

Innovative Helsinki: Culminatum as a tool to govern Helsinki as a Science Region

Eero Holstila

“There is already ample evidence around the world that high-tech clusters are built on this interaction, but ‘ideopolises’ – for example Helsinki, Munich and Cambridge – go further. They have an array of other supporting factors – notably a sophisticated communications and transport infrastructure, financial institutions willing to provide the necessary risk capital to entrepreneurs and specialists in technology transfer, supportive public authorities that facilitate the network structures driving creative interaction - and are attractive environments for knowledge workers.”

So says Wim Kok, former prime minister of the Netherlands, in a report on the Lisbon Strategy for Growth and Employment. And although Helsinki may not yet fit this description in every respect, Culminatum is doing its best to help develop Helsinki as a world-class innovative environment, a true Ideopolis.

Rankings encourage

For the last ten years Helsinki has been one of the most dynamic city regions in Europe in terms of eco-

nomic and demographic growth. According to the European Innovation Scoreboard, Helsinki has the profile of an R&D-oriented city. This was confirmed by the European Competitiveness Index published by Robert Huggins Associates in March 2004. The Helsinki Region ranked number one in the European Union in terms of private and public R&D activities per capita.

The European ranking also shows the smooth cooperation between universities and business in Finland. This is the result not least of the Finnish National Government’s investments in research and development. Its most important instrument has been the National Technology Agency TEKES, which provides finance to research and development projects where academics and business people meet. This successful model is complemented by active efforts made by cities, among which the City of Oulu is probably the best example.

Recovery from the recession

The Finnish economy experienced deep recession in the early 1990s. During this crisis the City Board of Helsinki adopted a new strategy under which the future success of the city will be based on science, education and innovation. Also leaders of the neighbour-

ing cites and municipalities made similar decisions. In this situation, a new kind of partnership between higher education institutes, business community and cities was needed.

Since then, the City of Helsinki and the University of Helsinki have persistently built up such a partnership, the most important ingredients of which are:

- promoting science-driven business enterprise with the aid of a common business incubator and science park,
- cooperation in urban and traffic planning to develop campuses and transport and logistics between campuses,
- creating a shared Student City concept to increase international appeal,
- promoting urban research by initially creating six, currently nine, professorships in urban research, to cooperate with the city's own think-tank Helsinki City Urban Facts.

Besides their bilateral partnership, the University of Helsinki and the City of Helsinki were initiators in establishing the Helsinki Region Centre of Expertise Culminatum Ltd in 1995.

Culminatum today

Culminatum is a development company owned by universities, institutes of higher education, the business community and cities in the Helsinki Region and provides funds for projects to turn science into business. Culminatum's ownership base gives it a strong background. The **resource base** is formed by the municipalities and their joint area council, the **knowledge base** by the universities, research institutions and polytechnics and the **business base** by the companies, science parks, chambers of commerce and foundations and financiers. This ownership based on the "Triple Helix" model means that the company has the potential to develop itself towards a powerful tool for regional cooperation in the Helsinki region.

Culminatum's strategy is built on two main platforms:

- Developing the regionally important knowledge based growth clusters (*Centre of Expertise Programme*)
- Strengthening the regional knowledge base and developing the regional innovation environment (*Urban innovation policy*)

Centres of expertise

The Finnish Centre of Expertise (CoE) Programme was launched in 1994 by the National Government. The main idea of the programme is to encourage local processes to create research-based companies and to help them grow. For the last few years the target has been focused on the development of *knowledge based clusters* of the local economy. In the background there is a vision of large cities with high quality universities serving as the engines of regional dynamism and growth fostered by good partnership between universities, the business sector and local government. The CoE Programme is a long-term regional development tool continuing until the end of 2006.

In the Helsinki Region, the CoE programme focuses on six knowledge-intensive clusters. Every programme has a project management team and an advisory committee consisting of prominent representatives of business life, universities and cities.

