

Europe's Urban Development or USA Urban Development, which model for Canada?

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Thank You.



Thank You.



Living in interesting times.....



"...CASH...CASH..."

Sources

EU Urban Policy? Lessons from America?

UK – USA Policy transfer and learning.

UK – Canada, Spain, China.

EU State of the Cities.

EU Review of Urban Investment.

London – New York.

USA and Europe Cities

USA

- 50 States
- Federal Government
- Recent devolution.
- Distinctive State Approaches
- Empowered Local Govs and Leadership.
- Weaker or new regional arrangements
- Strong Fiscal Tools Weaker Planning Systems
- Active private sector
- Population mobility established
- Knowledge economy in DNA
- Local Environmental innovation within limited framework.
- Local and State investment mechanisms.

Europe

- 27 Member States.
- European Union and non Members.
- Recent Integration and Enlargement.
- Member State Policies Converge
- Large variations in Local Gov roles
- Strong regional system
- Strong Planning Tools Weaker Fiscal Tools
- Active government
- Population mobility in new phase
- Knowledge economy now focus of policy.
- Local environmental innovation within strong national and EU policy frameworks
- Major investment mechanisms

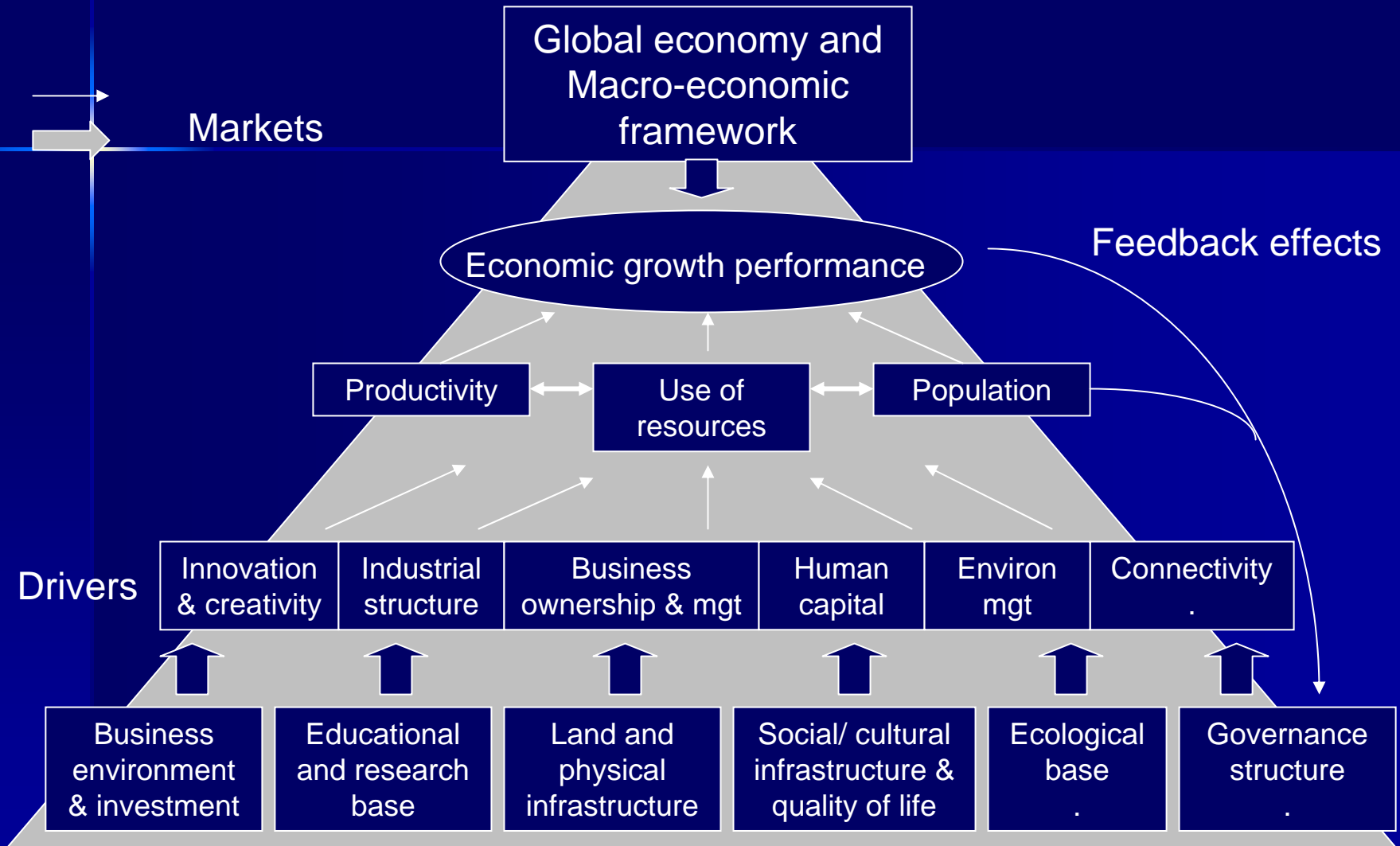
Medium term measures of success?

