

ECONOMICALLY COMPETITIVE EUROPEAN CITIES: WHAT ARE THEY AND WHERE ARE THEY?

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This talk will ask 4 questions:

1. What's happening to European cities?
2. What is a competitive city?
3. Which are the competitive European cities?
4. What is the policy message?

1. WHAT'S HAPPENING TO EUROPEAN CITIES?

Cities up the political agenda

- International not national hierarchies
- Growing networks
- Growing competition
- Growing economic opportunities and potential
- Growing social exclusion

- Globalisation – power away from nation state
- Economic and technological restructuring – Porsche-hamburger economy
- Increasing competition between places – winners and losers
- Institutional and welfare state restructuring – increased vulnerability

- Cities matter more not less
- European governments – targeting and empowering cities
- Europe – new spaces, opportunities, internationalism, entrepreneurialism
- New hierarchies
- Increased concern urban competitiveness

2. WHAT IS A COMPETITIVE CITY?

Measured competitiveness Cities in Europe

Concerns UK cities:

- Not punching their weight national economy
- Falling behind London
- Lack powers, responsibilities and resources
- Lagging behind European cities

- Literature on urban development in Europe
- Literature on urban competitiveness
- Quantitative data on 50+ European cities
- Interviews with senior policy makers
- Questionnaire to 50+ cities
- Detailed work in 15 – fieldwork in 9 continental cities

- Ability to attract and maintain firms with stable or rising market shares in an activity, while maintaining stable or increasing standards of living for those who participate in it
- Competitiveness and competition
- Competitiveness and urban renaissance

Characteristics of competitive city-regions

- Innovation
- Diversity
- Skills
- Connectivity
- Strategic capacity
- Quality of life

Measures

- GDP per capita
- EU Innovation score card
- Percentage population higher skill levels
- Demographic change
- Unemployment
- Dependency levels
- Airport passengers
- Internet connections
- Private sector assessment

3. WHICH ARE THE COMPETITIVE EUROPEAN CITIES?

Health warning:

- Europe big and complex
- Policy transfer tricky
- Exceptions to all rules
- Measuring competitiveness is hard
- Data and boundaries tricky
- Snapshot sample – not movie universe

UK cities left behind by rivals in Europe

- Report finds core eight fail to attract investors
- Authorities expected to use survey in aid push

By Roger Blitz and Jonathan Guthrie

The UK's leading provincial cities trail their Continental European rivals on all the key urban performance indicators and fail to attract international investors, undermining the country's competitiveness, a government-commissioned study has found.

Whereas cities such as Stockholm, Helsinki and Stuttgart have growing populations and are known for high skills and good access, the UK's eight core cities outside London are struggling with large ageing and under-16 populations.

The analysis, comparing eight UK cities with 15 mid-sized continental cities, was produced by the Core Cities group, a partnership of Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield and the regional development agencies.

Michael Parkinson, the report's principal author and professor of urban affairs at Liverpool John Moores University, said European cities fall behind US counterparts and UK cities are among the worst in Europe. British cities were "not yet in the premier league", he said.

The study highlights the task facing Gordon Brown in attempting to raise competitiveness in the UK and reduce the economic disparities between the south-east and the rest of the country. It also comes against a growing debate, centred on the need for council tax reform and the extent to which the government is prepared to devolve power.

The cities will seize on the report to campaign for greater investment outside the south-east, where John Prescott, deputy prime minister, is directing £22bn into new communities and public sector infrastructure.

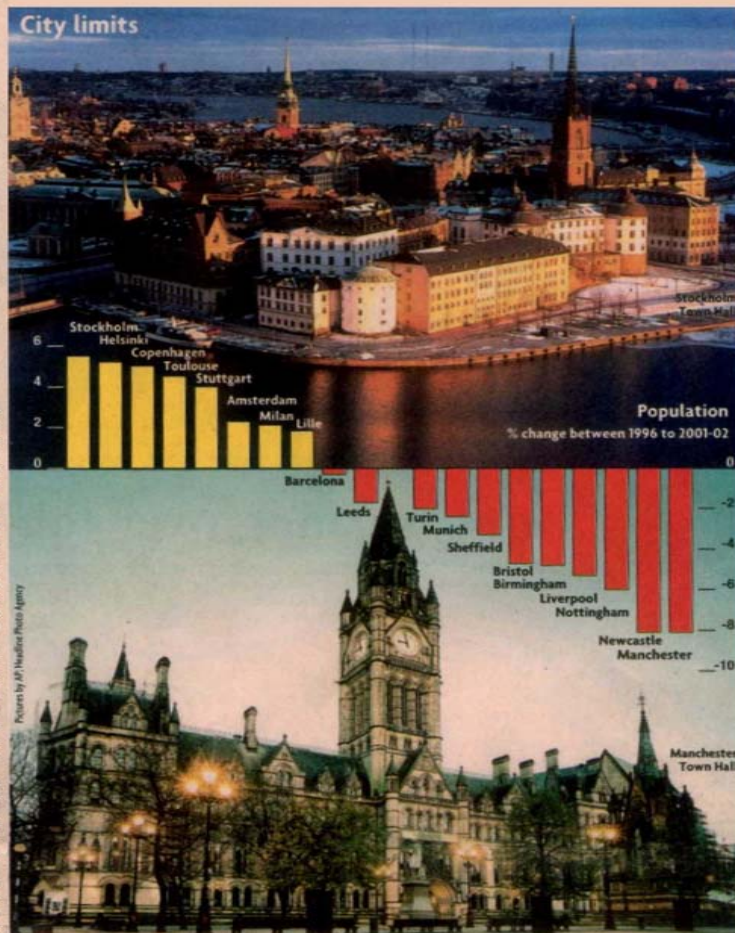
Sir Albert Bore, leader of Birmingham City Council, said: "This research confirms what many of us have been saying for years, that the core cities in the UK and their regions could be a real driving force for the economy of the UK, but the relative competitiveness in mainland Europe is evidently higher."

