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Press release

Small and medium-sized towns are surprisingly innovative

Small and medium-sized towns are increasingly appearing on the radar of policy makers all over Europe. Findings from a project funded by the Swiss National Science Foundation on the role and significance of these towns in Switzerland show that national policy and planning overlook their potential.

For a long time, policy and research on urban development have primarily focused on large cities. Now, an interdisciplinary team of researchers funded by the Swiss National Science Foundation and led by economic geographer Heike Mayer and political scientist Fritz Sager have analysed small and medium-sized towns (SMSTs) in Switzerland. In the first step of their investigation, the researchers grouped 152 towns with up to 50,000 residents into seven types of SMSTs based on existing data sets (*). In the process, they discovered that SMSTs have very different economic characteristics. “That’s a surprising finding, even in international comparison”, says Mayer.

According to Rahel Meili, a member of the research team, interviews with local authorities showed that policy adapted to the local context can have a positive effect on the development of SMSTs (**). Unfortunately, says Meili, people sometimes lack awareness of how to strategically develop a city: “There’s a tendency to repeat established ways of doing things, and to be reactive rather than proactive.” Moreover, says Heike Mayer, “National policy still hasn’t found a way to address the heterogeneity of SMSTs, so it lumps them all together”.

Another important factor for the development are innovative companies that are based in SMSTs. The researchers of the University of Bern have studied these types of companies in-depth (***). What Mayer found particularly surprising about these case study analyses was that “despite the lure of cheaper locations abroad, these companies stay put and develop strategies to take advantage of the special features of SMSTs”.

Seven types of SMSTs

To group the SMSTs into different types based on common features, Mayer’s team worked with data obtained from the Federal Office of Statistics. Using ten variables chosen from this data, the team applied cluster analysis to identify new groupings. For example, Ittigen (BE) was grouped with “prospering residential economy towns”, which enjoy high growth rates in terms of population size and number of fulltime jobs. The federal government has outsourced many administrative units to Ittigen, creating new jobs and making it more attractive for commuters.

The number of fulltime jobs is also rising sharply in so-called “business hub towns”, which feature more top company headquarters than other SMSTs. One good example is the town of Kloten, home to Zurich Airport. “High tech towns” such as Uzwil SG, which are characterised by specialised high tech industries, have below-average population and employment growth rates unless they are located inside large metropolitan regions.

Even when SMSTs are clustered in the same region, they may still show very different economic characteristics. The typology is not determined by the region, yet it is influenced by it: the stronger a region’s growth, the more likely individual SMSTs are to grow as well.

Local policy strategy

The economic success of towns also depends on how local planning strategies make use of existing resources. For example, Wädenswil ZH, which has had a vocational training college since 1970, has for some years been pursuing a strategy of becoming a centre for education and research. Thun, on the other hand, is a former military town that depended heavily on outside investment. Today the town is seeking to diversify its economy.

Rahel Meili and colleague David Kaufmann, a political scientist, conducted on-site qualitative interviews with officials and policymakers. Meili and Kaufmann’s investigation shows that spatial planning enables small towns in the Zurich metropolitan to significantly influence their economies. Indeed, spatial planning is “the driving factor in population and job market growth”. Consequently, even local authorities in traditional commuter towns like Bülach have a sense of what makes them attractive. Says Meili: “Our research did not turn up a single SMST that sees itself as a bedroom community.” The research team recommends that national spatial planning initiatives such as Raumkonzept Schweiz take SMSTs more into account.

Companies as innovation boosters

Heike Mayer was particularly struck by the fact that the companies in SMSTs are more diverse and imaginative than previously assumed. Because these companies need many different kinds of workers, they draw people from other regions and countries. They make the most of the advantages of SMSTs, such as their small size: “It is easier to meet people across hierarchies - in clubs, at the supermarket or in other settings. And the town hall is never far in these places,” says Mayer. “Small and medium-sized towns can be innovative too.”

As a result of their visits to companies, the researchers concluded that the social structure of SMSTs and the lively exchange provide a strong sense of local identity and community.

New perspectives from research

According to Mayer, the results of the field research on SMSTs should be viewed in the light of international developments. Previously, the policy and research view of towns was shaped mainly by the experience of large cities: “Think about it: the most prominent researchers are based in Toronto, Los Angeles and New York.” For economic geography, the idea that SMSTs can strategically plan their own diversity and be economically dynamic and successful is new and exciting. Says Mayer: “European

policy and research have been discovering small towns since about 2015. This is probably due on the one hand to life in big cities becoming too expensive and on the other hand to the fact that SMSTs are now easily accessible and attractive.”

(*) R. Meili and H. Mayer: Small and medium-sized towns in Switzerland: economic heterogeneity, socioeconomic performance and linkages. *Erdkunde* (2017). DOI: [10.3112/erdkunde.2017.04.04](https://doi.org/10.3112/erdkunde.2017.04.04)

(**) D. Kaufmann and R. Meili: Leaves in the wind? The impact of local policies on the economic specialization of small and medium-sized towns in metropolitan regions. *European Planning Studies* (2018). DOI: [10.1080/09654313.2018.1535576](https://doi.org/10.1080/09654313.2018.1535576)

(***) R. Meili and R. Shearmur: Diverse diversities – Open innovation in small towns and rural areas. *Growth & Change* (accepted).

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Links

- [Download PDF](#): List of the 7 SMST types with brief explanations.
- [Download map](#): The 152 small and medium-sized towns (SMSTs) in Switzerland were grouped into seven types by cluster analysis. Each of the types was given a name derived from the dominant characteristic of the cluster. On the map each type has a distinct colour. The groupings clearly show that the typology is independent of the region.
- Bird's-eye view of Ittigen (BE) 2016: The picture must be obtained from [swisstopo](http://swisstopo.ch).
- [SNSF project](#): Urban prosperity beyond the metropolis: Analyzing small and medium-sized towns in Switzerland

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