

"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

PARTNERSHIP for New York City


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- PARTNERSHIP FUND FOR NEW YORK CITY
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Locational advantages

According to the "Global Competitiveness Report 2013/14" Germany belongs to the most competitive economies in the world - the German capital offers excellent conditions as a business location.

more


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The legacy of London 2012

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....

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2012 Global Cities Index



New York, London, Paris, and Tokyo remain today's leading cities, but an analysis of key trends in emerging cities suggests that Beijing and Shanghai may rival them in 10 to 20 years.

This "overall rating" for each city has been created by adding up the percentage of the global sample nominating it as one of the best places to (a) do business in (b) live in and (c) visit.

Ipsos Cities Index

IPSONS CITIES INDEX | WORK | REST | PLAY

Cities Index Score	City	Score
68	New York	68
52	London	52
52	Paris	52



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Z/Yen helps organisations make better choices - our clients consider us a commercial think-tank that spots, solves and acts. Our name combines Zen and Yen - "a philosophical desire to succeed" - in a ratio, recognising that all decisions are trade-offs. Z/Yen's mission is to be the foremost risk/reward management firm.

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- Measuring The Value Of Online Communities
- Backing Market Forces: How To Make Voluntary Standards Markets Work For Financial Services Regulation
- Backing Market Forces: Voluntary Standards Markets And The Regulation Of Financial Services

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Current Surveys

- Global Financial Centres Index (GFCI) – Survey

Centre	Rank	Rating
London	1	794
New York	2	779
Hong Kong	3	759
- Global Intellectual Property Index (GIPI) – Survey Information

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What is hard to measure

- There are a number of intangible or hard-to-measure 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....