

Presentation for the National Urban Policy Conference
16-17 May, 2013, Sydney



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Making Australian Cities Effective: Competitiveness, Productivity, and Transaction Costs

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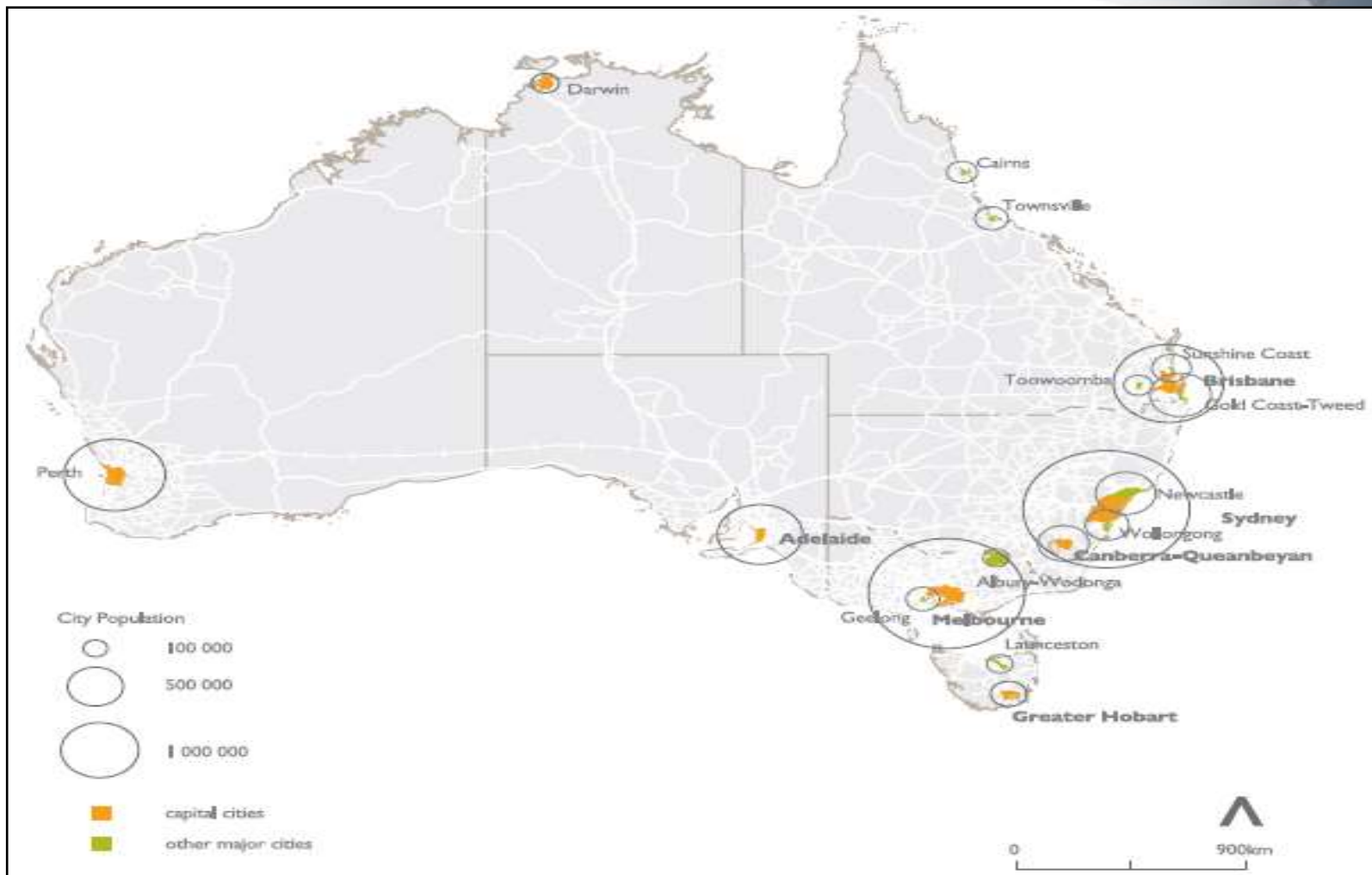
Do cities compete? And How?

- Urban competitiveness takes its conceptual roots in competitiveness for industries and firms (Krugman, 1993, 1996a; Porter, 1985).
- The proposition of territorial competitiveness was first applied to nations (Porter, 1990), and then extended to incorporate cities (Kresl, 1995; Kresl & Singh, 1994; Porter, 1995).
- Cities do not compete with one another: they are the locus for firms and enterprises which compete (Krugman, 1996a, 1996b).
- Cities and regions do compete, but not in the same way as commercial enterprises which compete for profit maximisation; cities and regions compete in more complex ways for more complex goals, such as investment, population, talents, funding for public infrastructure, and events like the Olympic Games (Porter, 1995, 1996).
- Though cities do not compete as firms do, some cities provide better environments than other cities for firms to do business (Boddy & Parkinson, 2004).
- A city's competitiveness is related to its mix of attributes for business operation (Begg, 1999).