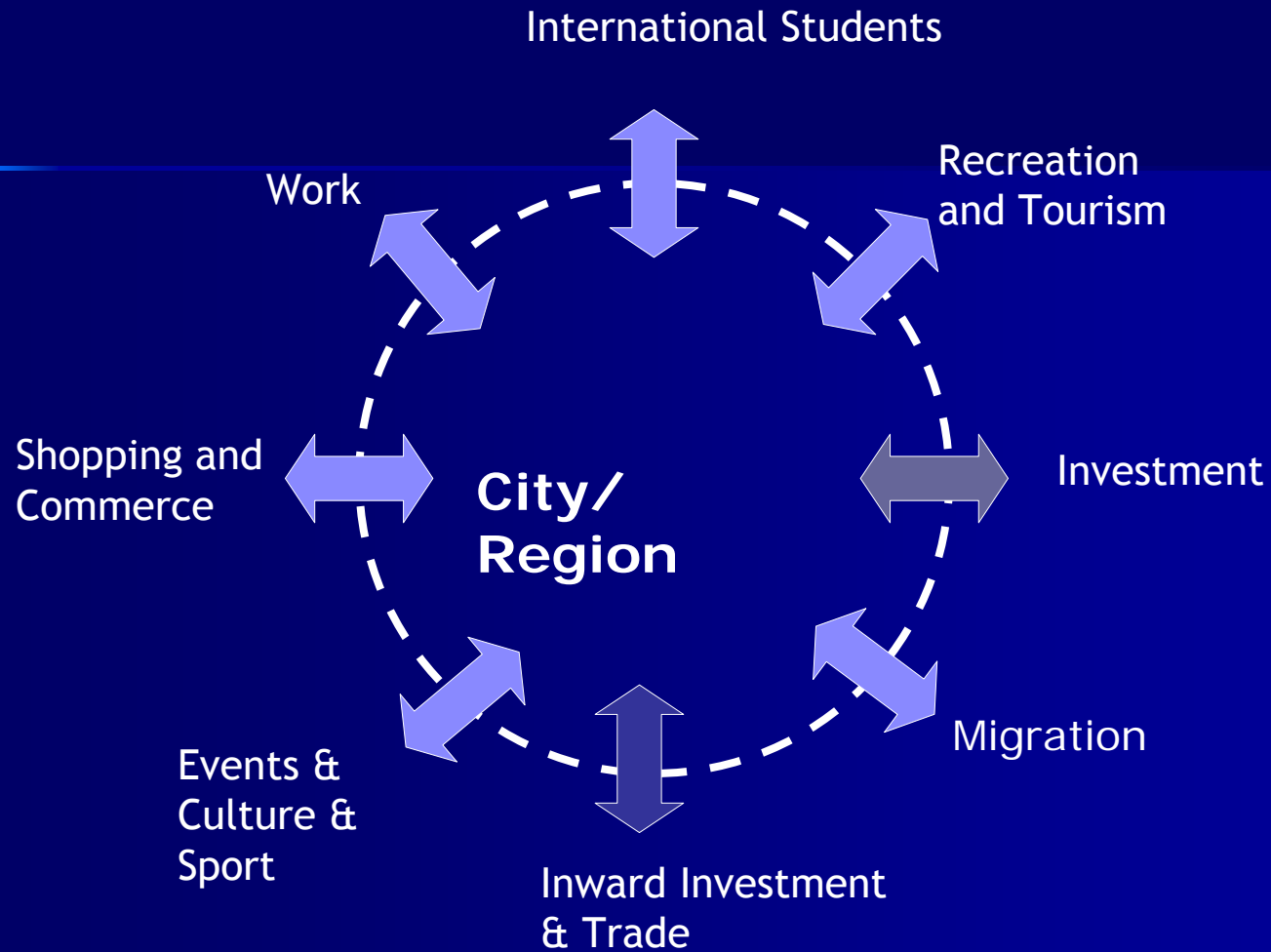
- i. Connectivity and space to grow.
- ii. Quality of Life and Place (eg Urban Design).
- iii. Skills of labour force.
- iv. Innovation and Creativity
- v. Entrepreneurship.
- vi. Industrial structure.
- vii. Cost base of cities.
- viii. Transparency of business environment.
- ix. Identity and Brand Building.

