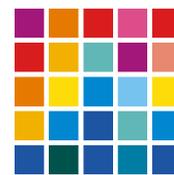


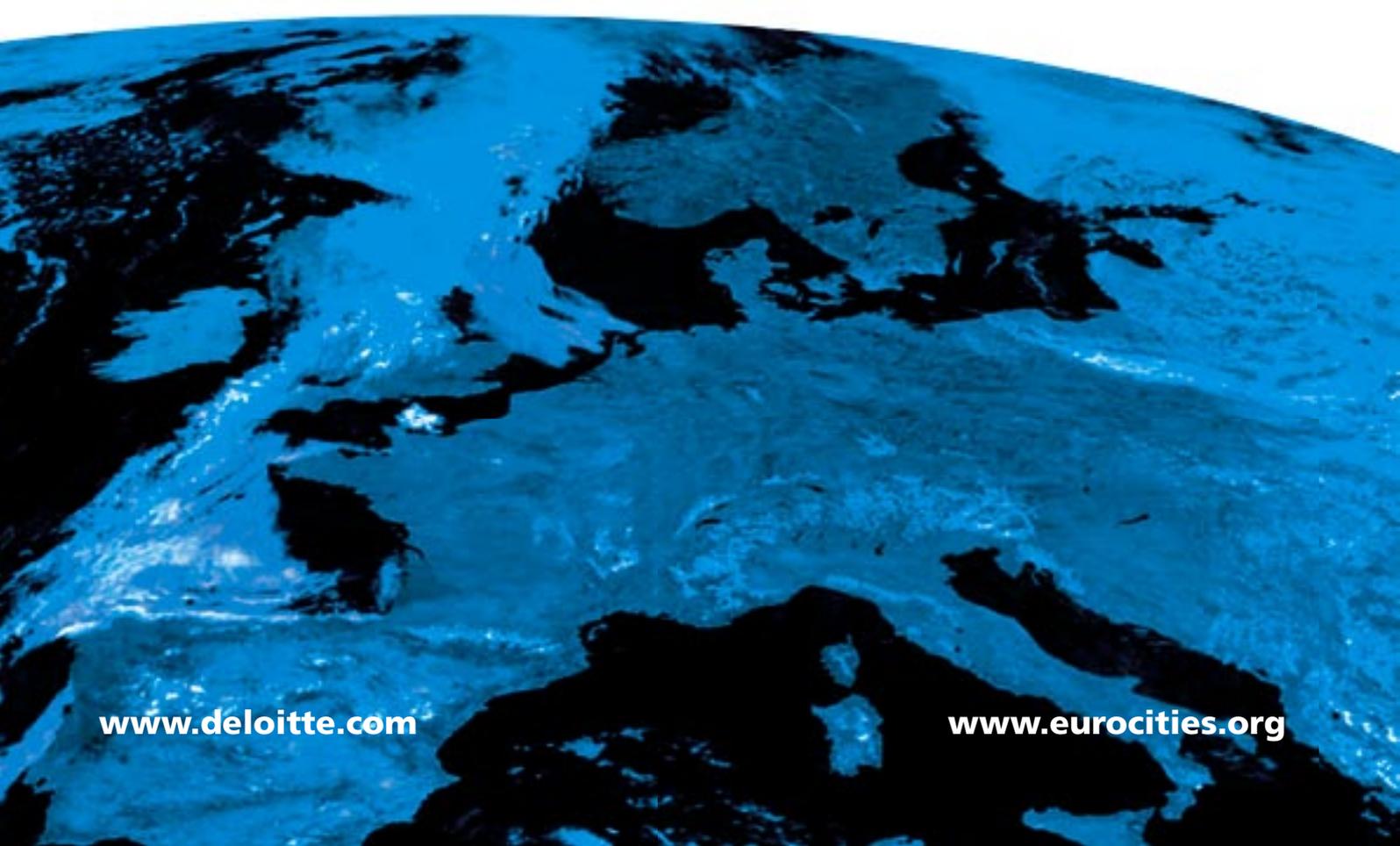
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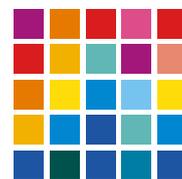
eCitizenship for All

EUROPEAN BENCHMARK REPORT 2005



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Chris Newby

Chair EUROCITIES Knowledge Society Forum – TeleCities
Councillor Liverpool City Council

Foreword

Dear Readers,

It is with considerable pride that I offer you the third edition of the annual Knowledge Society Forum – TeleCities ‘eCitizenship for All European Benchmark Report 2005’.

This extensive research was undertaken in cooperation with Deloitte, one of the world’s leading and largest professional services organisations. This year’s survey hopes to encourage cities to learn from the success stories of others. It addresses the role of cities in achieving the Lisbon Agenda goals, with a specific focus on e-Europe, innovation, education and aspects of governance.

I believe that this *eCitizenship for All Benchmark Report 2005* underlines the importance of local authorities as a key player in developing and implementing the Lisbon Strategy. The fact that more than 80% of Europe’s economic activity occurs in towns and cities makes local government a major partner in the Lisbon Strategy’s development and implementation. It is clear that the full mobilisation of a wide variety of local stakeholders, including citizens, is required to achieve the Lisbon goals. The *eCitizenship for All Benchmark Report 2005* demonstrates beyond doubt that cities are committed to contributing to the Lisbon strategy, and are achieving the synergies and cooperation amongst local public and private players which are required if progress is to be made on the Lisbon goals.

I firmly believe the exchange of best practices in this field will contribute to city efforts to develop an inclusive knowledge society, founded on a knowledge-based economy which is both competitive and ensures the European social model.

Joint actions at the local, national and European governmental levels and horizontal cooperation between organisations and businesses with varying traditions are required to achieve these objectives. You are all invited to participate and to join the EUROCITIES Knowledge Society Forum – TeleCities to take up this challenge.

Let me conclude by thanking all those who have contributed to this ‘eCitizenship for All European Benchmark Report 2005’ and earlier editions, and I look forward to continuing our collaboration in the future.

Chris Newby

Chair

EUROCITIES Knowledge Society Forum – TeleCities

Councillor Liverpool City Council



prof. dr. Hans Bossert
Deloitte Chairman Global Public Sector



Preface *Shifting to a higher gear*

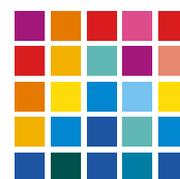
Good governance in the public sector can make a difference, especially when it comes to innovation and ICT. Spurred by the so-called Lisbon agenda, many governments and/or cities are investing in innovative systems to serve their clients better and more effectively. Implementing good governance is a critical success factor, as demonstrated once more by this study; better governance leads to governments which perform better.

Our vision is that the success of government programmes should be measured by the actual advantages they create for citizens, communities and industries. ICT programmes enable governments to deliver exceptional benefits through greater efficiency, accessibility and responsiveness. But governments also face increasing pressure to improve performance and accountability. At every level, government leaders seek to understand the needs of their constituents better and to deliver greater benefits to the citizens and communities they serve.

This study makes it clear that good governance through innovative ICT programmes offers unique help to local authorities in addressing the needs of the 21st century citizen. Governance exists to ensure those needs are served efficiently, effectively and fairly. It accomplishes this goal by providing clear processes and structures for all aspects of executive management: decision-making, strategic alignment, managerial control, supervision and accountability.

For almost a decade governance has been a hot topic in corporate boardrooms. Citizens and regulators are calling for higher levels of transparency and accountability in all areas of business. And they're making those same demands of government, which has always been held to high standards for governance and accountability. Well-known institutions like the World Bank stress the strong relationship between good governance and good government performance. Others advocate similar points of view. Innovative local authority ICT programmes cannot possibly succeed without applying good governance principles. This intriguing study points us towards the right governance issues and offers us helpful guidelines to the future.

Prof. dr. Hans Bossert
Deloitte Chairman Global Public Sector



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Cities and the Lisbon Agenda – Summary & conclusions 1

1.1 Lisbon Agenda

Recent decades have seen a marked shift from an industrial economy towards a knowledge-based society. The European Union recognises this through the Lisbon Strategy, and has set itself a new strategic goal for the current decade: to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion.

In this study we researched what cities can and do contribute to the Lisbon Agenda. This is why we selected three vital topics from the Lisbon Agenda: eEurope, employment and education. eEurope focuses on restructuring governmental services and establishing the infrastructure to connect citizens and businesses. Employment is all about creating jobs: jobs which are linked to the knowledge society. The goal of education is to ensure that all citizens, from the youth to the elderly, have the competences to participate in the knowledge society. We then added a fourth topic, Governance – creating the safeguards for good governance in cities and with that the realisation of goals.