Despite improvements over the past eight years, many UK provincial cities are behind their competitors in terms of GDP, innovation and education, the report said. They also fell behind in transport links, telecommunications, social cohesion, quality of life and political capacity.

The report's analysis concluded that "UK cities do not punch their economic weight in a European context". However, Prof Parkinson remained confident that the UK's cities could catch up.

The report found UK cities were struggling to hold on to their populations, with Manchester's falling 9.2 per cent in the 10 years to 2001. This compared to strong growth in more economically successful cities such as Stockholm and Helsinki.

The UK cities took up four of the last six places in terms of GDP per head. The best placed was Bristol, in ninth position. Although Manchester did well on air passenger numbers, most of the others performed poorly.



On private sector attitudes, only Manchester was ranked at all in surveys of the best cities in which to locate a business.

Although the European cities performing well a decade ago were continuing to thrive, the study said Barcelona had improved its standing through its urban revival, while Helsinki's

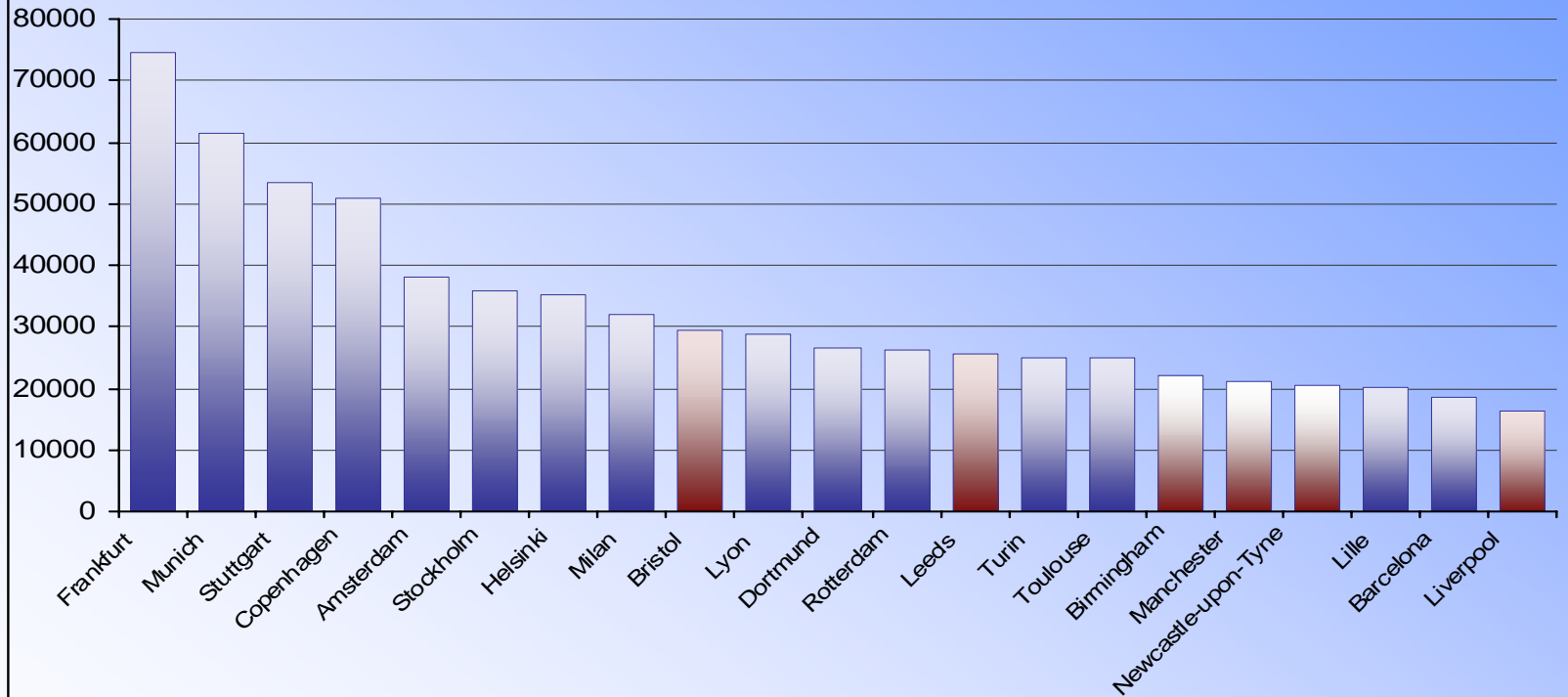
innovation programme had helped its standing in the private sector.

The study called for greater levels of trust between national and city governments, based on contractual relationships, and a national policy for the regions.