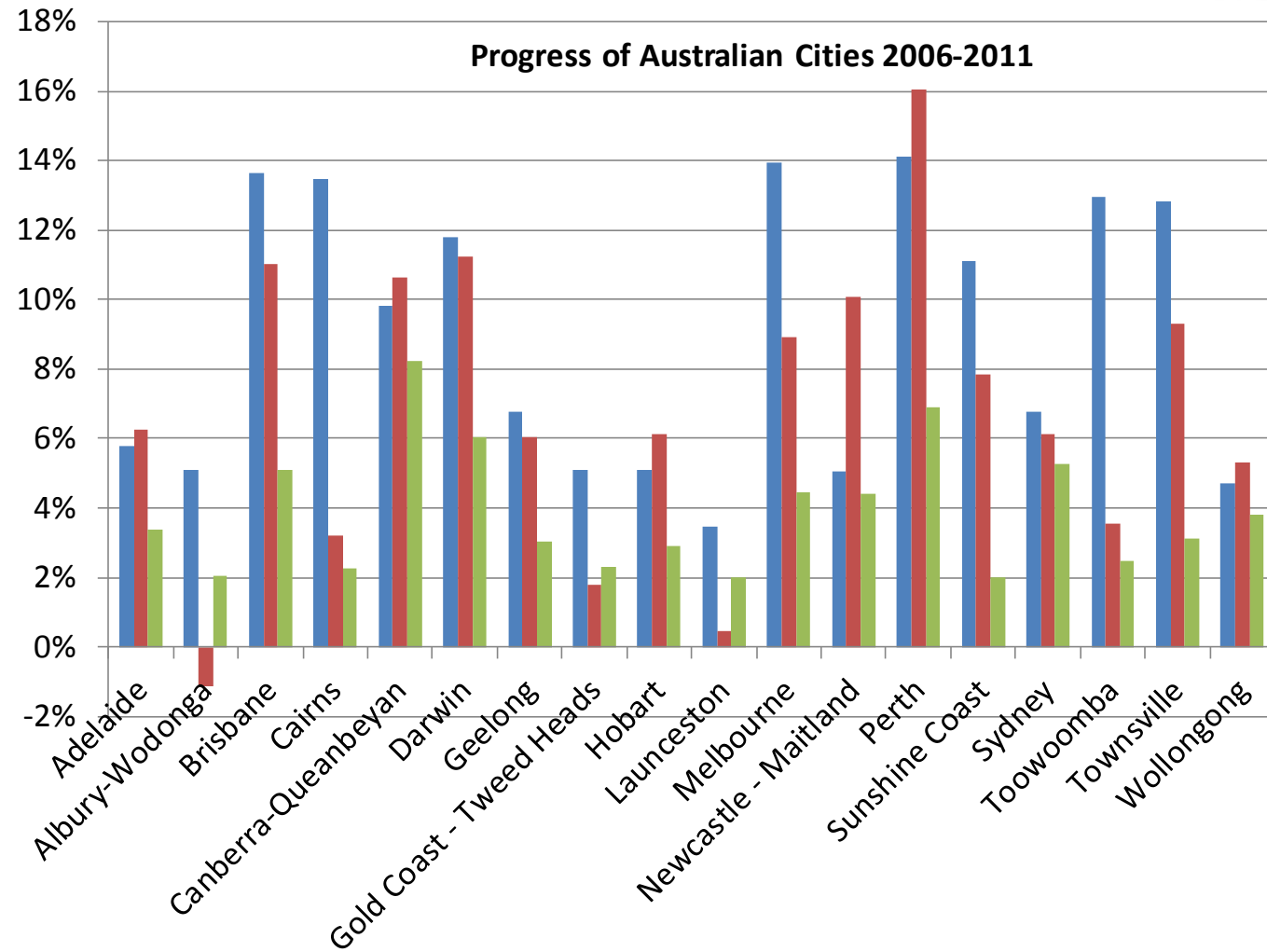


- Urban or regional competitiveness is essentially about economic competitiveness, and is measured by economic success (Boddy & Parkinson, 2004; Budd & Hirmis, 2004; Kresl, 1995; Kresl & Singh, 1994, 1999, 2012; Rogerson, 1999; Turok, 2004).
- An explanatory approach: ‘outcomes’ and ‘inputs’ of urban competitiveness, in which the outcomes are the ‘indicators’ of urban competitiveness (e.g. GDP, employment, income, etc.) while the input factors are identified as the ‘determinants’ of urban competitiveness (e.g. productivity, innovation and infrastructure) (Begg, 1999; Greene, et al., 2007; Jiang & Shen, 2010).
- Importance of incorporating non-economic dimensions into the conceptualisation and methodological approach of urban competitiveness, like quality of life (Begg, 1999; Rogerson, 1999) or liveability (Ling & Yuen, 2010), urban governance (Shen, 2004), urban amenities (Florida, 2002), social cohesion (Ranci, 2011), and environmental sustainability (Bulkeley & Betsill, 2005; Petrella, 2000).
- An integrative approach to urban competitiveness to include economic, social and environmental dimensions (Jiang & Shen, 2010; Ng & Hills, 2003; Shen, 2004).