1.2 Methodology, participation and response

In June 2005 all EUROCITIES members received an e-mailed set of survey questionnaires. These comprised mostly closed and multiple-choice questions, divided into general and detailed sections for three Lisbon Agenda focus areas: eEurope, employment and education. Respondents (members and non-members) were requested to complete the general section at the very least, and to return the questionnaires

by the end of September for Deloitte analysis and evaluation. The survey findings are presented in the following chapters.

48 cities in 18 countries answered the questionnaire's general survey, while most also completed the rest. This total is large enough to assume the responses are representative for all EUROCITIES members. This is underlined by the spread in terms of city size and regional location. An exception however is the number of responses from eastern Europe, which is too low to presume they are representative for the whole of eastern Europe.

1.3 Overall conclusions

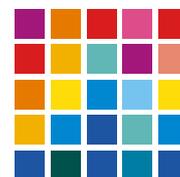
Citizens, businesses and institutions together make up what cities are: the roots of society and the economy. It is therefore appropriate that cities play a prominent role in achieving the Lisbon goals. Nevertheless, since the Lisbon declaration in 2000, both the EU and national governments have done little to involve cities in achieving the Lisbon goals. In other words, governance on the participation of cities in achieving the Lisbon Agenda is limited and sometimes does not even exist. Many cities thus view the Lisbon goals as something on which regional and national governments should work. Only a minority of the cities participating in this study are working explicitly on the Lisbon goals. The majority have not adapted them explicitly, but do have policies in place in fields derived from the Lisbon Agenda such as employment, eGovernment and education. Some cities also carry out projects, cooperate with other parties and have governance in place to some extent, all aimed at

achieving these policies effectively. This study demonstrates that cities are very much in a position to contribute to the realisation of the Lisbon Agenda. Cities can create jobs, attract enterprise and research institutes, modernise themselves, train the unemployed and elderly and encourage education. We believe the role of cities in the Lisbon Agenda is underexposed and should be revalued, both from an EU and a national viewpoint.

1.4 Governance

Good governance is one of the critical success factors in achieving the Lisbon Goals, ensuring that the path towards realising these goals is transparent, accountable, efficient and effective. We assessed whether governance activities and instruments were in place and if so, we asked the cities to assess their own governance effectiveness. The answers enabled us to identify several developments.

First, work needs to be done to align the governance with the policies, targets and activities that cities undertake. Cities lag behind when translating policies into real actions (budget endorsed) and involving city management. We noted a positive correlation between the level of achievement of the Lisbon goals, and the governance instruments of justification to outside stakeholders and assessing the effectiveness of policies. The pressure from outside (justification) and transparency in measuring actual results seems to exercise a greater influence than the internal operations around allocating money and responsibilities. The survey also revealed that responsibility for achieving the goals is not made explicit



eGovernment

among city board members and/or at the city management level. The instruments most frequently used and assessed as effective concern budgeting – not the instruments which correlate with a higher level of achievement of the Lisbon goals.

1.5 eEurope

eEurope is a broad subject. This survey concentrated on the following three topics:

- Restructuring services, to a level where all city services will be provided electronically.
- Encouraging citizens to go online on the Internet.
- Realisation of broadband infrastructures.

A number of cities did not move beyond policies, actual achievement not being strongly enough supported with funding. Cities have a long term approach towards eGovernment. Over the coming five years cities will spend as much money on eGovernment as in the past five. This means the process of modernising cities with ICT is far-reaching and takes considerable time.

The traditional counter is still the most intensively used channel for services, closely followed by the telephone (call centre). Internet usage follows, just slightly ahead of the postal services. This

applies generally right across Europe. Internet access is not evenly spread across Europe. Northern Europe clearly has a higher citizen access density, followed at some distance by the west. The southern and eastern parts of Europe are lagging behind. The level of schools Internet access, however, is close to 100% across all regions. Establishment of broadband infrastructures occurs throughout Europe. Because of the level of investment, most cities cooperate with other parties for the realisation of a broadband infrastructure.

The establishment of new enterprise facilities is essential. Cities can also play an important role in this regard. Most cities have a policy to encourage new facilities. Cities will decrease bureaucracy and improve the investment climate in support of this policy. It is clear that cities are definitely making an effort at encouraging enterprise facilities. Many cities have seen new facilities locating within their environs as a direct result. Cities cooperate on this with other parties such as regional and central governments, schools and universities, small and medium sized enterprises, large companies and chambers of commerce.

1.6 Employment

A majority of the cities have policies for creating knowledge society jobs, policies they believe to be effective. Many were unable to specify job growth percentages, leading to the impression that they do not go beyond policy-making to measure outputs and outcomes.

Cities can however play an important role in employment and can make their policies effective. The cities which do measure achieved a recent 7% job growth average, and expect to hit 11.2% in the five years ahead.

1.7 Education

Education is a way to lower the threshold: use and knowledge are after all the most important preconditions for a citizen to participate in the new society.

But cities appear to be only moderately active in achieving Lisbon education goals. Fewer than half of the cities have a policy in place for education derived from the Lisbon agenda. However there is indeed considerable activity, albeit unconnected with, or not recognised as,

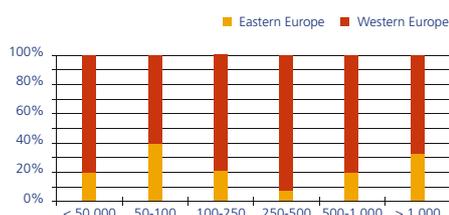


Figure 1: Participation – city size and region

the Lisbon goals. Most cities organise the realisation within the educational system (schools) or with other government bodies.

The target audience is broad from the youth to the elderly, the unemployed and students. Cities in eastern Europe have a stronger focus on the unemployed and the elderly. Another issue is budgeting. At best budgets will maintain their levels in the coming years. But we have discerned indications that the impact on achievement is influenced more by the way it is organised than by the size of the budget assigned.

Cities < 50.000

Nicosia	Cyprus
Frederikshavn	Denmark
Næstved	Denmark
Ronneby	Sweden
Tranås	Sweden

Cities 50.001-100.000

Amaroussion	Greece
Siena	Italy
Leeuwarden	Netherlands
Alphen a.d. Rijn	Netherlands
Yalova	Turkey

Cities 100.001-250.000

Rijeka	Croatia
Plzen	Czech Republic
Aalborg	Denmark
Espoo	Finland
Oulu	Finland
Turku	Finland
Vantaa	Finland
Metz	France
Heraklion	Greece
Salerno	Italy
Eindhoven	Netherlands
Bergen	Norway
Linköping	Sweden
Kingston upon Hull	United Kingdom

Cities 250.001-500.000

Antwerp	Belgium
Aarhus	Denmark
Copenhagen	Denmark
Leipzig	Germany
Nuremberg	Germany
The Hague	Netherlands
Gdansk	Poland
O'Porto	Portugal
Gijon	Spain
Liverpool	United Kingdom
Manchester	United Kingdom

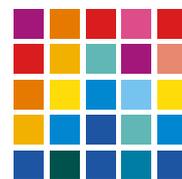
Cities 500.001-1.000.000

Zagreb	Croatia
Helsinki	Finland
Nantes	France
Bremen	Germany
Frankfurt am Main	Germany
Cologne	Germany
Athens	Greece
Amsterdam	Netherlands
Stockholm	Sweden
Glasgow	United Kingdom

Cities > 1.000.001

Prague	Czech Republic
Munich	Germany
Barcelona	Spain

Table 1: Overview participants



Governance

2

2.1 Objectives

We have attempted to measure how cities have organised governance in terms of achieving the Lisbon Agenda goals. In our view, good governance is one of the critical success factors in achieving these goals, ensuring that the path towards realising the Lisbon goals is transparent, accountable, efficient and effective.

Good governance encompasses activities such as setting direction (steering, planning), establishing control, exercising supervision and promoting justification within the city, to a higher government body and to the citizens. We assessed whether such activities are in place and if so, how well they function.

These answers have given us the foundation to investigate the correlation between the level of goal achievements and having governance instruments in place. There does turn out to be a positive correlation, but only when the instruments cover justification to outside stakeholders and measuring policy effectiveness. It seems to be less important that responsibilities are made explicit and that budgets are awarded. We can conclude cautiously that pressure from outside (justification) and transparency through measuring the actual results is more important than the internal fuss over dividing and allocating money and appointing someone to be responsible.