The development measures of the CoE programme involve implementing enterprise-specific R&D projects and programmes to enhance business operations and to improve the skills of enterprise staff. Activities also include networking operations, the development of specific services (e.g. testing laboratories for software companies) and establishing professorships and training programmes in universities. Information services of CoE cover research and reporting work on cluster development and business models.

Centres of Expertise in the Helsinki Region

Field of expertise	Implementing organisation
Adaptive Materials and Microsystems	Technopolis Ventures Ltd
Digital Media, Content Production and Learning Services	Culminatum Ltd
Gene Technology and Molecular Biology	Helsinki Business and Science Park Ltd
Logistics	Technopolis Plc
Medical and Welfare Technologies	Culminatum Ltd
Software Product Business	Technopolis Ventures Ltd

Stakeholder cooperation

The second main platform of Culminatum's strategy is to cooperate with its shareholders to develop value added projects that will make the Helsinki Region an even more attractive place for creativity and innovations.

In 2003, the Helsinki Club, a high level think tank representing universities and global companies and led by the Mayor of Helsinki formulated a vision for the Helsinki Region: "Helsinki is a constantly developing world-class innovation centre based on science, art and creativity. The success of Helsinki benefits the region's inhabitants and all of Finland." The Helsinki Club also launched 14 key project initiatives to achieve the vision. It was suggested that Culminatum assumes responsibility for implementing some of these key projects, the most topical of them being the Innovation strategy of the Helsinki Region.

Early 2005 saw the birth of Yhdessä Huipulle (Together to the Top), a common innovation strategy by Culminatum's owners presenting 26 common development projects of the universities, cities and the business community on four key issues: (1) to increase the international appeal of local research and education, (2) to develop strong clusters and create test beds and living labs for product service development, (3) to apply innovations to renew the welfare services provided by the cities and to consolidate the role of the cities in the R&D, and (4) to support university-driven business growth by, for example, developing a second generation science park concept.

The innovation strategy was adopted by the new Metropolitan Advisory Board consisting of leaders of the city councils and city boards of Helsinki, Espoo, Vantaa and Kauniainen. The Mayors' meeting took charge of implementing the actions listed in the strategy. Culminatum was mandated to coordinate the process of putting the action plan into practice.

The future

Under the Lisbon Agenda, the European Union is taking a stronger role in innovation policy. This will stimulate the urban and regional dimension in EU policy in an interesting way. The proposal for the Seventh Research Framework programme (FP7), focusing on Europe's development as a knowledge-based economy, includes an increased regional dimension, particularly so in its "Capacities" programme.

The planned new Competitiveness and Innovation Programme (CIP) intended to complement FP7 research activities will continue to help regions develop and implement regional innovation strategies. Also, it will introduce new transnational networks of regions in order to create a European Innovation Area. At the same time the new Cohesion policy proposed by the European Commission will put regional innovation systems at the centre of operation with substantial funding opportunities.

Many major European cities and urban regions have upgraded their activities in innovation policy. Many networks between regions and cities have been created to exchange experiences and learn about

best practices. Some of these are linked to the European Union, such as the Network of Innovating Regions in Europe (IRE) as well as the PAXIS, which has invited a score of Europe's foremost innovation areas including Helsinki. Some networks are global, such as the Technopolicy Network, which promotes local cooperation between cities and universities. The world conference of this latter network was held in Helsinki in June 2005. This event also marked the tenth anniversary of Culminatum.

As Leo van den Berg et al. note in their study *European Cities in the Knowledge Economy* (2005), Helsinki has been successful in European comparisons of

competitiveness thanks to its R&D volume. Unfortunately, however, the European success story of the Helsinki Region's job growth in knowledge intensive industries over the last ten years is over for the time being. The road to a world-class innovation is still open, but will require even more profound cooperation between the innovation actors in the region. Better coordination between the state's innovation organisations and the activities of the region is also needed. The City of Helsinki must have a leading role in organising this cooperation. Here, the regional development company Culminatum offers an internationally unique tool in the future, too.