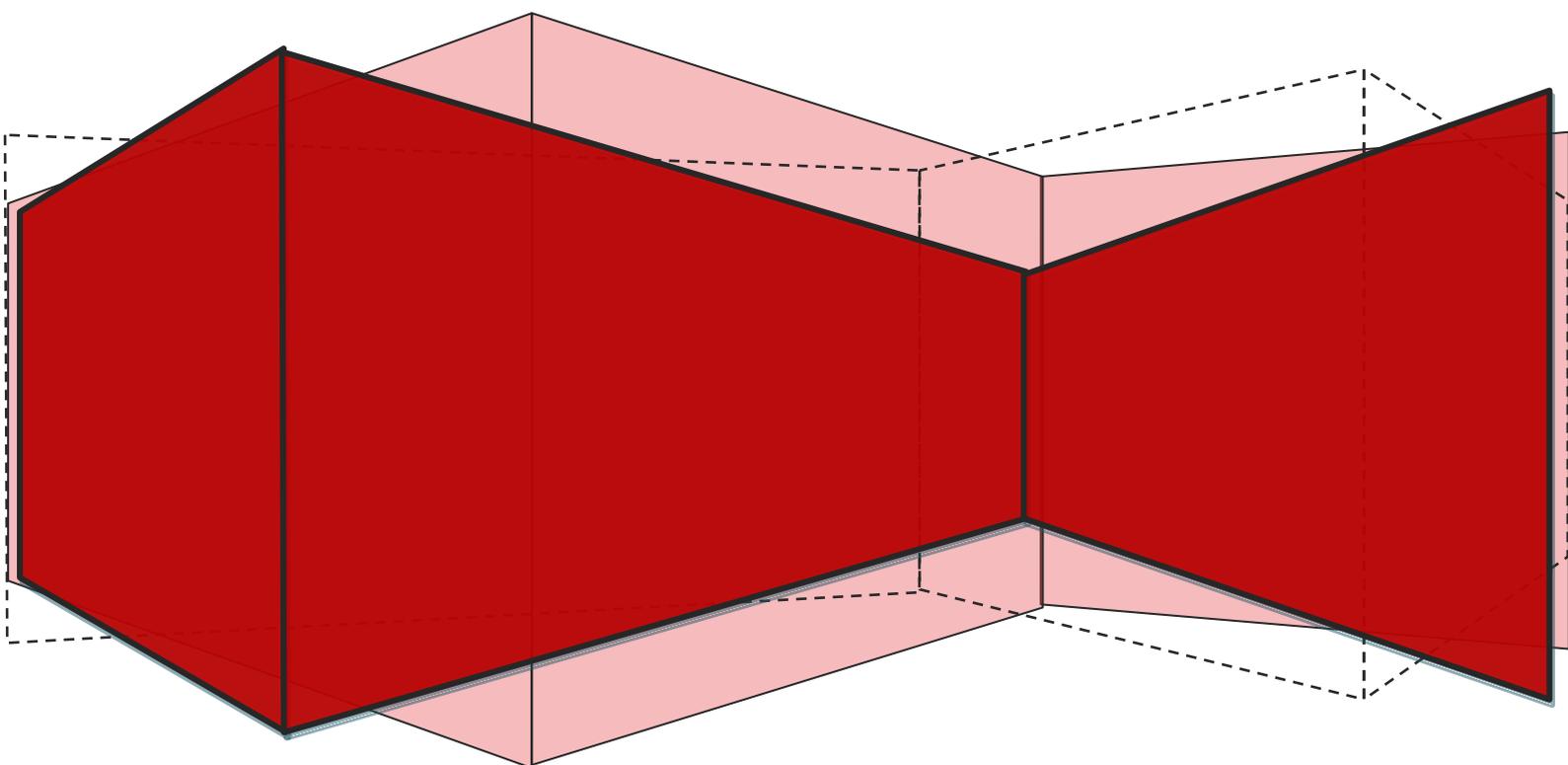


BILBAO/BIZKAIA: **A PLACE OF AMBITION**



CONTENT

1. Summary

2. Setting the scene

3. But Bilbao/Bizkaia are good?

4. Why ambition?

5. Where next and how for the region?

6. A reinvigorated narrative



Summary

‘Bilbao/Bizkaia: A place of ambition’ is a document presented for a wide ranging discussion amongst the many communities of interest in the region.

