

**People. Knowledge. Innovation. Bilbao's new strategy.**

Eight years ago we outlined a plan to revitalize Bilbao, and public and private institutions committed themselves to seeing it through, working to fulfil the dreams and aspirations of our community.

Today Bilbao is a changed city. The years of hard work have come to fruition. The differences can be seen and felt during a stroll along our streets, and heard in our people's conversations. Tomorrow looks bright for Bilbao, full of fresh opportunities.

We live in a changing world. Large cities, products of an industrial age, are giving way to a new kind of urban center operating in a knowledge-based economy. Bilbao is positioned to be a leader in the new Society of Knowledge.

A city must have some essential features if it is to move into the new era: quality of life, universal education, access to information and knowledge, integration into global networks, the capacity to generate and attract new ideas and to innovate. It must possess an involved and connected community. A focus on people, knowledge and innovation. We are confident that Bilbao has all these key elements.

The new era has its demands. Either we are capable of creating knowledge or we must depend on the knowledge developed by others. Either we become part of the global community or we get left on the sidelines. To secure our place among the world-class metropolitan centers must be the first objective. Then comes the challenge of making Bilbao what is already called the best in the world.

To meet the challenge, we are working to develop a social architecture of innovation based on people and on strengthening their capacity to identify new opportunities, and to have vision and ideals. To create an environment that attracts people who love ideas. To turn dreams into reality. All this and nothing less is Bilbao's answer to the challenges of the new era.

With the presentation of this paper, **Reflections on Strategy, Bilbao 2010**, we re-pledge public and private sector commitment to join together in the urban renewal of Bilbao. About to celebrate the 700<sup>th</sup> anniversary of the founding of our city, we are setting new goals, which, true to the spirit of Bilbao - a spirit forged from achieving the impossible - will enable us to make our dreams come true.

José Antonio Garrido  
President

## **Bilbao welcomes a new era.**

### **The world context**

The world economy is opening up. The revolution in information and communication technology has created a more competitive world with an increasingly decentralized and specialized economic market. In production processes, competitive advantage is focused around regional specialization. Our world is becoming a global village in which ideas are available anywhere anytime. A flexible and dynamic flow of products and capital crosses all kinds of countries and borders.

Globalization is happening fast, with immediate consequences for the corporate system. Businesses confront a socio-economic reality that was unthinkable only a few years ago. There is intense competition, a growing and progressive need for innovation, and market expansion to worldwide dimensions. New technologies appear, flourish and decline at unprecedented rates. It takes great imagination and vision to foresee what the keys to competitiveness will be in this century. Municipalities and cities, together with industry, must meet the challenge to choose the best strategies.

With globalization has come a surprising process of urban development. In a few years, the vast majority of the world's population will live in cities. Advances in information technology are making it possible for regions – and within them, cities – to exploit the competitive edge and play an increasingly important role in a wider economy. New businesses are embracing the challenges of bringing new ideas to the marketplace. Enriched population densities are transforming sprawling urban complexes into vibrant innovation and market centers, with accompanying expansion that is bringing benefits for education, research, qualified medical assistance, transport, art, multicultural integration, tourism, and leisure activities. There exists enormous potential for the generation of wealth. A darker side is that cities present complex social and other problems that raise complicated issues that we must address not only from a local but from a global perspective.

In the world of the 21<sup>st</sup> century, traditional regional jurisdictions within countries are too small for the guidelines of a global economy to apply, yet too big to represent the diversity of social, economic and cultural interests of the people living in them. Cities, on the other hand, have a stronger social and cultural identity, and because they are smaller, have greater flexibility to satisfy the needs of the people, adapt to change, and form networks with other cities and regions with similar problems and objectives.

We must strengthen the advantages offered by cities, with an aim to solving problems and making the best use of resources and opportunities to the benefit of the people who live in them. This will happen with a common vision of the future, and through an increase in local political and economic power, a parallel process that accompanies globalization. When we examine the strategies of the cities that are leaders of the new era, we find three common themes:

- First, public and private sectors have active roles in social and revitalizing measures. Successful collaborations between the sectors, together with strong community

participation, become the cornerstones of integration and the expression of social identity.

- Second, a commitment to urban and environmental renewal, along with incentives for creating and supporting new business sectors, are key factors in the generation of wealth.
- Finally, in a worldwide economy, the potential for growth and regional development depends increasingly on intangible factors like knowledge, the capacity for innovation, the ability to turn ideas into new processes and products, and the presence of entrepreneurs willing to take risks to build a business foundation for creating wealth.