We have asked cities to do several self-assessments on the way activities are organised, on achievements in realising their goals, and in answer to budgetary questions (planned and spent). Many cities are unable to answer these matters. When we combine this finding with the discovery that there is not a lot of policy planning, the question then

arises as to whether goals are set at all, and when – and if they are then feasible and measurable.

2.2 Planning

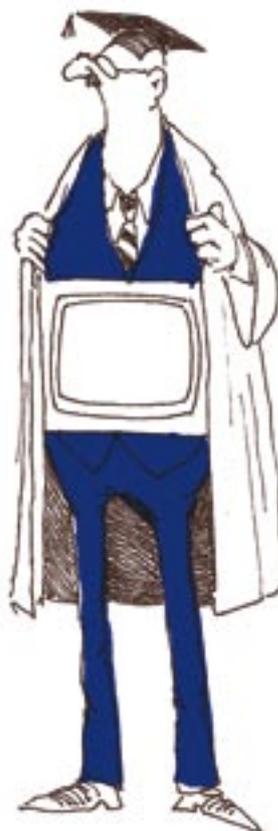
When considering policy planning on the Lisbon agenda we have to conclude that only 54% of respondents indicate having some form of policy planning in this respect. One explanation is that the policy planning for achieving the Lisbon goals stems from a higher governmental body; policies are not always initiated from local government, despite local government being closer to both citizens and business. Lisbon goals communication between the several levels of government is also extremely undeveloped. Only 17% of the cities

indicated having relevant agreements with higher (central and/or regional) governmental bodies (the larger cities). When they do have Lisbon goals policy planning, the following pattern is apparent:

- 44% of these cities focused on the Lisbon Agenda in general.
- 48% have integrated the Lisbon goals within their 'regular' planning.
- 19% have made an annual Lisbon Agenda plan.
- 52% have relevant planning covering the coming 3 to 5 years.

2.3 Targeting and reporting

Cities focus on different aspects of the Lisbon goals. We asked whether they have targets and if so, to categorise



Governance instruments

them. 54% said they did indeed have targets, covering the following topics:

- General 'Lisbon Agenda targets' (77 %).
- Employment (81%).
- Innovation (73%).
- Education (85%).

The targets were rated at 2.8 (with limited measurability) on a scale of 5. Some 73% of the cities have specific regular reports on target achievement.

- Balance scorecard: 2.6.
- Periodic justification to city council: 3.0.
- Periodic justification to external stakeholders: 2.3.

The instruments most frequently used are judged to be effective in terms of budgeting. It is striking that cities do not use an outside-in approach when arranging governance around a subject which is of great citizen concern.

2.4 Responsible within the city

Policy plans are translated into responsibilities within the city, at the city's board level but also at the management level. The survey revealed that responsibility for achieving the goals is not made explicit among city board members and/or at the city management level:

25% of the cities indicated that board members are responsible for achieving the Lisbon (derived) goals (specially appointed and/or within the existing portfolio).

31% of the cities have translated the Lisbon targets at city level into targets for individual city managers. Only three cities have a special programme manager appointed for the Lisbon Agenda (only the bigger cities).

2.5 Effectiveness of governance instruments

A city can utilise several instruments when setting up the governance involved in achieving the Lisbon goals. When in place, such governance instruments are rated in all instances as being reasonably effective. On a scale of 5:

- Long-range policy plans and budgets: 3.4.
- Annual planning including specific goals: 3.8.
- Budgets destined for specific goals: 3.7.
- Budget responsibility of city management: 3.7.

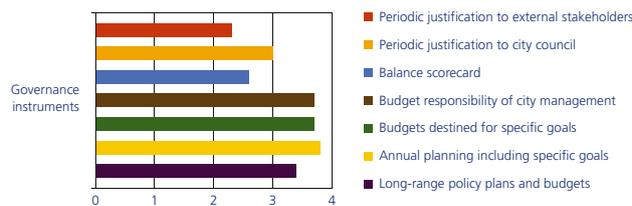
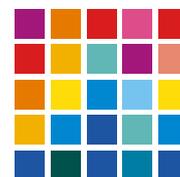


Figure 2: Effectiveness of governance instruments



eEurope

3

3.1 Objectives

From the central to the local level, governments in Europe should innovate their services and organisations. Citizens and businesses demand more flexible and responsive governments, while there needs to be less bureaucracy to improve efficiency. The eEurope policy emphasises the importance of ICT for establishing the desired innovation. These innovations cover a broad range of subjects, three of the most major being included in this survey:

- Restructuring services, to a level where all city services will be provided electronically.
- Encouraging citizens to go online on the Internet.
- Realisation of broadband infrastructures.

3.2 eGovernment policies

Most of the cities which participated in the survey have eGovernment policy plans (91%). A much smaller number have an eGovernment budget plan (72%), with a system in place for justifying the amounts spent on eGovernment projects (78%). This suggests that eGovernment policies are not endorsed with budgets in a number of cities. The amount of money spent on eGovernment projects is high and appears consistent. The cities which responded will invest as much money on eGovernment in the coming five years as they did in the previous five. This emphasises that cities hold a long-term view and approach towards eGovernment.

3.3 eGovernment progress

We measured the progress cities have made on implementing eGovernment for their citizens (and local businesses) within their own organisations. An important indicator for eGovernment progress is the level of services provided through the Internet, especially when

compared against the other more traditional channels. We asked the cities to rate the level of usage intensity (on a scale of 5) of the channels for services, Internet, telephone, window/counter, television and post.

Across the entire population this situation is shown below:

	Internet	Telephone	Window/counter	Television	Postal services
Average	3.6	3.9	4.0	1.7	3.4

Table 2: Channels used for services: level of intensity

This means that the traditional counter is still the most intensively used channel, closely followed by the telephone (call centre). The Internet follows these two, slightly more intensively used than postal services. Television clearly lags behind, thanks to its low level of

service supply. Assessing this aspect by region demonstrates a different picture. Here we see that in the northern part of Europe the telephone is the most intensively used channel. In the other parts the counter leads. It is notable that the Internet is more popular than the telephone in the eastern part of Europe. In the south the Internet and

the telephone enjoy the same level of use. Here call centres have been newly established as opposed to the north and the west, where call centres are far more common. So in a situation where the public is not used to call centres, web service use appears to be higher.

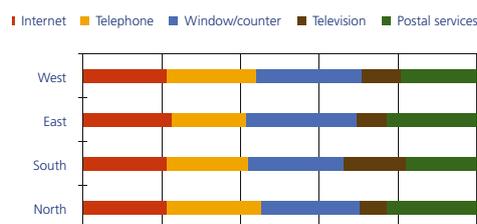


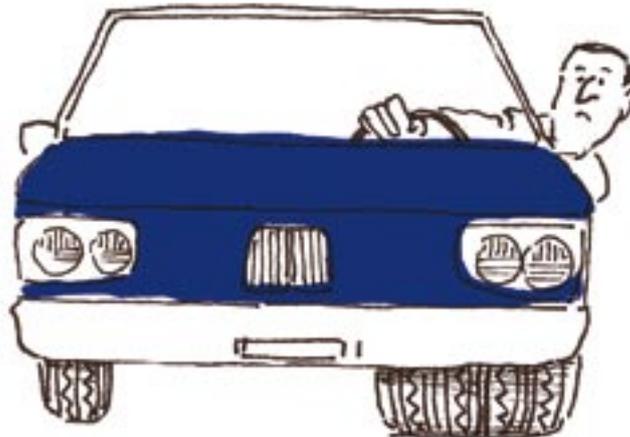
Figure 3: Channels used for services: level of intensity

Table 3: Channels used for services: level of intensity

	Internet	Telephone	Window/counter	Television	Postal services
North	3.2	3.9	3.3	1.1	3.4
South	2.7	2.7	3.0	1.9	2.2
East	3.8	2.8	4.5	1.3	3.5
West	3.7	4.0	4.4	1.6	3.3

3.4 Internet access

When we consider citizen access to the Internet we observe that this is not evenly spread across Europe. This is illustrated in the table below, showing the average percentage of citizens who have access to the Internet per region as well as the average percentage of citizens who have access to broadband infrastructures. These figures are based on estimations provided by the cities participating in the survey. The northern part of Europe clearly has a higher density, followed some way behind by the west. The southern and eastern parts of Europe lag considerably, while the eastern part has by far the lowest level of access to broadband infrastructure.



Broadband

	What estimated percentage of citizens has access to the Internet?	What estimated percentage of citizens has access to broadband infrastructure?
North	84%	53%
South	40%	26%
East	40%	12%
West	65%	44%

Table 4: Internet access

Virtually all schools have Internet access, as the response to the relevant question made clear. The average penetration for all the cities is almost 97% – encouragingly high.

