

#### Long Finance Symposium

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"When would we know our financial system is working?"

# "Competitive Cities: What We Can Measure and What We Can't" Professor Tony Travers, LSE



## City competition: not a new idea?

#### • London

- Great Exhibition, 1851
- The biggest city the world has ever known'

#### New York

- Skyscrapers
- The 'city that never sleeps'

#### • Paris

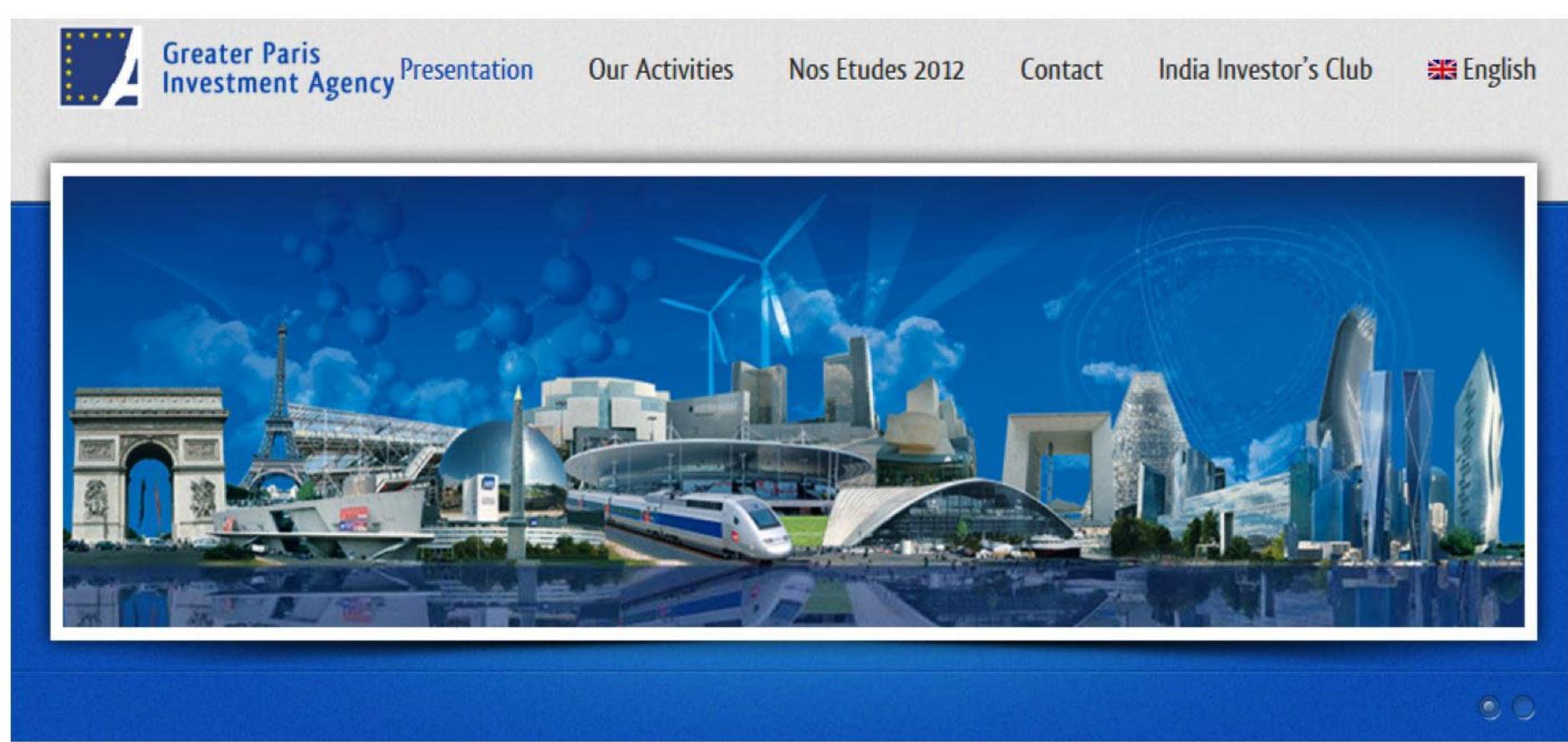
- Napoleon III's desire to compete with London
- London's (failed) attempt to copy the Eiffel Tower