Longer term?

- i. Openness to International Populations.
- ii. Power of the Local Identity and Brand.
- iii. Location and Access to growing markets.
- iv. Role of local economy in International Trade.
- v. Power of influence of language and regulatory/legal systems.
- vi. Depth of artistic, architectural and cultural endowment.
- vii. Continuity of local leadership.
- viii. Success in adjusting to shocks and luck in being on the right side of conflicts.
- ix. Sustainability in terms of climate and environmental sensitivity.
- x. **Investment in the local economy from all sources (including higher tiers of government).**

Framework for local growth

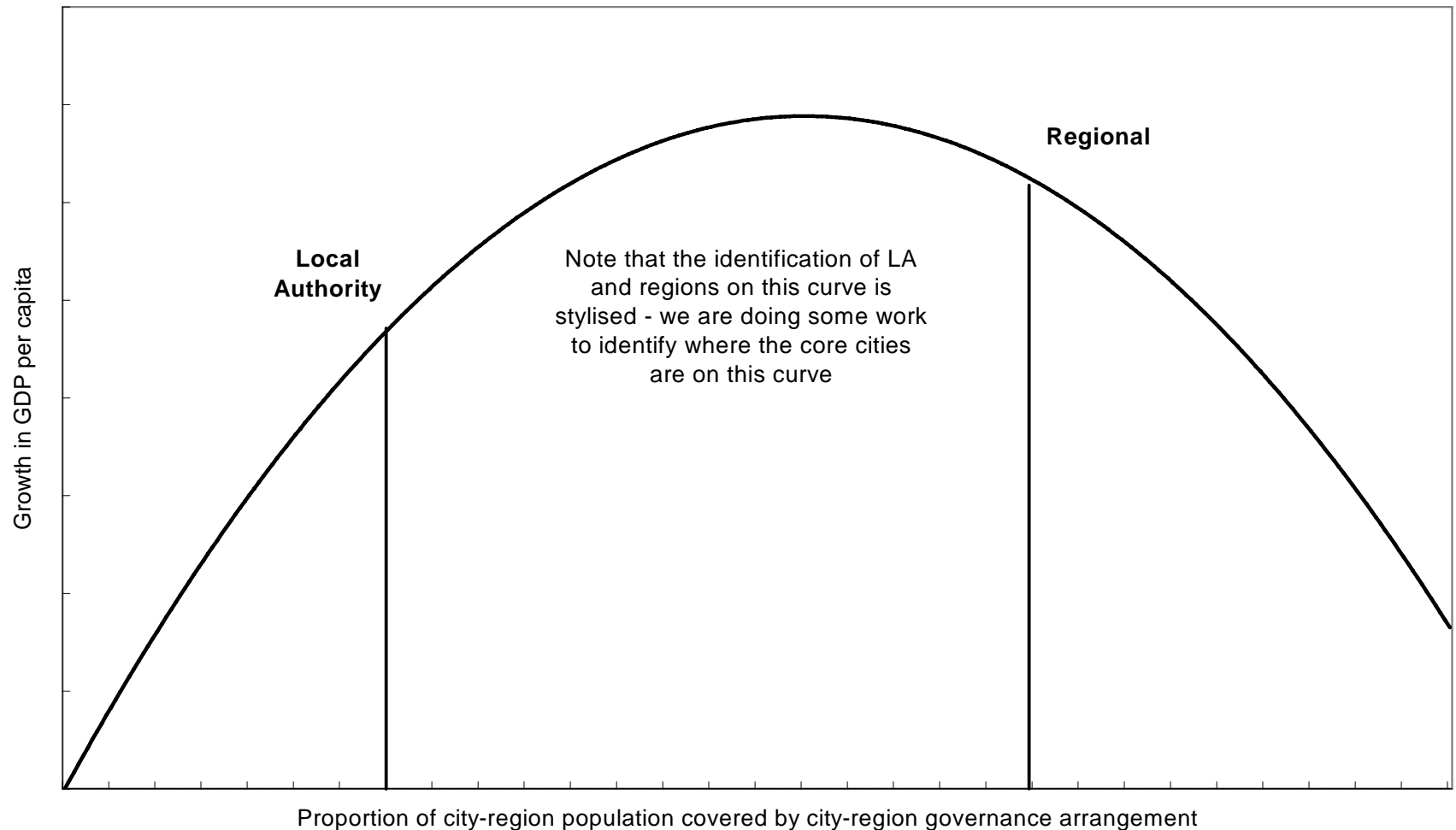




Cities, Regions, and Mobility

As many local economies are 'under-bounded' some regional governance may boost growth...

Relationship between size of government and economic growth



	Traditional Regional Policies 'Regional Planning' 1950s to 1990s	New Regional Policies 'Territorial Development' 1980s to present
Objectives	Balance national economies by compensating for disparities	Increase regional development performance
Strategies	Sectoral approach	Integrated development programmes and projects
Geog. focus	Political regions	Economic regions and eco regions
Target	Lagging regions	All regions
Context	National economy	International economy and local economies
Tools	Subsidies, incentives, state aids, and regulations	Assets, drivers of growth, soft and hard infrastructures, collaboration incentives, development agencies, co-operative governance
Actors www.citiesandregions.com	National governments	Multiple levels of governments, private and civic actors. Implementation agencies.

Europe's Economic Future

Productivity.

Knowledge led. Innovation and Experience.

Sustainable.

Diversity rich.

Open to the world.

Larger EU markets.

Connected regions and leading cities.

Affordable?

After current crisis if Europe well placed globally?

Are Europe's cities ready attract investment and development?

The state of European cities

World class European cities

- London and Paris consistently rated very high in global rankings
- London has a slight edge, particularly on economic benchmarks
- Frankfurt and Barcelona are strong performers

Successful niche performers

- 6 of top 10 cities for quality of life are Swiss or German cities
- Zurich and Geneva perform well on socio-environmental indices

European cities lead the world....

- Quality of life (Mercer Quality of Life index)
- Cost of retail space
- Strong city brands (Anholt City Brands index)

European cities trail the world....

- Further Education and R&D (Shanghai Jiao Tong academic ranking)
- City Governance

The state of European cities

Other observations

- Western European cities outperform Eastern European cities.
- New EU member state perform poorly at first but improve rapidly.
- UK and France are ‘black spots’ for social problems.
- Emerging cities are a potential threat to European cities.
- Emerging cities compete economically but not on social and environmental factors.
- The quality of governance, levels of EU integration and human capital activity impact strongly on city performance.

Where next for European cities?

Recreating an edge:

