Prologue 1

It is readily apparent to the reader who is familiar with the study of urban competitiveness that the *Global Urban Competitiveness Report – 2010* (the Report) is a work of major importance. It is quite extraordinary that Pengfei Ni and his team at the Chinese Academy for Social Sciences have been able to gather comparable data on 500 cities and to gain from this data so many valuable insights. While this achievement is of importance in itself, of at least equal benefit is the use that can be made of this work by decision-makers in cities around the world as they design and implement strategic economic planning initiatives. In this brief commentary on the Report, I would like to speak of both of these aspects.

Outside of government departments, there are few places in the world that could put together a team of about one hundred researchers and students having command of a dozen of the world's major languages – and that could devote a year to the project. Fully aware of the difficulties of getting comparable data for many variables for many cities on all continents, Professor Ni and his team confined themselves to international agencies such as the United Nations, the World Bank, the International Monetary Fund and the Organisation for Economic Co-operation and Development, and, with care, to national statistical agencies. This was supplemented by findings from academic researchers and other reliable sources. Given the need for comparable data, it was necessary to limit the scope to nine indices on aspects of gross domestic product (GDP), prices, growth, patents and employment. Indeed, some cities had to be excluded from the study because of the unreliability of the data that were available. This work generates the overall urban competitiveness ranking of 500 cities. Using this body of data, Professor Ni and his colleagues place the cities into one of eight 'city types', of which more will be said shortly.

In addition to the competitiveness ranking, for each city analysis is presented for seven sectors of the economy, such as industrial structure, human resources, the living environment, and so on. Each of these sectoral indices is the result of data for four to seven variables relating to aspects of each sector; for example, for human resources the variables include education, health, and literacy. Again, while one would have been able to include many other variables if doing a study on just cities in the USA, Mexico or China (three countries for which adequate data are readily available), for a study that includes 500 cities in scores of countries this is not possible. Nonetheless, the comprehensiveness of the variables included in the overall study gives one a clear and solid understanding of the situation of each of the 500 cities in relation to other cities that might be considered to be its competitors.

The full methodology and sources of data are given extensive explication in Chapters 1 and 2, and in Appendix 1; from these the reader will be able to gain an appreciation for the thoroughness and diligence with which the team from CASS carried out this project. Since the reader will have the Report in his or her hands, I will not be specific as to what

parts of the Report contain; needless to say, they are a must read for a true appreciation of the quality of the results of this project. The consistency of the methodology of this project in its several annual updates gives an invaluable survey of the evaluation of the evolving competitive situation and development of the areas of relative strength and weakness of each of the 500 cities.

As has been regularly noted in documents and research papers of the Global Urban Competitiveness Project (GUCP), of which Pengfei Ni is General Secretary,¹ our objective has always been that of giving assistance to local officials and planners when designing and implementing a strategic economic plan for their city or urban region. Several of our members have focused on key aspects or strategies for competitiveness enhancement. For example, Leo van den Berg has written on culture and competitiveness,² Bill Lever on centers of technology,³ Pierre-Paul Proulx on globalization and city-regional development and policy,⁴ Shen Jianfa on urban economic regions, Antonio Serrano on city systems⁵ and Dong Song Cho on creation of competitiveness de nouveau in Dubai. In the USA, Mexico and China we have been fortunate in being able to have access to sufficient data for a large number of variables and city/urban regions to do empirical studies of the competitiveness of cities in each of these countries. Jaime Sobrino has written on Mexico,⁶ Pengfei Ni on China⁷ and I on the United States (and Canada).⁸ These results have given local leaders in each city an understanding of the relative strengths and weaknesses of their urban economy. This understanding can then be used in strategic economic planning by suggesting areas in which the city or urban region needs to implement policies to improve performance in areas of weakness – such as the transportation infrastructure, cultural and educational assets, the structure of industry or characteristics of the labor force, to mention just a few. It also indicates areas that must be maintained to retain its degree of competitiveness.