Progress of Australian Cities 2006-2011

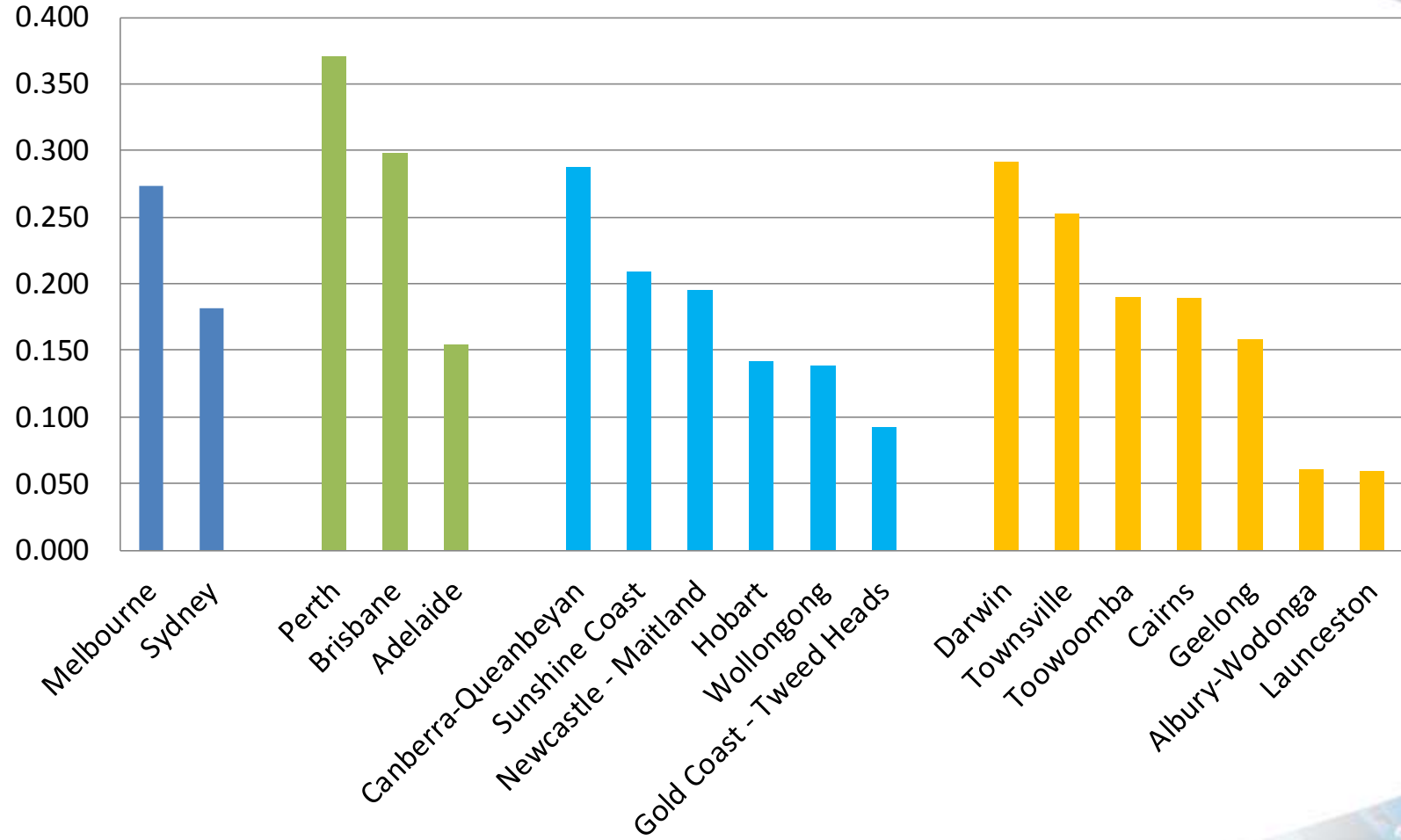


■ Population
■ Employment
■ Income



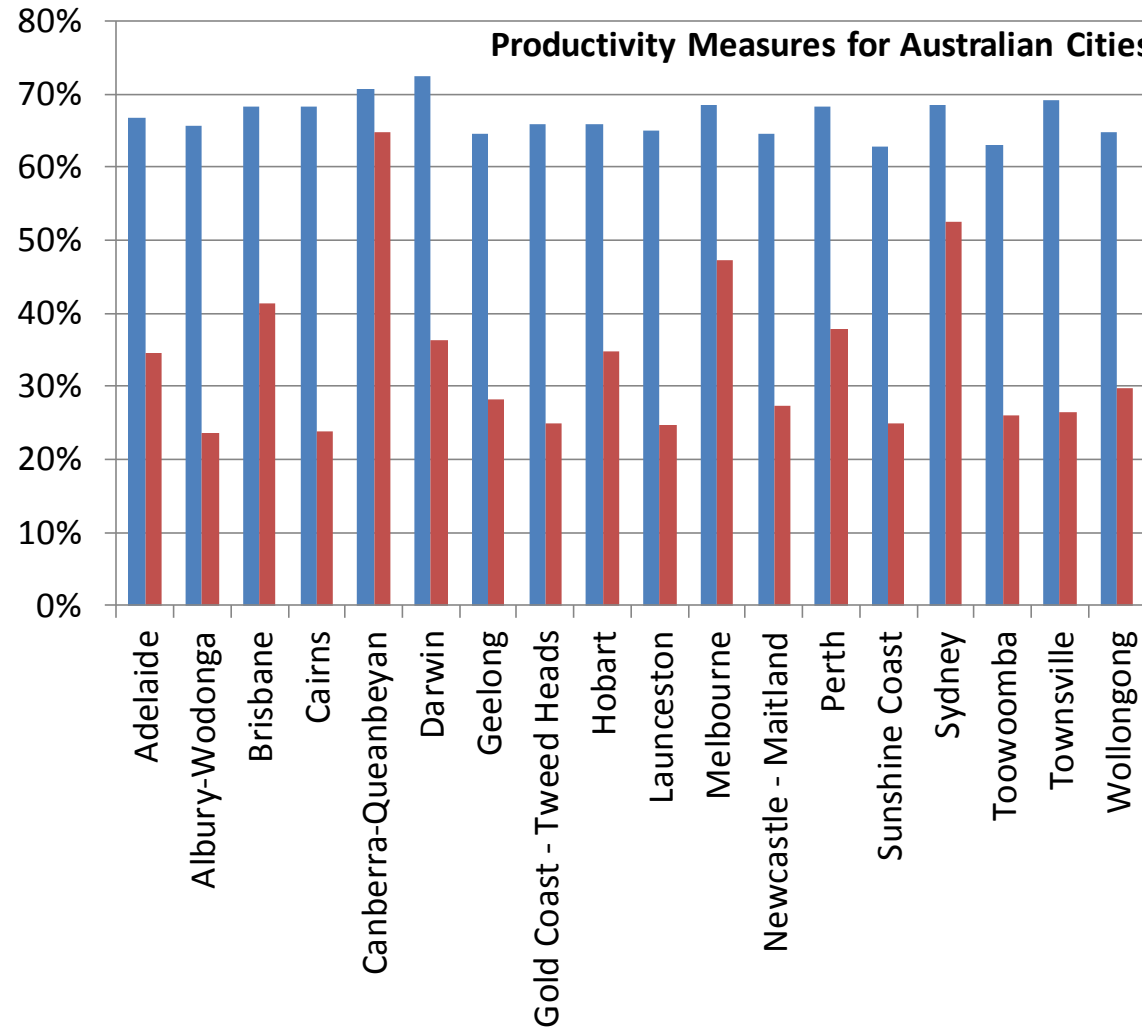
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Urban Competitiveness Index of Australian Cities