New strategies and investment tools for Europe's 'weaker' cities



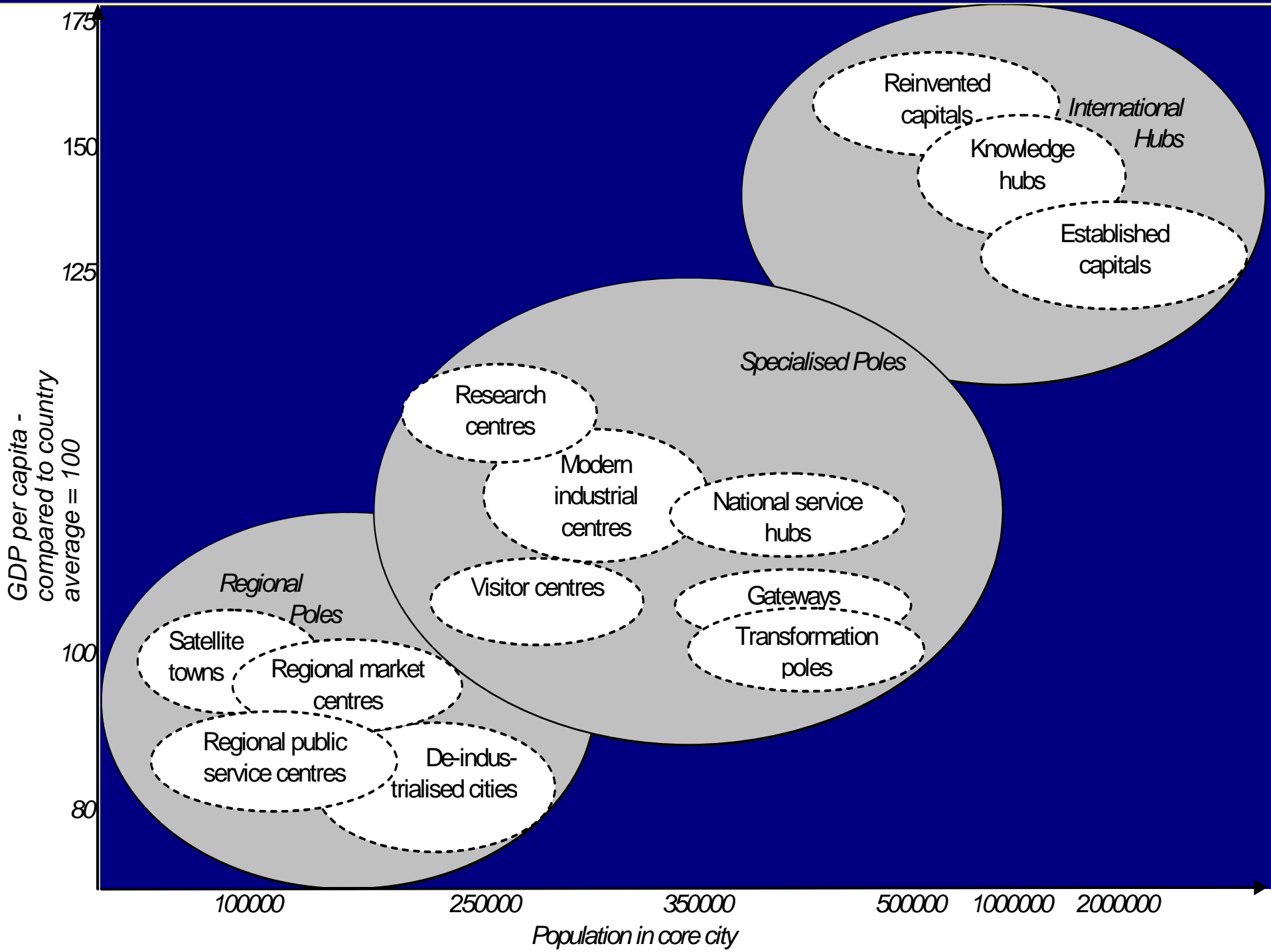
- 'Weak' city
