

# SMALLER UNIVERSITY CITIES

## LOST IN GLOBALISATION OR HIDDEN GEMS?

*In the face of increasing globalisation, with the biggest cities reaping the greatest rewards, knowledge economy specialist Willem van Winden examines the future for smaller university cities.*

There's no denying it: we live in an urban world where, rightly or wrongly, bigger is perceived as 'better', and a handful of cities – capitals like London, Berlin or Amsterdam, and large cities such as Munich, Hamburg, Milan and Barcelona – have become magnets for international talent and investment.

These cities appeal to firms because of the power of agglomeration economies: big cities offer greater opportunity, higher productivity and wages. They have many more culture, leisure and consumption possibilities so are more attractive to talent; labour markets function better and there is greater innovation. In short, big cities are the clear winners in a globalised world where investment, students, skilled knowledge workers and tourists are increasingly mobile.

But where does that leave their smaller counterparts? How can Europe's 'second university cities' attract talented knowledge workers without the big-city frills and thrills?

### **Academic excellence as an economic asset**

For some cities, the answer lies in education. Petite cities such as Cambridge, Oxford, Heidelberg and Leuven have, in recent decades, turned their age-old academic excellence into an economic asset.

Benefitting from the internationalisation of education, these cities attract the best minds from around the world, and for them education is now an export product. Practically, this means they attract more research funding – because excellence is being increasingly rewarded everywhere – and that they've become more entrepreneurial, spawning a growing number of successful tech start-ups in the fields of ICT, biotech and new materials. Many multinationals have established a presence in these cities to tap into the rich knowledge sources and to cherry pick the best graduates. Attracting talent is no problem, real estate and house prices are approaching premium 'big city' levels and gentrification is widespread. That most of these intellectual powerhouses are located near bigger cities (Oxford and Cambridge near London; Leuven near Brussels; Heidelberg near Frankfurt) offers additional benefits: access to airports, consumption/leisure opportunities nearby and access to larger job markets

### **Universities as economic lifelines**

The story is different for more peripheral cities with a less 'world-class' academic reputation. Take Aalborg in Northern Jutland, Denmark. A formerly working-class industrial town, the majority of manufacturing jobs have disappeared since the 1970s.

Established in 1974 and with 25,000 students – an increasing number of whom come from abroad – the local university has become the city's lifeline and growth engine. In the last decade, a small but substantial knowledge-based economy has emerged around it, offering jobs for the highly educated in the fields of environmental technology, ICT and medical technology.

But talent retention remains a problem: after graduation, the majority of students leave for Copenhagen and beyond, where there are more jobs, better opportunities and where a more frenetic urban life awaits

Aalborg faces an additional challenge in the not-too-distant future. A large chunk of the university's intake traditionally comes from the surrounding rural region, but numbers are slowly but surely decreasing due to an ageing population. To retain growth, the university must work hard to attract students from elsewhere in Denmark and beyond, and to do this they must be inventive and develop a unique value proposition that stands out among a sea of rivals.

### **Driving students into the city**

What can stakeholders in Aalborg do? Across Europe, cities in similar situations provide a variety of potential strategies. One is to develop a 'unique selling point' revolving around a special type of education that contrasts with competing universities. Aalborg University specialises in problem-based learning, and markets this aggressively. In contrast to more traditional curricula, students have to work in teams to solve the real-world problems of companies or institutions. Students are attracted to the idea that they'll learn skills that easily transfer to the labour market.

A second strategy is to increase the attractions of the city centre and thereby attract more students. This is an especially pertinent possibility for smaller cities, where the university campus is often located outside the city centre. In such cities, academic and student life takes place in or around the campus, and the city centre often lacks the dynamic buzz of other student towns – such as Ghent or Leiden – where the university is more integrated in the urban fabric. The sedate downtown makes it more difficult to attract knowledge workers and to develop tourism.

A prime example is Linköping, in Sweden, where the campus is 4km outside the city centre. Most students live in dormitories on campus or in a small village nearby, and hardly visit the city. They live in a bubble during their studies – and are content to do so – but most see very little reason to stay in Linköping post-graduation. The city council is attempting to change the situation by building student accommodation in the city and luring university establishments back into the centre. An innovative new urban quarter, called 'Vallastaden', is planned, which will be physically located between the campus and city. The city is also hosting more interesting events for students downtown.

The approach taken in Aalborg is also interesting. As in Linköping, the city council understands the value of students as a source of dynamism in the inner city. In the last decade, the city has invested heavily in student housing downtown, to attract more students to the city centre. The council presents the centre as a platform for student life, hosting cultural performances by student unions, facilitating pop-up stores for students entrepreneurs, and so on.

This approach creates an inherent tension between the ambitions of city authorities and campus managers, however. City authorities want to attract students but the university has a vested financial interest in keeping them on campus. Universities typically want to optimise the campus and develop/exploit it further, by adding new facilities such as housing, restaurants and businesses.