Roughly three-quarters of the participating cities have established public Internet access points, averaging 49 per city. The west clearly has a far higher number of public access points, an average of 70 per city. The figures for all regions are:

	How many public facilities do you have for accessing the Internet?
North	40
South	43
East	33
West	70

Table 5: Public Internet access points

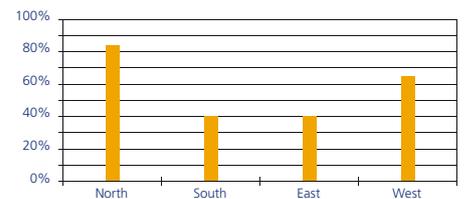


Figure 4: Access to the internet: % of citizens online

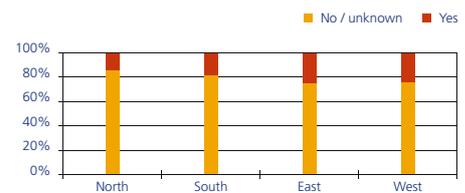
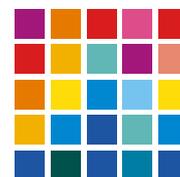


Figure 5: Cooperation in realizing broadband infrastructure



The rationale behind broadband is twofold. The first is that broadband supports an urban knowledge society. It connects citizens to high-speed networks and prevents a digital divide. Secondly, cities need high-capacity communications infrastructures to supply new services such as eLearning, eHealth and eGovernment. An example of eGovernment services is the broadcasting of city council meetings. Across Europe most cities cooperate with other parties to achieve a broadband infrastructure. This endorses the idea that investing in broadband needs to be supported by cities and businesses together. Financing and establishing broadband infrastructures is almost impossible without this cooperation, both from a regulatory and a financial aspect. These cities assess this cooperation positively (on a scale of 5). The table below shows the specific figures:



Internet access

	Does your city cooperate with other parties for the realisation of broadband infrastructure?	How do you assess this cooperation?	What estimated percentage of citizens has access to broadband infrastructure?
North	86%	3.8	53%
South	82%	3.8	26%
East	75%	4.3	12%
West	76%	3.7	44%

Table 6: Broadband infrastructure

Employment

4

4.1 Objectives

Creating jobs related to the knowledge society is an important goal of the Lisbon agenda. This survey section considers the initiatives which cities undertake to improve their employment from a knowledge society perspective. This means that cities formulate specific policies aimed at achieving this goal, examples being programmes to train unemployed citizens and to attract high-tech companies and research bodies.

A large number of the responding cities (61%) could not answer the question on specific job growth percentages. It appears they do not measure these indicators, leading to the conclusion that several cities find policy-making sufficient and do not actively measure the output and outcome of these policies.

To provide tangibility to the efforts of cities which did carry out assessments, we asked them to state the achieved increase percentage for jobs related to the knowledge society in 2000-2004. This increase averaged 7%. Over the coming five years these cities plan an increase of 11.2%. This is another indication that cities can indeed play an important role in employment and can make their policies effective. The results by region are summarised in the following table.

4.2 Creating jobs

Cities are active in creating jobs related to the knowledge society. When asked whether they have a policy to create such jobs, 63% of the cities said they did. This means that the majority which participated in this survey take the creation of jobs seriously, formulating specific policies to this end. Judged individually the cities are positive on the effectiveness of their employment policies. Of the cities with an employment policy focused on the knowledge society, 79% rated such policies to be effective. The result is 3.3 on a scale of 5, which is very encouraging. The results are listed in the table below per region.

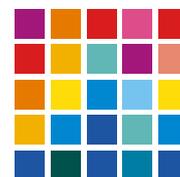
	What is the realised percentage of increase in jobs related to the knowledge society as a result of the employment policies in 2000-2004?	What is the planned percentage increase in jobs related to the knowledge society as a result of the employment policies in 2005-2010?
North	6%	7%
South	6%	11%
East	10%	10%
West	8%	14%

Table 8: Increase in jobs

	How do you assess the realisation of employment policies over the past five years?
North	3.1
South	3.2
East	4.0
West	3.4

Table 7: Assessment of employment policies





4.3 Encouraging enterprise facilities

The establishment of new enterprise facilities is essential to create new jobs. We asked the cities whether they in fact have a policy for encouraging enterprise facilities. The majority of those which participated, 86%, answered yes. To make the picture clearer we asked the cities to rate three topics related to encouraging enterprise facilities. The table below lists these topics and specifies their answers.

	Yes	No	N/A
Decreasing bureaucracy	80%	80%	80%
Improving investment climate	73%	73%	73%
Decreasing regulatory costs	48%	48%	48%

Table 9: Encouraging enterprise facilities

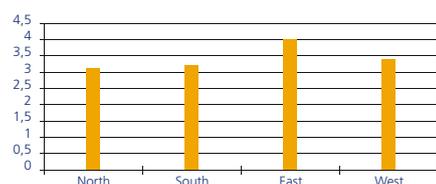


Figure 6: Self-assessment realization policies on employment

It is heartening to see that cities are improving aspects within their organisations, such as decreasing bureaucracy, while also noting improvements in factors outside their organisations such as the investment climate. This makes it clear that cities are indeed making an effort to encourage enterprise facilities.

Research facilities are a specific category of enterprise. They hold the key when it comes to the knowledge society, with new knowledge being created within them. The establishment of research facilities is directly connected to the creation of high-level employment. Cities were asked to state the number of new research facilities located within their boundaries as a result of the 2000-2004 employment policies. Some 45% cities responded, with 11 research

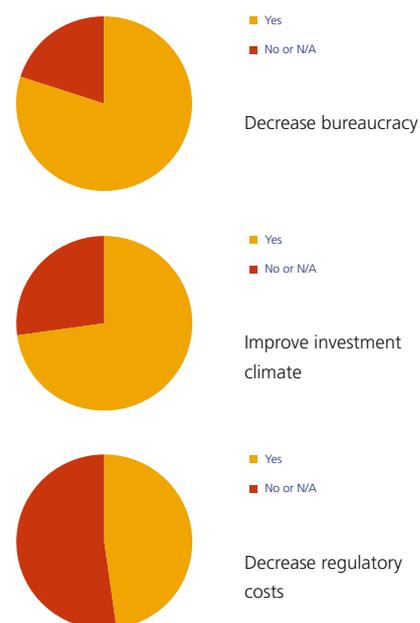


Figure 7: Policy for stimulating enterprise facilities

facilities having been established, and around 15 planned in the five years ahead. The table below lists the achieved and planned research facilities per region and the assessment of the achievements of policies over the past five years.

Table 10: Research facilities

	What is the number of new research facilities located in your city as a result of the employment policies in 2000-2004?	What is the planned number of new research facilities in your city as a result of the employment policies 2005-2010?	How do you assess the realisation of policies in this field over the past five years?
North	11	13	3.1
South	18	28	3.0
East	7	11	3.5
West	10	12	3.3

82% of the cities polled answered in the affirmative when asked whether their organisations cooperated with other parties on this issue. This cooperation is assessed at 3.7 (average for all answers) on a scale of 5. The types of organisations with which cities cooperate are regional and central governments, schools and universities, small and medium sized enterprises, large companies and chambers of commerce. The assessment of the cooperation per region is listed in the table above.

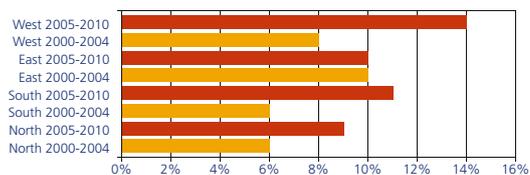
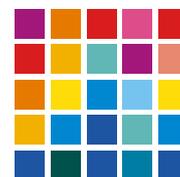


Figure 8: Increase in "knowledge society jobs": realized in 2000-2005, planned in 2005-2010



Education

5

5.1 Objectives

Education is a critical success factor in making citizens competent and active participants in the knowledge society. Education is a tool to lower the threshold: use and knowledge are after all the most important preconditions for taking part in the new society. The target groups are of all ages and origins. The education should be focused on computer and Internet access skills. ICT use should be promoted more actively.

5.2 eLearning in Europe

Cities appear to be moderately active in achieving the Lisbon education goals. On a scale of five they rated their achievements as 3 – a fairly satisfactory number. This figure is the average for all the cities participating in the survey; western European countries and the larger cities (100,000 – 1,000,000) rated themselves higher. But not every city was able to carry out such an assessment: only 60% did so. This links to the earlier findings on the governance aspects of governing the Lisbon agenda: not every city has produced general policy specific to the various targets and/or has made it tangible and measurable.