- De-industrialised
- High unemployment
- Under investment

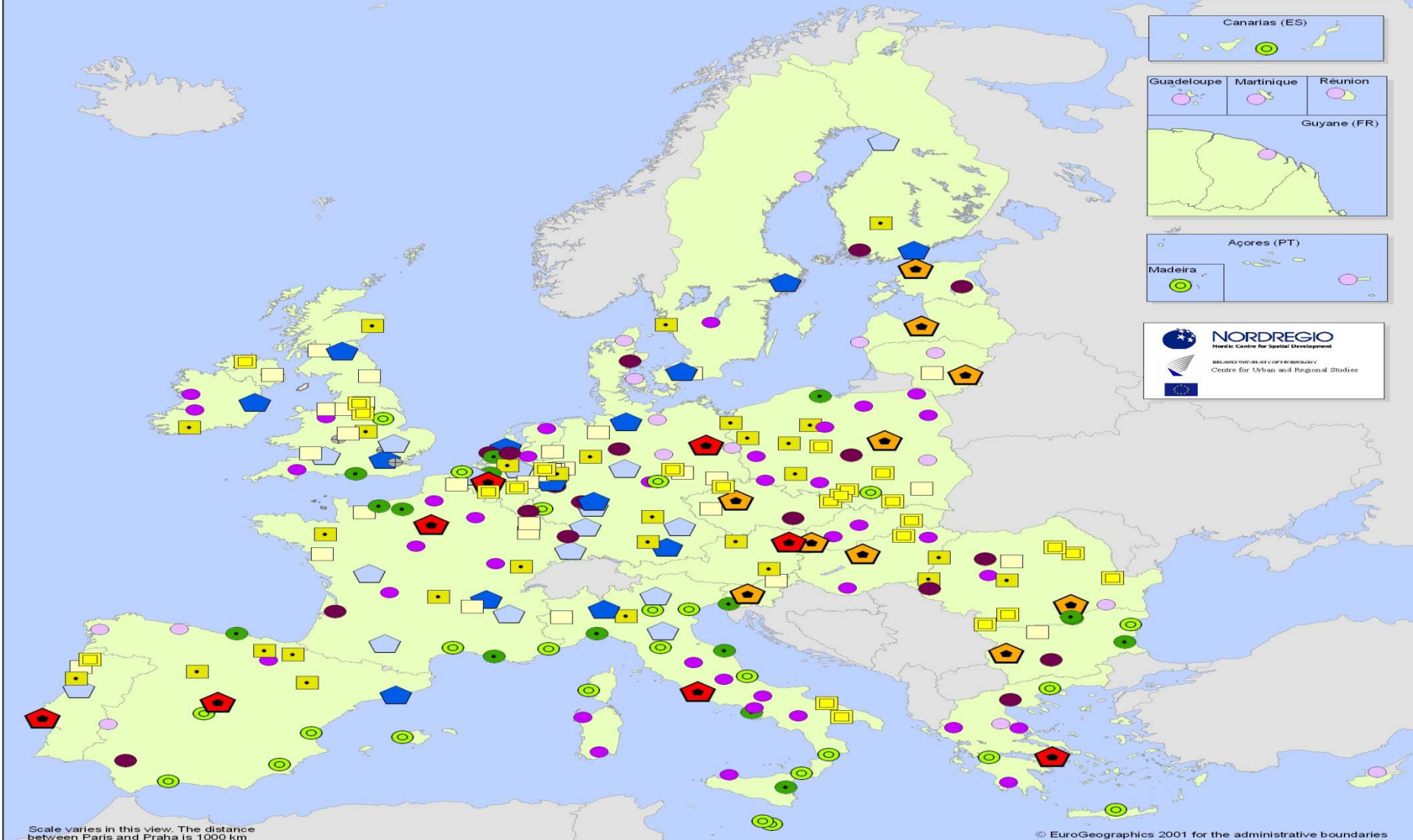
Maintaining the edge:

