



## Technical Deep Dive on Competitive Cities

Oct 30 to Nov 3, 2017

World Bank Tokyo Development Learning Center (TDLC)  
Competitive Cities Community of Practice (CoP)

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### Executive Summary

- Cities are global and national engines of economic growth.** Cities generate more than 60% of global GDP and house more than 50% of the population. Of the largest 750 cities in the world, three-quarters have grown faster than their national economies since the early 2000s. Cities success in contribution to national and global economic development is, in part, because higher productivity results from economies of urbanization and localization, which attract skilled workers, as well as more productive entrepreneurs and firms.
- To capitalize on success, city decision makers need to take action now.** Decisions taken by city leaders today will be long lasting and hence have the potential of building long-term success or send their cities down a path of unsustainable development. Consequently, city leaders are increasingly facilitating its firms and industries to create jobs, raise productivity and increase the incomes of citizens over time; thus, ensuring a more 'Competitive City'.
- A "competitive city" is a city that successfully facilitates its firms and industries to create jobs, raise productivity, and increase the incomes of citizens over time.** Worldwide, improving the competitiveness of cities is a pathway to eliminate extreme poverty and to promote shared prosperity. But several million additional jobs can be created every year if more cities perform at the level of the world's best. The primary source of job creation has been the growth of private sector firms, which have typically accounted for around 75 percent of job creation. Thus, city leaders need to be familiar with the factors that help attract, retain, and grow the private sector and how they can use their existing tools (such as land, infrastructure and financing) to leverage these factors.
- Driven by concerns of policy makers and Mayors, the World Bank's *Competitive Cities for Jobs & Growth* report attempted to answer this question.** With a focus on how cities create jobs and growth, how cities maintain competitiveness and how cities could isolate key priorities; the work isolated key economic, policy and implementation and delivery characteristics of Competitive Cities.
- The Competitive Cities TDD will highlight practical tools, highlight relevant experiences, and build networks of city leaders (public and private) to transform their cities into competitiveness champions in their regions.** The TDD will provide an opening for client city officials and decision-makers to leverage intellectual and practical assistance they need to lead economic development agendas in their cities. Some of this follow-up work may be provided through World Bank Group engagements, to be discussed with participant cities.
- The TDD will draw deeply from the case studies, and mini-cases, researched as part of the Competitive Cities report and the more recently researched case studies of Yokohama and Kobe (with the possibility of early learnings from additional cases soon to be underway), as well as from practical examples from cities around the world, World Bank projects and research** from the executive development programme for mayors and public private dialogues already tested and delivered in several countries.

The following learnings will be particularly relevant to the TDD's format and content:

- #1. **Competitiveness needs to be market-driven.** Policy makers, and those that assist them, often develop strategies that are de-linked to an understanding of market demands. The capability for data and analytics is crucial to an understanding of comparative and competitive advantages, which are key for cities in designing strategies for competitiveness.
- #2. **Cities balance increasing responsibilities and competing demands, with limited financial and human resources.** City leaders often underrate their ability to influence local economic development, and struggle to identify and use tools they already possess to leverage economic development.
- #3. **Building coalitions between public and private sector is central to developing and implementing strategies.** Limited interaction between public and private stakeholders is linked to lack of trust. Intensive trainings can help identify change agents, and set the pace for future coalitions for growth.
- #4. **People learn best by doing.** Participants in technical trainings learn better by working through problems that resemble closely their own challenges. Interactive and practical problem-solving sessions work best to impact and retain knowledge.
- #5. **Peers speak the same language.** City leaders rally effortlessly around common problems. Changes in approaches and behaviours are better accomplished through peer-to-peer interactions, usually around common challenges – technical, political, institutional.

## Context and Challenges

**Cities are global and national engines of economic growth.** Cities generate more than 60% of global GDP and house more than 50% of the population. Of the largest 750 cities in the world, three-quarters have grown faster than their national economies since the early 2000s. Cities success in contribution to national and global economic development is, in part, because higher productivity results from economies of urbanization and localization, which attract skilled workers, as well as more productive entrepreneurs and firms.