In cities that are thriving today, the resource focus has shifted from materials to people. The increasing value attached to intangible factors foreshadows an inevitable change in urban strategies. To build a successful community in this new era, it is necessary to go beyond investing in material assets, and to embrace the changes that are setting the leading cities apart. Only people are capable of exploiting knowledge and know-how, which means that investing in human assets and training individuals are the keys to creating wealth for all. For this to happen, in addition to building strong communication infrastructures, we must work to strengthen networking between all sectors not only locally but in connections around the globe. In the new society, the city's main raw material is its people and their vision for change.

The themes common to urban strategies bring with them new values of co-existence, giving priority to (i) the importance of the people's role in turning their city into a community with common interests and future vision, (ii) civic pride, which enables every city to maintain its identity and values by reinforcing the links between people, companies and institutions and their territory, (iii) multiculturalism, which works to dispel inequalities and draws minorities into a common vision and (iv) environmental sustainability, which covers much more than just the need to stop environmental degeneration and ecological imbalance. It implies an obligation to preserve natural resources for future generations, in search of a higher standard of living and fairness for everyone.

### **The revitalization process**

We see great changes in our own city. Metropolitan Bilbao underwent a vigorous process of revitalization in the 1990s, transforming the lives of its inhabitants. In the following section, we analyze the evolution of our city in the context of eight critical areas targeted by the Strategy Plan for the Revitalization of Metropolitan Bilbao.

#### **Investment in human resources**

The people of Bilbao are increasingly aware of the need to broaden the capacity of human assets to advance the process of metropolitan revival. The proportion of Bilbao's population with advanced education has risen considerably and today's generation is undoubtedly the best qualified in the history of the city. Still, there is a continuing need to upgrade the city's human resources. Our success hinges on the development of specialized capabilities connected with the growing globalization of the economy. Competence in the English language and the use of information technology and telecommunications are the highest priorities.

### A metropolis of advanced services in a modern industrial setting

The growth in the tertiary sector coincides with Bilbao's rebirth as a city of service industries. Heavy industry is being replaced by an emerging sector built on a network of first-class technology and innovation centers. A modern and diversified business organization is coming of age in Bilbao.

### Mobility and accessibility

Infrastructure development is at the top of the agenda for revitalizing Bilbao. In recent years we have made great strides, redrawing the map of accessibility and mobility in the city. And we're getting the job done - though some important projects are still under construction, completion dates are within sight, and improved access is transforming our city. There is still much to be done to bring all facets of Bilbao to the public, and we will continue to work towards finding innovative solutions to the remaining challenges. Our goal is a universally accessible metropolis.

### Restoring the environment

We are taking a strong initiative to improve and protect our environment. Bilbao has felt the impact of industrial practices from a less enlightened era, and in recent years has developed an active policy for environmental regeneration. We are tackling the issue with an integrated approach, which includes treatment and remediation initiatives, public education, and establishing environmental guidelines that will ensure continued protection of our natural surroundings. For example, the Integral Plan for the sanitation of the lower Nervion River for the treatment of waste and polluted land is now being implemented. Most importantly, we are making people and businesses aware of the importance of the environment as an asset to the community. Our efforts are already having an effect.

The way ahead demands an integrated approach to solving problems, supported by an actively participating business sector and greater collaboration between the public and private sectors. This approach, together with the incorporation of new economic instruments that encourage respect for the natural environment and continued diligence in protecting it, are the keys to a healthy and safe environment.

### Urban renewal

Urban Bilbao today is very different from the city of ten years ago. The haphazard process of land development that accompanied past economic expansion has been replaced by ordered processes and controls. The intervention of town councils, with help and guidance from the Provincial Council of Bizkaia, has resulted in a quantum leap in the quality of urban living. Every municipality in the metropolitan area has taken measures to improve and organize urban space. One of the success stories is the transformation of the Abandoibarra area. With the recently inaugurated Euskalduna Congress and Music Hall and the Guggenheim Museum Bilbao, it has become a vibrant and exciting center for the arts.

Milestones in our revitalization will be reached as we complete each major project. A vision of a planned city is shared by all our municipalities. This vision, together with a strategy for intelligent growth, will shape the future of urban Bilbao.

#### A cultural center

Metropolitan Bilbao is no longer an industrial city but is now known worldwide for the Guggenheim Museum Bilbao, the foremost international centre for modern art. Since it was first opened in 1997, the museum has catapulted the city's cultural image to all parts of the world. The spectacular rise in the number of tourists to Bizkaia between 1996 and 1998 (over 60%), mostly due to increases in visitors from abroad, attests to the drawing power of the museum.

The success of the Guggenheim Museum Bilbao and the new lease of life given to the Museum of Fine Arts of Bilbao demonstrate the fundamental importance of culture to the process of revitalization. Today, the main challenge lies in ensuring maximum use of new and existing cultural infrastructure, so that the image of Bilbao as a modern and sophisticated metropolitan centre for the arts can be enhanced and promoted around the world.