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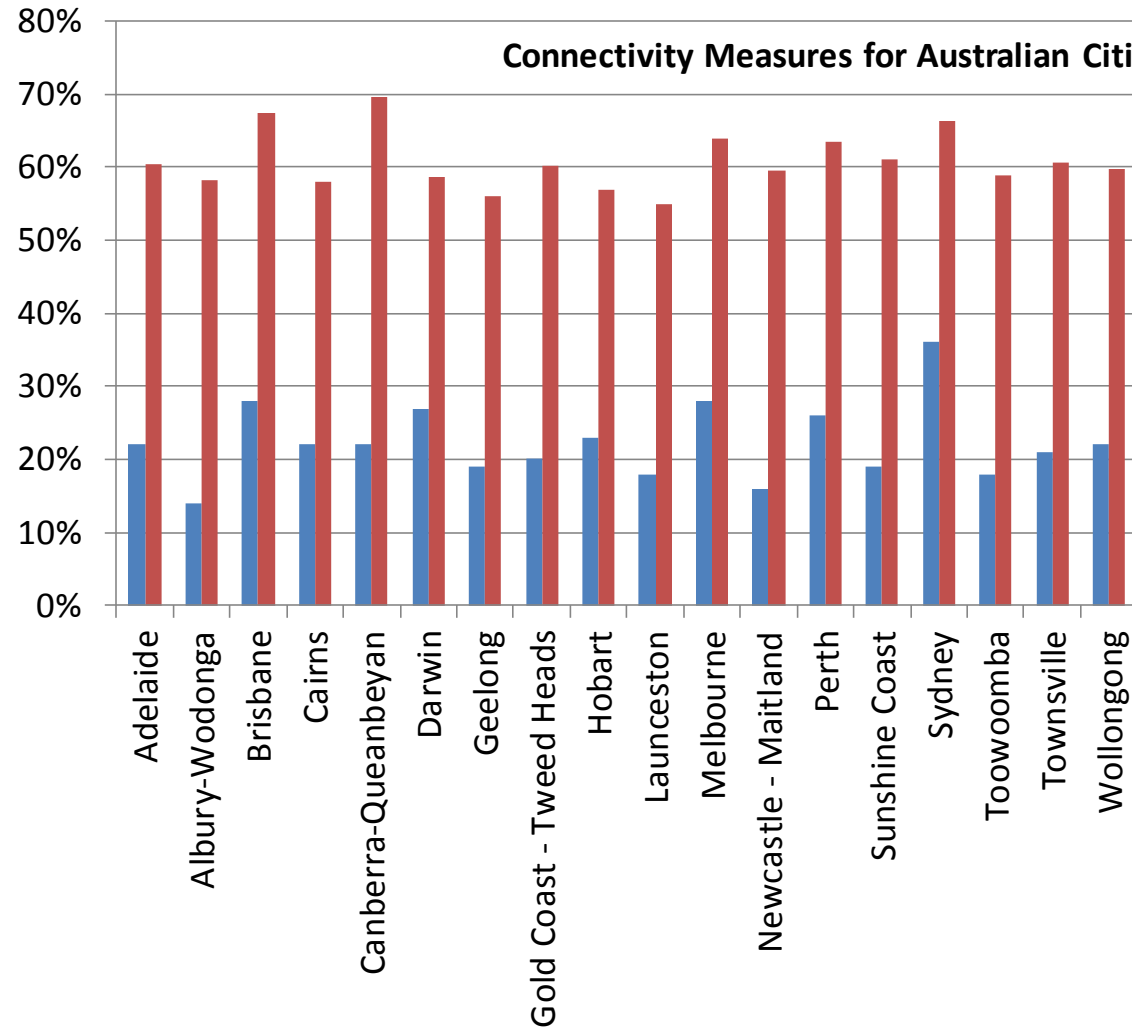
Productivity Measures for Australian Cities



