

COMPETI

TIVE

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@SamehNWahba

CITIES FOR

JOBS AND

GROWTH **WHAT,
WHO,
AND
HOW**

The Global Urban Transition

80%

of global economic
activity generated in
cities

2 billion

new residents in cities
between 2000-2030

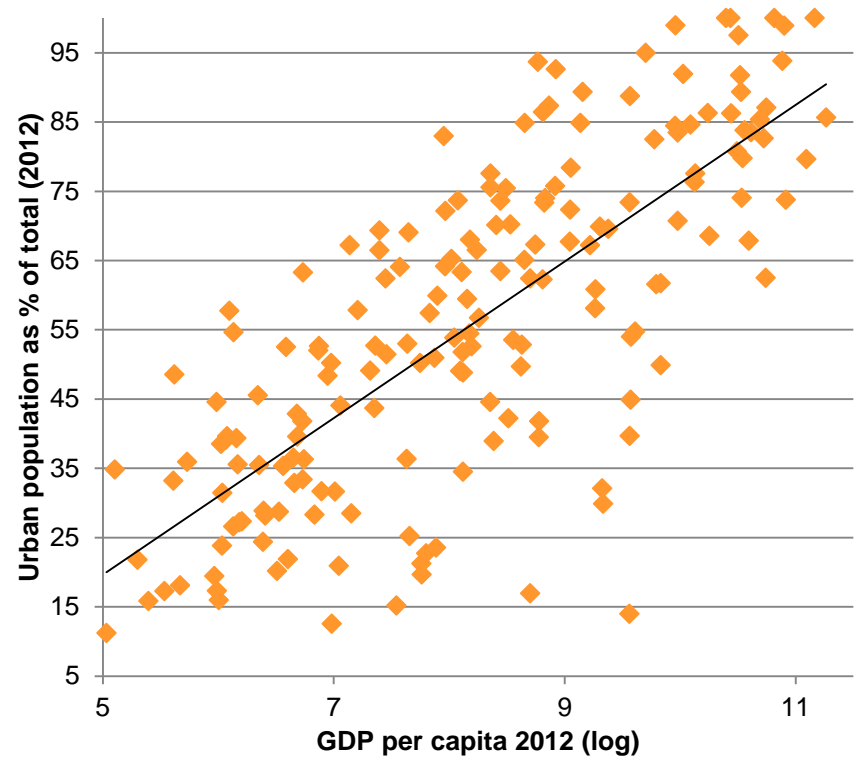
1 billion

live in slums today

Urbanization provides opportunities

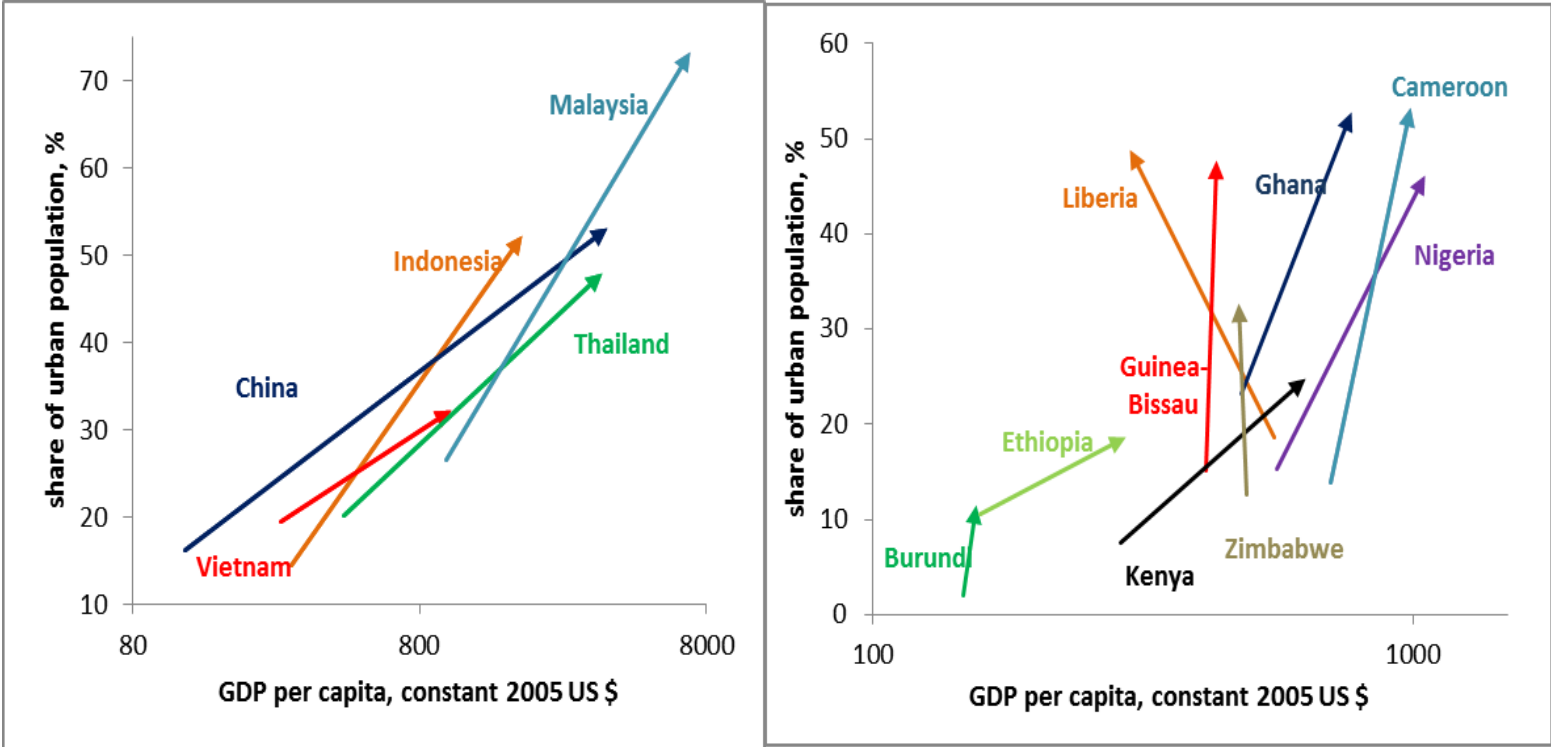
All countries achieving middle income status have been at least **50% urbanized**

