

# Going with the Flow or Flowing with the Glow How Tampere Was Reinvented?

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# Tampere city-region today: overview

## TAMPERE REGION

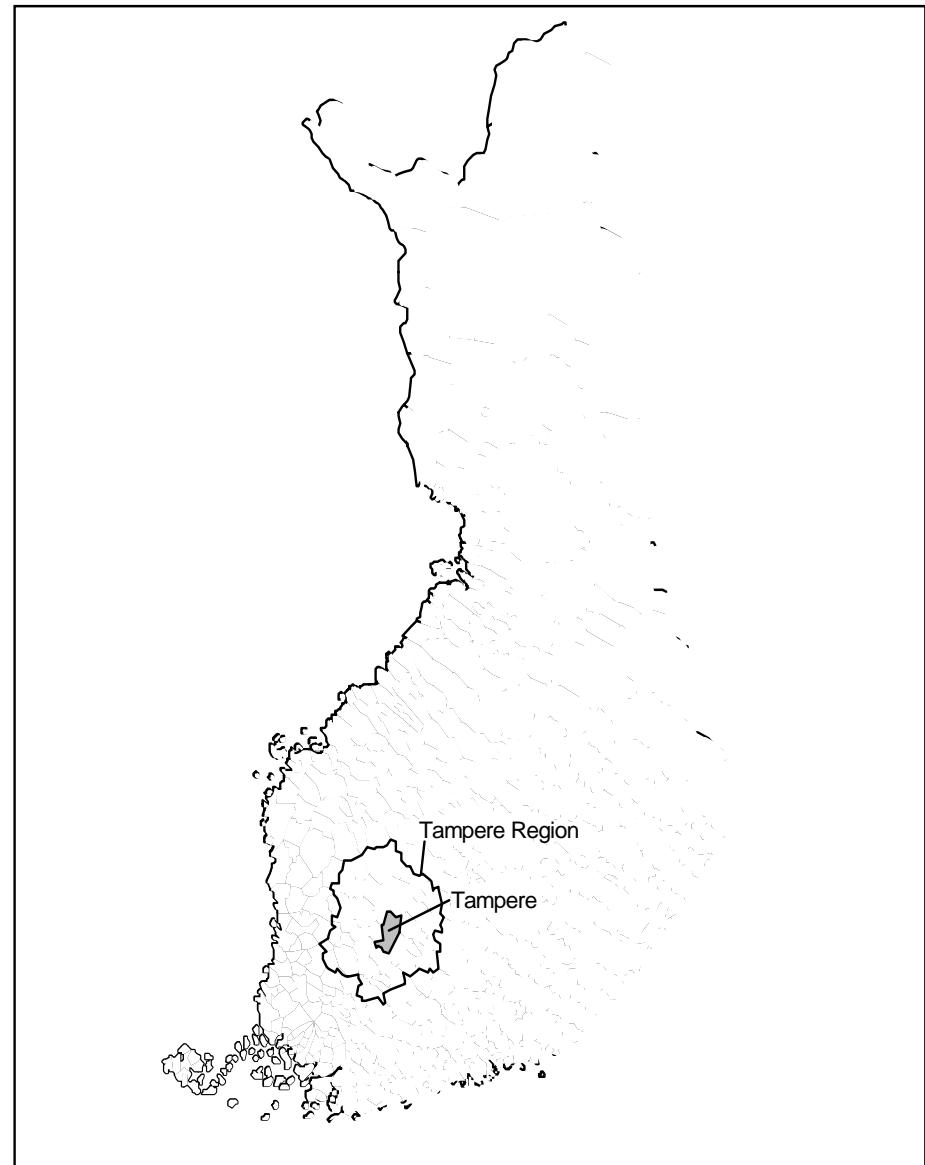
- ✓ population 445,500
- ✓ 9 % of Finland's population
- ✓ GRP per capita 3rd highest
- ✓ GRP 19,200 EUR (1999)
- ✓ EU 15 GRP index 100: in Tampere 94.9 (2000), 88.3 (1995)

## TAMPERE CITY-REGION

- ✓ population 300,000
- ✓ the 2nd largest regional centre
- ✓ City of Tampere, town of Nokia and municipalities of Ylöjärvi, Kangasala, Lempäälä, Pirkkala and Vesilahti