Bilbao/Bizkaia has been courageous and ambitious. Does it need to be again as there are threats on the horizon. The two most important is the talent drain of some of its best people and companies and a lack of critical mass and scale that if it were there would help create opportunity.

Metropolitan Bilbao made its reputation through its physical transformation, but new agendas have emerged with force such as the green/sustainable city agenda, having a vibrant creative economy sector, being a digitally clever place or having an inventive bureaucracy. In none of these is Bilbao seen as a pioneer.

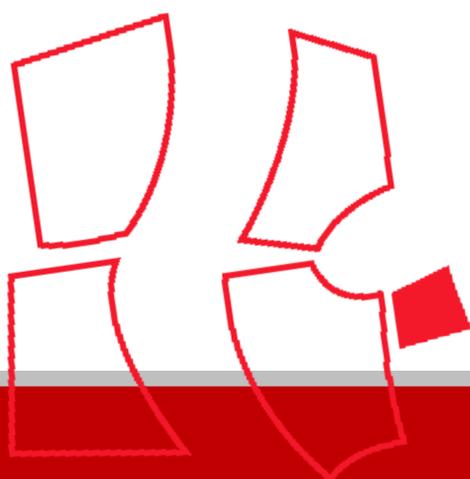
The region’s quality of life is high and there is a danger that it rests on its laurels and perhaps even falls into graceful decline as its economic vigour evaporates.

There is a difference too emerging between the perspectives of the young and older people - this needs to be explored. The young want a more vibrant atmosphere to provide them with possibilities and this will encourage them to stay.

Bilbao/Bizkaia need a reinvigorated narrative and storyline that both unleashes the commitment of locals as well as the interest of outsiders. It should build on its strengths but go further. This narrative needs to bind the five areas of focus proposed. Here Bilbao/Bizkaia should attempt to become a pioneer and leader, they are: Embedding green thinking and a ‘cradle to cradle’ perspective into everything it does; using the potential of digitization in a human centred way; harnessing the power and symbolic resonance of the creative economy sectors and especially understanding how their imaginative skills and capacities can add value to all products and services since we are in an experience driven economy; welcoming the new energies emerging from civic movements and how they attempting to help co-

create the evolving cities; becoming a more creative bureaucracy. All these issues are rising dramatically up the global agenda and any city of substance is focusing on these both to improve their quality of life and to be more competitive. Importantly to drive motivation and energy the region's commitment needs to be visibly seen and marked as it needs to be seen and experienced to be believed.

We conclude that Bilbao/Bizkaia should project itself as a place that has seamless connectivity and a culture of experimentation. Importantly it should capture territory in the imagination that this is a place where dreams can -really- be fulfilled. This clearly requires an honest assessment of the obstacles that prevent this from happening.



Setting the Scene

Bilbao and its hinterland's history is marked by its entrepreneurial character and endeavors. Its latest manifestation was its physical transformation from an industrial to a post-industrial city with the Guggenheim its global emblem for a series of dramatic changes. The notion of the 'Bilbao Effect' then pushed the city into world-wide consciousness. The city punched above its expected weight. Bilbao Metropoli-30 played a significant role in the processes leading to this renewal starting in the late 1980s.

This involved courageous decision making, foresight and understanding about future urban trends and revealed an admirable level of ambition especially in the context of its political troubles.

The main priority of urban transformation from the early 1990s onwards was physical reconstruction. 25 years on most West European cities, especially those with an industrial base, have recognized, understood and learnt the lessons how this can be organized and why it is necessary to create the physical conditions for a more service oriented or knowledge based or creativity driven economy. Here public space and associated third places play an increasingly strong role. Public partnerships are an essential catalyst in achieving these aims and here Bilbao Metropoli-30 was a pioneer. To some extent Bilbao's achievements became city making common sense.