46% of the participating cities do have a policy in place for education derived from the Lisbon agenda education targets. When asked whether they had (general) policies on enhancing ICT use and knowledge the response rises: 86% answered yes. This indicates there is considerable activity, but that it is neither connected with nor recognised as 'Lisbon goals.' Most cities organise the realisation within the educational system (schools) or with other government bodies. Only half of the cities surveyed (mostly the larger cities -> 100,000 – 1,000,000) do this with private organisations. Assessment of

these various cooperative efforts is more or less identically satisfactory.

Within the educational field the policies concentrate for the most part on primary schools (72%), followed by secondary and vocational education (55%). Universities are targeted at 33%, because not all the cities surveyed have a university, or because the cities themselves are not responsible for policy within these institutions.

Outside education the policy demonstrates a fairly uniform pattern in terms of targeting groups:

- Citizens in general: 69%
- Minorities: 61%
- Unemployed: 67%
- Elderly: 61%

Eastern European cities have a stronger focus on the unemployed and the elderly than those in the three other regions. The remaining target groups largely target all these groups to roughly the same extent.

5.3 Attaching a price

It is difficult to measure how much is spent at a city level on efforts on improving ICT use and knowledge. Not all the cities were able to gather this information ('not available/not able to attach costs to the specific [Lisbon] goals'). So we cannot produce a relevant number – though we can, given the answers, offer a view on the budgetary progress, how the money is divided amongst various targets and whether there is a correlation between money spent and the assessment of achievement.

	Past 5 years	Forecast coming 5 years
Schools	90%	89%
Projects	5%	6%
Training teachers	5%	5%

Table 11: Budget awarded for education

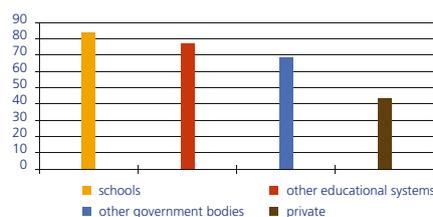


Figure 9: Cooperation for the purpose on realizing policies use and knowledge ICT

Comments on these figures:

- The forecast on the budget for schools shows a decrease in the east and south.
- Cities between 50,000 and 250,000 inhabitants show a substantial schools budget decrease for the coming five years.
- On average cities in northern and western Europe spend more money on schools, while the south-east spends more on average on special projects.
- The larger the city, the larger the schools

budget. This does not apply to expenditure on projects and training teachers.

The divide in budgets in relation to the average differs most in southern Europe: these cities spend 44% on schools, 53% for special projects and 3% on training teachers. The forecast for the coming five years shows that (relatively) more money is going to be spent on special projects, while schools budgets will be lower.

When combining the assessments and the budget spending of those cities able to produce figures (only 40%), we see that rating with a 2 or a 3 does not produce a different average to the budget. Assessment with a 4 on the average budget was slightly lower. Considering the limited number of answers and their differentiation, it would be too extreme to conclude that the amount of money has no impact on the achievement of goals. But we do have indications that the impact on achievement is influenced more by the way it is organised than by the amount of budget assigned. When more cities are able to gather this information in the future, it will be rewarding (in terms of efficiency and accountability) to investigate the matter further.



Education

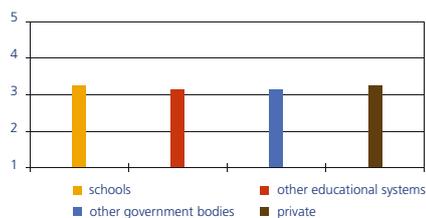
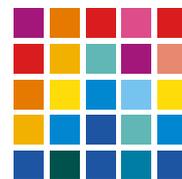


Figure 10: Assessment of cooperation



City tales

6

Much Lisbon Agenda support work is being undertaken in several cities. This section of the report contains case studies (tales) from the following cities:

- Helsinki – Finland
- Gdansk – Poland
- Manchester – United Kingdom
- Eindhoven – Netherlands
- Munich – Germany
- Barcelona – Spain

These tales are illustrations which supplement the results of the survey as described in the previous parts of this report. They provide an insight into what is really happening in the cities in terms of achieving the Lisbon goals, and how this is occurring.

The Helsinki tale contains a description of three of its many projects. The first is the development of eServices as an aspect of the knowledge-based city, aimed at improving the city's service delivery. A web based eLearning project is the second one, aimed at giving all pupils the opportunity to access web-based learning. The final project is a recruitment system to speed up the process of filling vacancies. All these projects demonstrate the high level of innovation occurring in the Nordic countries.

In the Gdansk case study, Public Internet Access Points are being deployed to combat digital exclusion. This is an ambitious project which is likely to become a showcase within Poland. Manchester's case study links the use of innovative technology (broadband) and the regeneration of the run-down East Manchester neighbourhood – a regeneration process of United Kingdom national importance. The city of Eindhoven has evolved from an industrial city into a regional knowledge-intensive industry hub. Two projects are described in its case study



supporting this development: Horizon and ELA. The Horizon formula is a successful way to develop business, while the ELA project is unique of its kind in that it is cross-border. The Munich case study focuses on industrial clusters, one of them being ICT-oriented. A cluster is not just the city, or led by the city – the cluster is a cooperation between several partners, strictly focused on the cluster's success. This case study shows that real cooperation is a critical success factor for all the participants within this cooperative venture.

In its case study Barcelona describes how day-to-day life in the city can be improved using modern ICT. The IRIS system's goal is to process citizen complaints as effectively and efficiently as possible. The system combines requests from citizens (including complaints) with other relevant city data. The result is a system which improves both the effectiveness in serving the citizen, and the efficiency gained through streamlining back-office processes.

Helsinki – Finland

Helsinki was founded in 1550 and has been Finland's capital since 1812. The city's population is 559,046, while the Helsinki region is home to 1,240,482 people. Helsinki residents are highly educated: nearly 40% of the population between 25-64 have completed at least 13 years of education.

The Helsinki region hosts some 650,000 jobs, close to 30% of all the jobs in Finland. 80% are in the service sector. The most significant businesses are telecommunications, wholesale, finance, insurance and business consultancy, medical engineering, food manufacturing, biotechnology, health services and shipbuilding. Developing the eServices of the City of Helsinki as an aspect of the knowledge-based city process

The web services central development targets in the City of Helsinki's IT strategy for 2003-2006 are significantly increasing the quantity of educational programmes and services available on the Net, implementing multi-channel delivery of advisory and communications services, and increasing the efficiency of the administration's internal routines. At the foundation of this development is a customer-oriented approach, improving the citizenry's access to decision-making while increasing efficiency. Innovative operations development and the ICT (information and communications technology) available are being used in the effort to achieve these goals.

Example of an ongoing educational project

The web-based learning project form one part of the development process for the pedagogic use of ITC technology at schools and other institutes of learning. The goal is to give all pupils the opportunity to

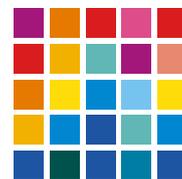


access web-based learning as a part of their studies. Curriculums detail web-based learning as a working method for various subjects starting from the fifth grade (11-12 year-olds). Target groups for the web-based learning project include pupils from primary to secondary schools, teaching staff and administrative employees. Administration can access web-based learning activities as a tool for supplemental training and as a medium for various working groups and cooperation projects.

Implementation for the web-based learning project in the education service is scheduled for 2005-2008. The system supplier is responsible for training so-called main users. Pedagogic training is being carried out in cooperation with some educational organisations. The total cost of the system, and training its main users, will amount to less than 500,000 over five years. The implementation process for web-based

learning will occur on a school-specific basis. A central feature of this model is letting each individual school work out its own approach to implementation and the supportive training measures. Planning meetings, briefings and the basic staff training will be arranged by the schools. In addition to training, the schools also have access to technical and pedagogic support.

An external organisation will evaluate the implementation. The school-specific approach, a well-planned basic concept and systematic progress are the strengths of this process. Development challenges include winning the commitment of principals, the efficient coordination of schedules and precise definition of the various parties' roles. The evaluation data will be used to develop this operating method in a direction serving the schools' needs even better.



Example of an employment project

The City of Helsinki launched an Internet-based recruitment system in 2003, aimed at making the process of filling vacancies faster and more efficient. It was also believed that the number of applications from young job-seekers would increase with the introduction of a new electronic system. Such a system had actually been established as far back as the late 1990s, but was initially only used for internal recruitment. Soon after its public Internet launch in 2003 it was linked with the State employment administration's web services. An external service supplier has participated in the system's technical expansion and maintenance.