Competitive cities have several common traits, as identified in the **Competitive Cities: A Local Solution to a Global Lack of Growth and Jobs (World Bank, 2015)**. Using data from 2005 to 2012, the report found the following shared characteristics:

1. Accelerated economic growth: The top 10 percent of cities achieved 13.5 percent annual GDP per capita growth, compared with 4.7 percent in an average city;
2. Outstanding job growth: The top 10 percent of cities achieved 9.2 percent annual job growth, while the remaining 90 percent only achieved 1.9 percent.
3. Increased incomes and productivity: The top 10 percent of cities increased the average disposable income of their households by 9.8 percent annually.
4. Magnets for FDI: The top 5 percent of cities obtained as much FDI as the bottom 95 percent of cities combined.

The report looked at several factors, including the economic structure of cities and the types of policies used to spur growth. The report identified the importance of public private coalitions in identifying strategic direction for city economic development and then the following policy levers that national and local government could access in driving competitiveness:



The case studies carried out in Kobe and Yokohama validated these findings, further emphasizing the importance of (1) Building coalitions with communities and private sector is key, (2) Early investments in institutions and infrastructure lay the foundations for enterprise support and innovation policies, and (3) Creating and building consensus on long-term win-win situations are essential for building a good relationship between the public, private, and academia with equally divided responsibilities.

**Yokohama and Kobe are an exceptional source of learning.** They have recovered from disaster, dealt with population influx, industrialized at a rapid pace, responded to environmental challenge, reached the technological frontier, and undergone a housing bubble and its collapse.

#### How did they do it?

- **First, their most successful actions had many rationales** – not just the vision of one leader or a small circle of advisors. Selection was based on multiple good reasons, rather than trying to find some single, supposedly definitive rationale.
- **Second, they responded to restrictions on their autonomy by systematically finding ways to expand it.** They did so by finding new uses for old instruments, or instruments designed for others. Kobe repurposed a law meant for Tokyo; Yokohama turned outwards ‘administrative guidance’ meant for internal regulation. They also sought, found and recruited allies that could expand their capacity.
- **Third, both cities carefully and patiently built institutional capabilities** – such as the ability to execute the basic tasks of projects (whether procurement, hiring, asset disposal), the ability to iterate and accumulate knowledge, and the ability to pay close attention to coordination, not as a tired cliché, but as a primary task of leadership. Kobe created a complex web of institutions to build its life sciences cluster. Yokohama established a coordinating department to oversee the six big projects.

## Challenge

**Job creation in cities is at the forefront of the economic development challenge globally.** Many developing countries are experiencing a demographic and spatial transition, with millions of new entrants to the labor market. Creating job opportunities in urban areas—quickly—is essential if countries are to take advantage of their “demographic dividend” and thus avoid a social disaster created by unemployment and inequality. Cities need jobs and opportunities for their citizens and the means to generate tax revenues to fund projects that meet their populations’ growing demand for basic services.

**Even for cities enjoying positive economic trajectories, there are pitfalls along the way.** Urbanization does not automatically breed economic success. Cities whose leaders do not continuously reassess their approach to growth can lose their momentum. Well-known examples in developed countries such as the United States include Detroit, Michigan, and Cleveland, Ohio, and such cities in low- or middle-income countries also need to rekindle growth. Of the 750 cities studied in the Competitive Cities report, one-third experienced per capita GDP growth rates of less than 2 percent annually from 2000 to 2012 (such as Valparaiso in Chile, Bloemfontein in South Africa, and Kuching in Malaysia). Conversely, city leaders who realistically reassess their economic opportunities and act to implement strategic initiatives can execute successful turnarounds, even from an apparently dire situation. Good examples are provided by cities like Bilbao in Spain and Pittsburgh, Pennsylvania, and Oklahoma City, Oklahoma, in the United States.