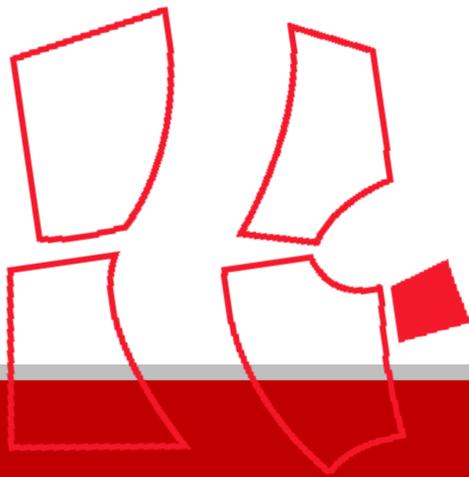
20 years ago any European survey of transformation model cities included Bilbao in the top rank with others such as Barcelona, Glasgow, Rotterdam or the Emscher Park area in the Ruhr. Interestingly the major capitals Paris or London were then rarely mentioned

10 years ago a change happened as other priorities emerged including foremost the rise of the climate change agenda, the recognized importance of creativity, the adaptation to the digital age or flexible, forward focused bureaucracies.

Other cities then rose in prominence. They include: Copenhagen, nearly bankrupt in the early 1990s and now seen as an ambitious green city or the digitally savvy Helsinki that had extricated itself from its Soviet embrace and where the Nokia phenomenon helped launch a vast new industry; or Eindhoven which suffered tremendously from Phillips near collapse and then invented the quadruple helix concept of partnership involving government, enterprise, universities and society. It is now growing faster than Amsterdam, The Hague, Rotterdam and Utrecht. Or Bordeaux's transformation of its riverfront, regenerating areas like Chartrons or projects like Darwin. Here we witness green, digital and governance inventiveness.

Then there are others that get mentioned and admired by urban leaders including: Stockholm, voted the most innovative European city in 2017; Torino for its ability to transform itself after FIAT's dramatic decline in the city even though it is economically losing out to Milano; Malmo for its strategic partnership with Copenhagen; Amsterdam for its comprehensive creative ecology and especially its ability to harness local creativity.

In all these contexts Bilbao/Bizkaia rarely get mentioned, although the 'Bilbao Effect' still resonates strongly attracting professional visitors and tourists from across the world. Perhaps this is fine and there is little need to think about a new level of ambition. However, the global dynamic within which secondary cities, like Bilbao, find themselves is causing severe stresses and demanding a new level of response. It is less visible than the physical transformation with which Bilbao made its name.



**But Bilbao/ Bizkaia
are good?**

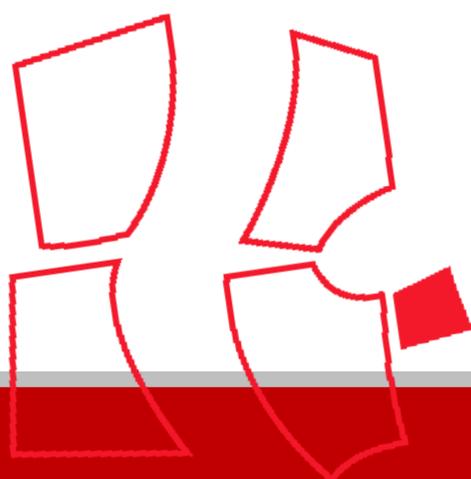
Our region may argue by contrast that benchmarks such as the Global Cities Talent Competitiveness Index (GCTCI) list Bilbao at 2nd place in terms of retaining talent and 4th for building global knowledge - better than Madrid and New York. Overall Bilbao is at number 18, ahead of cities such as Barcelona (20), Bologna (26), Milan (31), Turin (35) and Mexico City (39).

In marketing terms this is something to shout about and we acknowledge that Bilbao punches above its expected weight. But what about attracting talent? Here we know that the region's bigger companies have problems of getting staff from outside and the recent tax incentive for foreign talent is clearly good. Taxes are thus beginning to be aligned to where the city wants to be, yet the law can remain a barrier. Here elastic planning is a useful metaphor, which is to be strategically principled in your aims, but tactically in flexible in trying to get there.

