Competitive cities are resilient cities
Resilience for economic development

...the capacity of an economy, either local or regional, to be flexible enough to recover from any type of shock by adapting its structure – economic, social or institutional – to ultimately follow a more productive path than the one it had before the shock or at least restore it. (Martin and Sunley, 2015:13)
What are the different determinants for economic resilience?
“...economic resilience increases not only when the size of cities is considered, but especially according to the type of functions hosted in them; those cities with higher value-added activities, with higher quality of production factors, higher density of external linkages and cooperation networks and a better quality of urban infrastructure, are those showing the highest economic resilience.” (Capello et al., 2015)

...In other words: Resilience of Regions depends on Competitiveness of Cities
Determinants of Competitive Cities: A framework
Link to Video here
What? Putting private sector competitiveness at the center of economic development is key for resilience.
How?
Three Points of Leverage

1. Catalyze a public-private Growth Coalition
2. Apply city scope and capability
3. Leverage regional and national relations
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Institutions & Regulations
Enterprise Support & Finance
Infrastructure & Land
Skills & Innovation
Bucaramanga

a: Mid-sized landlocked city in Colombia

For decades suffering political instability and economic dislocation wrought by violence
However, Bucaramanga transitioned to a post-industrial economy.

- Population of Metropolitan Area, millions: 1.1
- Population growth over 6 years (2007-2012): 4%
- Metropolitan GDP (USD billions): 12.8
- Average GDP growth (2000-2010): 4.9%
- Employment Growth over 6 years (2007-2012): 26%
- Unemployment Rate (lowest in country): 7.7%
- Of the Average National Per-Capita Income: 170%
- Reduction in Poverty Rate, from 33.7% to 10.3%: 2/3
- Gini Coefficient (second lowest in LAC region): 0.449

Heavily dependent on traditional manufacturing industries in the 2000s.

Greater growth than the Colombian economy as a whole, and that of comparable cities in its region.
- pushed for demand-driven infrastructure
- supported private sector access to finance
How do they do it?

Built a **local-growth coalition**

The **Chamber of commerce**
was the main driver
The coalition...

Identified the region’s key economic and developmental priority areas

Assessed the general growth potential of individual industry sectors, analyzed constraints, and evaluated impact of solutions

Discussed needed institutional changes, such as a new Regional Competitiveness Commission (RCC or Santander Competitivo)
Santander Competitivo became the main driver of:

- Proactive economic development initiatives in the region
- Systematic, highly effective public-private dialogue
- Stakeholder engagement
- Regional Competitiveness Plan in 2007
Palonegro Airport was one of the main infrastructure investments resulting from this new approach, which supported Bucaramanga’s competitiveness.
Through assistance to firms, private sector could leverage national programs and support, particularly to fund activities outlined in the RCC’s regional competitiveness plan.
1. Catalyze a public-private growth coalition
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- Institutions & Regulations
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- Skills & Innovation
Changsha
Mid-sized landlocked city in China

It doesn’t experience the advantages of coastal cities, but it is responsible for implementing strategies that stimulated local growth.
However, Changsha experienced exceptional economic growth in 2007-2012

<table>
<thead>
<tr>
<th>Key facts</th>
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<tbody>
<tr>
<td>City population (4.5m in core city)</td>
<td>7.15m</td>
</tr>
<tr>
<td>City population annual growth (2000-2010)</td>
<td>3.83%</td>
</tr>
<tr>
<td>Total migrant population</td>
<td>1.37m</td>
</tr>
<tr>
<td>Migrant population annual growth (2000-2010)</td>
<td>6.64%</td>
</tr>
<tr>
<td>Average annual GDP growth (2007-2012)</td>
<td>12.82%</td>
</tr>
<tr>
<td>City GDP as ratio of National GDP</td>
<td>1.10%</td>
</tr>
<tr>
<td>Annual average job growth (2007-2012)</td>
<td>6.05%</td>
</tr>
<tr>
<td>Total number of industrial parks</td>
<td>12</td>
</tr>
</tbody>
</table>

The city expanded its manufacturing base, both attracting and fostering the growth of firms that have become globally competitive.

But also, outside manufacturing, the city is home to one of China’s most dynamic media companies.
Changsha has invested in building human capital
How do they do it?
The city effectively addressed main bottlenecks, with cooperation of the central government.

- inter-agency cooperation
- government support for local businesses
- improvements to human capital levels
To mitigate the risk of dependency on its core industry, Changsha diversified the economy

Through effective inter-agency coordination mechanisms, called “Leading Groups”.

They coordinated investment attraction and investor aftercare across various departments and levels of government.

They provided a framework with clear roles, reporting requirements and accountability mechanisms.
Changsha placed a high and sustained priority on human capital

The city sought to attract high level talent both domestically and abroad.

The city promoted vocational degree programs: development of specialized “in-demand” skillsets.
Thank you!