**Cities are grappling with issues relating to their institutional remit and capabilities to drive local economic development.** City leaders realize that their task is no longer limited to providing efficient services to their citizens: It now also includes positioning their cities to support the creation of jobs including positioning local firms to compete in a national and even global marketplace. An economic development strategy alone is insufficient. Implementation mechanisms and delivery systems are equally (and perhaps more) important to achieving the desired results; and leveraging existing tools are key in this regard.

## Organizer and Partners

The conference will be organized under the auspices of the TDLC program, a partnership of the Government of Japan and the World Bank. TDLC supports and facilitates strategic WBG and client country collaboration with select Japanese cities, agencies and partners for joint research, knowledge exchange, capacity building and other activities that develop opportunities to link Japanese and global expertise with specific project-level engagements in developing countries to maximize development impact. The program is global in reach and thematically focused on urban planning, urban service provision, urban management, social development, land and territorial policy and municipal finance.

The TDD will be developed jointly with GPs SURR and T&C, led by the Competitive Cities KSB. In delivery of the TDD, TDLC expects to collaborate with and draw on expertise of many of the following development agencies, think tanks and organizations:

- Yokohama City
- Kobe City
- Kobe Bio Innovation Cluster (KBIC)
- Mori Building
- Mori Foundation

## Format

Technical Deep Dives (TDDs) integrate workshops, site visits, peer-peer knowledge sharing and action planning to support World Bank clients in specific topics. TDDs facilitate knowledge sharing and provide ongoing support to connect clients with technical experts and best practices in close collaboration with the World Bank's Communities of Practice (COP)/Knowledge Silo-Breaker (KSB)

Delegates to the Technical Deep Dives benefit from:

- Cutting-edge policy thinking and technical knowledge delivered through engaging learning sessions;
- Increased capacity to assess policy and regulatory frameworks across several sectors;
- Peer learning and networking through experience exchange sessions;
- Experimental knowledge exchanges through site visits;
- Opportunity to engage directly with Japanese municipalities, ministries, transit agencies, private sector and academia, to learn innovative solutions and to identify areas of further collaboration and knowledge exchange;
- Access to follow-up operational support to assist in the successful application of knowledge gained through the TDD, provided through TDLC's operational support component.

## Budget

The organizers will cover the following expenses (following World Bank policies):

- Airfares, hotel and actual expenses for all participants not based in Japan
- Simultaneous translation services (to/from English-Japanese)
- Venue for training, including required technology facilities
- Local Transportation
- Meals

## Agenda (Summary)

| <i>Dates</i>         | <i>Overview</i>   | <i>Accommodation</i> |
|----------------------|---|----------------------|
| <i>D0: Sunday</i>    | <i>Arrival at Tokyo (NRT/HND)</i>   | <i>Tokyo</i>         |
| <i>D1: Monday</i>    | <b>Setting the context and framing competitive cities: A sense of urgency: Understanding the city competitiveness challenge</b> | <i>Tokyo</i>         |
| <i>D2: Tuesday</i>   | <b>Live through the implementation, how to get things done<br/>Lessons from Yokohama</b>  | <i>Tokyo</i>         |
| <i>D3: Wednesday</i> | <b>Experience what city can provide and plan<br/>Lessons from Kobe</b>  | <i>Kobe</i>          |
| <i>D4: Thursday</i>  | <b>Experience what a competitive city is and understand its tools</b>   | <i>Kobe</i>          |
| <i>D5: Friday</i>    | <b>Action Planning - What is next for my city?</b>  | <i>Tokyo</i>         |
| <i>D6: Saturday</i>  | <i>Departure from Tokyo (NRT/HND)</i>   | <i>Tokyo</i>         |