Clearly Madrid, New York and many others do better. The central indicator needs to be the **'talent churn'** - the balance between the in- and out flow of talent. This could be Bilbao's most important success indicator.

Indeed, since 'retaining' is largely judged by how many university graduates stay this can be interpreted as being not ambitious. Put negatively the less ambitious remain. And this raises a major dilemma. Bilbao and Bizkaia's sense of itself is so strong and its quality of life seen as so attractive that people stay. The temptation is to think 'we are fine' and that the disruptions linked to the physical regeneration process are finished. 'We are living off the past, I am surprised so many people want to learn from Bilbao', someone noted.

The region's overall talent pool, however, is insufficient to compete at the higher level and this affects its economic vigour. The region lacks critical mass and the deeper global dynamics do not favour Bilbao. This pushes people to the vortex cities, such as London, Berlin or Madrid, that suck in talent, connections and opportunity. 'You can network with the powerful in Madrid.' It leads major companies to shift their strategic departments and it is here that the most ambitious see their career paths. This can sever family links and so many return once they build a family as the 'big city' often becomes dysfunctional for family life.



Why Ambition?

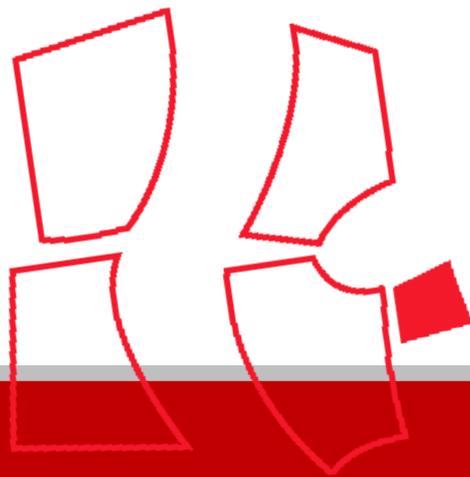
Ambition is a significant word. It is the quality that generates the energy, motivation and passion from which other possibilities flow. It can jump start processes of change as key people think ‘it is not OK to only be OK’. It precedes vision and is different and more important. It is the pre-condition from which a vision might evolve out of which projects and programmes emerge. It helps people concentrate on the essentials and the bigger picture and it can provide the engine from which commitment can grow so that ideas can turn into realities.

Ambition needs a purpose and goal. It is not merely about thrusting to be ahead. The result of our survey of ambitious European cities suggests they want to be successful. This involves providing scope for their people, organizations and the city as a whole to make the most of their potential, given their physical, intellectual and cultural assets and constraints.

Differing interest groups in Bilbao/Bizkaia see success in diverse ways and the challenge is to blend these aims so they create a bigger whole. The public official may applaud good public services like public transport or efficient garbage collection. Another might want the city to be inclusive. Activists or community groups want to be respected and given a proper role. By contrast, small and large businesses aim for effective logistics networks or light touch rules that give them freedom to act. Others are concerned about talent retention, research capacities, connectivity and the standing of universities and the city’ competitive standing and this applies often to larger businesses.

These varying notions of success can pull in different directions. This raises a second dilemma for Bilbao: how to maintain a focus on being inclusive with its emphasis on equality making society more cohesive, but looking at the future at the same time with the dynamism needed to be competitive. In other words, can we encourage those who are disadvantaged to become the best they can be by harnessing their potential?

Can the circle be squared? Here the Nordic approach could be a model. Its transparency, pragmatism and tough-mindedness, its work ethic and mutual reliance, its balance of individualism and public spirit, its universal free education that allows students of all backgrounds to achieve their potential, its focus on empowering women (how good is Bilbao/Bizkaia at this?), its universal day care for children that makes it possible for both parents to work full-time. Some describe this as “statist individualism”. Crucial is trust, where the Nordics have the highest ratings. Citizens pay their taxes and play by the rules. It means too that high-quality people join the civil service not merely as some claim in Bilbao/Bizkaia to have job security, but to achieve publicly oriented career goals.



Where next and how for the region?