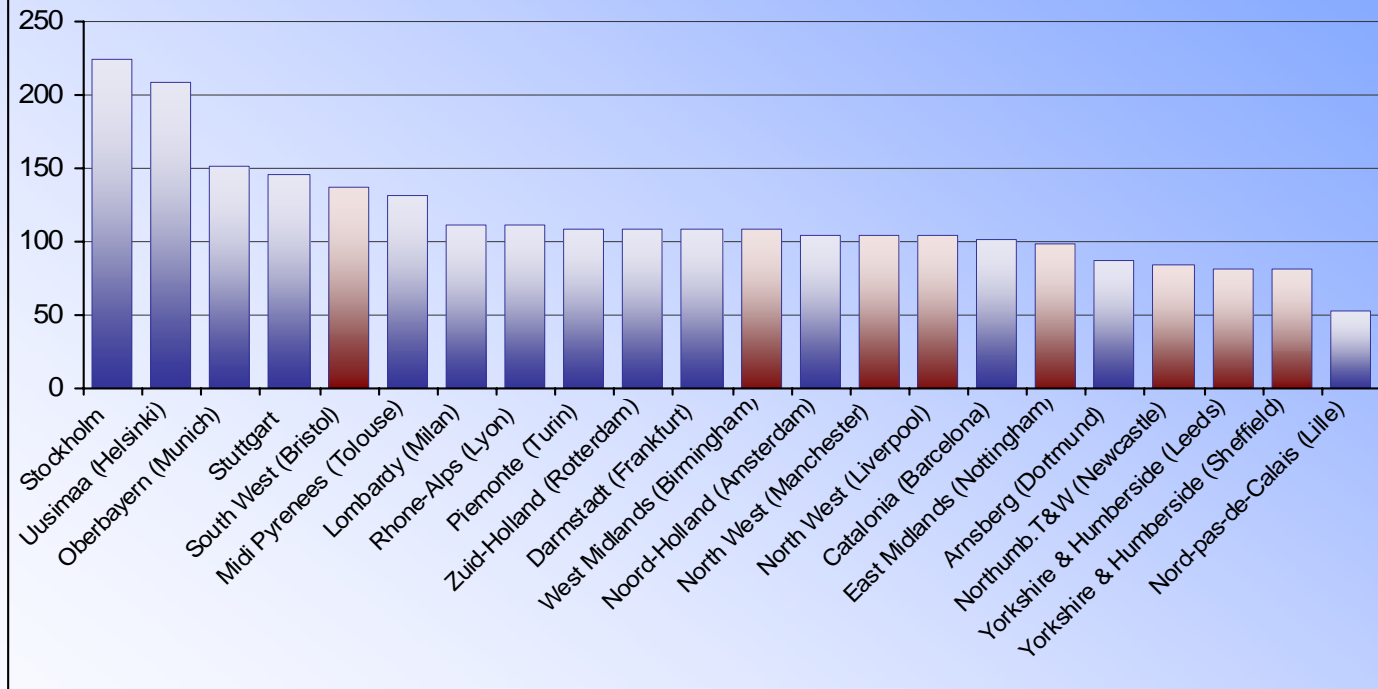
Yvette Cooper, minister in the office of the deputy prime minis-

ter, said: "We always recognise that there are things that national government needs to do, and things that local and regional players need to do. We need to explore further freedoms and flexibilities for local government."