## TAMPERE CITY

- ✓ population 200,000



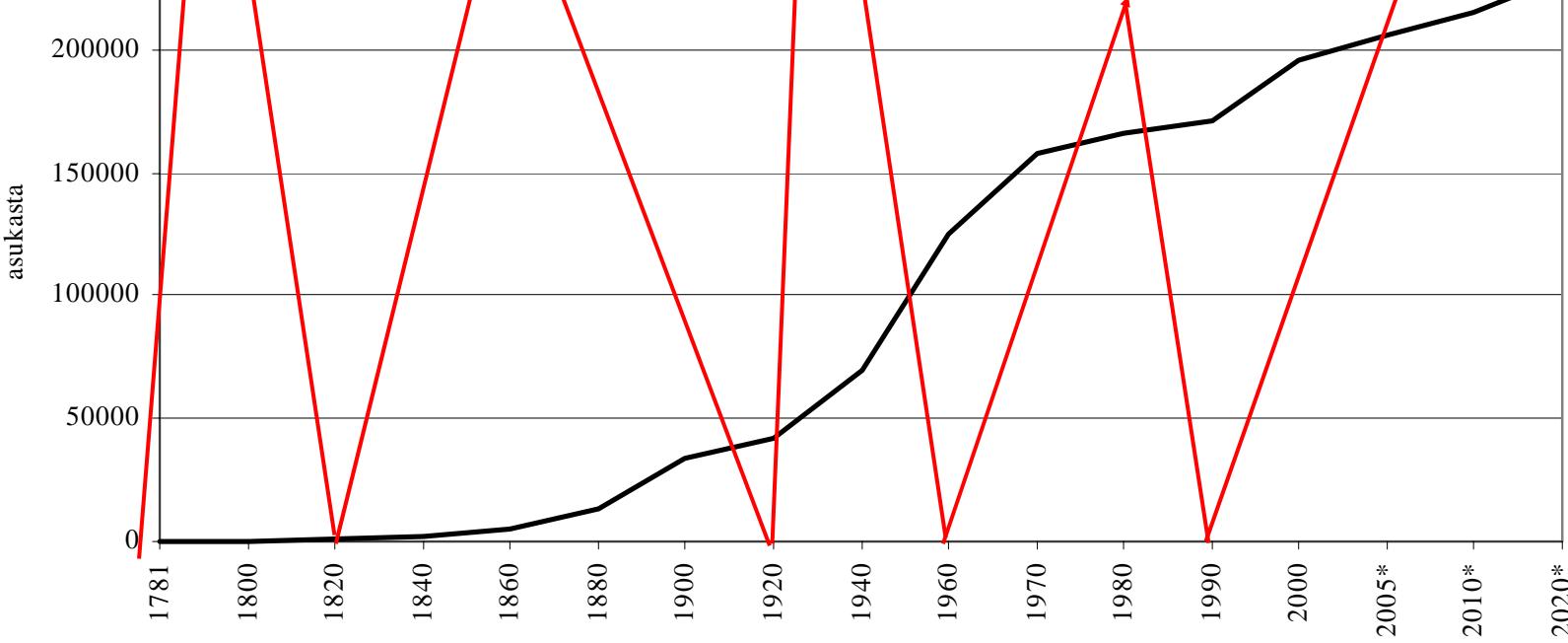
Founding of the town  
first steps of industry  
1775-1820

The expansion of industry and  
the beginning of recession  
1920 -1960

The systematic  
institutionalisation of the  
knowledge economy  
1990-2001

The birth of large-scale  
industry 1820-1920

The decline of heavy industry  
and sowing the seeds of  
knowledge economy  
1960 -1990



## Mass production region

- ✓ Comparative advantage based on natural resources and physical labour
- ✓ Mass production – physical labour as source of value, separation of innovation and production
- ✓ Arm's length supplier relations
- ✓ Domestically oriented physical infrastructure
- ✓ Human infrastructure based on low-skill, low-cost labour, taylorist work force, education and training
- ✓ Industrial governance system based on adversial relationships, and command and control regulatory framework

(Florida 1995)

## “Learning region”

- ✓ Sustainable advantage based on knowledge creation and continuous improvement
- ✓ Knowledge based production – knowledge as source of value, continuous creation, and synthesis of innovation and production
- ✓ Innovation networks and supplier systems as sources of innovation
- ✓ Globally oriented physical and communication infrastructure, and e-communication
- ✓ Knowledge workers, continuous improvement of human resources, continuous education and training
- ✓ Mutually dependent relationships, network organization and flexible regulatory frameworks