## Detailed Draft Agenda

## Detailed draft Agenda for Day 1 (In Tokyo)

**Objective: Understand that the rules have changed (cities are engines of growth) and identify what can be learnt from Japan.**

| Time          | Module/activity  | Delivery + Intended Key Insights  |
|---------------|--|---|
| 08:30 - 09:00 | Breakfast at TDLC  |   |
|               | <b>Welcome</b><br><b>Overview: Importance of competitive cities for sustainable development</b>  | Overall facilitator: Dan Levine<br>Sameh Wahba  |
| 09:00 – 09:20 | Icebreakers  | Facilitator: Haruka Imoto   |
| 09:20- 10:20  | <b>Global trends in modern city competitiveness</b>  | Presenter: Megha Mukim  |
| 10:20-10:30   | Coffee   |   |
| 10:30 – 11:00 | <b>What do competitive cities look like?</b>   | Facilitator: Erick Ramos Murillo: VR experience of a Competitive City (Bucaramanga)   |
| 11:00-12:30   | <b>Shift and share</b><br><br>The challenges, opportunities and lessons learned on Competitive Cities by client countries<br><br>Representatives from first half of client countries   | Overall guidance from Phil Karp, Lead Knowledge Management Officer, WBG and TDLC  |
| 12:30 - 14:30 | Lunch and quick tour to Tsukiji Fish Market  | Transportation :Chartered Bus<br>Guide: Tatsuo Arakawa, Deputy Director General, Urban Renaissance Department, Urban Renaissance Agency   |
| 14:30 - 16:30 | <b>What do competitive cities look like?</b><br><b>Meet the change makers</b><br><br>Understanding the Mayor's toolkit <ul style="list-style-type: none"> <li>• Leveraging Infrastructure and Services</li> <li>• Planning, Zoning and Land</li> <li>• Supporting different economic sectors – what kinds of incentives work?</li> </ul> | Format: Presentation and Interview<br>Facilitator: Dean Cira<br>Panelists: 1. Yoichiro Shimizu, Mori Building and 2. Norio Yamato, Mori Foundation<br><br>Introduction<br><br>Part 1 – Understanding the city economy to create vision and design policy.<br><br>Interactive Presentation by Dmitry Sivaev, followed by open discussion and conclusion<br><br>Part 2 – Choosing policy tools to change vision into reality<br><br>Interactive Presentation by Mori Building and Mori Foundation, open discussion and conclusion |

|               |   |   |
|---------------|---|---|
|               | Coffee  |   |
| 16:45 – 17:30 | <b>Partnering for growth - how to build coalitions?</b> | Facilitator: Dmitry Sivaev<br><br>PPD Case Study, followed by Roleplaying exercise about finding common ground between public and private sector when defining priorities |
| 17:30 - 17:45 | <b>Overview of the days to follow</b>                   | Takeaway  |
| 18:15 - 19:45 | <b>Dinner</b>   | <i>Za Watami Ginza Dobashi</i><br><i>1F, 1-3-10, Shimbashi, Minato-ku, Tokyo</i>  |



## Detailed draft Agenda for Day 2 (In Yokohama)

### Objective: Live through the implementation, how to get things done

| Time          | Module/activity  | Location/Delivery type  |
|---------------|--|---|
| 07:00 – 07:30 | Breakfast at your hotel  |   |
| 08:00 – 09:00 | Take a bus to Minatomirai, Yokohama  | Meet in front of Daiichi Hotel  |
| 09:00 – 11:00 | <p><b>Case study: Yokohama</b></p> <p>How can mayors get things done? (Inspired from Yokohama Case Book)</p>   | <p>Format: Small presentation<br/>Presenter: Dan Levine</p> <p>Format: Interview<br/>Facilitator: Megha Mukim<br/>Panelists:</p> <ul style="list-style-type: none"> <li>Shiro Hamano, President, Yokohama City Housing Development Public Corporation</li> <li>Tadahiro Saegusa, Executive Director of Growth Strategy Department, Economic Affairs Bureau, City of Yokohama</li> </ul> <p>Venue: Pacifico Yokohama/Room 211+212<br/>Address: 1-1-1 Minato Mirai, Nishi</p> |
| 11:00 – 12:00 | <b>Site Visit (1) Quick capture of “reinventing the future of the city”</b>  | Free tour around Minatomirai – Red Brick District – Nihon Ohdori – Yamashita Park – China Town  |
| 12:00 – 13:00 | Lunch  | Lunch Box<br>Venue: Pacifico Yokohama/Room 211+212  |
| 13:00 – 14:50 | <p><b>Shift and share</b></p> <p>The challenges, opportunities and lessons learned on Competitive Cities by client countries</p> <p>Representatives from second half of client countries</p> | Overall guidance from Phil Karp, Lead Knowledge Management Officer, WBG and TDLC  |
| 14:50 – 15:50 | <b>Building Institutional Capabilities</b>   | Presenter: Luke Jordan  |
| 15:50 – 16:00 | Coffee   |   |
| 16:00 – 17:00 | <p><b>Who else shares the problems of my city? What tools do we already have?</b></p> <p><b>Networking exercise + focus</b></p>  | <p>Format: Knowledge café<br/>Facilitator: Erick Ramos Murillo</p> <p>Setting the context and framing competitive cities</p>  |
| 17:00 – 17:30 | <b>Summation of the day</b><br><b>Travel logistics</b>   | Comments from Sameh Wahba and participants  |
| 17:30 –       | Free time  | Stay in Minatomirai or take train back to Tokyo   |
| 19:00 -       | Optional and self-tour: Halloween in Shibuya   | <i>Cultural immersion</i>   |



