

## **How did Brainport Region Eindhoven become the smartest region in the world?**

This question was the teaser sentence for the webinar organized 17 March 2017 in the framework of the Triangulum Smart City and Communities Horizon 2020 project. The city of Eindhoven is one of the 3 leading cities. This article is a more extensive version of the webinar presentation.

The answer to the question above rests on the following pillars. Firstly the historical development of Eindhoven and the villages around, from the late 19<sup>th</sup> century until the early nineteen nineties.

Secondly, after that period, there have been almost twenty five years, in which an ecosystem has emerged that rests on an almost undisputed basic political agreement of how to develop the region (1994 – 2017).

Thirdly several ingredients grew over time and are still developing further. These create favorable conditions for becoming one of the smartest regions in the world. For the most recent developments and ingredients read the next article, that is still in the making.

### **1 From a small city village to a city of progress**

As my slides showed, Eindhoven grew from a rather insignificant village (although it has city rights since 1259) one of the three main ports. Next to two other ports: harbor port Rotterdam and airport Amsterdam, Brainport Eindhoven grew to 2<sup>nd</sup> largest GNP earning area in The Netherlands.

It started as a Philips company town. The first light bulbs were produced in Eindhoven before 1900. In this rather poor area the Philips brothers started a factory that would grow into a major multinational. Philips became a company town.

## COMPANY TOWN



Living quarters of Philips employees  
around 1930



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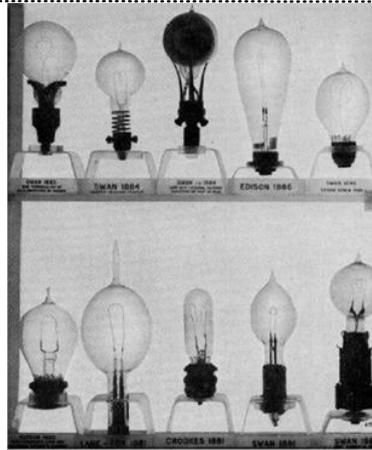
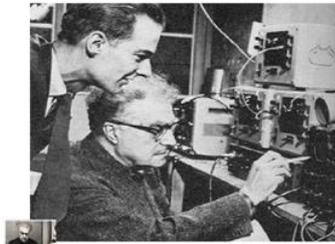


Not only provided Philips work, it also took an active role in providing housing for their workforce, cultural and sport facilities, parks and even some public utilities like the fire department. Many of these artifacts are still around in Eindhoven today, as well as the stories of a large part of our citizens are connected to these.<sup>1</sup>

But the city also attracted engineers that worked for Philips in the thirties and the years following. The first radio broadcast, experiments with sounds and how to record these lead eventually to CD disk and many other inventions. Research and development, became an essential element of the economy, next to the production of consumer electronics.

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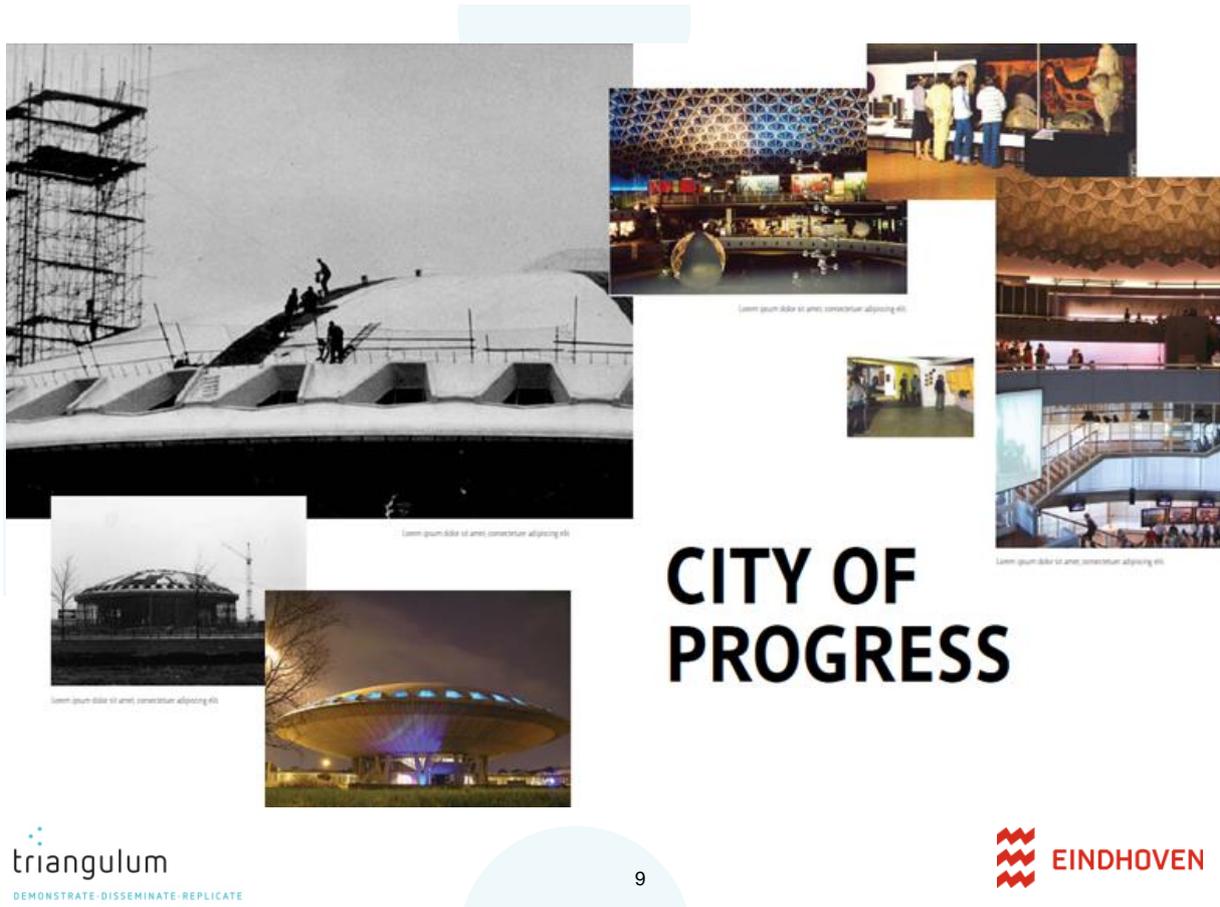
<sup>1</sup> Philips provided social housing, sponsored sport teams, build parks, a cultural center, had a larger fire brigade than the city and also assisted outside their own premises whenever called upon until 1996. Of course the thought behind this was, that it would contribute to the productivity and happiness of its employees. Nevertheless cooperation between politicians and business did not become a dirty operation since the two spheres respected one another's responsibilities.