■ Labour Force Participation
■ Labour Force Qualifications

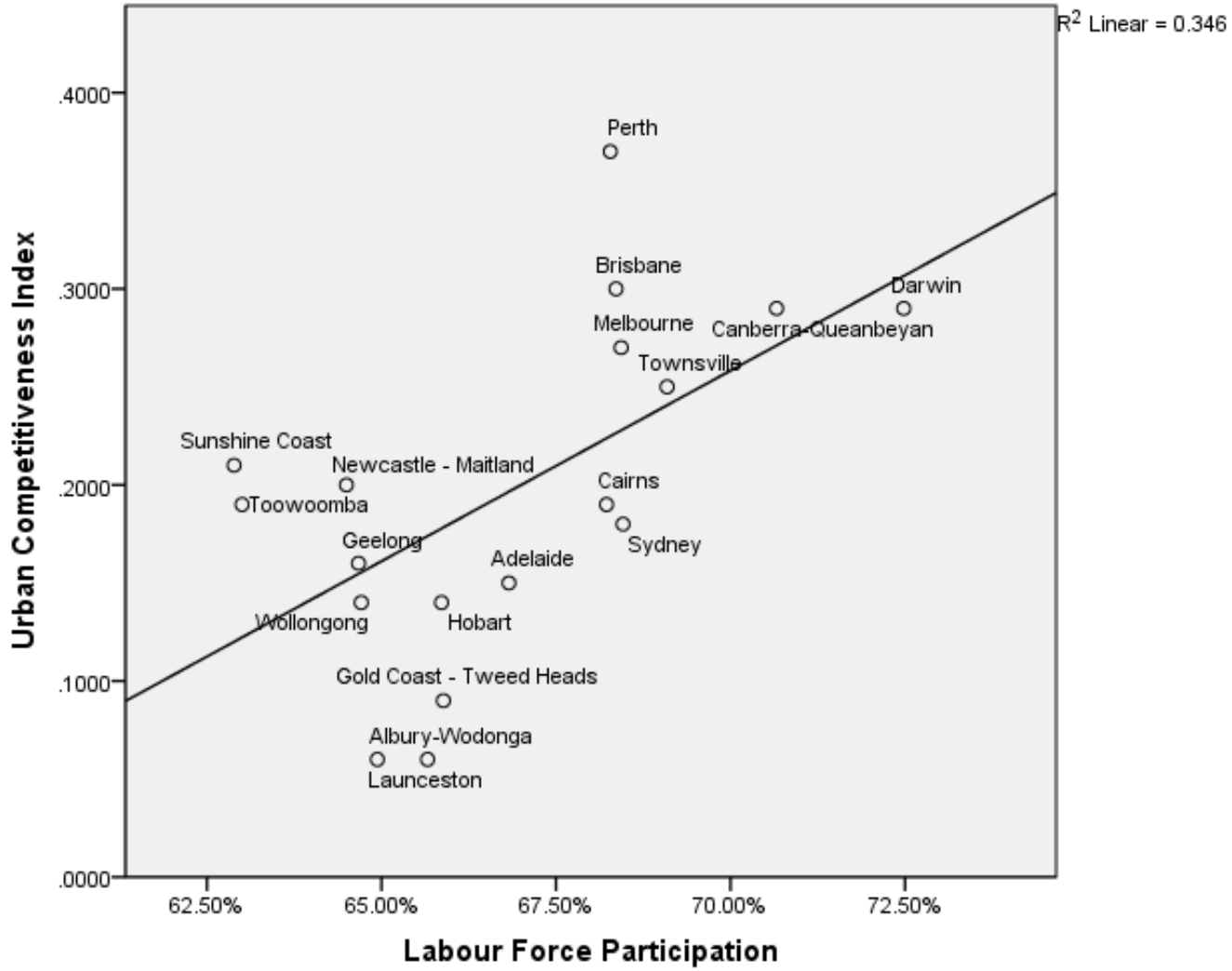


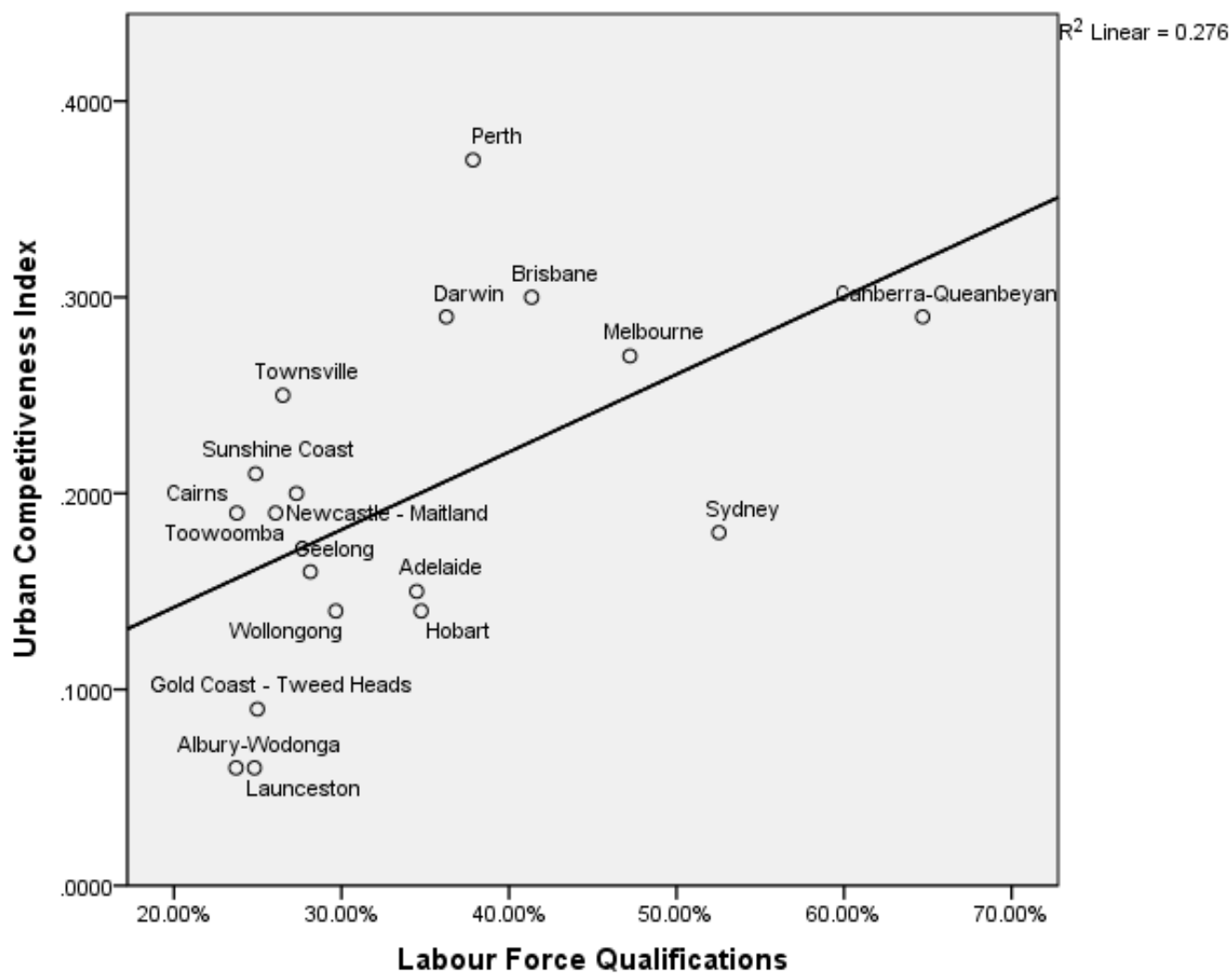
Connectivity Measures for Australian Cities