Steady ahead and enhanced competitiveness for Europe's most successful cities



- 'Strong' city
- Service sector orientated
- High levels of investment





Scale varies in this view. The distance between Paris and Praha is 1000 km

© EuroGeographics 2001 for the administrative boundaries

City typology

Source: Urban Audit Data Base

- | | | | |
|----------------------|---------------------------|-----------------------|---------------------------------|
| Established capitals | Modern industrial centres | Gateways | Regional market centres |
| Reinvented capitals | De-industrialised cities | Visitor centres | Regional public service centres |
| Knowledge hubs | Transformation centres | National service hubs | Satellite towns |
| Research centres | | | |

Different strategies for different cities

Knowledge Hubs - *top of the European league*

- Key global players, concentrations of business and financial services, based on high levels of talent and connectivity

Examples

- London, Barcelona, Stockholm, Amsterdam, Lyon

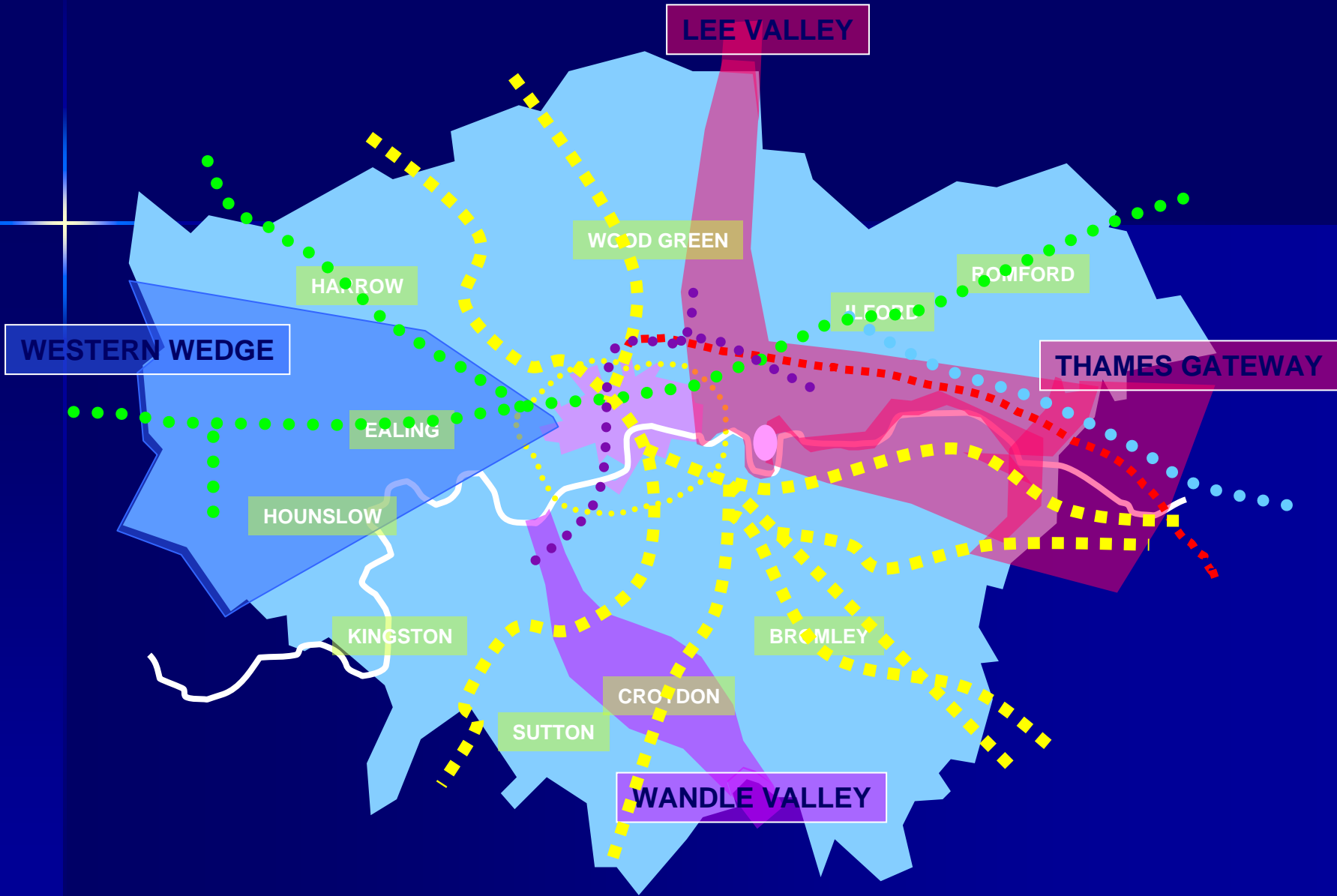
Challenges

- Managing rapid population and economic growth. High cost of living and doing business. Increasing pollution levels.

Strategies and investment tools

- Knowledge production and links with HE institutions, climate security, urban intensification, PPPs, value capture, infrastructure, internationalisation.





Different strategies for different cities

Established Capitals - *comfortable but not all is rosy*

- Top of Europe's urban hierarchy, diversified economies, key cultural and political roles.

Examples

- Paris, Madrid, Brussels, Vienna

Challenges

- Slow but steady growth, rising unemployment, job creation

Strategies and investment tools

