



**Maintain
course,
persevere and
execute.**



**UPDATE ECONOMIC VISION
ROTTERDAM 2020**



Summary of the Economic Vision 2020 Update 2008

The Economic Development Board Rotterdam (EDBR) was established in 2004 by the city of Rotterdam as an advisory board on economic policies. The EDBR is made up of 35 business and community leaders from the city and has as one of its tasks the writing of an Economic Vision.

This Economic Vision is produced anti-cyclic to the four year cycle of elections (elections in 2006, 2010, 2014, etc., Economic Vision in 2008, 2012, 2016, etc...).

One of the important characteristics of this Economic Vision is that it is truly supported by the entire EDBR. This means that the Economic Vision can count on a broad support within the Rotterdam community.

Four years ago the 'Economic Vision 2020' was produced.

The main contribution of this first Economic Vision was that it gave real focus to the economic policy of the city.

Three economic sectors were labelled as core to future economic development:

1. the Port and Related Industrial sector
2. the Medical and Care sector
3. the Creative sector

The Economic Vision 2020 was adopted by the municipality and it has since functioned as a main guide to the development of projects and policies.

In 2008 the first update of this Economic Vision was prepared. This update can be summarized in short as follows:

- The city needs to stay with the three chosen core economic sectors and realise it will take time for each to come to full fruition.
- The city needs to make further choices within the clusters as to how and where support and development is most needed.
- The city needs to put more effort into the further development of the basic provisions that are needed for the successful growth of each of these three sectors. These basic provisions concern the:
 1. labour market
 2. accessibility
 3. quality of life

In order to speed up the necessary improvements on these basic provisions a real change is necessary in the way the execution of policy takes place.

The Economic Vision Update is divided into the following chapters:

1. Introduction by the Chair of the EDBR Hans Blankert
2. Short history of the EDBR and the first Economic Vision (2004)
3. What has happened within the Rotterdam economy in the last four years
4. Updated vision on the three sectors and basic provisions
5. Recommendations towards better execution
6. Conclusions and recommendations

In this summary you will find a translation of chapter six (conclusions and recommendations) of the update of the Economic Vision which was published on 15 October 2008.

Conclusions and Recommendations

Rotterdam's ambition to be a prosperous and competitive region, which is internationally smart and attractive (as set out in the 2004 publication Economic Vision 2020), means that Rotterdam needs to lead the field in many different areas, such as housing, employment, education, the living environment and accessibility.

However, Rotterdam does not lead the field. Worse, Rotterdam lags behind compared to the development of other Dutch or European regions. Several independent researches have confirmed this. On the south side of the Randstad region (of which Rotterdam is a part) the economic growth and labour productivity can be labelled as only average; there are few locations for housing which are excellent; the number of higher educated people is relatively low and population growth lags behind other areas.

Against this background, the EDBR concludes that the lack of improvement on these issues, which are a basic necessity for a prosperous and competitive region, is one of the main reasons for this continuous underdevelopment. The disadvantages of the conurbation are showing the upper hand at the moment and so far Rotterdam has proved incapable of turning these disadvantages around. Fortunately, Rotterdam does boast several excellent plans for the future (amongst which are the City Vision and the City Centre Plan), which are meant to greatly improve these basic provisions. A dynamic execution of plans to improve these basic provisions therefore needs to receive the highest priority.

The need to eradicate the disadvantages of the Rotterdam conurbation goes hand in hand with making full use of the future (economic) opportunities provided by the three chosen core economic sectors (as well as with other economic sectors). The future development of the core sectors greatly depends on Rotterdam's ability to transpose the disadvantages mentioned. As long as the basic provisions for an advantageous economic development are not met, Rotterdam cannot realise her ambitions for the port and related industrial sector, the medical sector or the creative sector.

Nonetheless, as of 2005 Rotterdam has been putting down well designed foundations for the further development of the port- and related industrial sector, the medical sector and the creative sector. These foundations are based on the Economic Vision 2020. The EDBR remains

a staunch supporter of further development of these three sectors due to their impact on the labour market, their unique infrastructural characteristics, the international networks present, the opportunities for entrepreneurship they offer and their innovative character.

Based on the focus presented in the Economic Vision 2020 we have tried to achieve the targets set for these sectors from various different angles. Several initiatives have been started and several results have been achieved. However, as is the case with the basic provisions needed for economic growth, we need to really encourage direct action to achieve improvement and more results for these three main economic sectors. Here too, the execution of plans and initiatives needs to receive the highest priority.

The EDBR concludes that a strongly improved execution of existing plans is needed in order to realise much needed progress in the fields of labour market development, quality of life, and accessibility of the city and port, as well as supporting the development of the three core sectors. Rotterdam can only realise her ambitions by adopting a fundamentally different way of executing existing plans and adopting a completely different attitude towards their execution. We need to therefore break the habits of a lifetime in the way companies, organisations, the local government and knowledge institutions work together and how they view this working relationship.