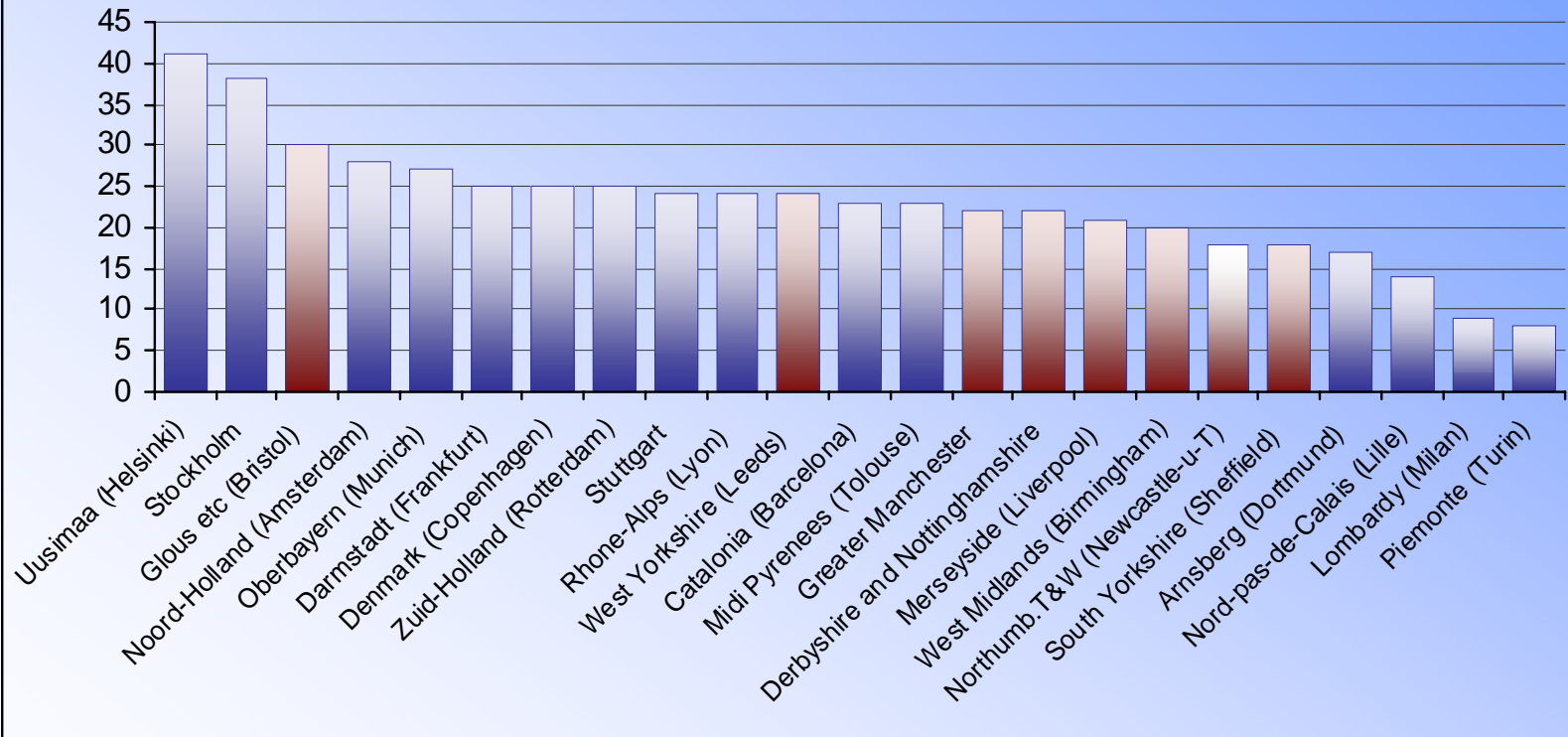
GDP per Capita (Euros)2001



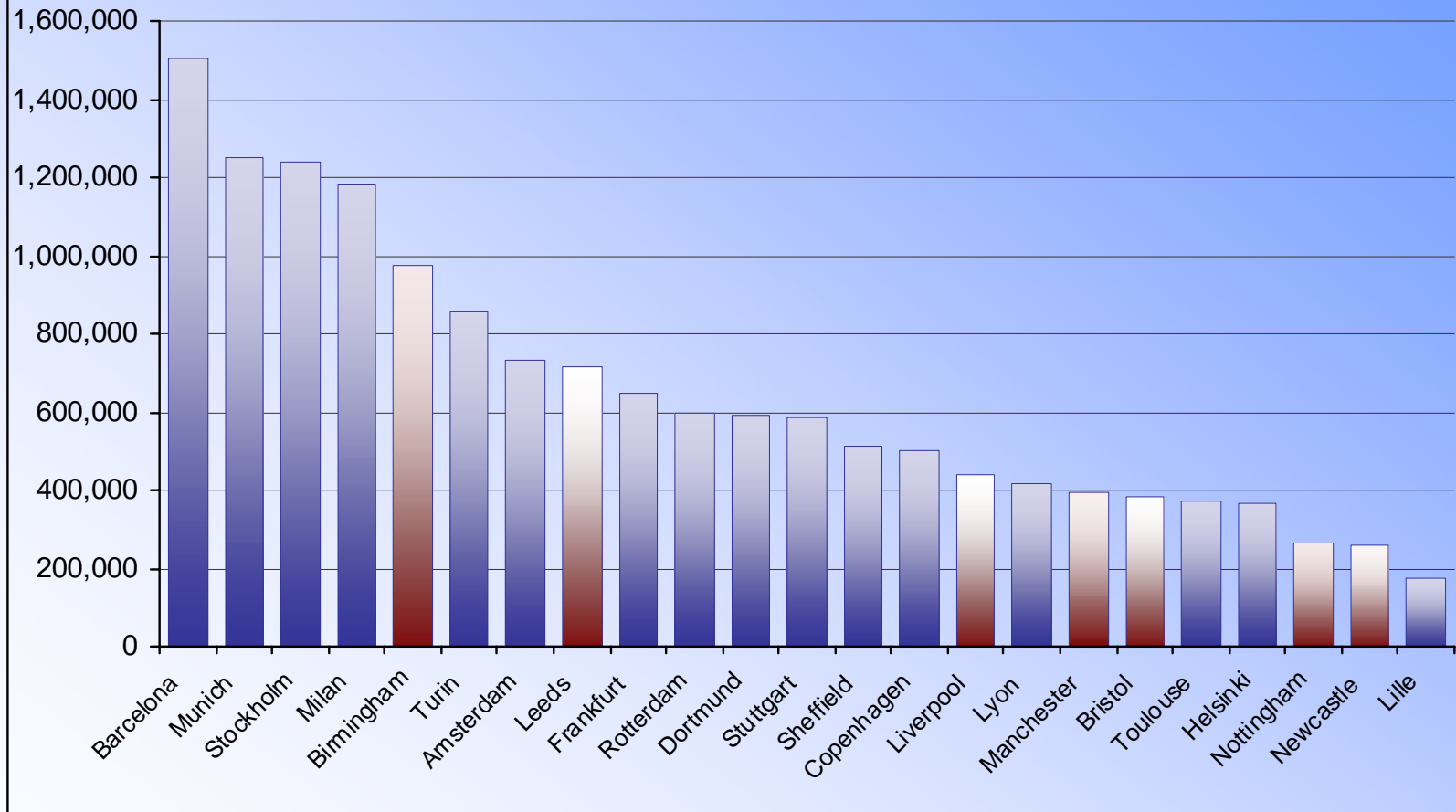
European Innovation Scoreboard 2002: EU Regions