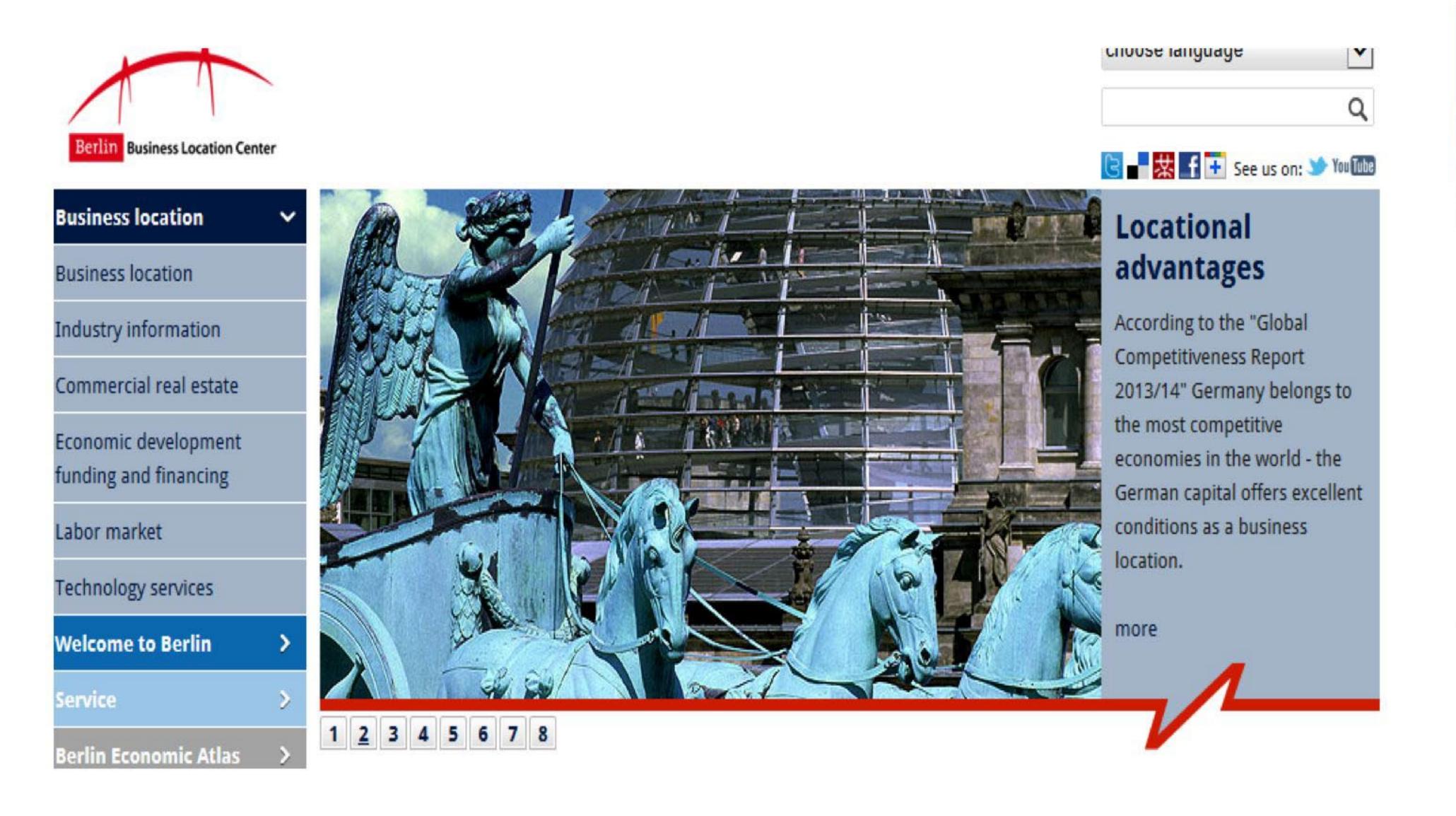
## Cities compete today in many ways

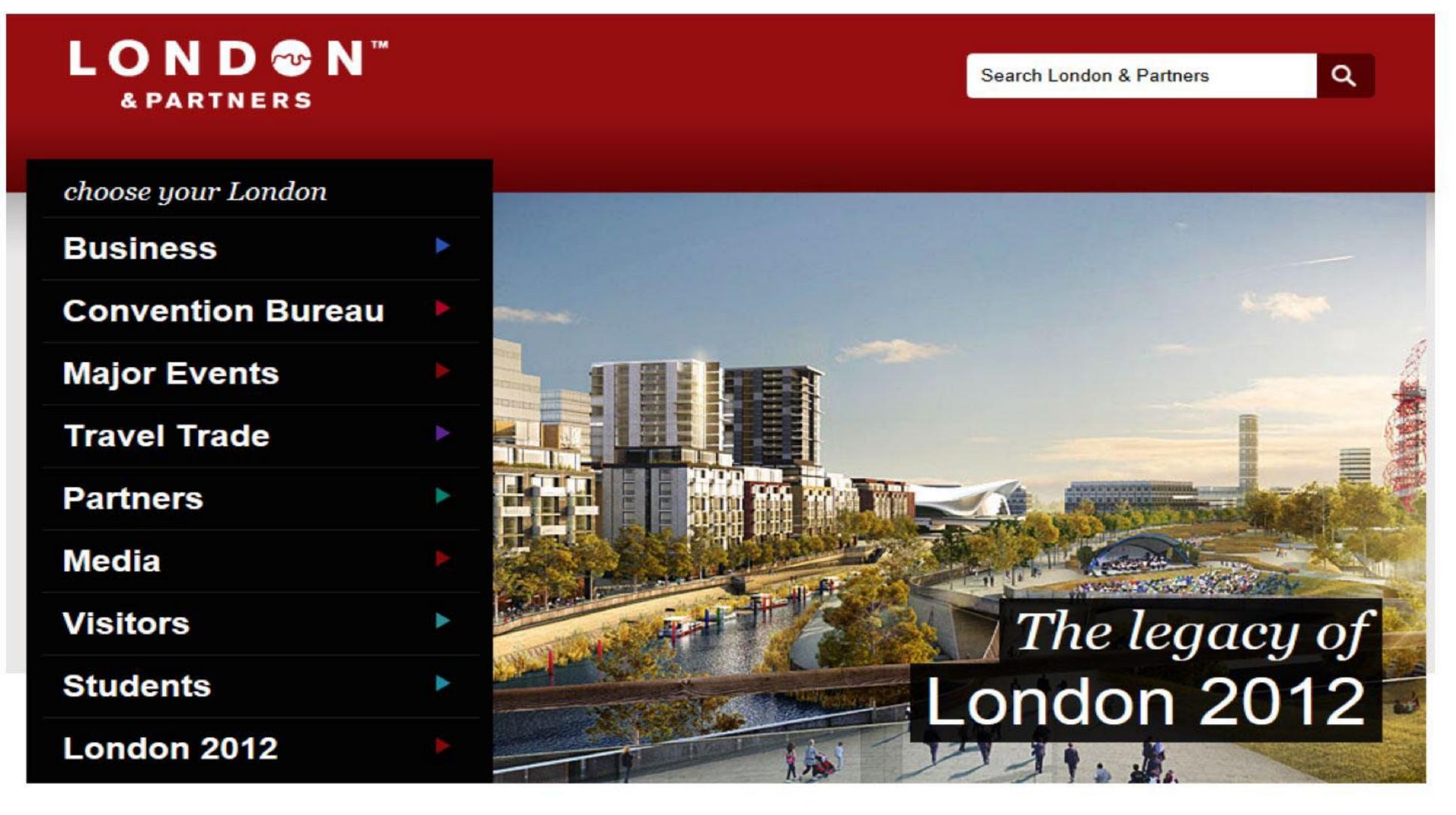
- Economic power
  - Markets, property, retail
- Political power, influence
  - Capital city, headquarters of international organisations, rich/powerful individuals
- Cultural impact
  - Performing arts, museums, advertising etc
- Communications hub
  - Airports, telecoms
- Lifestyle
  - Openness, tolerance, diversity