The EDBR identifies three possible solutions that can lead Rotterdam towards improved power of execution. These are:

▶ **1. Internal organisational change within government bodies.**

The EDBR advocates more frontline management by civil servants coupled with political/administrative coverage by the municipal executive and city council. Also needed are more freely disposable budgets (instead of static allocated funds), and a more area focused method of working. In other words, it is important that the city government, as well as the borough governments, show a much higher degree of execution power and willingness to act.

▶ **2. Participation models between the business sector, knowledge institutions and government.**

Several recent participation models show that the power of execution is successfully enhanced by tackling problems through cooperation.

▶ **3. Releasing the government grip on policy making and execution.**

There are several examples to show that there is no formal need for all government tasks to remain under strict government control. Delegating certain tasks to external parties may in practice lead to a more successful and better execution of policies. The improvement of basic provisions, the development of the three core economic sectors and the method chosen to execute these plans has the highest priority as of 2009. Rotterdam needs to set ambitious targets for this. The EDBR strives for the following ambition:

By the year 2020 Rotterdam has reached the same level of achievement as the rest of the Randstad region where labour market, quality of life and accessibility are concerned.

This ambition (including a remaining focus on the three core economic sectors) can only take shape when all parties concerned are willing to cooperate in an action focussed manner. In order to achieve this, the municipal government – as a leader amongst equals – needs to take the lead in the realisation of the three possible solutions proposed by the EDBR. In real terms this means:

- ▶ 1. The municipal government needs to introduce frontline management for the issues of labour market, accessibility and quality of life and for the three core economic sectors port and related industrial sector, the medical and creative sectors.
- ▶ 2. Make frontline management within the three core issues and within the three economic sectors focus on the following:
 - A. Labour market: design a regionally focussed and vigorous education and labour market approach to counter a growing discrepancy between supply and demand.
 - B. Quality of life: start executing the plans to improve the quality of life as described in the City Vision and the City Centre Plan.
 - C. Accessibility: start executing the accessibility projects as set out in the City Vision.
 - D. Port and related industrial sector: focus on further acquisition of (international) port and industry linked companies. Focus on further implementation of the existing labour market initiatives. Reap the maximum economic potential of the themes of water, energy and climate. Improve the accessibility of the port complex and enhance the innovation and knowledge development of SME's within the port and related industry sectors.
 - E. Medical sector: create adequate space for the medical and care industry to develop, improve the cooperation between care organisations, improve the acquisition of medical companies and improve the labour potential in this sector.
 - F. Creative sector: create adequate physical space for creative companies, enhance the networking opportunities for these companies, supply better information on possibilities for start ups to get (financial) assistance, stimulate patronage, and expand on creative education and the acquisition of companies in this sector.
- ▶ 3. Organise adequate political and administrative support within the municipal executive and the city council for frontline management of the above mentioned issues and economic sectors to succeed.
- ▶ 4. Facilitate frontline management by making available more freely disposable funds within the municipality. In order to achieve this we need the municipal executive and the city council to take a clear stand on this reaching several years into the future.

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- ▶ 5. Surrounding this government-led frontline management sustainable co-operation needs to be organised between government, knowledge institutions, businesses and intermediaries. Use organisations like the EDBR to speed this up.
 - ▶ 6. Use the knowledge, talents and experiences of the people in the business world and other external parties to bring about a cultural change within the government organisations.
 - ▶ 7. Undertake a study into the different possible scenario's to start selling off municipal real estate and the nest egg properties owned by the city in order to free up funds needed for investment in labour market, quality of life and accessibility initiatives and the development of the three core sectors.

The EDBR realises that we are dealing with complex and comprehensive measures. In order to achieve them all we need time, but foremost we need to change the existing attitudes towards how the roles of businesses, knowledge institutions and intermediaries are perceived. Although the precise effects of the credit crunch are unpredictable, this situation calls for a government that can act fast in conjunction with (local) governments. Based on the conclusions and recommendations of this update of our economic vision it is not so easy to identify who owns the problem at this stage. The EDBR is willing to take the lead in identifying:

1. Which parties in Rotterdam (should) play a key role in the execution of the different themes and core economic sectors.
2. How to shape the desired frontline management.
3. Which financial measures are necessary (and from whom?) in order to achieve ambitions and targets.

In anticipation of the execution of the recommendations described so far, the EDBR proposes a few 'quick wins':

- ▶ In November 2008, the EDBR will publish its advisory report on the organisation of international acquisition for the city.
This advisory report points out the need for the city to establish an independently operating organisation which is fully dedicated to international acquisition and is not hampered by bureaucracy.
- ▶ As far as the problems surrounding the labour market are concerned the EDBR would like to start two pilot projects in this area in 2009: one in the medical and care sector and one in the port and industry sector. This initiative is a direct result of recommendations made by the Female IAB.
- ▶ Further initiatives and recommendations concerning labour market solutions may issue forth from the EDBR focus group education, 'employment and entrepreneurship'.
- ▶ As of 2009, the YoungEDBR will start working on themes and issues relevant to the younger generation which are derived from this update of the economic vision.



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