### **Marketing smaller university cities**

There is more that cities can do. City authorities and the university in Magdeburg, in the former East Germany, have developed an original marketing approach together, to overcome



negative perceptions of the city. They created a virtual travel agency, called 'Far East', where prospective students from Germany can book an adventurous trip to 'discover' Magdeburg as a student city.

The city of Tampere in Finland, meanwhile, puts all its bets on its students. In 2014, the city and its universities developed a plan to make Tampere the most student-friendly city in the country. Led by the Mayor's office, all the relevant stakeholders –including student representatives – met several times to discuss where improvements were needed. This has resulted in a strategic plan with a number of concrete actions in the fields of housing, services, transportation and employment/entrepreneurship. In a series of workshops students defined key challenges and also proposed solutions and identified key stakeholders needed to redress the balance. The findings from the workshops formed the basis for further discussions with key organisations. The implementation of the strategic plans will be examined in connection with the city's budget preparations, both with politicians and civil servants. Stakeholders in Tampere managed not only to develop a joint strategy but also, very pragmatically, translated it into action that will lead to tangible results.

### Strategies for the future

It's an urban world, and big cities increasingly attract and retain talent at the expense of their smaller counterparts. But they won't 'take it all'. Europe's smaller and medium-sized university cities have much to offer: they are quieter, greener, the cost of living is lower, they have the human scale and many boast a lively student scene. Their research base, if good enough, can be a source of economic development. At the same time, these cities must face and accept the reality that most students will leave after graduation to begin their careers elsewhere.

To retain their position in Europe's knowledge economy, smaller university cities – especially those without world-class universities or in more peripheral locations – cannot be complacent. They need to outsmart their larger competitors by developing effective collaborations between city, university and companies. Concerted action – as in the case of Tampere and Magdeburg – can help to make the city more attractive, to develop and sell a unique value proposition for (foreign) students and to increase the economic spin-off of the university (via student and academic entrepreneurship, technology transfer and so on). With vision, leadership and determination from all sides, these cities can thrive.

*Willem van Winden*

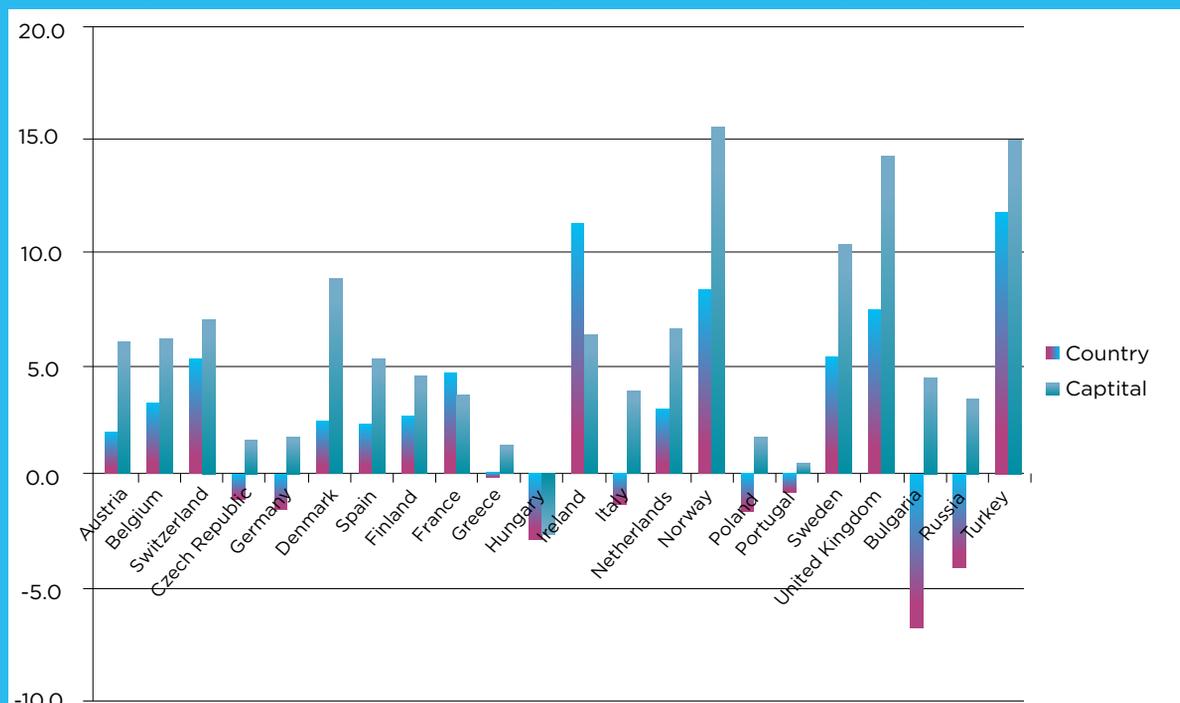
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Photo by Olivier Ezratty

### Population growth forecast: European capital cities capture growth



Source: Oxford Economics