Even though Metropolitan Bilbao was ambitious 25 years ago and ‘officially’ it still is there could be an urgency and complacency problem especially when everyone is proud of the achievements. There is a danger of: ‘don’t rattle the boat’, but this at the same time as different generational perspectives about the future of the region are emerging and what to be done about it.

Many say there has been a loss of creativity as life is good, for most, and this dilemma has created a crisis of ambition. This could be see Bilbao/Bizkaia falling into **graceful decline**. Slow and imperceptibly without anything dramatic happening the region might slowly weaken in comparison to others - it is still a great place, but energy is lacking, it lives perhaps mainly from of its tourism. Bilbao is not a young city, it is a ‘great city for the elderly’ as someone noted.

Crisis mostly is a trigger for ambition and creativity, but we come to the third dilemma as the crisis is mostly not physically visible and is expressed more in terms unfulfilled potential. How do you trigger urgency to act? One way is a warning to remind parents: ‘Do you want to see your children’, as they will have to leave if there are insufficient opportunities.

Re-tapping into the spirit of entrepreneurialism is crucial as is recapturing the moments when Bilbao/Bizkaia did more than expected in the past and the Guggenheim period. Here you needed leadership groupings, across the sectors, that understand the future crisis and that there will be losses but also gains if the issues are addressed. Remember the criticism of the Guggenheim.

What can Bilbao/Bizkaia do? What is in its control and what outside? **Generating centrality** must be an over-riding aim. Given the region’s size it can only do this in niches, but there are basic pre-conditions such as connectivity. Here steps are being taken, but will take time, such as reducing the train times to Madrid from 5 to 2 ½ hours or shortening the time to San Sebastian. Yet these can ease escape too. The mental distance remains and its equates to time. From far away Bilbao has

resonance, but it feels far in getting there in reality, which is why having a conference is more difficult in Bilbao - there is often that extra step of changing planes.

One acknowledged hurdle is the Basque country's organizational spaghetti with too many layers of administration and complexity for 2.2 million people, which makes inevitably coordination issues become complex. This is unlikely to change.

It is admirable that in this context Bilbao/Bizkaia is still capable of doing so many things right in terms of developing instruments in the public sector including its talent attraction strategy and so its start-up ecology does relatively well for Spain or Southern Europe, but it is not best in class. It has linked with the important start-up centres Tel-Aviv, Helsinki, Boston so it knows the necessary dynamic. Therefore, one option is to create a compelling event such as Helsinki's Slush, Europe largest start-up event, and bringing a version to Bilbao/Bizkaia in collaboration with Slush focusing on Europe's southern axis. BBK's recent decision to invest in start-ups and the social enterprise world is a good sign. Since many of the new start-ups require knowledge of the sciences one problem is getting women into maths and sciences which are seen more as male domains.

Another challenge would be to increase the region's universities level of excellence in order to avoid some of the best students to study elsewhere. To become a pole of attraction especially for external talent the universities in the region would have to deeply analyse opportunities and threats.



A reinvigorated narrative

The central thread of this story should be to create a crisis of ambition wrapped up in opportunities focusing on the power of Bilbao/Bizkaia. This should go well beyond its tourism potential, more cruises liners stopping or gastronomy.

There is a need to understand how the innovation eco-system of a city works and much of this has to do with soft elements, such as atmosphere or buzz or how alternative movements need to be vibrant.

Metropolitan Bilbao also needs to be brave and even risk confrontation as transformation is disruptive and this in a context where 'we do not want to rock the boat' is dominant. This is why we focus on creating spaces and places for experimentation. These seems to be lacking in the region, one thinks of places like Radialsystem - 'the space for ideas and art' - in Berlin or De Zwijger in Amsterdam. Zorrozaurre would have provided an opportunity, even though some interesting uses are present, but they are likely to be overshadowed by what will become predominantly a housing area. Compare this to what happened in Isle de Nantes.

In this sense as someone noted: 'Bilbao needs to speed up' as it has: 'an old-fashioned mindset in some ways'. This is both good and bad. Good in the sense of providing stability and predictability and bad in terms of flexibility.