One positive experience with the recruitment system has been an increase in the number of applications received. It has also made it possible to decentralise the advertisement of vacancies to different administrative divisions, where it was previously the responsibility of a single department. Administrator system users in various departments and institutions currently number about 1,400. While processing the greater number of applications has led to an increased workload, it is felt that the greater number of suitable applicants compensates for this. The recruitment site has registered some 60,000 hits per day during the most lively job-seeking months.

Other projects within the city of Helsinki are:

- Modernising the technological platform of its web-based services with a portal solution.
- Implementing an Internet-based rental flat-allocation system to make it more efficient and customer-friendly.
- Installing a web-based library for

searching the library catalogue and to provide online assistance. The service forms a seamless entity with the 'bricks-and-mortar' library.

Gdansk – Poland

The City of Gdansk is the sixth largest Polish city with a population of around 460,000. Gdansk is the prime economic centre in the northern Poland region. The city has one of the largest seaports in Poland and the international Gdansk Lech Walesa Airport. There are many international companies and (regional and national) financial, insurance, information, health care and cultural institutions. Together Gdansk, Sopot and Gdynia constitute the largest university centre in northern Poland. It is also an educational and cultural hub. Given its notable history Gdansk is a highly attractive destination for tourists.

The 'digital exclusion' problem (lack of Internet access)

Assessing the number of residents with Internet access shows a higher density in Gdansk than elsewhere in Poland. But numbers are lower than in similar European cities. Surveys show that residents use fixed lines through cable TV, housing estate networks or telecommunication operators' services. About 60% of Gdansk residents go online from home. Most use fixed lines (34%) or dial-up networking (23%), although a small group (3%) has a wireless connection. Many users still use a standard modem which is a relatively expensive and slow solution. Furthermore there is still a huge group of residents with no online access or even a computer. These residents run the risk of complete digital exclusion. Another problem is the development of network infrastructure: it is still too slow, and amongst the main causes of this situation are the construction and operational expenses involved in broadband networks. Only the biggest companies can maintain such investments. It is thus vital for local authorities to support the development of broadband networks.



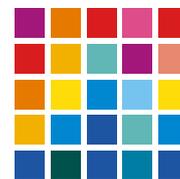
The Role of the City of Gdansk in combating Digital Exclusion

To avoid Digital Exclusion (lack of Internet access), Gdansk decided to implement the 'e-Gdansk – European Online Metropolis' project. One of the most important elements of the e-Gdansk project is the process of establishing Public Internet Access Points (PIAPs) in various parts of the city, in the Residents' Council sites and in commercial centres. Public Internet Access Points are part of a large project – Broadband Wireless City Gdansk – aimed at producing the Metropolitan Broadband Internet Network.

Public Internet Access Points have resulted from a discussion on how to promote and develop Internet access. Public Internet Access Points are part of Gdansk's Strategy 2015. The first Public Internet Access Points will be located in areas of the Residents' Council sites and

commercial centres as 'hot spots' for Gdansk residents and tourists. The hot spots will operate as a WAN (Wide Area Network) connected to the Internet.

The PIAP is a one-person resident service centre. A specially instructed functionary will be on hand at each PIAP. His or her role will be to assist residents in general, the elderly, the disabled, poor or uneducated people, teenagers from poor families or the permanently unemployed. Thanks to PIAPs residents will be able to transact selected administrative requests and, ultimately, most public administration services. PIAPs will encourage residents to join the Internet community and will promote the idea of 'open office for residents'. Establishing PIAPs will provide technical possibilities to give shape to the ideas of a large city's local communities. PIAPs located in selected places will promote closer



neighbourhood ties and a feeling of responsibility for the residents' own environments. PIAPs can be developed in various ways, particularly including integration: they can be a perfect place for creating local residents' meeting points.

As a pilot programme, around 10 PIAPs will be set up in selected Gdansk locations. Ultimately areas served by PIAPs will contain 10,000-20,000 residents. This means some 20-40 PIAPs in Gdansk.

This pilot project is being watched closely by The 12 Largest Polish Cities Union. It could well become the largest IT project of Polish local administration, setting an example for other large Polish cities wanting to create their own Public Internet Access Points network.

Manchester – *United Kingdom*

Developing intelligent neighbourhoods and citizen-led e-services

Manchester is the UK's second largest metropolitan area after London, with a population of over 2.5 million in the Greater Manchester city area. At its core lies the City of Manchester, the world's first industrial urban area and the original 'modern' city. Alongside its transformation from an industrial to a knowledge economy is the legacy of high unemployment and poverty levels from the experience and impact of the economic restructuring of the 1970s and 1980s. Much of this legacy is concentrated in the traditional industrial manufacturing area of the city, in East Manchester. Once home to more than 100,000, its population has declined significantly to less than 30,000. East Manchester is a regeneration challenge of regional and national significance. An area of 1,100 hectares situated immediately east of Manchester's city centre, East Manchester represents an opportunity for regeneration on a scale and diversity almost unprecedented in an English city. There are unique opportunities for the renaissance of the area as a focus for the knowledge-driven economy of the twenty-first century. These opportunities have been generated by:

- A range of regeneration initiatives focusing on East Manchester to address many of the physical, economic and social problems in the area.
- The stimulus provided by a buoyant economy within Manchester and the major investment attracted through the staging of the Commonwealth Games in 2002.
- The strong commitment by government to the success of cities and to tackling the most acute areas of deprivation.
- The strong partnership between the local community and national, regional and local government.

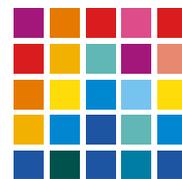


A key component of any regeneration challenge in the 21st century is the role of technology in its many forms. Information and Communications Technologies (ICT) are having an ever-increasing effect on our lives and are essential to the development of a strong economic base and an improved quality of life for citizens within an area such as East Manchester. Network East Manchester is a strategic partnership

of private, public and voluntary sector agencies, set up by Manchester City Council, coming together to develop and monitor the implementation of the ICT strategy in East Manchester.

The strategy has the following broad objectives:

- To ensure that all homes, businesses, learning centres and schools are connected to the Internet through



- broadband technology.
- To build the capacity of East Manchester residents through the use of ICT to increase computer confidence, to increase the take-up of online services and to improve skill levels.

Results achieved so far

To deliver the East Manchester ICT Strategy, a number of innovative projects have been developed seeking to maximise the opportunities presented by new technology, while also supporting the area's wider regeneration. The first phase of the programme involved the development of the EastServe project, providing more than 300 households with access devices (mainly PCs, as set-top boxes proved not to be popular) and Internet access.

Integral to the project is the portal website www.eastserve.com, designed specifically for the local community and providing access to local services and news about the area. The EastServe site delivers information and interactive services from the city council, national government departments, the police and local community networks. One example is the Manchester Community Information Network – one of the largest online community networks in the UK, available over the Internet and through interactive information points in libraries, health and advice centres, and in community buildings across Manchester. EastServe.com offers e-mail, online chat groups and news and information tailored to East Manchester. A Residents' Panel of 'e-journalists' who also make decisions about the site's future direction, provides much of this content.

One of the most immediate impacts of the project is the increased take-up of broadband by local residents. This

area was the least connected part of the city with less than 15% of residents having even dial-up Internet access in 2003, when other parts of the city had already reached more than 50%, and very few parts of the area had access to cable TV or broadband. Despite the concentration of low incomes, unemployment and poverty in the area, broadband take-up has now reached 20% against 15% city-wide. In an attempt to address the challenges presented by Manchester's industrial legacy and to ensure that economic growth can be sustained, 'EastServe' is now being developed as a multi-agency partnership to develop innovative eGovernment solutions which will support:

- Service improvement through enhanced quality and delivery of services.
- Citizen engagement through the development of new models for service delivery and to engage citizens more effectively in strategic planning and consultation arrangements.
- The development of new business models which will aid organisational transformation, including public-private partnerships (PPPs) and social economy enterprises.

The partnership is involved in a number of research and technological development initiatives aimed at testing and validating new e-services and applications, including through its participation in the IntelCities project (EU FP6 IST). These include developing innovative eGovernment services such as interactive 3D visualisations of regeneration areas linked into community e-forums, aiming to generate active citizen participation in civic life, especially around environmental and community safety/security issues.

EastServe is augmenting these approaches with a major programme of community engagement and capacity-building work with local citizens, who are developing content and services for themselves increasingly through a new framework of social economy enterprises. This approach focuses on developing applications and services which aim to be 'organised to reflect the life events and needs of the residents of East Manchester rather than to reflect the structure of the government agencies.'