#### A fully coordinated administration

Two elements are working for us in the development of Metropolitan Bilbao. First, there is an enormous degree of commitment on the part of Public Administration at all levels. Second, between public and private sectors there are strong collaborations that have the common aim of revitalizing the city. We look to the broader community to reinforce the commitment, encourage public-private collaboration, and facilitate coordination between all sectors. These are not exclusive responsibilities but should be shared by all stakeholders, all of whom will benefit from an integrated and coordinated approach to managing the operation of our city.

#### Social welfare

Metropolitan Bilbao has a proven track record in the work of creating a just society. Our efforts to address social issues have paid dividends in enabling us to offer fresh opportunities to our residents. Nonetheless, poverty remains a pressing issue, and areas affected by unemployment and social or racial tension are of greatest concern.

The growing number of homeless people in the metropolitan area in recent years points to a need for special measures to assist social integration, especially because an increasing proportion comprises young people and women.

### **Bring your dreams to Bilbao. We can make them come true.**

#### **Bilbao - a city with a vision**

Our vision of Bilbao provides a framework to help us clarify the past, understand the present and choose paths for the future. It has been our frame of reference for developing an approach to future economic and social reform, and for shaping a revitalization strategy for Bilbao. In this

section - the nucleus of our reflection on strategy - we describe the vision and explain our choice of future driving forces.

The vigorous revitalization process of the last decade has brought an optimistic spirit for the future. The challenge lies in capitalizing on our optimism and our achievements. In issues related to urban planning, the environment and society, we must pursue excellence so that we can build a world-class metropolis and emerge as a driving force in the new knowledge-based era.

As the economy opens and the knowledge-based society quickly takes hold, the potential for new opportunities will depend on developing those assets related to the capacity of people, and on the city's ability to provide for its inhabitants.

In a study of advanced international models of urban strategy development, Bilbao Metropoli-30, with the participation of its 133 members and the support of 20 international experts, came up with a recipe for the success of Metropolitan Bilbao. After reflecting on strategy and considering the complex nature of international competition, they concluded that success - the kind that ensures high growth rates, wealth creation, a better quality of life and worldwide recognition - lies in finding ideas and turning them into real products or services. In short, they agreed that the ingredients for Bilbao's success are ideas and people who know how to apply them to create new opportunities, and capitalize on opportunities that will undoubtedly arise in the world market.

It was this conclusion that gave rise to a vision of Bilbao. For all of us, it is necessary to build a city in which ideals, whatever they may be, are possible to live up to. Our vision of Bilbao is a community capable of identifying and attracting good ideas and putting them to work for everyone. It is a community where ideas germinate, are cultivated and flow freely. It welcomes dreams and is perfect for people with imaginations that can be captivated by a new idea. Ideas are at the heart of our vision - if they are good, they are good for Bilbao.

The vision for Bilbao is ambitious, but it is neither a pipe dream nor utopian ideal and, if history is to be the judge, the vision is apt. A strong coincidence exists between what needs to be done to achieve success today and what the city has shown itself capable of in the past. Bilbao's 700-year history offers many examples, proving that it has been able to transform ideas into realities capable of creating wealth. Bilbao has a tradition of using a vision of hope to exploit opportunities for economic growth or to recover from situations of economic decline.

### **Pursuing the vision - keys to strategy**

#### **Active and committed leadership**

The primary key to shaping the new Metropolitan Bilbao is active and committed leadership. Leaders - people who are the engines for turning dreams into reality - have a gift for recognizing and attracting ideas. They take the most visionary opinions, the most advanced state of knowledge and, with the contribution of the entire community, put ideas into practice. Leaders are one of the most essential elements for transforming a metropolis and shaping a new future.

Leaders see opportunities, bring agreement and consensus, and mobilize the community along the chosen path. The business sector produces leaders who are entrepreneurs, often acting with

the conviction that the long-term welfare of their enterprises is closely linked to the welfare of the region. The public sector produces leaders representing universities and non-profit service organizations.

Leaders are the seeds of society's assets because they provide incentive for the community to guide its own development. This, in turn, promotes new social leadership in a self-seeding process. Asset-rich places that have an active civil society and ties of trust and confidence give rise to leaders, who in turn, bring the community together to work on other projects. This creates new assets.

If the people of Bilbao can identify and promote leaders, and if they are united in giving them their trust and commitment, they possess one of the keys to transforming the city into their vision for the future.

Intense restructuring of economic, political, social and planning aspects of the city in the last ten years provides the clearest evidence that leaders are at work in Bilbao. In fact, great leaders are not strangers to the city. Through its history, it has known exceptional leaders and entrepreneurs who have forged the metropolis we know today.