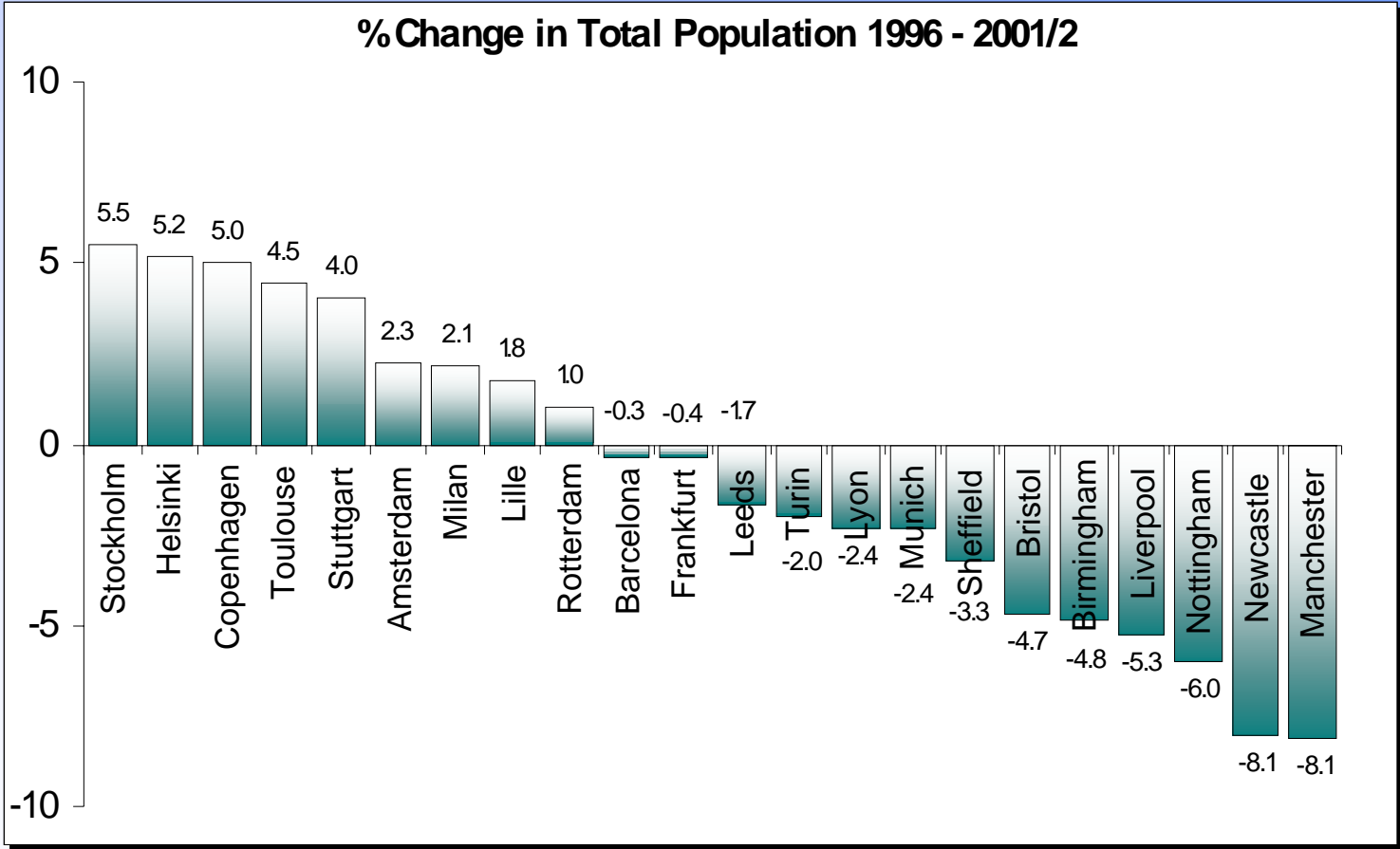


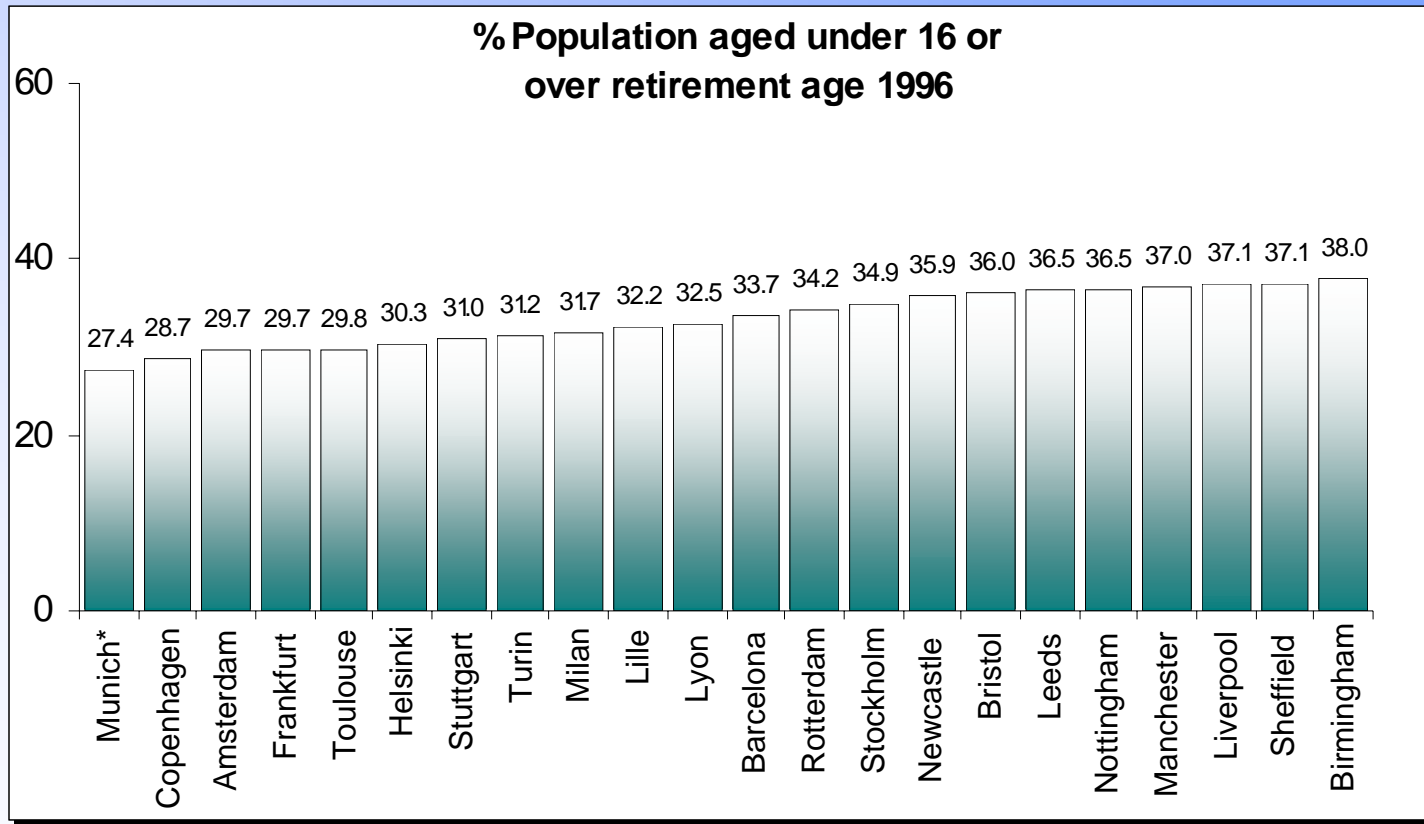
% working age population (25-64) with NVQ level 3 education 2000