## Detailed draft Agenda for Day 3 (In Kobe)

**Objective: Experience what city can provide and plan**

| Time          | Module/activity   | Location/Delivery type  |
|---------------|---|---|
| 06:00-07:00   | Breakfast at your hotel in Tokyo  |   |
| 07:20-08:00   | Bus to Haneda Airport   |   |
| 09:10-10:30   | Transportation to Kobe (Flight)   | BC 103 Haneda 09:10-Kobe 10:30  |
| 10:20 – 11:00 | Monorail ride to Bio medical cluster site factory   |   |
| 11:00-11:10   | Quick overview of Kobe City   | Facilitator: Haruka Imoto   |
| 11:10 – 12:10 | Site Visit (2) Creative reconstruction in case of Kobe City: Bio medical cluster  | View of KBIC<br>Format: Presentation (15 min) and Q&As (Questions from WB and then open to the floor)<br><br>Speaker: Kenichi Tamiya, Senior Director, Kobe City<br>Facilitator: Dan Levine/Haruka Imoto  |
| 12:10 – 12:20 | Walking to the lunch venue  | See around the Medical Cluster  |
| 12:30 – 13:30 | Lunch   | Sky Grill Buffet GOGOKU<br>30F, Kobe Portpia Hotel<br>10-1, 6 Chome, Minatojima<br>Nakamachi, Chuo-ku, Kobe, Japan  |
| 13:30 – 14:00 | Bus ride  |   |
| 14:00 – 15:00 | Briefing lecture for site visit<br><br>Venue: Room 1, 26 <sup>th</sup> Floor, Kobe Commerce, Industry and Trade Center Building | Lecture by Kobe Institute of Urban Research (KIUR)<br>“Outline of Redevelopment Project of Southern Area of Rokkomichi Station and Land Readjustment Project of Northern Area of Rokkomichi Station”<br><br>Presenters: Hisashi Uchida and Masami Kurahashi, Advisors, Kobe Institute of Urban Research<br><br>Facilitator: Phil Karp |
| 15:00 – 15:30 | Bus ride  |   |
| 15:30 – 17:00 | Site Visit (3) Urban regeneration   | Visit to Rokko-michi district, reconstruction talk guided<br><br>Speakers and tour guides: Hisashi Uchida and Masami Kurahashi, Advisors, Kobe Institute of Urban Research  |
| 17:00 – 17:45 | Bus ride  |   |
| 17:45 – 19:30 | Dinner on top of Rokko Mountain   | <i>Cultural Immersion</i>   |
| 19:30 – 20:15 | Bus ride  |   |
| 20:15         | Check-in  | Daiwa Roynett Hotel Kobe-Sannomiya<br>5-1-6, Gokoudori, Chuo-ku, Kobe-shi, Hyogo  |