After suffering the deep recession of the seventies and eighties, the Basque Country is once again Spain's leader in terms of growth. The credit goes to dynamic business men and women, who led the way forward from the difficult times of the recession and found renewed strength to build and shape an innovative business sector capable of creating wealth and improving lives.

The public sector has also demonstrated great leadership with a high degree of social consensus. With its Strategy Plan for the Revitalization of Metropolitan Bilbao it has taken on urban renewal projects such as the bridges of Euskalduna, Miraflores, Calatrava's footbridge of Zubizuri, the parks of Txurdinaga, Etxebarria and Ametzola, the pedestrianization of streets, the building of the Metro of Bilbao, the new terminal at Sondika Airport, the extension of the Port of Bilbao, the buildings of the Euskalduna Congress and Music Hall, the Maritime Museum and the unsurpassed Guggenheim Museum Bilbao. The impact of such revitalization projects goes beyond the immediate benefits brought by new construction. Revitalization endows the city with sophistication and style. The spirit captures not only the people of Bilbao but also the ever-growing number of visitors.

#### People and their values

The second strategic key to a city's revitalization is its people. The international context of a global economy, rapid technological change, the growing importance of cities and the intensification of competition calls for emphasis on people and their values.

Today, the success or failure of a city depends on the people who live there. Only people can have new ideas, dream up plans and turn them into reality. The vision of Bilbao is fed by a human organization made up of people capable of visualizing a future community, people with ideas about how to design that future, and people with the expertise to put the ideas into practice.

Everybody matters in the construction of the metropolitan community. All of us in Bilbao, regardless of our qualifications, status or life achievements, are indispensable elements of a common vision of the future.

To meet our overall commitment to people, it is important that we focus in particular on professionals for their leadership potential and expertise. We must cultivate people who are highly qualified in the new technology that is shaping the evolution of our socio-economic framework in the global context. In Bilbao, the success of our open society and future vision depends not only on our own professionals but on attracting qualified people from other parts of the world to help build our future.

#### Knowledge and innovation

Knowledge and innovation comprise the third key to the future vision of Metropolitan Bilbao. Knowledge is the seed for new ideas. Innovation is the process of tapping ideas and applying them in ways that benefit the whole community. All sectors of society - individuals, businesses, institutions and all kinds of other organizations - feel the impact of innovation. For Bilbao to be a place where ideas become reality, it must have knowledgeable and innovative people.

Innovation is at the center of all processes of revitalization and metropolitan development. It means new ideas, new projects, new outlooks and aims. Without innovation, the range of possibilities and opportunities for development becomes far narrower.

To foster and maintain a process of growth and continued improvement in urban infrastructure and standard of living, new and innovative projects are essential. Advances in technology by themselves are not enough to ensure success. For all sectors of metropolitan society to flourish, a clear view of the needs of residents, companies, institutions and organizations is required. Innovation means anticipating those needs and knowing how to use technology to furnish them.

It takes five essential elements to generate innovation in a city. These are not links in a sequentially ordered time chain, but are interacting ingredients that complement each other and work collectively to enhance the process. To foster innovation, a metropolis must:

- constantly monitor its internal and external environment for indications or inspirations for potential innovation.
- go after projects and innovative elements that offer the most for the future, given the social characteristics of the city.
- once an option has been chosen, equip itself with the knowledge that will enable efforts and resources to be channeled to put the option into practice.
- apply chosen projects in a way that contributes to the configuration of the city.
- review successes and failures with an aim to acquiring knowledge from experience.

Metropolitan Bilbao is involved in a process of modernization that has changed reality for the city's inhabitants. In just a few years, the city has transformed its productive organization by incorporating more and better companies that provide advanced services. These in combination with industry are increasingly more innovative. Human resources are better qualified than ever. Town planning and public transportation have transformed Bilbao. A great effort has been made to improve the environment, and ambitious arts projects like the Guggenheim Museum Bilbao have gone deep into the soul of the city.

Taking new ideas and building a city on a culture medium that makes dreams come true challenges the innovative spirit to spread even further, to enable people to adapt to change, to reward the enterprising and to applaud good ideas.

### Networking

Networking is the fourth key to the future Metropolitan Bilbao. In today's world, the success of people, companies and institutions lies in connecting with a broader community. Advances in information technology have removed distance barriers and created a global knowledge base that stretches the imagination. The new, wide-ranging opportunities offered by the knowledge-based society can only be exploited if individuals join forces and create formal and informal networks to accelerate learning and strengthen the competitive edge. Networks offer a global perspective - and access to an unprecedented range of information.

- For individuals, the Internet provides a gateway to a world with a more dynamic flow of information, and opportunities to work in groups that transcend geographical borders.
- For companies, networking is an essential tool that enables them to capitalize on potential opportunities that challenge their resources but must be tackled if the companies are to compete in the world marketplace.
- For institutions - public and private – networking offers opportunities to expand their horizons and consolidate their leadership.