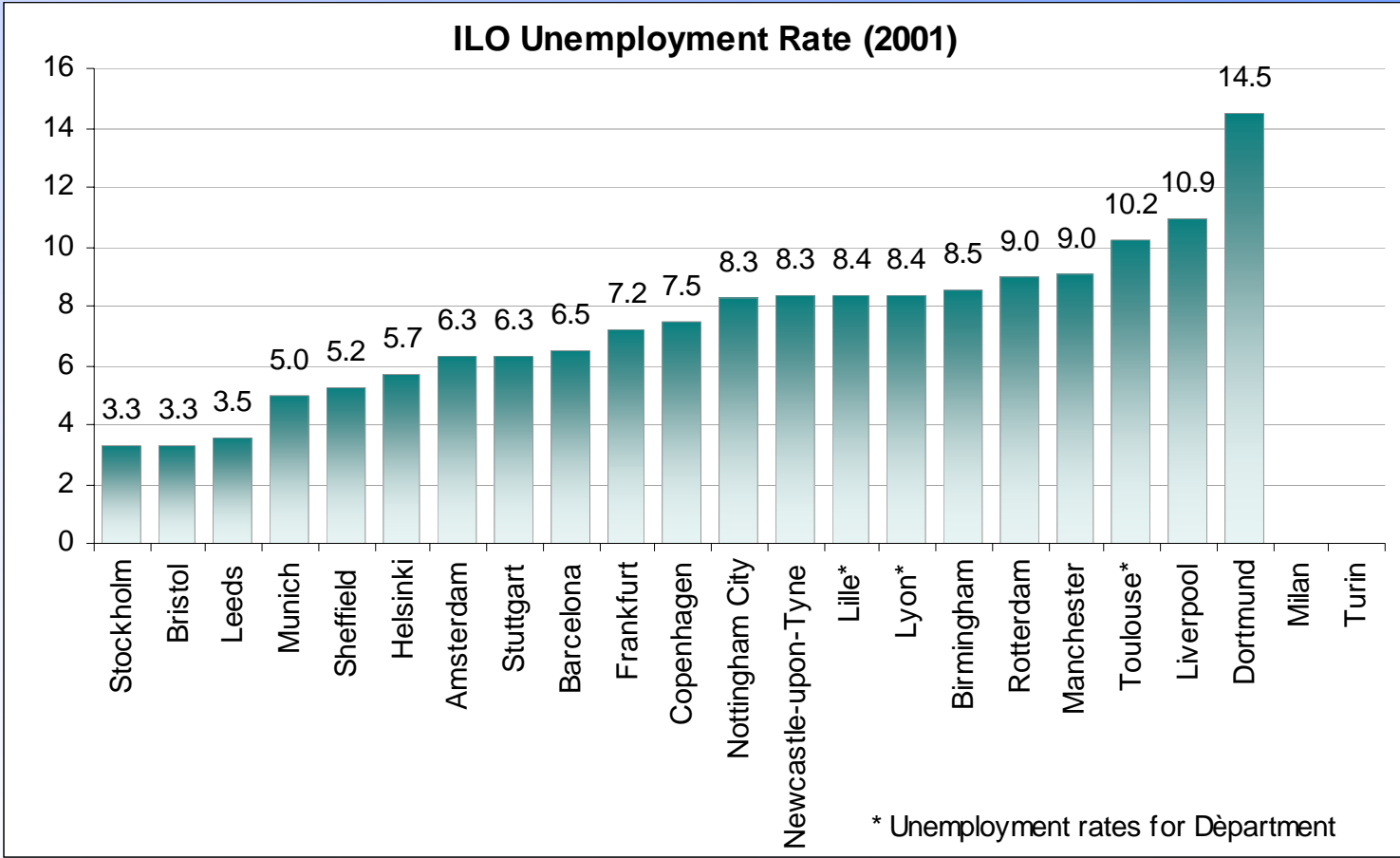


Total Population 2001

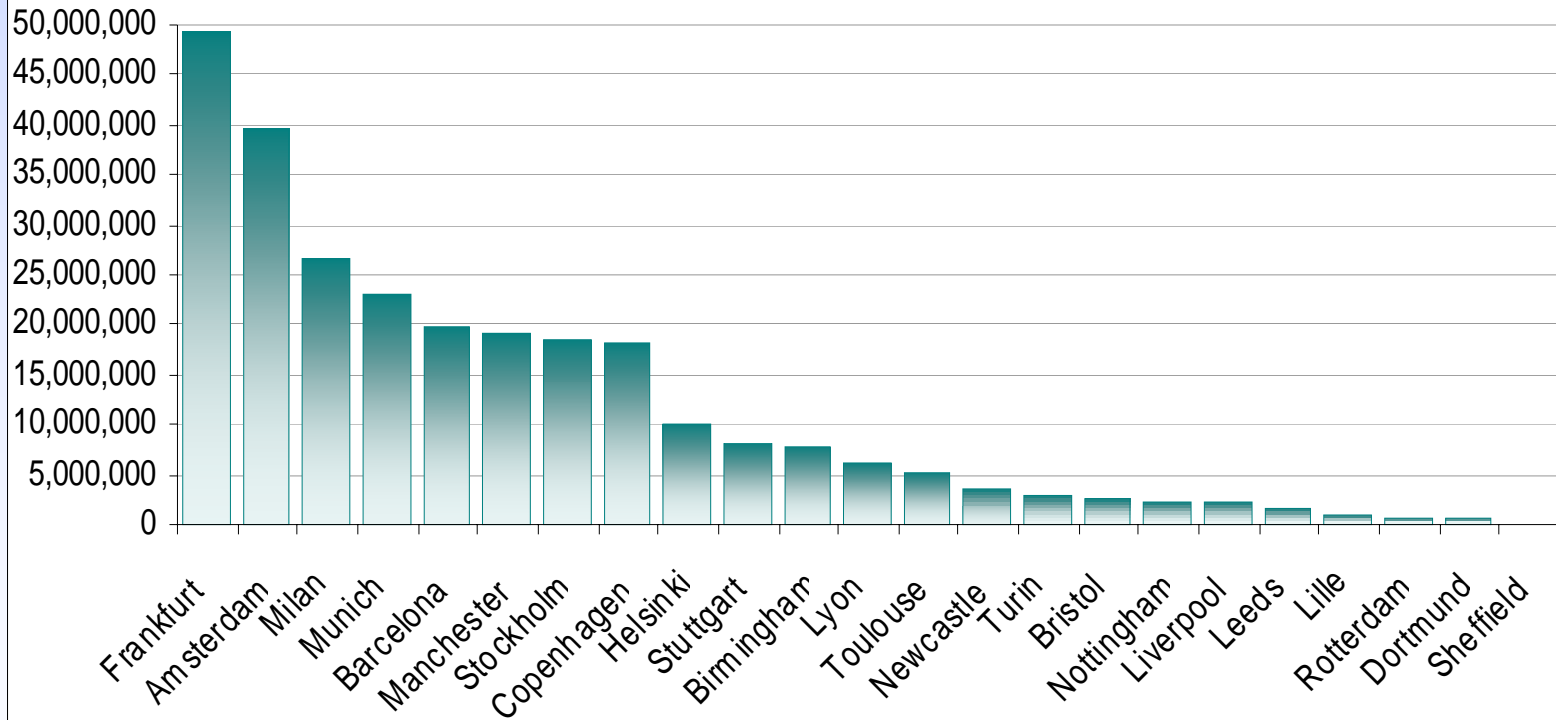








Total Air Passengers 2001



Top Internet Hub Cities for Europe 2002 (TeleGeography Inc)

City	Internet Bandwidth (Mbps)	Rank 2002	Rank 2001
London	319,475	1	1
Paris	277,803	2	2
Frankfurt	194,902	3	5
New York	174,180	4	3
Amsterdam	163,942	5	4
Copenhagen	109,204	6	8
Stockholm	94,741	7	7
Brussels	81,536	8	6
Milan	65,424	9	9
Zurich	51,488	10	-