# Cities' marketing and promotion









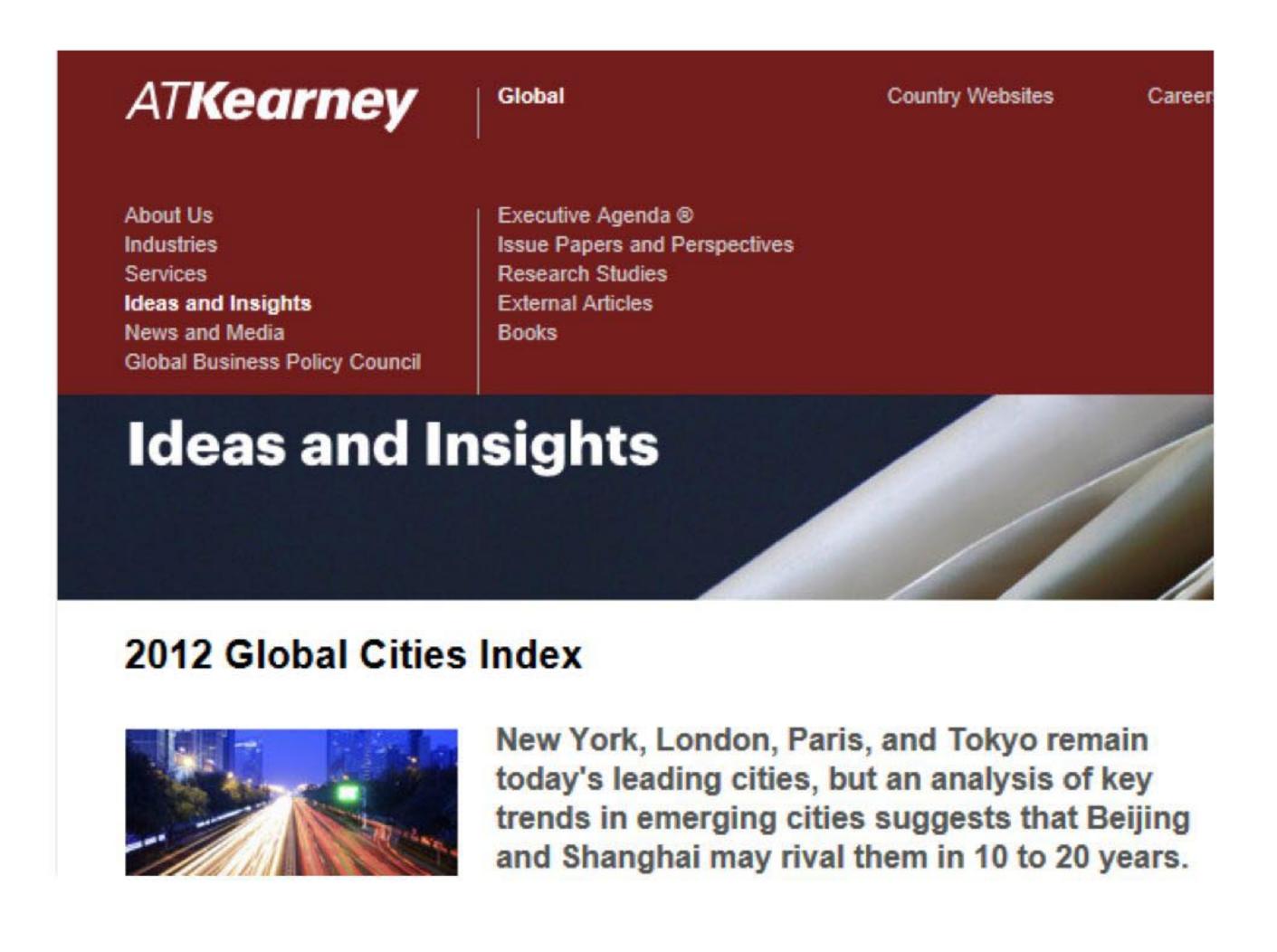
## Reputation

- Politics and government
  - Long-term predictability of moderate politics and clean government
- Rule of law
  - Consistency of government, independence of judiciary, police
- Attractiveness to investors
  - Tax competitiveness, property rights, cultural attitudes
- Quality of life
  - Crime, education systems, healthcare, environment, cultural institutions, architecture & 'urbanism'