For maximum benefit, networking should bring together leadership and excellence. Networking should be embraced by all sectors involved in creating wealth, as a means of convincing potential competitors to become allies and generating synergy through the combination of resources and knowledge.

### City networks

City networks have made extraordinary progress in recent years and are woven into the core fabric of the principal cities of the world.

- They are becoming consolidated as important pressure groups that allow the city to be promoted in a more open and ambitious way.
- They represent instruments for the implementation of advanced technology.

- They allow access to a greater amount of information and to the exchange of experience at all levels of city management, such as rendering services, efficiency and quality in management, and environment protection.

The metropolis of Bilbao is part of several outstanding networks. One example is Eurocities, an association of the 99 most important metropolitan areas of Europe. Its aim is to strengthen the urban dimension of the process of integration in the community by launching innovative projects of common interest. The network exerts pressure on European institutions, and takes part in various European projects in association with cities and organizations of other countries. Bilbao currently heads Eurocities. A more informal type of networking comes from the development of physical communication networks, particularly airports and ports. For example, enlarging the Port of Bilbao and its airport are potential ways to broaden these informal networking connections.

#### Business networks

Business networks are not new and the need for collaboration is widely acknowledged, as is the need to form strategic alliances to improve business competitiveness, particularly for small and medium-sized companies.

- They are important as a means to stimulate growth and help companies take advantage of new business opportunities.
- They provide a way for global players to acquire regional knowledge and for local players to learn how to compete worldwide.
- The emergence of local suppliers' networks presents opportunities to attract the enormous purchasing power of large companies. Networking promotes the extension of the advantages that large companies enjoy to the wide network of small and medium-sized enterprises.

Basque companies are an increasing presence in export and international markets, and they are rapidly forming important networks and linkages in countries within Europe, Asia, South America and the United States. Networking promotes collaborative projects in a broad range of fields and with numerous companies in all sectors.

#### Other kinds of networking

The potential for networking is not limited to city administrators and private enterprise, but exists for practically all public and private institutions. Networks are a powerful resource that can deliver all available worldwide resources on subjects relevant to any imaginable interest group or organization.

- Networking promotes links between health centers at home and abroad, advancing the quality of health services in a way that is beyond the scope of individual centers.

- Networks and associations of local and regional development agencies, chambers of commerce and universities promote the exchange of ideas and experiences. Networks of municipal services such as libraries, information centers, home help services and civic centers facilitate coordinated, joint action.

Additionally, a large group of associations in the Basque Country exists. Examples include the Network of Regional Development Agencies (GARAPEN) and the Association of Basque Councils (EUDEL, Euskal Udaleen Elkartea), which aim to join forces to promote local development and exchange of experience, with the goal of solving common problems. Bilbao Metropoli-30 deserves special note as the overall manager of the revitalization process of Metropolitan Bilbao. The group participates in some of the most active and prestigious networks concerned with city renewal.

The opportunity to benefit from networking and extend it to other fields - local, business or even individual - is tremendous, and its importance cannot be over-emphasized.

#### Quality of life

Making an attractive city that enhances the quality of life for its inhabitants is the fifth key to the Bilbao of the future. As an element that attracts qualified professional people, it is vital for the city's competitiveness. Promoting the city's appeal will generate wealth and sustained growth for the city. The promise of a high standard of living attracts qualified professionals who wish to work and live in a pleasant environment. They, in turn, are likely to generate additional revenue, which works to improve the standard of living for all residents, bringing full circle the impact of the city's appeal.

A city's attractiveness has a physical and social dimension. Each involves a set of variables that shapes the concept of quality of life. The physical aspects are integrated in urban and environmental renewal, and involve tangible assets like infrastructure and aesthetic appeal. The social dimension, in one way or another, involves all fundamental aspects of this reflection on strategy.

The Guggenheim Museum Bilbao has placed Bilbao on the world map. The museum has greatly increased Bilbao's quality of life, not only because of its international attracting power, but also because of the enormous impact it has had on the outlook of the residents. The Guggenheim has restored a sense of civic pride that has been suffering since the hard economic times brought on by the industrial recession of the 1980s. The museum project has laid the foundation for a new urban direction that is more in tune with the times. It has become a symbol of new direction and revitalization, and for the people of Bilbao, represents the city they are building for the future.

The metropolis of Bilbao attracts domestic visitors as well as from abroad. What's more, the city is attractive to its own inhabitants, whose standard of living has noticeably improved since the completion of the museum.

Leisure is of increasing importance in today's society. This means that the role of cultural activities must be given more emphasis, and we should be working to meet society's demand for

more arts and culture. Cultural and leisure activities add an element of prestige that enriches our quality of life.