Best Cities to Locate a Business Healey & Baker 2002

City	Rank 2002	Rank 1990
London	1	1
Paris	2	2
Frankfurt	3	3
Brussels	4	4
Amsterdam	5	5
Barcelona	6	11
Madrid	7	17
Milan	8	9
Berlin	9	15
Zurich	10	7
Munich	11	12
Stockholm	14	19
Manchester	19	13
Lyon	20	18
Copenhagen	24	-
Helsinki	27	-

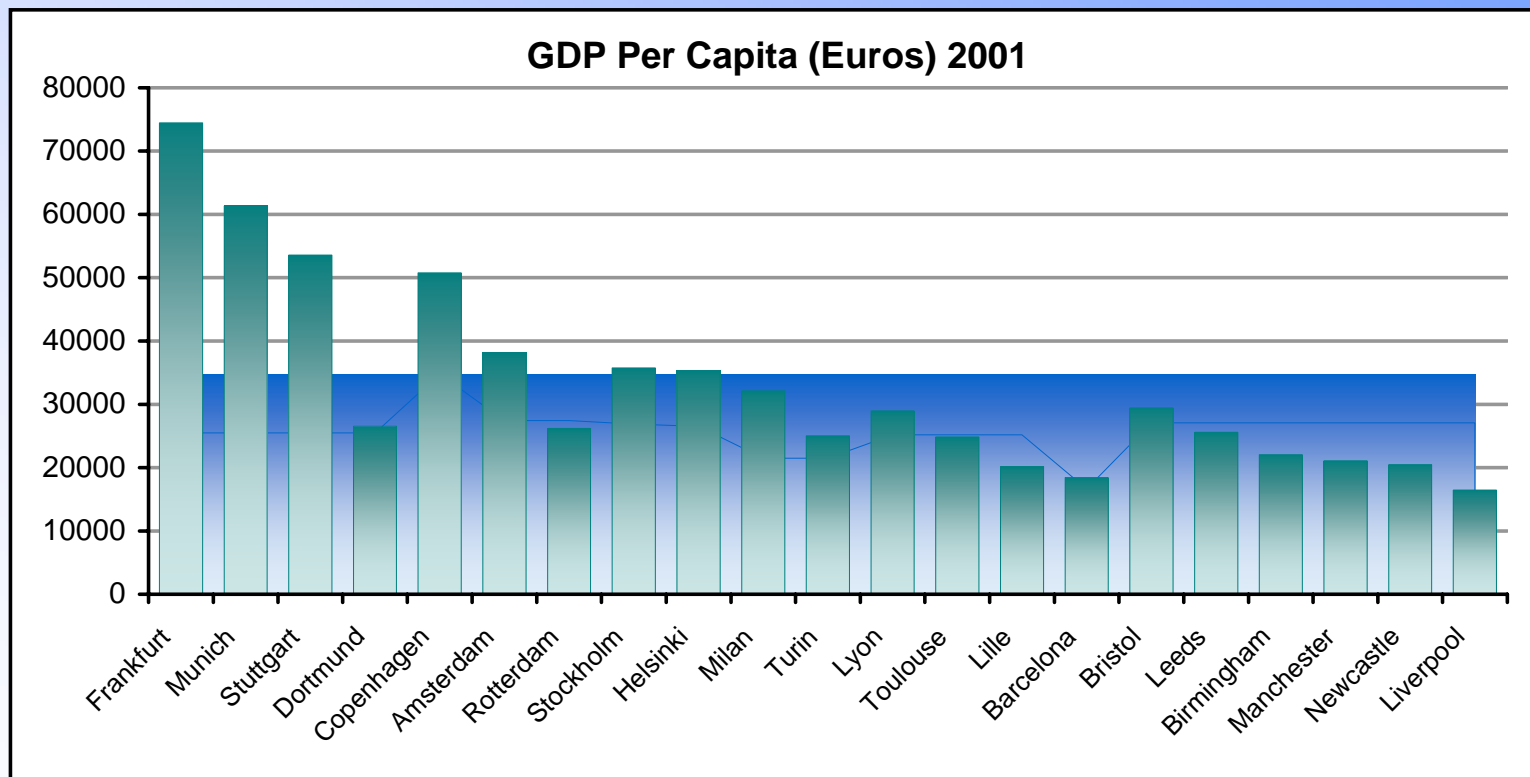
Best Cities in Terms of

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City	... Qualified staff	... Easy access to markets	... External transport links
London	1	1	1
Paris	2	2	2
Fankfurt	3	3	3
Munich	4	9	6
Brussels	5	4	5
Milan	6	6	8
Berlin	7	10	9
Amsterdam	8	5	4
Dusselforf	9	7	11
Madrid	10	8	9
Manchester	11	11	13
Stockholm	11	23	20
Barcelona	14	13	11
Lyon	17	16	18
Helsinki	19	28	29
Copenhagen	22	20	14

4. WHAT IS THE POLICY MESSAGE?

CITIES CAN DRAG COUNTRIES UP OR DOWN



- Hierarchy is stable but cities can improve
- Cities matter to national performance
- Competitiveness and cohesion not mutually exclusive
- National and regional government matters

- Priorities for urban policy
- Mechanisms for successful urban policy
- Engaging stakeholders
- Achieving the right spatial balance
- Encouraging policy learning

- Urban system PLC
- Grown-up government
- Economy, territory and government
- Cities and regions – bridges not barriers
- Cities can help themselves