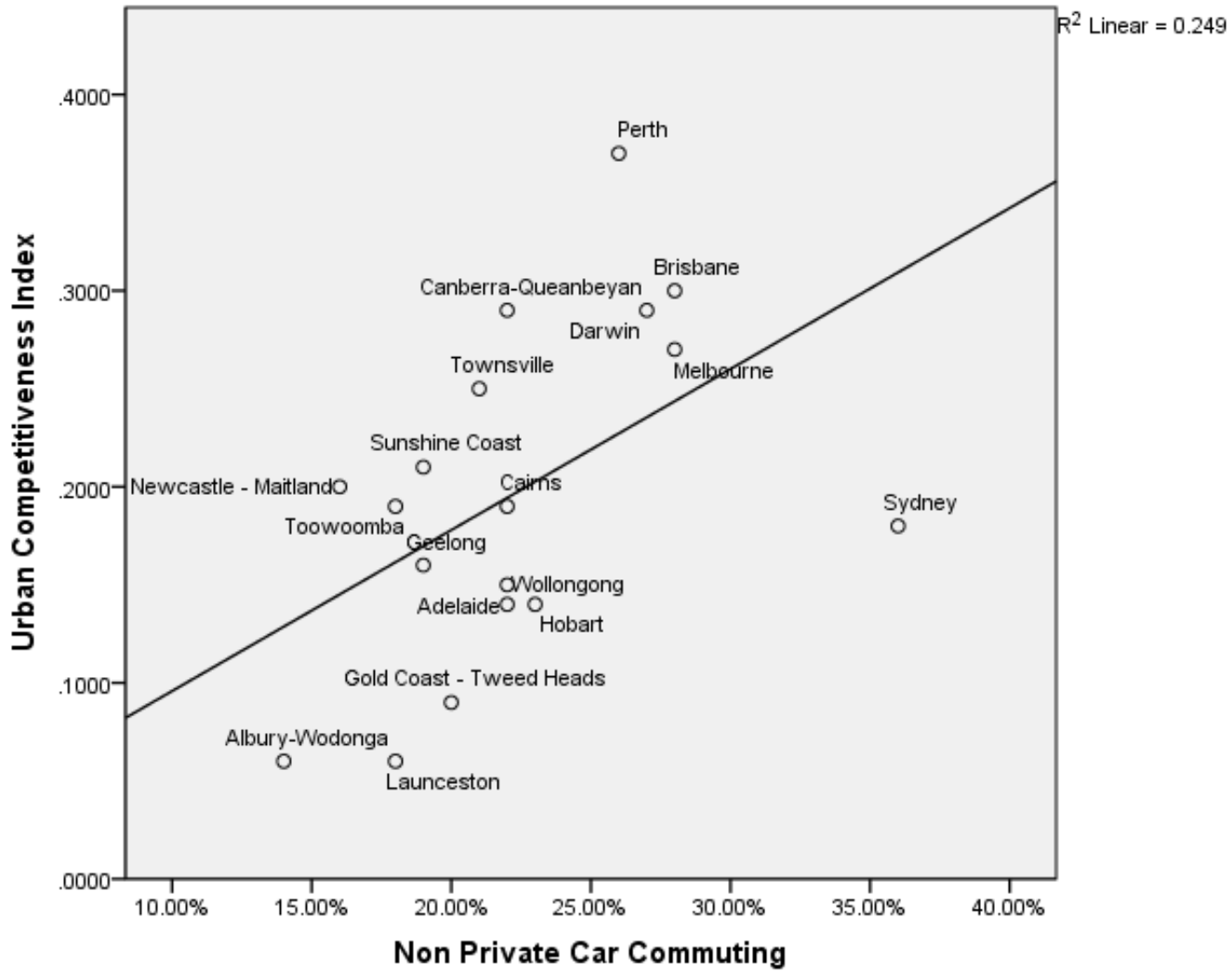


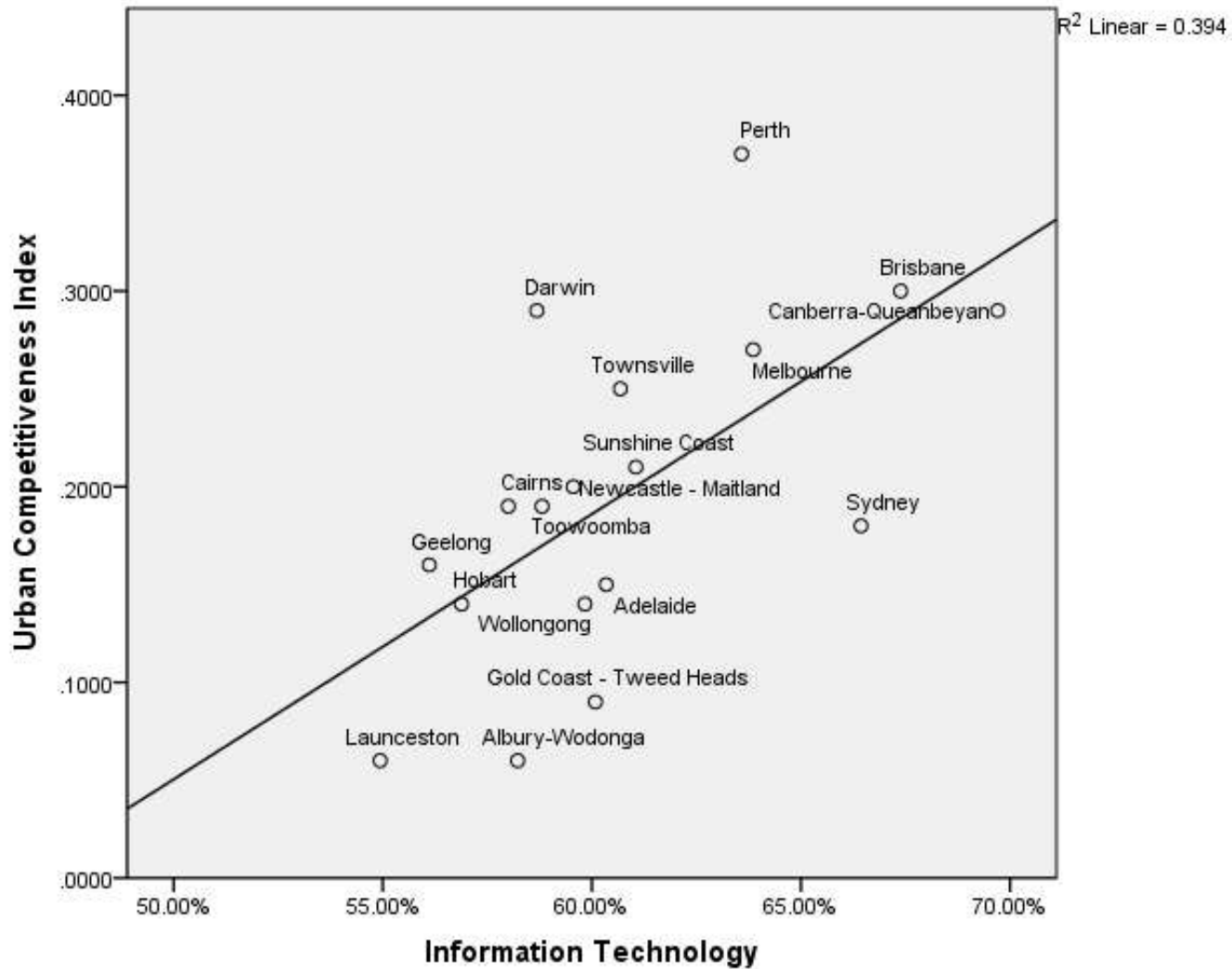
■ Non Private Car Commuting
■ Information Technology