### **Fulfilling the vision - getting down to making dreams come true**

We have talked about the five strategic keys to Metropolitan Bilbao, and now we describe the eight fundamental aspects that sustain these keys.

#### **Public and private sectors collaboration**

Collaboration between public and private entities means public institutions or organizations working with private individuals, companies, boards, foundations or nongovernment organizations (NGOs) with a common social objective. Involving the private sector in collaborations with public institutions is a rational, flexible, and dynamic way of extending the limits of leadership and consolidating power of action. It maximizes the use of social resources, extends the potential for financing projects beyond that for public budgets, and coordinates the many interests converging in the city.

The management and implementation of ideas require leadership, and this is most often found through collaborations between public and private sectors. Getting all stakeholders involved is often the best way to conceive and design a project and build leadership. Collaborations expand vision and build confidence in the future. Leaders should be chosen based on their experience, ideas, creativity, or skills, and ability to carrying out projects of vital importance to the city. Public-private linkages lend credibility to the choice of potential leaders.

Cooperation between public and private sectors produces leaders who steer the strategy of the city in the desired direction. Additionally, linkages between public and private sectors promote the enterprising spirit of people and institutions who, through their work, contribute to the success of the design, development and execution of future projects.

Public-private collaboration also catalyzes the formation of city networks. Collaboration encourages networking among companies, individuals and organizations of the service sector. They draw attention to attractive countries, cities and facts of interest, and seek out contacts. By identifying members and organizations, they target potential collaborators, and promote connections both within and among cities.

Public-private linkages promote knowledge and innovation in the metropolitan area. Collaboration between the two sectors favours a climate of trust among participants. Through collaboration, opinions are exchanged, experiences are shared, and knowledge is transmitted. Collaboration increases cooperation, minimizes duplication of work, and offers the potential for a more efficient management style for the process of innovation.

Collaboration between the public and private sectors is prevalent in Bilbao. An example is the on-going process of metropolis modernization. Public and private interests have joined forces to create a multitude of cultural events and projects, including art galleries, foundations, opera seasons, music concerts, exhibitions and theatre. Building physical and cultural infrastructure has been possible through partnerships between the sectors, which have provided public and private

capital. Collaborations involving participation and cooperation between other stakeholders, civic representatives and individual members of society have also played an important role in revitalizing the city. Another example of public-private collaboration is the conversion of the technology centers of the Basque Country into foundations. The participation of private enterprise in this initiative has clearly given a boost to innovation in the region.

#### A quality education and training system

Creating a Bilbao that reflects the vision of its people depends on building the capacity for innovation and putting knowledge to work for society. For this to be possible, people must be equipped with the knowledge and skills that, together with an enterprising spirit, will enable them to take new ideas and discoveries and apply them to products and services in the marketplace.

To build a resource base of qualified professionals with ideas and leadership abilities, Metropolitan Bilbao needs a high level, international calibre education system. Wealth creation depends on innovation. A quality, up-to-date education infrastructure is essential for producing experts and potential leaders who can take on the challenges and responsibilities of the issues of the time, and who are capable of setting in motion new and innovative projects that have long-term relevance.

In our strategy for the future of Metropolitan Bilbao, we have identified highly qualified people and strong leaders as two of the cornerstones of our approach. A first-rate education and training system is fundamental for meeting these needs. It must fulfil two basic characteristics:

- First, the system must be of international caliber so that it can form close ties with world-class centers, and to ensure quick access to new knowledge and technology. It must have the capacity to participate in novel and leading-edge research projects.
- Second, it must be of a standard that provides a focus of excellence for generating ideas and producing first-class professionals. It must act as a springboard for professionals who are about to enter the business organization of Metropolitan Bilbao. New niches generating employment and wealth are vital for both existing and emerging sectors.

The growing importance of human assets implies a shift in focus onto values like entrepreneurial skills, leadership qualities, and an innovative spirit. This means that the training system, from primary through university education, and including vocational training and retraining, turns into a potential vehicle for generating leaders committed to the community, and professionals who can turn their ideas and discoveries into applications.

Education is an evolutionary process and must be supported by a system that facilitates continuous training throughout a person's working life. It represents a dynamic and living resource for the metropolis. A strong training infrastructure reflects the changing demands of the workplace and society. Its presence ensures that people can anticipate change, provide innovative answers, and quickly adapt to the increasing competitiveness and complexity of the new technology.

The globalization of the economy and the need for international cooperation call for a training system with a global perspective on skills and knowledge. Educators must participate in the development of networking and in pioneer groups working in the forefront of their areas. This will guarantee that the system maintains a place at the forefront of the state of the art, and will ensure a long-term improvement in the quality of education and training.