# PIONEERS



The City started to blossom and became a strong economic industrial center, build on the combination of R&D and the production of goods, for instance the well-known Philips consumer goods. A city of Progress was the result, where it met with the flow of the Dutch economy in the later sixties, seventies and early eighties. This is the undercurrent that characterizes the development of our society and the region in particular.



# CITY OF PROGRESS

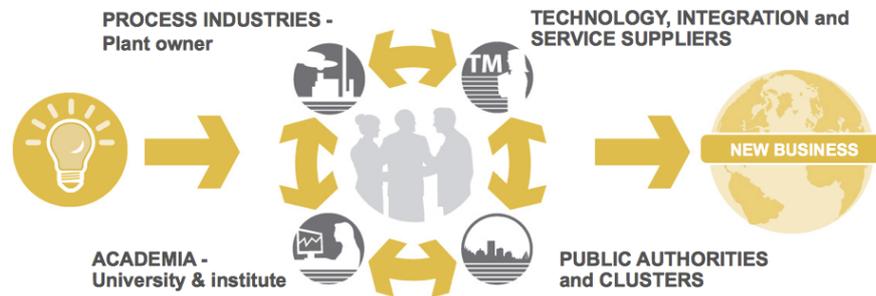
But growth started to slow down in the later eighties, because of a slump in the making industry. Jobs globalized rapidly and moved to the larger consumer markets where also labor costs were much lower.

## 2 The Policy reaction in the early nineteen nineties

This culminated in 1993 and 1994 in major restructuring of Philips named 'Operation Centurion' and a bankruptcy of the DAF car and lorry factory. It led to a shocking loss of jobs of almost 40.000 over just a few years, representing close to 30% of the total jobs in the city.

It was then that the main leaders of industry, the chamber of commerce and the mayor of Eindhoven agreed that a joint strategy was needed to overcome this serious threat for the economic and social existence of the region. A joint vision by leaders from the Triple Helix led the way out. In this case building of trust and perseverance of some individuals was important. This translated eventually into a joint target to fight this crisis together.

## Cooperation according Brainport recipe



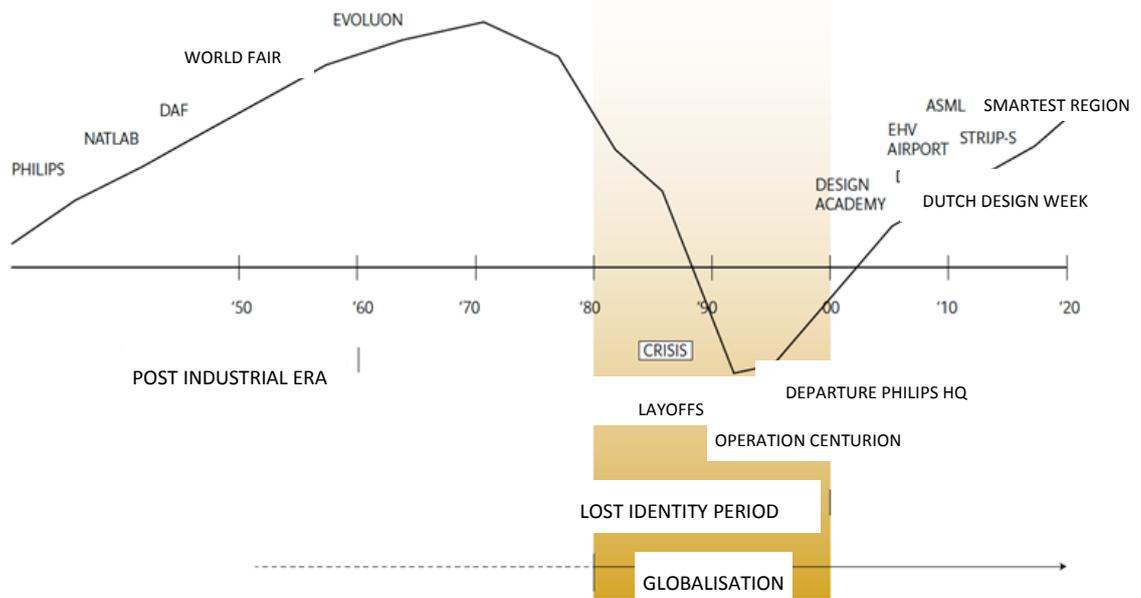
It also made these triple helix parties turn to the National Government in a joint effort for economical support.