The project has helped the neighbourhood to move from being the least connected part of the city to the most connected, especially in terms of broadband take-up which is now significantly higher than the rest of the city (20% as compared to 15%), in spite of the concentration of low incomes, unemployment and poverty in this area. The project also has implications for the way that public and community services are organised and delivered, particularly eGovernment solutions, and all of the partner agencies, including the city council itself, are now engaging with this. In terms of defining new challenges for society the most important is about how we engage with citizens to ensure that they can become active producers of online content and new e-services rather than passive consumers of what is there already.

Much of the focus of UK local authorities' eGovernment strategies has been on service efficiencies and the required reorganisation of business processes, especially in terms of back-office functions, as reflected in the annual Implementing E-Government (IEG) Statements produced in line with UK Government guidelines. While this is now delivering an increasingly

wide range of online service delivery, take-up remains low and the majority of residents appear reluctant to access services online. EastServe is working to change that, particularly by putting greater emphasis on citizen engagement and giving local residents more of a sense of ownership of the online services available in their 'intelligent neighbourhood.'

Conclusions

The experience gained through the EastServe project has been used by all its partners involved to re-evaluate and re-focus their work around the eGovernment and citizen engagement agendas.

For Manchester City Council this has meant a greater understanding of the need to be more proactive in stimulating demand for eGovernment service delivery. Side by side with organisational transformation internally, the city council is now working hard to promote the take-up of e-services through awareness campaigns, improved access to training and the direct involvement of citizens in producing online service content. Its newly established city-wide agency, the Manchester Digital Development Agency (MDDA), has been charged with developing this agenda and transferring the experiences from East Manchester to other regeneration areas within the city and across the wider metropolitan area.

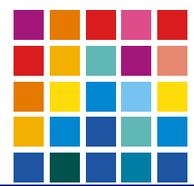
In East Manchester the area regeneration partnership now has an ambitious programme of creating interactive 3D visualisations of the regeneration area to be used to stimulate enhanced citizen consultation and participation in planning and development.

EastServe is considering new ways to achieve sustainability including developing a major part of its activities as a social economy enterprise which would develop a new cooperative model for service delivery with citizen stakeholders.

All this experience, and the initial results from the ongoing current research arising from participation in the IntelCities project suggest that key players in eGovernment, such as local and regional government bodies, need to take a more holistic approach to promoting and delivering greater access to, and take-up of, information society technologies. Further work is now needed to identify and evaluate best practice, especially in terms of identifying the most effective ways of engaging citizen involvement and then sustaining it. Work is also needed on new delivery partnerships, looking not only at developing models of public-private partnerships (PPPs) but also at citizen partnerships and models of social economy enterprises. It is felt that there is significant scope to develop and test new organisational models which will play an important role in ensuring the sustainability of these developments.

One of the most important recommendations to come out of this work is the need for innovative approaches to tackling inequalities in the information society, the 'digital divide,' for example by providing not only access to equipment, connectivity and training but also through stimulating demand by developing good quality content and involving local citizens in generating that content. City administrations also need to learn from these results and experiences, particularly in terms of involving citizens more effectively in the ongoing

organisational transformation of public services. The EastServe project has many implications for the way public and community services are delivered, including eGovernment solutions, not only in local authorities but also in other areas. For example, in East Manchester the police and health services are now also implementing changes to the way they deliver services given the experiences of the EastServe project.



Eindhoven – *The Netherlands*

The Eindhoven Region in the south of the Netherlands covers a quarter of the province of North Brabant (1,440 km²). It has a population of some 700,000 spread over 22 municipalities. Eindhoven, with more than 208,000 residents, is the largest city in the southern Netherlands and the fifth largest in the country as a whole. From its industrial foundation, Eindhoven has evolved into the centre for the knowledge-intensive industry in the Netherlands. The Eindhoven Region is the economic heart of the south eastern Netherlands. It has a clear concentration of high and medium-tech activities and a significant export orientation. Key industrial clusters include mechatronics, automotive industry, medical technology and information technology (ICT). The design and creative industry is also emerging.

Building 'Brainport Eindhoven'

In the national policy on spatial planning, the Eindhoven region is named the 'Brainport' of the Netherlands. A major challenge has to be addressed to build a sustainable Brainport: strategies have been developed to meet this challenge which are geared to drive innovation and strengthening the knowledge economy. This knowledge economy is a network economy.

To build the Brainport, various initiatives and instruments are being developed which are closely aligned with these European priorities. We will mention two:

- **The Horizon programme:** aimed at developing projects and initiatives to stimulate employment and strengthen the economic structure.
- **The ELA¹ programme:** an example of cross-border co-operation to create a



region of excellence.

- **Be_linked:** a newly established organisation, aimed at developing the use of ICT as a means to drive both economic and social development.

Horizon programme

The Horizon Programme combines a regional approach to strengthening economic structure (the creation of knowledge, application of knowledge, development of clusters for business development) with organisational capacity, linking that capacity with a thematic technology and innovation agenda. Tangible, recognisable, palpable and achieving results; building blocks for an innovation ecosystem. The approach is project-based, and the results strengthen the economic structure.

The programme's objective is to support the transition process from an industrial mainport to a leading technology region. The Horizon Programme's organisation and methods are characterised by a number of innovative elements:

- **Regarding the south eastern Netherlands as one economic entity.**
- **The Triple Helix (government, private sector and knowledge industry) lends support both at a programme level (steering committee) and at the project level (project owner).**
- **Each project has a project owner, part of the Triple Helix, who becomes the driving force behind the project's development and implementation. In practice the role of project owner and the sounding board group have been vital.**

- Resources are available exclusively for preparing projects. Projects must be financially self-supporting (public-private) in the implementation phase.
- A support organisation, the Horizon Programme Agency, facilitates and develops projects.
- A Catalyst Fund is available for accelerating and developing projects.
- Measurable results are set per project prior to implementation.

A large number of projects have been developed with this formula in the fields of business development (sports and technology, design, care), creation of knowledge networks, stimulating technology education and developing and maintaining technology competencies.

ELA^t

Regions are the key to successful innovation and excellence. Proximity is important despite the latest communication technologies. Innovation is always linked to geographic regions. The ELA^t project is an initiative of the local partners in Eindhoven, Leuven and Aachen (bottom-up), and fits particularly well within the national and European policy. Previously, regional innovation cooperation was often built on one specific topic, within one country, or within border areas. What is new is trans-national European regions joining forces to realise a joint innovation strategy...

Strategy is now being drawn up. Special attention is being paid to encouraging cooperation between knowledge institutions and companies in cross-border networks and business communities. The Eindhoven, Leuven and Aachen triangle (ELA^t) is a trans-national geographically concentrated

area with the potential to become a top European technology region. The intermediate position of the ELA^t triangle between the Flemish urban network, the Ruhr area and the Dutch Randstad urban conurbation means that the significance of cooperation within the ELA^t triangle surpasses the scale of these regions. The issue is to create a critical mass in research, development and innovation in order to create economies of scale and scope. A striking feature of the Eindhoven-Leuven-Aachen triangle is that these cities want to enlarge the urban scale and wish to position the Triangle on a European and global scale.

Be_linked

Developed using the Horizon formula, Be_linked is an initiative of the local governments in the Eindhoven region to further develop the information society, both from a social and an economical point of view.

The Eindhoven region has a leading position in the Netherlands in the area of ICT. Especially in the area of broadband infrastructure: about 15,000 dwellings in the Eindhoven region are connected to an open fibre-to-the-home infrastructure. About 25,000 people have access to the Internet using a > 10 Mbps symmetrical connection. Also business parcs and institutes, including local government, are being connected using open fibre-optic infrastructures, often based on demand-bundling initiatives.

To maintain and further develop this leading position as part of a broader Brainport-strategy, Be_linked is active on three strands:

- I. **Develop and accelerate: development of ICT-project and accelerating existing initiatives in the broader sense in cooperation with partners.**
- II. **Bundle and connect: bundling of knowledge and experience in the area of broadband and ICT and make synergetic connections between initiatives and organisations. Amongst others this should lead to realizing a regionally settled Broadband Centre of Excellence with a strong (inter)national profile.**
- III. **Inform and inspire: communication and profiling of ICT in the Eindhoven region through targeted communication strategies and campaigns.**

Experiences

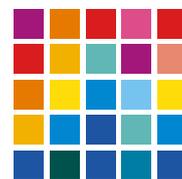
A number of best practices have been identified to enable successful innovation, based on the experiences acquired in executing the programmes in the Eindhoven region. They are best described by a number of do's and don'ts:

Do's:

- Define clear and measurable goals.
- Close co-operation of government, private sector and knowledge institutes is the key.
- Create win-win situations in those partnerships.
- Ownership of projects and programmes by the private sector and institutes.
- Local government mainly facilitates, but also initiates in the public and semi-public domain (housing, culture, etc.).

