by hosting events, inviting speakers, organising social activities, etc.

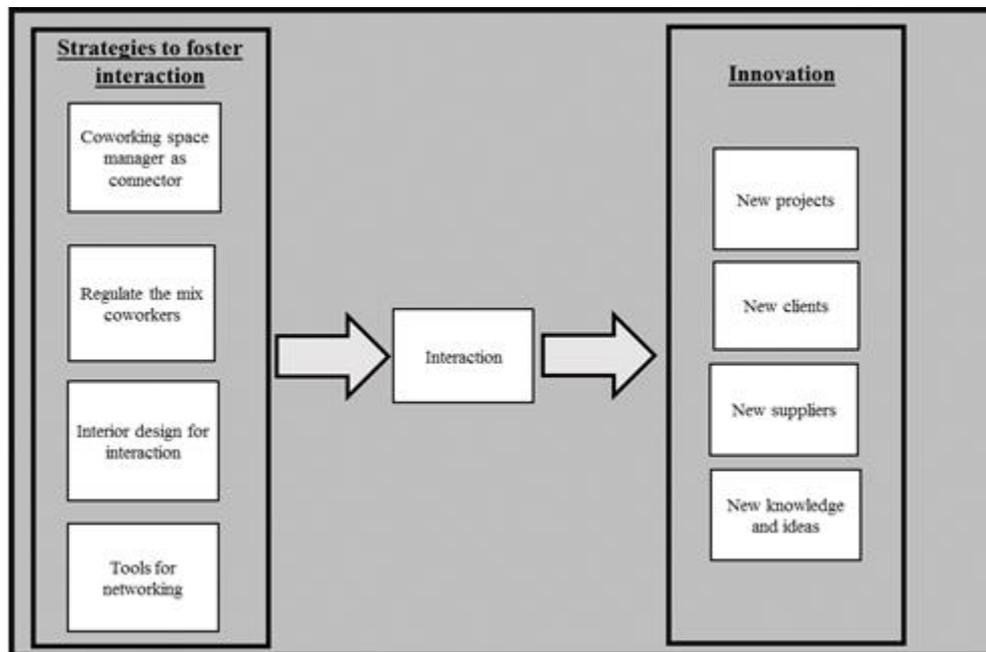
¹ Oldenburg, Ray (1989). *The Great Good Place: Cafes, Coffee Shops, Community Centers, Beauty Parlors, General Stores, Bars, Hangouts, and How They Get You Through the Day*. New York: Paragon House. ISBN 978-1-55778-110-9.

² Spinuzzi, C. (2012). Working alone together coworking as emergent collaborative activity. *Journal of Business and Technical Communication*, 26(4), pp. 399-441.

³ Moriset, B. (2013). Building new places of the creative economy. The rise of coworking spaces.

⁴ Cabral, V. and W. van Winden (2016), Coworking: An analysis of coworking strategies for interaction and innovation, *International Journal of Knowledge-Based Development*, Vol. 7, No. 4, pp. 357-377, <http://www.inderscience.com/info/inarticle.php?artid=80869>

Figure 2 Promoting interaction and innovation in a co-working space



During our meeting in **Bordeaux**, we learned more about two relatively new spaces: an incubator, and a new co-working space. Both of them applied a mix of the strategies outlined above to promote interaction and collaboration.

Héméra is a new co-working space in **Bordeaux**, aiming at new entrepreneurs. The goal is not to rent out office space, but to create a community of entrepreneurs there, that support each other in their business development. Also, the space offers all sorts of services, including coaching, business development, but also social services. It organises events and provides access to training activities. All these activities are expected to help the small start-ups grow, but also to socialise with others.



Inspiring presentation of a co-working space from Bordeaux: Héméra, Bordeaux Thematic Workshop



Mr. Cédric Vicente welcomes IN FOCUS partners to Le Village by CA, Bordeaux Thematic Workshop

Le Village is a project (developed by the bank Credit Agricole) to link up large companies with start-ups. Its mission is to stimulate talents, to help young companies in their business development, to create innovation in the area and promote the local economy. Currently, it hosts about 25 start-ups. Le Village is located in a beautiful building in downtown **Bordeaux** (it has establishments in other French cities as well). The key strength of Le Village as incubator/accelerator is that it brings start-ups into contact with larger, powerful firms, in order to exploit synergies.

5. Concluding remarks

In this paper we discussed how cities throughout Europe are developing new types of places and spaces that sustain the development of an urban economy that is based on knowledge and innovation. In this development, there is an intricate balance between economic specialisation and diversification.

When we look at larger area developments, the dominant trend seems to be towards (re)developing attractive, urbanised areas (rather than greenfield ones), containing a mix of functions: housing, business, education, leisure. Some are developed to sustain a particular economic specialisation (**Grenoble's** peninsula will retain a distinct “scientific” identity), but larger developments do not explicitly target a particular and narrowly defined sector or cluster. Rather, they are branded as attractive and diverse new city districts (“magnetic” as **Bordeaux** coins itself), that will attract knowledge workers and companies alike. This reflects the idea that attractive, diverse cities will be magnets for talented humans, the ultimate drivers of innovation and economic development. At the same time, larger cities still have areas that do have a distinct economic profile: **Bordeaux** for example also has business parks focusing on biotech, aerospace industries, or lasers. The key challenge for cities is to develop a balanced portfolio of locations, some diversified, some more mixed, that sustains their economic ambitions and at the same time caters to their specific economic and scientific strengths. Doing this requires vision: developments projects must not be seen in isolation but as part of a larger strategic portfolio of “locational assets”.

Smart specialisation implies, among other things, that cities further deepen their specialisation by fostering strong collaboration between knowledge institutes and industry. This collaboration can take the form of co-location on the spot (as we see in some campus developments, where campuses also open up to companies and start-ups and develop programmes for collaboration), but this is the exception rather than the rule. An innovative campus design can help to foster a collaborative culture (as the presentation from Tampere's campus clearly showed). Here, the key challenge is to realise locations as co-production between strategic actors (city, developers, universities, companies) with diverging agendas.

On a lower scale level, incubators and co-working spaces like **Héméra** and **Le Village** are interesting new loci of smart specialisation. As such, again, these spaces are not specialised in a particular sector, industry or cluster: start-ups from various backgrounds can locate there. The “smartness” of these places lies in the relationships and networks that they foster, internal and external. For start-ups, being in a stimulating environment greatly helps them to develop their business, to come into contact with partners, to obtain training, to learn new skills, but also to be social and connected rather than isolated. As such, these places play a key role as incubators of the new urban economy.

IN FOCUS

Within the framework of the URBACT programme, IN FOCUS is a pioneering transnational network aimed at boosting the urban/metropolitan agenda on economic development by means of smart specialisation as overarching approach, while at the same time articulating better with RIS3 at regional level. Led by the city of Bilbao, IN FOCUS is also joined by Bielsko-Biala, Bordeaux, Bucharest, Frankfurt, Grenoble, Ostrava, Plasencia, Porto and Torino.

The IN FOCUS agenda is also supported by the Smart Specialisation Platform created by the European Commission and placed at the Joint Research Centre.

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