#### A connected society committed to international cooperation

The future Bilbao is conceived as an open, connected society that nurtures the imagination, creativity and the capacity to innovate. The city will be committed to international cooperation, giving highest priority to the exchange of fresh ideas. To become all this, Bilbao must be in tune with world trends and must be capable of global thinking. The success of its future lies in building an informed, confident society that can share the intellectual resources circulating around the world to advance the state of knowledge at home and abroad.

International collaboration does not happen by chance. It needs the support of a productive and social organization that promotes collaboration as part of a strategic plan in which procedures are laid out and the tools for facilitating links between nations are provided. Cooperation works when societies give priority to opportunities that stretch their own resources.

At present, cooperation and international communication rely on two elements:

- information technology, which ensures rapid and efficient connection with wide-ranging and important sources of knowledge, opens up fresh opportunities for the creation of businesses and wealth, and provides new ways of understanding and managing the world.
- the English language, which is quickly establishing itself as the international language of the knowledge-based society in all fields of professional, scientific, cultural, tourist or social life. To opt not to use English condemns a culture to relative isolation or to a situation of great dependency with significant restrictions on development.

Having a presence in international networks, multicultural forums, and other networking organizations hinges on a knowledge of languages and mastery of new information technology.

Throughout its history, Bilbao has been conspicuous for its open outlook and for its search for new markets and international allies. A clear example is the establishment of the Consulate of Bilbao in 1511. Another example is the mid-15<sup>th</sup> century formation of external economic alliances to safeguard the city's position in the trade of Castilian wool from Burgos, a trade route connecting the South with cities of Castile and, in the North, with ports like Nantes, London or Bruges.

The numerous joint ventures between the Basque and foreign interests and our extensive cooperation with technology centers and universities in international research projects are some other more contemporary examples.

#### A safe and healthy city

The increase in life expectancy and the growing awareness of the importance of a healthy lifestyle encourage cities to offer an environment that guarantees and protects the full development of personal and professional potential.

One of the prerequisites for a healthy environment is safety. The question of personal safety in public places is one that greatly concerns people, partly because it is one of the most visible aspects of a city's environment.

A safe environment is a prerequisite for staging all kinds of economic activities - for example, related to business, industry or tourism - and events such as sports, concerts, trade fairs, or congresses. Its absence puts severe limitations on urban integration and on social and public interactions among people, companies and institutions.

The complexity of the issue of public safety requires, on the one hand, an overall and integral view that addresses the reasons for a lack of safety and, on the other, coordinated action between public and private agents. Improvement in public safety demands a complex balance of prevention and, when that fails, control of the manifestations of crime. Policy relating to public safety must be integrated with other urban policies such as those related to infrastructure, leisure time, education, work.

Safety is an element that characterizes a city's quality of life. If Bilbao is to become a world leader among cities with a good quality of life, public and private agents must strive to improve its public safety record. Safe cities have tremendous appeal, and are sought out by people who want to visit, live or work somewhere that offers a high quality of living.

#### Cultural modernity

Cultural modernity means that a cultural metropolis nurtures its traditions in art and culture while committing itself to a parallel agenda of internationally avant-garde movements.

Cultural modernity equally implies that social and cultural programs are in place to raise the level of awareness of all cultural groups. Its purpose is to involve all segments of the population in activities related to culture and leisure. In this way, culture lends a voice to the society as a whole.

A culturally modern society has a role in the contemporary world of culture while working to consolidate its internal diversity by fostering a respect for all cultural identities. This gives rise to an open, modern, creative and innovative community that residents and the rest of the world find appealing.

Cultural modernity also involves creating projects for modernizing the city plan. By renovating and remodeling buildings and urban centers they can be used for activities related to leisure, culture, entertainment, business, hospitality or tourism.

Cultural modernity includes a process of economic modernization based on the creation of an industry of culture. The industry uses people with new professional qualifications to develop cultural and innovative technology in society. It activates social creativity and familiarity with

technology processes, together with the full range of social changes implied by economic modernization.

Metropolitan Bilbao has the potential for an industry based on cultural modernity. The prerequisite is a society with a high standard of living, based on advanced activities that create wealth. Many characteristics of the city would be enhanced by such an industry - a cultivated society is an educated one, and it tends to be imaginative, optimistic and resourceful. Cultural modernity is a market niche that could be exploited to integrate the city's historical and industrial trends, and to initiate projects for the renewal of production.

Metropolitan Bilbao has taken giant steps towards urban, economic and social renewal in the field of culture. On the road to cultural modernity, though, there is still a long way to go to attain excellence.

Metropolitan Bilbao continues to enjoy a growing and increasingly varied program of all kinds of social activities and experiences, and is working towards producing events of international status. The Guggenheim Museum Bilbao, for its part, is establishing itself as the nerve center of a modern city of international renown. Together with the Museum of Fine Arts and other related museum projects, it forms the centerpiece of a culturally unique and resourceful city of outstanding quality by world standards.