The enormous rise in unemployment also gave the region a preferred status in the EU. This entitled the region to more than 10 years of economic support through EU funding. The structural funding through the ESF program - Stimulus - helped to contribute to the city's own financial means from 1994 on.

Out of this the triple helix construction first the Program HORIZON led in 2006 to the start of Foundation Brainport. The executive board consists until today of the heads of large business, the Technical University and the chair of the regional political cooperation (the mayor of Eindhoven). This collective strategy 'the Horizon program' with a clear vision and an operational action plan guided the region out of the economic crisis. It was followed by several follow up documents, like the Brainport Navigator (2013) and Brainport (2020).<sup>2</sup>

The Brainport Development Foundation was started as a semi-governmental organization supporting economical repair of the regional economy. It was a co-operation between business, local government and educational institutions, purposely organized outside direct governmental structures to be able to act and implement quickly and target oriented.

<sup>2</sup> <http://www.brainportnetwork.nl/english>



From this co-operational attitude between business, government and knowledge institutes other strong tendencies to intensify co-operation followed. This became so important that Triple Helix co-operation is a rather normal and accepted attitude. It now belongs to the Brainport DNA.

### 3 Basic political agreement

In the Netherlands we are very used to govern through coalitions. Consensus creation takes time, but has the advantage that when reached, implementation can be swifter because of wide public support.

During the first years of this century a new strategy for the Brainport region started to emerge. It's now referred to as TDK, which stands for Technology, Design and Knowledge. Branding and focusing became an important element in the policies of the city and the region.



Since more than 20 years, there is this broad agreement on the course of development in Brainport Eindhoven region. Although coalitions were not always of the same political constitution the general course of how to develop the city for the benefit of its citizens has been rather undisputed. That means that several important international policy documents and network participation were both used to influence the development of the strategic local plans. Examples are the local Eindhoven version of a Sustainable Urban Mobility Plan (SUMP), The 'green deal' and the covenant of Mayors. Globalization and Eindhoven's industrial base, as well as the strong tendency to support knowledge development and foster R&D, shaped this marriage between main stream political direction, international and local versions of 'trending' plans.

In its competition to be seen as an important regional economy of The Netherlands the city choose purposely to play the international (EU) card to force a better position in the national arena. Brainport Eindhoven was quick to pick up the chances that the European Union could offer to cities and regions. This resulted for instance in hiring a full time employed staff member to set up the European affairs from 2004. One and a half year later Eindhoven opened its Brussel's office in (2006) as a shared operation between the city of Eindhoven, a regional co-operative body and the city of Helmond. Today (2017) the staff for European Affairs, not counting staff working on European projects, has grown to seven FTE.

Only from 2010, after growing recognition in the international arena, cooperation at national level became easier. Eindhoven's size lays around 230.000 inhabitants, which makes it just the 5<sup>th</sup> city of the Netherlands. However looking from an economic perspective the area is the second largest local economy, measured by the share in the GNP.<sup>3</sup> Furthermore the longer lasting branding strategy paid off when Brainport Eindhoven became the most intelligent region in the world (2011). It only resulted in 2016 in an extra national financial contribution for Eindhoven to boost its central location and provide for its region the required high quality cultural profile and facilities that are necessary

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The so-called 'big four' are all situated in the Western part of the Netherlands. These are: Amsterdam, Rotterdam, The Hague and Utrecht. Strong historical reasons also contributed to the relative meager political weight of the second largest regional economy of the Netherlands.

when competing with other R&D hotspots on the globe. For the big four this was never disputed. For Eindhoven this was long term struggle.

The Smart City developments gathered momentum with the new European program period in sight from 2014 onwards. The EU Horizon 2020 program offered the Brainport R&D agenda much. The Strategy Department of the city administration, with its strongly developed European Affairs section, helped preparing for being in the front rows, when the policies and means would be opening up. The next article will zoom in on this period 2012 – 2017 and show further steps on the long and bumpy road, to not only proudly carry the title “most intelligent region in the world”, but to also become it as well.