The fifth *Global Urban Competitiveness Report* is, thus, an excellent tool for strategic economic planning. For such an initiative to be successful, there must be effective governance, an understanding of which individual or entity will provide leadership and assessment of performance, municipal leadership that can mobilize and energize local human assets, tangible assets, such as transportation, cultural and educational institutions, a clear definition of tasks and targets for all participants, and a clear understanding of the city's strengths and weaknesses. Often city leaders feel satisfied and self-congratulatory when they have put in place a conference center or educational institution, when if they would look more widely they would discover that their competitor cities have just done the same thing and that their efforts have done little more than keep them in their original competitive position. What studies such as this Report do is give city leaders a comprehensive, objective understanding of just how their city stacks up against all the other 500 cities.

The reader can appreciate how beneficial this information can be by examining Chapter 5 and, especially, Chapter 6 of the Report. Here, explicit scores and rankings are given for each of the dozens of variables for which data have been gathered. The results presented may at first appear overwhelming in extent and detail, but the reader will discover a wealth of fascinating detail and description of the 500 cities – an extended perusal of these chapters will certainly be worthwhile. One will certainly have questions with regard to the score of a city one knows quite well and wonder whether the Report has got it right. But scores and rankings give one a base for a reasoned discussion with regard to

the true attributes of any city. And presumably some sort of ‘law of large numbers’ will cause these concerns to be evened out in the aggregate.

To demonstrate the value of this work to a city strategic planner, let us examine one of the 500 cities – my original hometown, Chicago. Chicagoans have a right to be proud – their city is ranked number 10 out of 500, between San Francisco and Toronto and below New York, London, Tokyo, Paris, Washington, Los Angeles, Stockholm and Singapore. The question that must be raised by city leaders is that of what they ought to be doing to enhance the competitiveness of Chicago? We gain an understanding of this when we look at the positioning of the city in some of the individual indicators. Chicago is scored very high in corporate culture, enterprise management, industry structure, development of its manufacturing, service and financial sectors, educational development, hard environment, science, technology and innovation, ‘soft’ factors such as government services and management, strategy and experience, connectivity, and transportation, among others. Areas of weakness include enterprise operation, brand, enterprise performance, status of labor market, literacy, status of talent, cost of labor, basic elements, and housing. For a full understanding one would have to examine the situation with the several variables that are behind each of these indicators. Those familiar with Chicago will wonder how a city with its world famous Chicago Symphony and Art Institute, a lively blues culture and one of the country’s most innovative theater communities can be ranked number 143 in ‘Culture and Entertainment’ below Detroit, Cincinnati and St Louis, with New York and Philadelphia. But one would have to examine more carefully the component elements in that particular indicator before commenting definitively.

Each of the indicators of relative strength and weakness are comprised of several variables rather than just the familiar and habitually used. This indicates the real value of this Report; it uses data to give an objective understanding of a city’s strengths and weaknesses by placing familiar impressions in contexts that are, perhaps, more broadly focused than is usually the case. It would certainly be useful for officials in Chicago, New York and Philadelphia to examine carefully this and other indices to see what is being captured by the work of Pengfei Ni and his colleagues. If they find the methodology or definitions to be not useful they can ignore that aspect of the Report; but it is certainly possible that they will find that the Report is telling them something that is indeed worth understanding.

Essentially, city officials have three options for using the findings of the Report in their strategic economic planning. First, they can identify areas of strength that they should work to maintain. Second, they can identify areas of weakness that can be improved with some effort at policy design and implementation. These two areas should be included as components in their strategic economic plan for enhancement of the city’s relative competitiveness. Third, there will be areas that city leaders in their intimate knowledge of the situation will declare to be of little interest given the strategic thrust that has been decided upon, or that will be impossible to achieve with a reasonable expenditure of time and resources, or on which they with their intimate knowledge of the local situation simply disagree about with the team at CASS. This exercise in triage is essential for the effective mobilization and utilization of local and other resources, for the definition of central strategic thrusts, and for proper assessment of performance and measurement of success or failure.

Mention was made above of the eight types of cities that have emerged from this work.

These ‘city types’ are an additional asset for city planners in that they provide a general categorization for each of the 500 cities and allow those who are responsible for policy to put their city in a set of other cities with the same categorization. From this they should be able to be more efficient in their work and have reference points when they look to the actions of other cities. If a number of cities are in the same category, they should be able to observe what policies have been tried in similar cities and which have succeeded and which have failed. This understanding will certainly improve their effectiveness. The Report has separated 500 cities into the eight types.