Finally, the rich and totally unique Basque culture is itself a cultural phenomenon that could be further exploited. The traditional arts of sculpture and painting, industrial arts of cinema and video – the Basque have artists of international renown and an audio-visual industry based on advanced media - and sports including *pelota*, rowing and rural sports are all flourishing in the Basque community.

#### Urban renewal

Urban renewal calls for a fresh initiative from the perspective of intelligent urban growth, in line with new models of urban development that reject extensive growth in favour of a rational approach. Metropolitan Bilbao is doing important work in the field of urban renewal.

In the process of developing a city, new variables must be taken into account when considering urban renewal. These include complex industrial restructuring, the increase in built areas on the periphery, the decentralization of centers of work, trade and leisure, and changes in consumer habits and preferences for place of residence.

While there is a need for more green space both within and around urban zones, polluted and degraded lands remain a liability for the metropolis and must undergo remedial treatment before they are reallocated for new purposes to support the process of urban renewal.

Similarly, population flow in its various forms – including walking about the city – must be carefully reviewed, and forms of transportation optimized on the basis of functionality. Local measures and collaboration between public and private entities should be considered essential parts of this review, as they will only favour the process of urban renewal along the lines established for the future.

If Metropolitan Bilbao is to be acknowledged as an attractive city that guarantees a top quality environment for its inhabitants, an understanding of population flow is fundamentally important. In-use methods should be maintained while technologically innovative solutions are explored. We need a forward-looking vision giving priority to solutions that favour leisure time and that help to launch new industrial space. We must promote new economic activities that not only generate wealth but are also environmentally friendly.

Urban renewal will create a city with greater appeal and a higher standard of living if it contains a social dimension. Our aim is a society that has eliminated the marginalization of cultures by finding ways to integrate those excluded. This means integrating aspects of the economy, public safety, the environment, transport and housing, and creating programs to increase employment and education opportunities.

#### A sustainable socio-economic system

Sustainability - growth respectful of natural resources and the environment - is a strategic aspect of development. Cities around the world are learning that economic prosperity, employment growth, a high standard of living and a high quality urban environment are parts of the same whole and must be treated as an integrated system.

The popular view is that principles of sustainability are limited to three key elements for reducing negative impact on the environment and social costs, particularly in the long term. These are actions based on i) the integral respect for people, ii) the efficient use of resources, and iii) optimizing the use of raw materials and nonrenewable natural resources for each unit of production by reusing and recycling materials, land and buildings.

To apply these principles in Metropolitan Bilbao and to respond to the challenges of sustainability requires a clear strategic framework. The issue of sustainability is extremely complex and the approach must make full use of all available problem-solving resources. Developing a workable sustainable system calls for innovative action that will involve individuals, companies and institutions in the public and private sectors.

Implementation of sustainability measures may be hindered by traditional methods of planning and management, which are lacking in overall, long-term vision, and by the often imperfect working of the markets when dealing with environmental externals. Collaboration between the public and private sectors, together with a broad social commitment, can provide the means to create an urban economy that has its roots in long-term sustainable growth. Projects that show promise for future sustainability are, for example, the recovery of the bed of the estuary of Bilbao, the regeneration of industrially-polluted land, and the coordinated management and selective collection of urban waste.

#### An integrated society

Just as the organization of an attractive city is the pillar that supports the rest of the strategic keys, an integrated community is the foundation for a city's appeal. Public safety, sustainable growth and a fresh impulse for urban renewal are also built on an integrated community.

In integrated cities, people in the community participate equally in obligations and have equal rights as citizens. There is no evidence of the social exclusion that marginalizes cultures and deprives part of the population of the benefits available to the rest of the community.

Integrated cities have open and cosmopolitan communities, they accept and respect diversity, and they use cultural diversity to generate wealth.

In an integrated urban culture, respect for others is fundamentally important. Values like empathy and solidarity are the cornerstones of the society, and contribute enormously to the city's appeal. The commitment of a strongly integrated society is the common objective of the city.

Social integration is a complex issue. It must address, for example, lack of employability in specific groups of young people and marginal groups, the treatment of drug addiction and delinquency, mental health, the integration of ethnic minorities and care of the elderly. Advancing towards a progressively less exclusive society calls for an approach that combines preventive measures to reduce the number of depressed metropolitan areas, and integration measures to deal with inadequate social, economic and spatial cohesion within the metropolis. The mission of Bilbao Metropoli-30.

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For the next decade Bilbao Metropoli-30 will be working to:

- identify and attract leaders;
- help articulate ideas so that they can be turned into innovative projects that will bring social and economic wealth to Bilbao.
- encourage reflection on strategy, particularly so that we can find new ways of raising the standard of living for all, and help build respect for the city's values, history and cultural identity.