## Detailed draft Agenda for Day 4 (In Kobe)

**Objective: Experience what a competitive city is and understand its tools**

| Time          | Module/activity  | Location/Delivery type   |
|---------------|--|--|
| 08:00 – 08:30 | Breakfast at hotel and check out   |  |
| 08:30 – 09:00 | Meet at lecture venue  | Venue:<br>TKP Kobe- Sannomya Conference Center<br>Address: 5 <sup>th</sup> floor, East, Sannomya Buld, 6-1-12 Miyuki -dori, Chuo-ku Kobe Hyogo, Japan  |
| 09:00 – 10:00 | What does the private sector need from cities?   | Business Simulation + Learnings from paper on ‘what do multinationals need from cities’<br>Facilitator: Erick Ramos Murillo  |
| 10:00 – 12:00 | Case Study of Changsha<br><br>Panel on what cities can do to attract talent                              | Exercise where participants are given the problem in Changsha and are asked for solutions. Then what was implemented in provided. Lessons learned from talent attraction<br>Facilitator: Juni Zhu<br><br>Interview with (1) Hiroaki Kageyama, Head of Global Business Development, Deputy General Manager, Corporate Strategy Department, ASICS Corporation / President and Chief Investment Officer, ASICS Ventures Corporation (2) Shigenori Tanabe, Manager, Corporate Development Department, Biomedical Innovation and New Industry Headquarter, Kobe City Government (3) Tatsuya Segoe, Kobe City Government<br><br>Facilitator: Luke Jordan |
| 12:00 – 13:30 | Lunch  | Go out for lunch<br>Japanese Restaurant, “Sennin Daikan”<br>7-1-1 Onoedori Chuo-ku Kobe, Hyogo   |
| 13:30 – 15:00 | Using innovative data approaches to help city leaders  | Presentation<br>Speaker: Alan Frizler, LinkedIn<br><br>Facilitator: Dean Cira  |
| 15:00 - 16:30 | Explanation about action plan<br>Presentation of TDLC operational support<br><br>Action Plan Preparation | Explanation from TDLC<br><br>Role-Play by Megha Mukim, Luke Jordan & Erick Ramos Murillo to showcase how to set-up the action plan<br><br>Each country team works on action planning preparation   |
| 16:30 – 17:00 | Summation of the day   | Phil Karp  |
| 17:00 – 18:00 | Bus ride to Kobe Airport   |  |
| 19:10 – 21:30 | Transportation to Tokyo (Flight)   | BC 116 Kobe 19:15-Haneda 20:15   |

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|--|-------------------|--|
|  | Bus ride to hotel | Exchange problems: Pairs offer advice on what the other cities can do.<br>Arrival and check in |
|--|-------------------|--|

### Detailed draft Agenda for Day 5 (in Tokyo)

#### Objective: Apply learnings to your own cities

| Time          | Module/activity                      | Location/Delivery type  |
|---------------|--------------------------------------|---|
| 08:30 – 09:00 | Coffee at TDLC                       |   |
| 09:00 – 09:45 | Competition how to get things done?  | Format: Role Playing<br>The get it done challenge. Focus on the implementation of the six projects. At the end show of stats on what they decided<br>Facilitator: Erick Ramos Murillo                           |
| 09:45 – 11:00 | Action Plan Preparation              |   |
| 11:00 – 12:30 | Action Plan Presentation (1)         | Presentations with feedback from MIT tool   |
| 12:30 – 13:30 | Expanding the Mayor's Wedge<br>Lunch | Megha Mukim and Luke Jordan<br>Creative use of "administrative guidance" to enlarge mayor's wedge to counter highly influential private sector conglomerates when developing an urban area (i.e. Shin-Yokohama) |
| 13:30 – 14:30 | Action Plan Presentation (2)         |   |
| 14:30 – 15:00 | Coffee break                         |   |
| 15:00 – 16:00 | Action Plan Presentation (3)         |   |
| 16:00 – 16:30 | Event closure and acknowledgements   |   |
| 16:30 – 18:00 | Coctail                              | <i>Cultural Immersion</i>   |

KEY:

|                           |
|---------------------------|
| Everyone-together session |
| Breakout sessions         |
| Site visits               |
| Food/dinner sessions      |