Some baselines need to be fulfilled such as, being green and players like Iberdrola can play an important role as they want to push the envelope; or fostering the creative economy sectors; or making the most digital opportunities. The issue with these is that they insufficiently visible. This should be a first target. Where can you experience Bilbao/Bizkaia's green, sustainability thinking beyond garbage bins that separately waste? Or its digital pioneering? Or a vibrant creative economy scene?

Themes could be:

The place of seamless connectivity: This element reminds us that ubiquitous wifi is taken for granted; and that having lots of face to face meetings in a day is far easier than say Madrid. This is a hub or connection point where the global agendas are discussed and explored and where in smaller specialist events people can explore without being distracted by overwhelming bigger cities. It implies that Bilbao Metropoli-30 and the region is extremely well-connected with the emerging networks and agendas from 'crowd-sourcing the city' initiatives to new creative solutions to the big urban dilemmas. Bilbao/Bizkaia becomes a kind of oasis to stand back and involves promoting the size of the city - small enough to feel intimate, but big enough to feel cosmopolitan - the right place to have the big conversation about issues that really matter.

A place of experimentation and creation: One aspect is art and currently Bilbao is a place to consume art. It is a cultural services oriented city. In comparison to its size people say its dynamism is OK, but nothing special. Yet there are other areas to explore such as social innovations and alternative solutions. This fits an old Bilbao Metropoli-30 slogan 'you can make your dreams come true'. Perhaps a '100 residency' programme targeted at younger talents or 'Thinkers in Residence' as initiated in Adelaide could be part of a programme. The aim here is manifold - to help create a buzzy atmosphere as this was a major weakness identified or to create future ambassadors for the city. This links to Bizkaia's initiative to harness its global diaspora community.

Capturing strategic territory - creating your own network: New urban agendas are emerging fast and one trend is the shift from representative to participative democracy and exploring new ways for the public sector, citizens and business to collaborate. Here social innovation has risen up the agenda as have new ways of looking at urban assets such as by considering how urban identity works and the role of psychology in that. Bilbao/Bizkaia can position itself within these evolving movements as an orchestrator and leader.

Imaginative leap and thought experiments: Can we think boldly and sideways about Bilbao/Bizkaia's assets. Trust is one of these. One important correspondent suggested that Bizkaia could position itself as a centre for managing global financial funds especially as the Basque country has some independent legal capabilities.

Criteria for success:

The talent churn: More people want to come than leave and many of these want to come back.

Complacency levels: Decline and urgency recognized - via surveys.

Buzz and vibrancy created and this is assessed via social media research and related activities.

Strategy of influence:

These issues will not be solved or the opportunities created by the public sector on its own. It requires orchestration with and help from many partners from business to community organizations. Importantly the mood across Europe has changed with a focus now on 'how to make the necessary changes happen', such as with the global solutions Summit held annually in Berlin. The diagnosis of most urban problems is relatively well established, such as in Bilbao/Bizkaia that the population is ageing or that younger people are leaving the city.

This short report, as a first step, should be distributed widely including especially those who helped in the consultations. Many of these come from networks outside of the Association Bilbao Metropoli-30's current core. This collaborative approach is part of the increasing participative process the Association is initiating related to its new vision. This will help Bilbao Metropoli-30 connect to wider audiences and help confirm its relevance as a catalyst concerned with Bilbao/Bizkaia's future. Consultees reaffirmed that they precisely see the Association Bilbao Metropoli-30 as this catalyst and connector. This will provide Bilbao Metropoli-30 with an outer ring of civic organizations helping to achieve the Association aims.

In addition, feedback should be gathered from decision making groupings including the mayor, deputy general, president of government, main political parties, key economic interests as well as members from the media, culture and universities.

Thereafter a series of specific events should be held to assess and benchmark where Bilbao/Bizkaia stands in a European context on the five central topics discussed in this report: The green agenda, digitization, the creative economy, co-creating the city with citizens and others and in terms of the creativity of its bureaucracy. First, there should be an assessment of how well the region is doing within each topic. Then separately broader meetings should be held including external experts so that Bilbao/Bizkaia can get a well-documented means of benchmarking itself in an honest way. The proposed actions and determination to make them happen emerging from these can and would then put Bilbao/Bizkaia on the map.