# Knowledge economy

- ✓ Knowledge ages rapidly and new knowledge is constantly replacing the old one
- ✓ Scientific (including social scientific) knowledge is highly valued, and the scale and economic penetration of scientific knowledge exceeds distinctly the previous economic development phases
- ✓ Knowledge economies are especially characterized by exploitation of new knowledge in order to create more new knowledge  
(Cooke 2002)



# From manufacturing to knowledge and services

- ✓ recession in the early 1990s
- ✓ growth of information and telecommunication technology and KIBS sectors
  - In ICT approximately 15.000 employees (Nokia Group alone 3.600 in R&D)
  - KIBS sector alone 19.000 employees (software and computer services, technical services, consultancy, R&D services, private training etc.)
- ✓ in 2000, textile, clothing, leather and shoe industries employed 4%, metal products and machine building together 26% (9.800 employees), pulp and paper industry 11%, and electronics 9% of industrial employees (total manufacturing employment 32.000)



## Significant factors

## Opening new development paths I

- ✓ The **capacity** for **bold** and **fast decisions** in the community was important in opening opportunities for a new development paths
  - Many traditional firms focused on their core competencies and integrated new technology into “old products”
  - City government laid the foundation for new paths – e.g. ‘usurping’ two universities from Helsinki.
- ✓ **Brave** and **visionary** individuals and innovative coalitions formed by them were needed in creating conditions for a new path
  - They plant the first seeds of something new in the midst of the different spirit of times and its institutions and culture; they are acting against the tide
  - Leadership seems to be in crucial role in breaking out of old path
- ✓ **Intensive collaboration** among firms, the public sector and educational institutes made it possible to launch many new processes and to institutionalize them.

## Significant factors

# Opening new development paths II

- ✓ **Creative tension** mobilises and motivates individuals and various collectives to pursue change
  - Development efforts need the sense of drama that can be found in a crisis, possible crisis, great opportunities, appealing vision etc.
  - Creative tension is a state that is based on excitement, ambiguity and uncertainty over future events and consequences of our actions
- ✓ In mobilizing people and resources the role of an **ambitious but believable story** is of utmost importance in a world that is full of information, development programmes, projects and other development efforts

## Significant factors

## Retention of new development paths I

- ✓ **Spirit of times** was a soil in which new path was rooted
  - collective implementation of “knowledge economy” strategies was easier when spirit of times in Finland as a whole changed
  - Local “inspirers”, the champions of development efforts, were thus able to utilize general societal discourse in their own argumentation
  - the seeds of new path are, however, often planted against spirit of times
- ✓ **Institutions, resources and interpretations** rooted the city to a new path
  - Tampere (its key-actors) made conscious efforts to free itself from the past path and to create a new one by creating new institutions, by seeking out new resources to build on and by creating a new interpretation of the city-region, its current state and future prospects

## Significant factors

# Retention of new development paths II

- ✓ In one of its dimensions regional development is about competing ideas and interpretations, and by a believable story it is possible to link fragmented pieces of information together - an **inductive and inducing strategy** wrapped with constantly emerging story line becomes the core of the development efforts
  - Inductive strategy is a constantly ongoing collective sense-making process that, in Tampere, focuses on the knowledge economy and its reflections in Tampere - collective interpretation and conceptualization has been a core in the strategy process.
  - In an inductive and inducing strategy process it is important to create a **sense of urgency**, because often the formulation of a vision or development program and, for example, receiving EU-funding provide a development network with a false sense of security

## Significant factors

# Retention of the new development paths III

- ✓ **The capacity to bring forth a vision** of a different future for the city-region was important in the emerging story line
  - The mechanical formulation of a vision and strategies was not sufficient but the skills and abilities of key actors to use visions and strategies as tools in creating the story and its implications has been more important than a strategic plan with well formulated and documented visions
  - To be truly functional in the development work, vision should be communicable, challenging and appealing. Vision is not an outcome of a planning process but a long process itself.

- ✓ More pieces of information can be found in...
  - [web.mit.edu/ipc/www/ipc-lis.html](http://web.mit.edu/ipc/www/ipc-lis.html)
    - working papers on universities' role in the economic development of regions; see Kostiainen & Sotarauta. 2002. Finnish City Reinvented.
  - [www.nordregio.se](http://www.nordregio.se) -> publications -> 2002 -> Sotarauta & Bruun
    - Case-studies: Jyväskylä, Turku, North Denmark and Trondheim
  - [www.sotarauta.info](http://www.sotarauta.info) (includes articles in English)
    - > Course material
    - > Netpublications
    - > these slides will be posted on Thursday