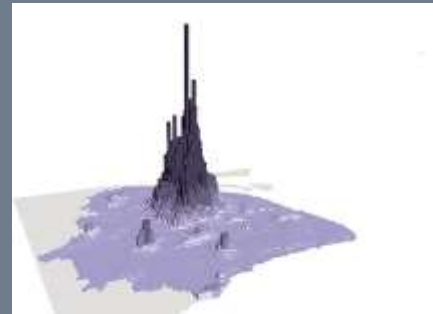
New York



London



Shanghai



Mexico City

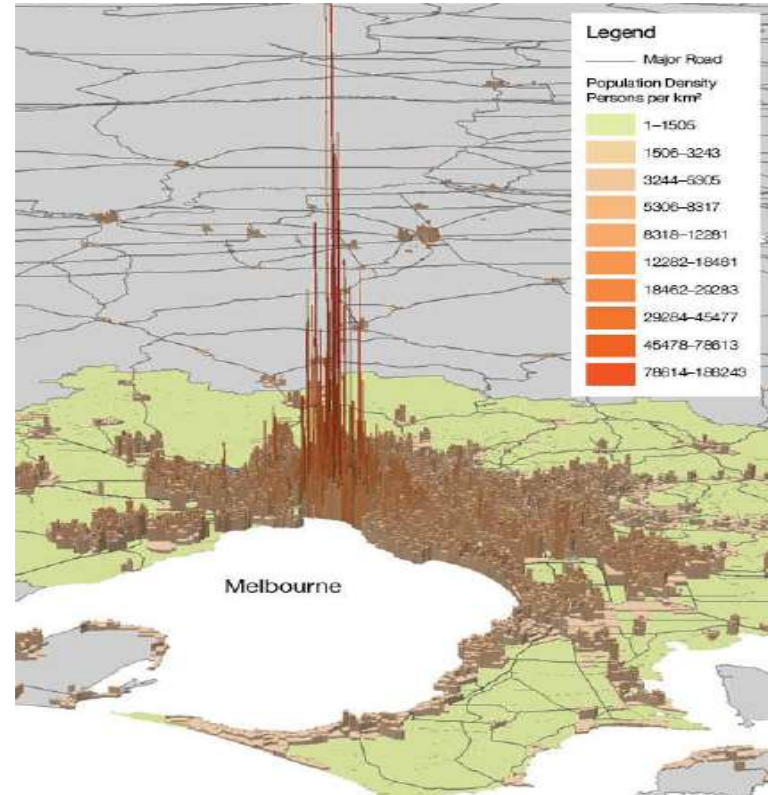
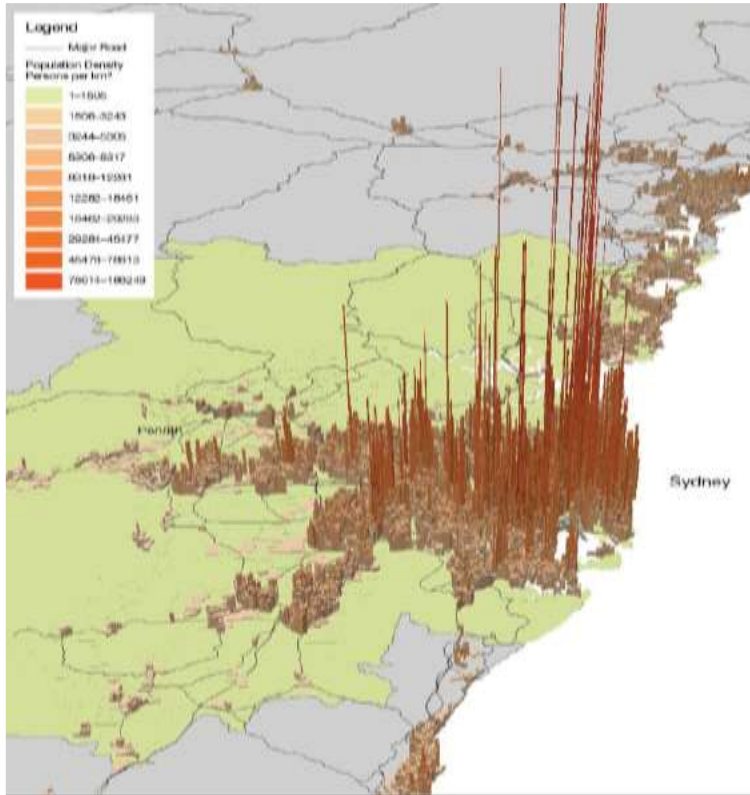


Johannesburg



Berlin







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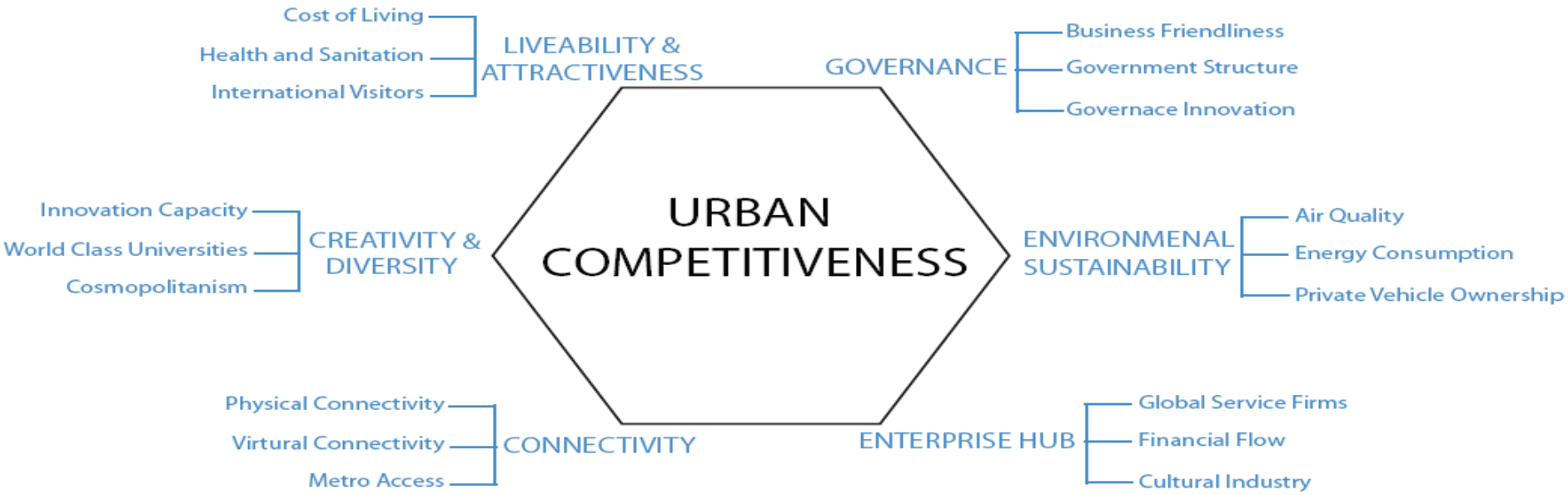
Globe Encounters

