

## How to smarten up the region?

**Keywords: digitalization, sustainable development, economic and innovation policy, global talent**

### BACKGROUND / CONTEXT of the Challenge

According to the United Nations Population Division, 55% of the world's population resides in urban areas. This is almost double the amount if compared to 1950 when 30% of the population was urban and it is estimated that by 2050, 68% of the global population will live in urban areas. (United Nations Population Division 2018)

Although most of the growth of urbanization will come from Asia and Africa (United Nations Population Division 2018), we can still see the growth of cities in already urbanized Europe. This is a challenge for city administrations as the growth of population will affect the access to public services and housing, put public infrastructure under stress and can have a negative impact on the living environment in general. At the same time, the citizens still expect to retain access to the aforementioned public goods, services and have a clean and safe living environment.

Therefore, the question of sustainable development has become more important than ever. In 2015 the United Nations adopted a set of sustainable development goals in 17 key areas.<sup>1</sup> For cities and regions, the question here is how to address the aforementioned issues. The problems mentioned before are often seen as complex and need a lot of public expenditure. However, the concept of "smart city" has gained a lot of audience with the idea that by using new and mostly digital technologies, every aspect of urban life could be improved. What is also important is that every problem can also open possibilities for business development which in turn would improve the local economy. Advancing digital technologies, Europe has the opportunity to re-invent the way city development is being managed, respond to the big societal challenges, and offer new jobs. **Therefore, the question here is what are the steps that cities and regions should take to pursue digitalization and the development of new smart solutions that the citizens can benefit from? Also, how can the private sector support and benefit from this?**

Europe is also witnessing the ageing of its population. If European cities and regions want to maintain or increase their competitiveness, they have to compete for global talent. However, for cities and regions, this task is often complicated as the immigration policy is developed on the national level.

From the talents' perspective, in addition to salaries, they are looking for a stable and friendly living environment and good access to high-quality public services. For these so-called digital nomads, it is important to have a possibility to compare different cities and regions. On the one hand, there is a growing number of different rankings which enable to compare cities (Giffinger and Gudrun 2010, 7). The digital nomads could use these rankings to choose their next destination and the cities and regions could use them to track the areas which need to be improved. On the other, the rankings are with different characteristics and coverage of cities. As Giffinger and Gudrun (2010, 9-10) argue, rankings have differences based on their objectives, methodology and dissemination. The situation has turned out to be complicated for both sides.

**What is the global talent looking for? What can cities and regions do to attract increasingly nomadic global talent, taking into consideration their limited role in immigration policy?** These are the questions every city should think about.

### MAIN QUESTIONS

- 1) What are the steps that cities and regions should take to pursue digitalization and the development of new smart solutions that the citizens can benefit from? How can the private sector support this?
- 2) What can cities do to make themselves attractive to global talent?

### MAIN CHALLENGE OBJECTIVES

Proposals for Tallinn City Development Strategy in the following areas:

- 1) List of policy tools that the city could use to create business opportunities for the private sector and at the same time could help to develop smart city solutions for sustainable development.
- 2) Exchange of ideas and experiences what can cities and regions do to improve their attractiveness to nomadic global talent.

<sup>1</sup> The United Nations homepage: <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

## References

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