

“Creativity and Talent in an urban Environment” International Regions Benchmarking Conference Barcelona Nov. 11 - 13, 2009

Thursday Nov. 12

15.00 – 17.30 “The Role of Local Actors in Talent Attraction and Integration Strategies”, Round Table Discussion with Fukuoka Region, City of Dublin, City of Munich, City of Barcelona.

City of Munich Statement Hans Peter Heidebach (10 minutes):

Ladies and Gentlemen,

Munich, a city with about 1.3 mil. inhabitants, features a comparatively intensive economic activity with 800,000 employees working in a broad spectrum of innovative manufacturing and service industries. Roughly one third of these jobs are skill intensive and require high qualifications, a part of them being located in research centres and in headquarters of global companies such as BMW, Siemens, Allianz, Munich Re – all of these companies and institutions need a constant inflow of talents.

The potential coming from local universities is not at all sufficient to cover the demand for highly qualified employment in Munich. Although Munich has 13 universities and colleges with about 90,000 students, this is in comparison significantly below Barcelona’s ratio of students to working population. We are successful in attracting international talents, but we can hardly top Barcelona concerning Mediterranean climate and culture. However throughout Germany Munich has an image of being the most Italian-like city north of the Alps, which is an important factor of attracting talents at least throughout Germany.

Yet, the conditions for securing the required talent potential will get more difficult in the future:

At first a restrictive factor is the constant brain drain of about 100,000 highly qualified persons per annum leaving Germany not only for the US but also for the Scandinavian countries, Switzerland and others because of more favourable financial as well as working and perhaps climate conditions. Of course many of them return but not all of them. Also the constant negative birth rate development in Europe as a whole and particularly in Germany will lead to an intensification of competition for young talents between main production centres.

Therefore,

1. Priority number 1 for us is to secure ongoing **attraction of talents from outside** as far as education, research and job opportunities in Munich are concerned.
 - In Munich we have the dominating experience: “talented people follow qualified jobs” and this was also a result of the ACRE survey as we were informed yesterday and the IRB talent report this morning. One of Munich’s main assets and its greatest magnet in attracting young talents – apart from universities and research facilities - is indeed its differentiated choice of qualified employment opportunities. And that’s an important brand we are communicating globally. However the city’s business promotion is encouraging existing clusters such as new media and building up new clusters such as medical technology. The city for instance supports the settlement of start-ups in these innovative sectors in a new big local incubator called Munich Technology Centre, which is now going to be enlarged already for the third time.
 - The city is also especially active as a moderator for enterprise networks, thus connecting SMEs and start-ups in new business areas in order to build up clusters.
 - Furthermore we invest to a significant extent in junctions which are of particular importance to international businesses and industries and hence their high potentials. Examples are the new trade fair and congress centre and the new Munich International Airport. Now we are considering an express metro line from the city to the airport besides the existing metro line.
 - For international high potentials effective relocation services are of special importance for their decision to move. These services are offered in Munich by the municipal business promotion for long-term residents, but we intend to expand our activities in favour of short-term business residents too, esp. concerning the permit formalities and for the registration of young family members in international schools. The city is as well engaged to help our international communities for instance in realizing an easier legal development of sites for their school buildings.

2. Besides attracting talents from outside by fostering “magnetic factors” a further priority is to strengthen the “glue factors” so as **to tie talents** effectively to the Munich region. Munich is permanently investing in a great variety of amenities and quality factors to retain talented and creative people sustainably. Those factors are of course also highly estimated too by all groups of citizens. Creative people especially prefer a broad variety and mixture of urban functions, as well as an attractive housing even in the city centre. They like to reach their working place quickly, and they like individual shopping and leisure amenities in the vicinity. Munich has a fixed goal per year for the development of new housing areas and it is intending to realize new living quarters with a balanced mixture of functions. Together with the Free State of Bavaria we are steadily investing in

and modernising the cultural locations in the city. Situated near the Alps and surrounded by forests and lakes, Munich has big parks and manifold opportunities of sports areas and playgrounds, thus satisfying leisure needs in an easy way. We are refurbishing streets in housing areas to traffic reduced zones alongside with the implementation of a dense public rail transport system. Current plans are aiming for the realisation of a kind of “brain train”, by extending an existing subway line to connect directly the new university competence centres beyond the city borders with the university main locations downtown.

3. Besides attracting and retaining talents the **creation of new talented people** out of the endogenous potential in Munich becomes more and more important. Former development countries are taking off economically. Also for that reason it will be more difficult for the developed countries to recruit and retain talents from those areas. Hence local talents have to be activated on all levels. Of course it proves to be a rather long-term process.
 - In Munich the potential lies in the big group of migrants who are only poorly qualified and hence unfortunately are not aware sufficiently of the chances for a better education for their children. The city is offering special accompanying programmes fostering a regular professional training of young migrants. Munich is able to manage these programmes, because the city is running more than 70 vocational schools with roughly 50,000 trainees.
 - The city is likewise trying to intensify the emotional bands to inflowing students and future talents by granting money based awards for diplomas and surveys that are focusing on city related topics. Concerning the expensive housing costs in the city it's a challenge for Munich to make the housing for students within its boundaries more bearable, i.e. by co-financing student homes and hence binding them better to the city.

To **conclude**, the city should concentrate on activities to attract new talents from outside, then on retaining existing talents and finally on developing talents from its endogenous potential. The procedures should be in accordance with the policy of other important local players concerning talents, such as the Free State of Bavaria, the unions, company networks and chambers.