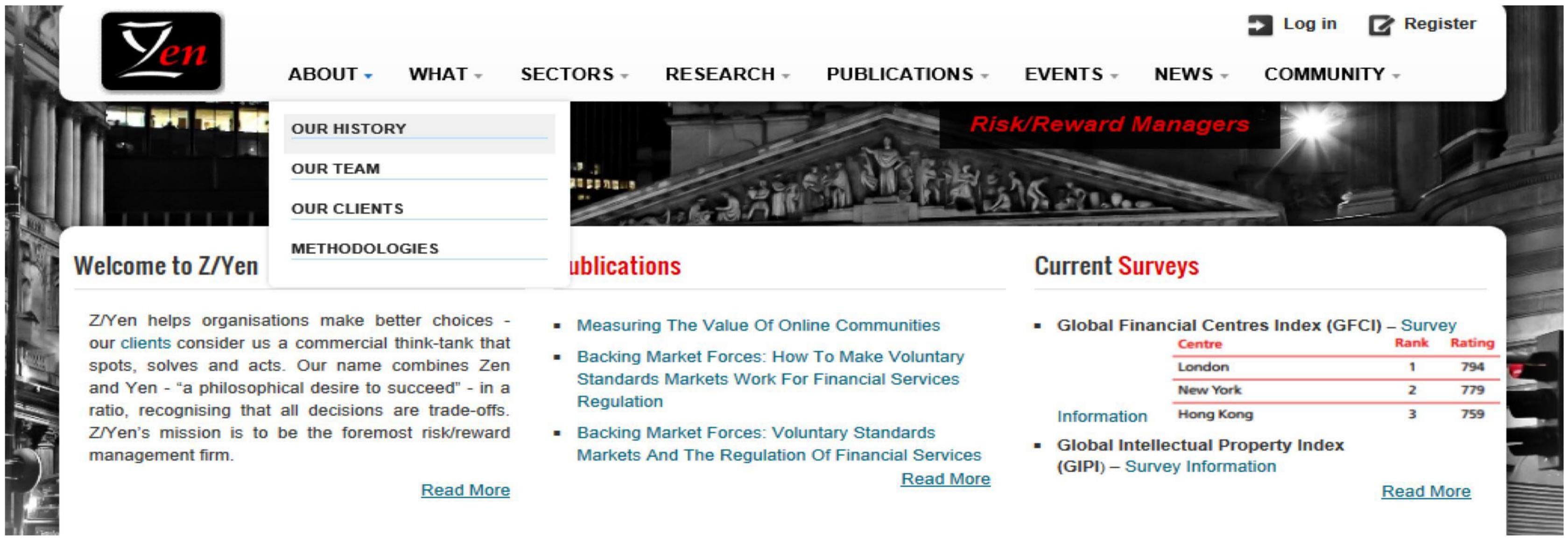
# Independent measurement of attributes, competitiveness etc

- Size/prospects of economy, population
  - GDP total and per capita, city, city region
- Economic competitiveness
  - Tax regime, government policy
- Output of schools, colleges, public services
  - Universities, schools
- Quality of cultural assets, institutions
  - Global quality museums, orchestras, theatres
- Consistency and effectiveness of government
- Public opinion

# Global city indices....







#### What is hard to measure

- There are a number of intangible or hard-tomeasure attributes, notably:
- 'Lifestyle' attributes
  - Openness
    - Willingness to accept outsiders and new ideas
    - Free thought, free speech, lack of censorship
  - Tolerance
    - 'Live and let live' attitudes
    - Freedom via anonymity
  - Diversity
    - Different people from different countries
    - Extensive new migration

### Conclusions - 1

- Major cities are both competitive and collaborative
  - Competition for investment, talent, rich residents
  - Collaboration in relation to experimentation with new goods and services which will only work in other major cities
    - eg, West End and Broadway, Wall Street and The City
- A number of older cities have embedded advantages
  - Notably, a balance of attractive attributes

#### Conclusions - 2

- Cities probably need to be aware of indices of competition, if for no other reason than other cities may rise up rankings
- Indices do (broadly) measure real attributes
- But, intangible and 'psychological' factors are also important
- Need for cities to keep thinking and discussing their strengths and weaknesses....