

CHALLENGE DESCRIPTION FORMAT SOCIETAL INNOVATION CAMPS

Challenge Name: How to become a 'smart' city?

GENERAL

Theme	
Challenge-owner and Organisation	Jaanus Müür, Tallinn City
Contact person (if different than above)	

Challenge-OWNER DESCRIPTION (background)

Tallinn City is the capital of Estonia and the largest municipality in the country with 450 000 inhabitants. The city is a birthplace for several innovative solutions and together with Tel Aviv shared the 2nd/3rd place at the European Capital of Innovation Award.

BACKGROUND / CONTEXT of the Challenge

According to 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 aforementioned public goods.

For the cities, the question here is what policy tools to use to address the aforementioned issues? The problems mentioned before are often seen as only the targets of public expenditure. However, every problem can also open possibilities for business development which in turn helps the local economy and provides tax income for the municipalities. Therefore, the more precise question here is which economic policy tools can cities use to address aforementioned challenges and create business opportunities?

Europe is also seeing the ageing of its population. If European countries and cities want to maintain or increase their competitiveness, they have to compete for global talent. In addition to salaries, skilled workforce is looking for stable and friendly living environment and good access to high-quality public services. Cities are also competing for investments, tourists, international events (Begg 1999; Giffinger and Gudrun 2010).

Global talent is constantly looking for new attractive places where to go next. For these digital nomads, it is important to have a possibility to compare different cities and regions. We can also see that the number of different rankings which enable to compare cities, has grown substantially (Giffinger and Gudrun 2010, 7). Cities can potentially use these rankings to assess their strengths and weaknesses and target them with different policies (*Ibid.*). For digital nomads, it gives the possibility to find the most suitable place where to settle down next. In reality, it is more complicated than it sounds as there are several rankings with different characteristics, for example The Economist Intelligence Unit's 'The Global Liveability Report', Mercer's 'Quality of Living City Ranking', European Parliament's study on smart cities, 'Smart City Ranking of European Medium-sized Cities' offered by Giffinger *et al.* 2007 *etc.*

As Giffinger and Gudrun (2010, 9-10) argue, rankings have differences based on their objectives, methodology and dissemination. The multitude of rankings creates complications for both the city administrations and digital nomads. How to make the city attractive to the global talent that is increasingly more nomadic and which indicators to use? These are the questions every city should think about.

References

Begg, I. (1999) "Cities and Competitiveness." *Urban Studies*, Vol. 36, No. 5-6, 795-809

Giffinger, R., Fertner, C., Kramar, H., Kalasek, R., Pichler-Milanović, N., Meijers, E. (2007) "Smart Cities: Ranking of European Medium-sized cities." Available: http://www.smart-cities.eu/download/smart_cities_final_report.pdf

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Giffinger, R., Gudrun, H. (2010) "Smart Cities Ranking: an Effective Instrument for the Positioning of Cities?" *ACE: Architecture, City and Environment*, 4(12), 7-26

United Nations Population Division (2018) "World Urbanization Prospects: the 2018 Revision." Available: <https://esa.un.org/unpd/wup/>

DESCRIPTION OF MAIN ISSUES, OPPORTUNITIES and OBSTACLES

Main Issues

1) How can economic and innovation policy help cities to become smarter? In which areas and how can Tallinn lead the way in urban innovations? What could be the smart specializations of Tallinn in the area of smart/intelligent/digital cities?

2) How to make cities attractive to digital nomads and high-value-added jobs in a sustainable way? What could be the smart specializations of Tallinn in the Baltic Sea Region?

Underlying Issues

1) Which economic policy tool cities can use to address their urban development challenges while creating also business opportunities for the private sector?

2) How can cities compare their attractiveness to digital nomads? Through which activities they can improve their current position?

Opportunities

- Tallinn City is currently working on the new development plan for 2021+.

Obstacles

- Lack of practice to follow targets in the past.

- Estonia (also Latvia and Lithuania) has a 2-tier governance system and economic policy is the responsibility of the central government.

MAIN CHALLENGE OBJECTIVES

2 or 3 bullet point sentences describing each objective. Describe in more detail if necessary.

1) What policies and practices could Tallinn use to spur development of urban (smart city) innovations and create business opportunities for the private sector in areas where private innovation could have direct public value (addressing the challenges cities face)?

2) (Improved) List of key performance indicators KPI-s that the Tallinn should follow if it want to attract global talent and list of activities that help the cities to improve their position. What is the best set of smart city indicators for the BSR and Tallinn?

Relevant Stakeholders and stakeholder organization

- Tallinn City Enterprise Department

- Local companies and business associations

- Local universities

- Different departments in Tallinn City that provide most important public services and conduct large-scale procurements

CHALLENGE GROUP MEMBERS: Potential participants at the camp

Group members suggested by Challenge-owner

The Challenge owner should suggest participants who are responsible for / relevant to following through on the results after the

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Camp. We strongly recommend that 2 <i>people</i> from the Challenge owner's organization take part in each Workgroup.				
Name	Email	Position	Organization	Expertise
<Challenge owner>				
<Facilitator>				
<Challenge stakeholder>				
<Challenge stakeholder>				

Other possible group members				
Name	Email	Position	Organization	Expertise

RELEVANT INFORMATION

Links to videos, reference material (books, scientific papers, annual reports, etc.), photos, organisation website, projects related to the challenge etc.

Attachments (if necessary)

- Other material relevant to understand the challenge