- Infrastructure led development, destination marketing, investment promotion, showcase and innovative projects.

Different strategies for different cities

Reinvented Capitals - *champions of growth and transformation*

- Economic transformation, rapidly growing service sectors, population growth and impressive economic expansion, often former Soviet Bloc

Examples

- Warsaw, Prague, Budapest, Bucharest, Ljubljana

Challenges

- Inadequate infrastructure and old housing stock, exodus of people and businesses from the central areas, potential labour shortage, sustainability

Strategies and investment tools

- Infrastructure modernisation, sustainable development, skill development, PPPs, European funding.

Different strategies for different cities

Transformation Poles - *assertive in tackling challenges*

- Large cities with rich industrial pasts, previously suffered de-industrialisation, deprivation, BUT responded effectively with new strategies

Examples

- Glasgow, Turin, Manchester, Enschede, Malmo, Leipzig

Challenges

- Building on success, losing touch with past roots, loss of identity, embracing new identity

Strategies and investment tools

- Large scale, image transforming projects. Infrastructure improvements. Event hosting. Destination marketing.

Different strategies for different cities

Gateways - *shifting from the past to the future?*

- Often port cities, natural 'gateway' setting, high proportions employed in transport and communications, Naval presence

Examples

- Rotterdam, Gdansk, Genoa, Antwerp

Challenges

- Increasingly capital intensive and automated, unemployment, low skills, competition from land transport, visually polluted.

Strategies and investment tools

- Large scale, image transforming projects. Infrastructure improvements. Event hosting. Destination marketing.