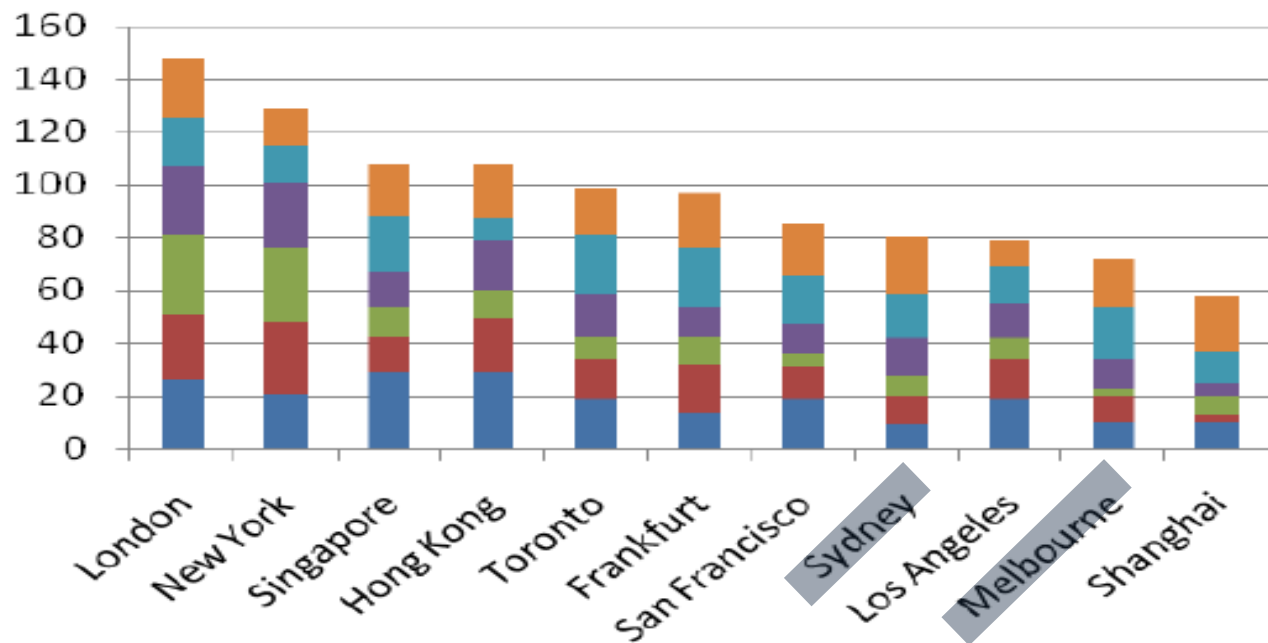
In the Information Age, the flow of Internet traffic between locations is nearly ubiquitous. Globe Encounters visualizes the volumes of Internet data flowing between New York and cities around the world over the past 24 hours. The size of the glow on a particular city location corresponds to the amount of IP traffic flowing between that place and New York City. A larger glow implies a greater IP flow.

IP traffic | total
outgoing from new york



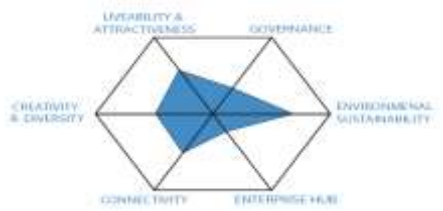




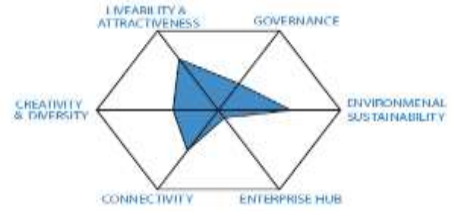


- VI Environmental Sustainability
- V Liveability and Attractiveness
- IV Creativity and Diversity
- III Enterprise Hub
- II Connectivity
- I Governance

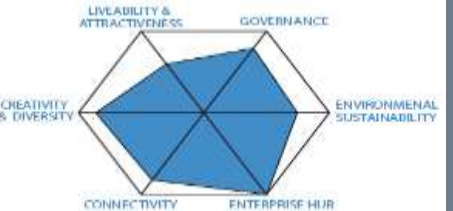
Sydney



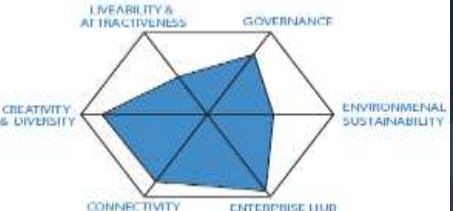
Melbourne



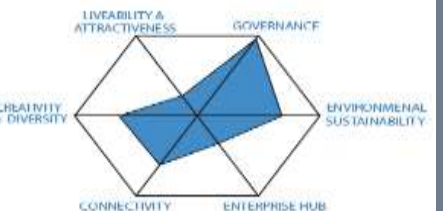
London



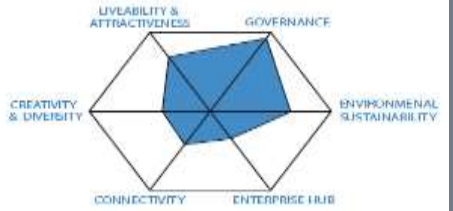
New York



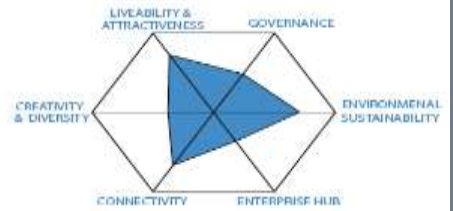
Hong Kong



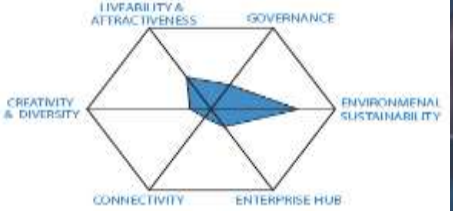
Singapore



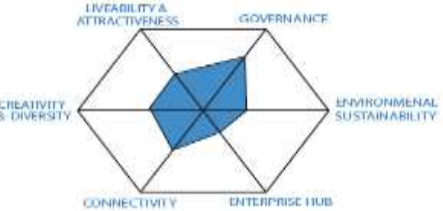
Frankfurt



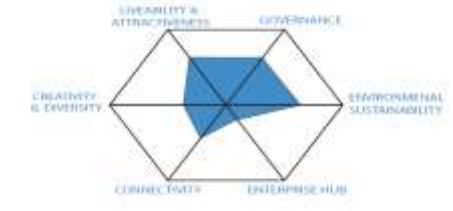
Shanghai



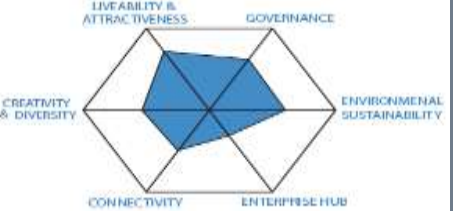
Los Angeles



San Francisco



Toronto



- Australian cities compete globally in a networked society.
- Urban competitiveness involves a city's performances in multiple economic, social, environmental dimensions and governance.
- Economic productivity is related to a city's human capital, social capital, environmental capital and political capital.
- Good governance is the best asset a city may have.
- Minimising transaction cost relies on “hard power” and “soft power”.





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