I understand that repeating this listing is a bit redundant, since the material is presented in the Report, but I wanted to emphasize the benefit this could give to city officials. The first thing to note is that the types are all based on general performance categories – growth, per capita income and innovation capacity. There is no preference for cities that succeed as centers of learning, or research and development, or high-tech manufacturing, or logistics, or any other specific economic specialization. In most of the eight types of cities there would probably be cities of each specific specialization, all generating the same general performance success or failure. Similarly, none of the specialization ensures success or guarantees failure. Success arises from a city’s ability to discern the specialization that is most promising for it, given its particular assets, resources and aspirations. Failure indicates poor execution and mobilization of local resources, or selection of an inappropriate or unsuitable specialization and strategic thrust.

Urban competitiveness has attracted great attention from economists, geographers and local governments in recent years. Many research results are available now, both, as has been noted above, at the level of the national economy and, with publication of this important Report, at the global level. However most of the non-GUCP research results are based on realization of asserted or preferred elements in the economic activity of an urban region or a city. Many researchers assume that a high-technology (high-tech) center, bio-pharmaceutical activity, information communications technology, or some specific industry cluster will serve as the only reliable element that drives urban economic development everywhere. If a city has put in place these competitiveness elements, it is often asserted that it will then enjoy stronger urban competitiveness. However, some cities are quite successful as centers of administration, culture, research and development, niche manufacturing or logistics. They are very successful in that they provide the job opportunities, incomes, social structure and cohesion, urban amenities and natural environments that are most satisfying to their residents. In the GUCP we are of the opinion that this is the best indicator of urban competitiveness: economic development that meets the aspirations of a city’s residents rather than just success in establishing an industrial sector or cluster that is favored by the consultants today. The *Global Urban Competitiveness Report – 2010* is a prime example of how this approach can be used to the benefit of local officials and planners.

In these comments I have endeavored to give the reader a comprehension of what is in the Report, why it is of importance to researchers on urban competitiveness and of value to local officials and planners, and an incentive to read it carefully. The Report’s rich collection of data and the sophisticated methodology ensure that its results will be taken seriously and will serve as a contribution to effective urban strategic economic planning.

The release of the *Global Urban Competitiveness Report – 2010* is indeed a welcome event. Professor Pengfei Ni and his colleagues at the Chinese Academy of Social Sciences

have been engaged in urban competitiveness research for more than ten years. Previous urban competitiveness reports were only available in Chinese versions. As a result, scholars and government officials in other countries did not have access to their research results. Fortunately, with this Report, that will no longer be the case.

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NOTES

1. See our website: www.gucp.org.
2. Leo van den Berg and Antonio Paolo Russo (2007), *The Impacts of Culture on the Economic Development of Cities*, Rotterdam: EURICUR.
3. W.F. Lever (2002), 'The knowledge base and the competitive city', in I. Begg (ed.), *Urban Competitiveness: Policies for Dynamic Cities*, Bristol: Policy Press, pp. 11–31.
4. Pierre-Paul Proulx (2000), 'La compétitivité de la région métropolitaine de Montréal en Amérique du Nord', *Policy Options*, April, 61–4.
5. Antonio Serrano (2003), 'Forecasting economic development using urban competitiveness and attractiveness factors', proceedings of the Regional Science Association Congress, St Andrews, Scotland, 20–22 August.
6. Jaime Sobrino (2004), 'Competitividad territorial: ámbitos e indicadores de análisis,' *Economía, Sociedad y Territorio*, 3(17), 123–83.
7. Pengfei Ni (2004), *The Blue Book of Chinese Urban Competitiveness*, Beijing: CASS.
8. Peter Karl Kresl and Balwant Singh (1999), 'Competitiveness and the urban economy: the experience of 24 large U.S. metropolitan areas', *Urban Studies*, 36(May), 1017–27; Peter Karl Kresl and Pierre-Paul Proulx (2000), 'Montreal's place in the North American economy', *The American Review of Canadian Studies*, 30(3), 283–314.