Different strategies for different cities

Modern Industrial Cities - *powerhouses of international production*

- Key production and manufacturing sites, many home-industries, solid growth rates, specialist Further Education facilities.

Examples

- Gothenburg, Wrocław, Poznań

Challenges

- Growing competitive pressures from overseas, over-reliance on manufacturing sector.

Strategies and investment tools

- Infrastructure modernisation, transport orientated development, public sector investment.

Different strategies for different cities

Research Centres - *intellectual hubs of the future?*

- Modest in size but highly productive, distinctive development pathways, excellent Further Education offer, well-skilled and shifting populations

Examples

- Cambridge, Eindhoven, Bologna

Challenges

- The need to provide a high quality of life offer to retain knowledge workers

Strategies and investment tools

- Quality of life offer improvements. Further Education linkages. High tech/ R & D attraction. Marketing. Infrastructure provision. Tax Breaks.

Different strategies for different cities

Visitor Centres

- Historic sites of culture and natural attractiveness, strong visitor economy, highly accessible, agreeable climates.

Examples

- Venice, Malaga, Krakow, Valencia, Bruges

Challenges

- Below par GDP contribution, over-reliance on visitor economy, unemployment, ageing population, fluctuating property market.

Strategies and investment tools

- Destination marketing, event hosting, connectivity improvements.

EU City responses to international economy.

Leadership

Investment

EU Leadership challenges in municipalities, cities, and regions.

1. Transition to a new economy and it's requirements.
2. Openness to international populations.
3. Rapid and dynamic growth of metropolitan regions. Mega trends driving metropolitan growth.
4. Service needs of dynamic populations.
5. Greater transparency to customers and stakeholder.
6. Investment not enough. Financial resources are finite and national public finance is slow to follow growth. Lack of investment tools.
7. Formal power and competence less than needed. City and regional governments do not control everything: boundaries, competences, division of labour with higher/lower tiers, markets, regulation/freedom
8. National and sub-national governments guard their own space. Co-ordination challenges.

City Economic Leadership: key tasks

- i. Diagnosing local economic challenges and opportunities.
- ii. Local economic vision and communication.
- iii. Delivering economically sensitive local services.
- iv. Aligning competing interests.
- v. Using economic development tools.
- vi. Choosing organisational vehicles
- vii. Working with businesses.
- viii. Attracting external investors.
- ix. Forging alliances and partnerships.
- x. Building long term thinking during short term mandates.
- xi. Communicating local economic purpose.

1. Financing city development: 10 principles.

- i. Smart finance for smart cities: getting the fiscal relationships with higher tiers of Government right
- ii. Promote active private sector leadership in city investment
- iii. Metropolitan finance for metropolitan amenities
- iv. Sharing the benefits of growth locally
- v. Flexibility in public funding to enable private co-investment
- vi. A new approach to public assets
- vii. Financial innovation in public and private sectors
- viii. Long term market building by the private sector
- ix. Focus on the quality of the propositions not on the supply of finance
- x. Build capable specialist financial intermediaries

What city local govts do ?

Public finance

- i. Accept reality - sound fiscal strategy.
- ii. Prioritise larger and catalytic investments.
- iii. Pursue sustainable growth of tax base.
- iv. Make the case for cities through tangible investment projects.
- v. Efficiency and effectiveness of city government.
- vi. More public-public joint ventures.
- vii. Capable development agencies and corporations. Shared agencies and intermediaries.
- viii. Asset management.
- ix. Recruit financial talent.
- x. Business and investment friendly services and approaches.

Private finance

- i. Foster investment dialogue with private sector.
- ii. Support existing investors better.
- iii. Reduce risk, cost, and uncertainty.
- iv. Seek advice and partnership early.
- v. Build 'investment-ready' propositions.
- vi. Better information on city finances and investment opportunities.
- vii. Investment prospectus.
- viii. Promote the city for investment.
- ix. Develop infrastructure as an asset class.
- x. Build templates and pilots to make complex finance easier.

Conclusion: which model most interesting for Canada?

Europe's urban development model has come from a low base but has improved rapidly without EU urban Policy.

US approach seems to have localised.

EU has prepared cities for globalisation well.

US has reacted to globalisation in contradictory ways.

EU urban system is emerging rapidly and is integrated.

US Urban system is competitive.

Does Canada need to chose either of these models?

No. But in the search for new urban innovations the European experience offers a new approach that you might enjoy!