Don'ts:

- Dominant role of government.
- Government should not pretend to have all the answers.
- Aim at sustainable and self-supporting projects and results to prevent permanent dependency on subsidies.



Munich – Germany

With some 1.3 million inhabitants, Munich is Germany's third largest city. Capital of the Free State of Bavaria, Munich's metropolitan area is home to 2.6 million residents and is the country's largest centre of employment after Berlin. Munich's economic landscape exhibits great diversity. Various sectors transform Munich's economy into a 'cluster of clusters': mechanical engineering/automotive cluster, Information and Communication Technology (ICT) cluster, finance/insurance cluster, medical cluster, biotechnology cluster, aerospace cluster.

Munich's cluster policy – how does it work?

Since we are thinking in clusters, cooperation, networking and especially the only resource we have – knowledge – are the focus of local policy approaches. The city is just one of the players in the system, and is often limited in its financial and personnel resources. The cluster policy is based on a distinct analysis of the strength of a sector, as we attempt to identify measures to tap a sector's full potential. But one has to know one's place in the system, to identify possible partners and to bring different players together. In fact Munich's cluster development policy is less strictly structured than one might imagine. There are initiatives from the private sector, the science world, the city government and the government of Bavaria. These initiatives complement and further each other with a highly satisfying outcome. The density of networks and initiatives is remarkable and the link between the science world and the companies is fairly close. Cooperation between the city government and the government of Bavaria is also very constructive in promoting clusters, despite some fundamental political differences.



To illustrate the networking and co-operation:

- In Munich's IT cluster we can observe similar forms of cooperation. The 'Bavaria software offensive' is an initiative driven by the Bavarian State to develop and enhance the ICT industry in Munich and Bavaria. It focuses on research, development and training. Financial support is part of the Bavarian State Government's High-Tech Initiative.
- COMPETE is a European project, financed by the INTERREG III C programme. Seven city regions (Sheffield [lead], Barcelona, Dortmund, Helsinki, Lyon, Munich and Rotterdam) are participating. The project began in November 2004 and runs until the end of September 2007.

The partner cities have established a network to share experience and knowledge on how to raise the profile

and performance of major regional cities, to enable them to fulfil their potential as drivers of urban renaissance and economic competitiveness. Five key competitiveness drivers are to be benchmarked: the knowledge economy and innovation; human capital and supporting a skilled workforce; city-region connectivity through good transport and ICT infrastructure; quality of life and cultural development to support city renaissance; and governance and the importance of strategic capacity to implement long-term city development. General key outcomes would be a new evidence base reflecting partner strategies and resuming best practice, offering transferable models to support city region competitiveness and based on the identified key drivers. The Network will support the implementation of the Lisbon Competitiveness. For Munich the main benchmark in a globalised competition is its role as a city of knowledge.

Knowledge capital Munich

The storage, transmission and organisation of knowledge plays a key role in Munich's development. Munich is in a favourable position to exercise a strong knowledge base. The public administration bodies and the city's institutions, the Oberbayern (Upper Bavaria) administrative district, the state of Bavaria and the federal government make up the local infrastructure for the public transfer of knowledge. Fifteen technology transfer centres in the universities and the chambers of trade and industry ensure that intensive networking occurs between research and the business sector.

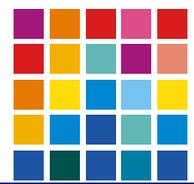
One important task at the local level is the constant improvement of location factors, and especially improving

the cluster-relevant infrastructure. A characteristic of a global competitive cluster is that it employs an international workforce. To fulfil this characteristic and to attract the necessary people one needs a competitive school system, including international schools, and it is definitely not a disadvantage when your city is generally an attractive place to live.

Some reflections

The role of the city in the cluster policy depends on the activity level of the other players – and of course on the formal competence of the local administration. In some cases we are a moderator, but for technology centres we are an investor.

Munich's cluster policy is based on the analysis of the city's and region's potential and the consequent use of synergy effects. We only act when we see the potential for additional growth. Economic and employment growth are also keys to the Lisbon strategy. Successful cluster policy is definitely an important element within this strategy. So to meet the challenges resulting from global competition we must do more for sectors which have the chance of withstanding global competition, in other words choose a more opportunity-based economic policy rather than one which is needs-oriented.



Barcelona – Spain

Barcelona is a major European metropolis. With more than a million and a half inhabitants in the city and some 4.5 million in the metropolitan area, Barcelona is the political, economic and cultural capital of Catalonia, an autonomous community in the northeast of Spain, on the Mediterranean shores. Barcelona City Council is strongly involved in the eGovernment process, using the Internet as an instrument to achieve three main strategic objectives:

- Improve and expand commitments to the inhabitants.
- Develop a participatory strategy for the city.
- Reconsider and improve internal management.

The City Council acts as a promoter, amongst other private and public ones, in planning and executing infrastructure, in preparing and developing companies and professionals, in the spread, literacy and access to the Net and more specifically in the use of the technologies for relating to the citizens and the internal management.

IRIS: Barcelona's new system for managing incidents and complaints

IRIS (the acronym in Catalan for Incidents, Complaints and Suggestions), is a multi-channel programme for managing service requests, incident reports and citizen complaints. It is a part of the Civic Behaviour Programme, one of the central political initiatives in the current mandate, aimed at raising the consciousness and co-responsibility of the residents for the quality of life of the city, respect for the rules of living together, and improving the performance of the council's services. It enables citizens (and the council employees through the Intranet and



mobile devices) to carry out various types of communication through a variety of channels, to follow these up, and to elicit a response through their channel of choice. The system not only enables improvement in the attention and services for citizens while increasing their participation in the city's running, but it also allows an improvement in operations planning, management and control, along with service company contracts. It is, one might say, a very powerful 'sensor' for the state of the city, the problems of communities and public opinion.

The preferred entry channel of contact is the new toll-free phone number. When citizens contact the City Council, in 60% of cases they can get an immediate answer, with a specific service commitment and the ability to track the query until it is resolved. The aim is to achieve service agreements and immediate responses in 80%

of the cases during 2007. The order is transmitted automatically to the contracted company responsible for the service and the City Council's operations control centres. Currently 68% of the communications are handled in 48 hours, the target being to raise this to 75% by 2007. When a request has been resolved, the applicant receives a reply through his or her channel of choice, followed by letters and SMS messages. The system includes pre-completed templates to facilitate rapid and efficient answering. The system currently responds to 85% of the contacts received, the goal being to answer all contacts by 2007.

During 2005 the application will process some 350,000 contacts (almost 1,000 per day), raised by citizens across more than 1,600 thematic categories. The aim of the mandate is to double the number of contacts by 2007. Participation rates have currently increased by 40%.

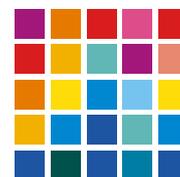
The most requested services are those related to the collection of furniture and other discarded items, street cleaning and the new 'green area' service (parking reserved for residents in specific city areas).

The communications are geo-referenced to a co-ordinate (XY) of the territory, and when dealing with a suggestion or a complaint, citizens are asked for this identification. IRIS thus turns out to be a formidable database for analysing the city's problems, reallocating resources, specific actions and improving communication with its citizens.

tracking of each communication's status at any given time, and the ability to call up their case. To a certain extent, it is the 'customer's eyes' (and moreover those of the most participative and demanding customer), which drives the organisation's transformation.

Governance reflections on the Iris project

IRIS is not a complex application from a technological aspect. It was custom-built in less than six months and yet it has many of the very complex and costly functions of CRM packages. It was programmed in Java and contains many open code components. The entire user interface is trilingual (Catalan, Spanish and English). The City Council is currently considering opening all or part to the open source community. IRIS also includes integration with the back-office systems of some of the municipal services, not usually included in conventional CRM systems. But the project's greatest difficulty lies in creating a system shared by all the various departments and companies of the organisation and the contractors themselves, to establish service commitments and to ensure their fulfilment. It is thus the creation of a culture in which 'a complaint is a gift' that helps us to improve, and guaranteeing the action and the written response. It is also a challenge within the public ambit to accept a level of transparency that enables, through the request code given to the citizen,



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EUROCITIES Knowledge Society Forum – TeleCities

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