

Budapest Innopolis Development Programme

BUDAPEST,
HUNGARY

Budapest is Hungary's growth engine, with the largest share of the country's population, economic activities and innovation and research facilities. One of the frontrunners in the economic and political transition of Central Europe, the city acts as a sponge for FDI and EU funding and continues to attract large numbers of visitors. Budapest has a strong knowledge base, with a long tradition of basic research and a number of key research institutes, offering a number of opportunities for collaboration across various fields and disciplines.

Project overview

The Budapest Innopolis Development Programme (Innopolis) is an economic development initiative aimed at strengthening the city's knowledge economy. Focused on increasing the competitiveness of local firms via cooperation with knowledge institutes, it consists of three 'poles' ('ITTPole', 'MediPole' and 'EcoPole') based on Budapest's major growth sectors. Funded by the EU, Innopolis is part of a larger national 'pole' programme but is initiated and coordinated by knowledge institutes at the local level, creating a complex governance structure that integrates both bottom and top down approaches. Consequently, the project provides insight into the challenges faced by cities undergoing both economic and political transition, and the major governance challenges related to enhanced interaction between the public and private actors in the context of institutional learning.

Results and impact

To date, the Innopolis programme appears a success. Significantly, the programme's qualitative and indirect results appear to have begun to contribute to the city's competitiveness in the long run. Firstly, new institutes (knowledge transfer offices) have been set up to coordinate and encourage cooperation between universities and private sector firms. Secondly, universities and firms are learning to cooperate and communicate through initiatives such as joint workshops that will hopefully help stakeholders share new ideas and jointly develop new products. Thirdly, the programme has created an environment in which university spin-offs and start-ups can arise and grow. For example, the programme encourages entrepreneurship, the development of local networks and the opportunity to develop and maintain relations with other key clusters abroad (including Silicon Valley). These are arguably major ingredients needed to generate sustainable competitiveness. Although the long term results of the programme have yet to be realised, the project has unveiled some key challenges, namely the need to develop tailor-made programmes for different 'poles' given current discrepancies between the ITTPole and MediPole, serving as an important lesson for other cities looking to set up integrated policy clusters.

Enablers

A critical enabling factor of the Innopolis project is that the programme did not start from scratch, but followed earlier innovation programmes whilst integrating regional strengths, including a strong knowledge base and key growth sectors such as IT, medical science and bio-technology. Related to this, new legislation and institutes on the state level opened the road for innovation policy necessary to make a programme of this nature happen. Another critical factor has been strong leadership both at the top and bottom levels, facilitating the creation of networks and the sharing of innovative ideas. Finally, the EU cohesion policy has been significant, with the programme set up as a tool to access to EU funding.