More urbanized countries have **lower poverty** and are **more prosperous**

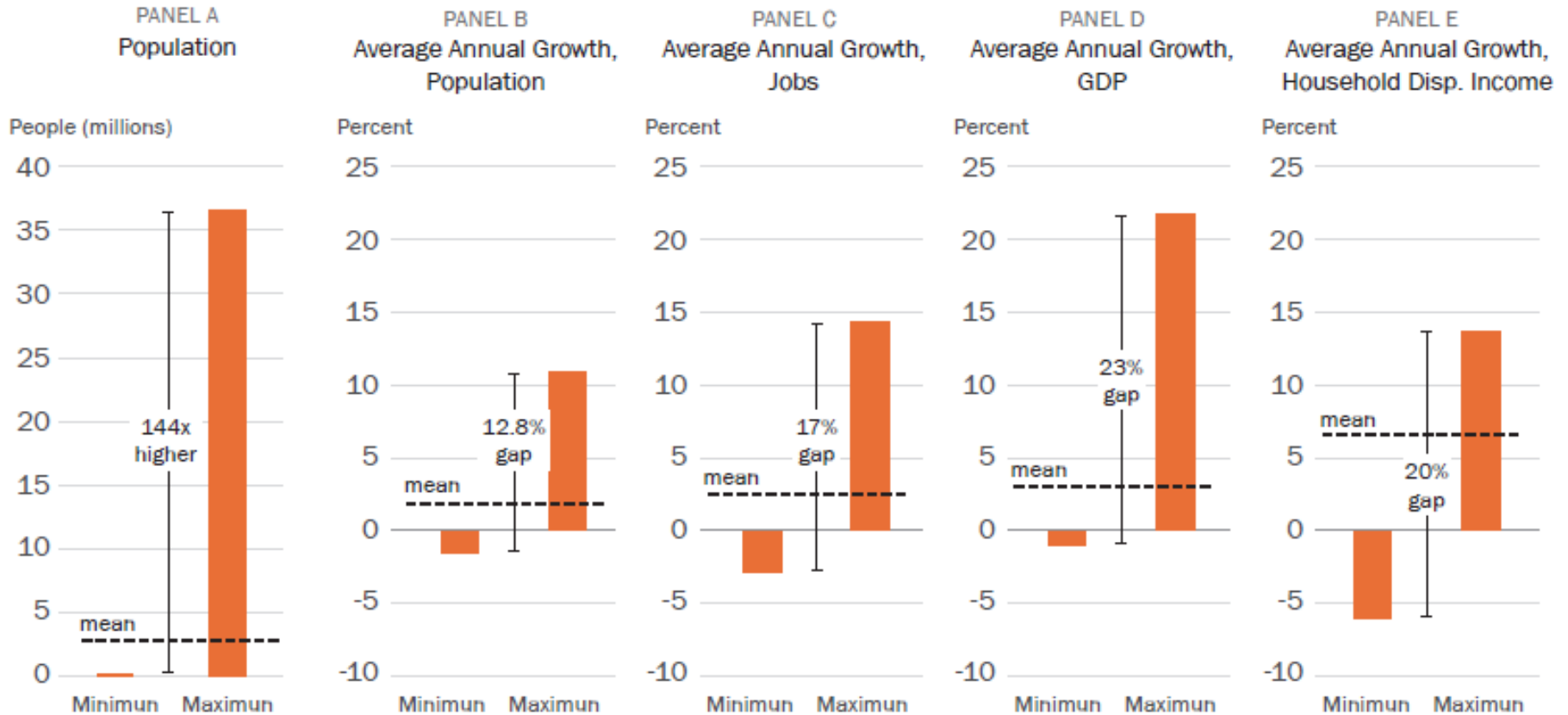


But, cities and economic prosperity do not always go hand-in-hand

The missed opportunity



Global disparities in city performance



Source: Oxford Economics Global Cities Database, 2012.

Top 10% of cities....

Achieve GDP
growth of **4.7%** pa

Achieve jobs
growth of **9.2%** pa

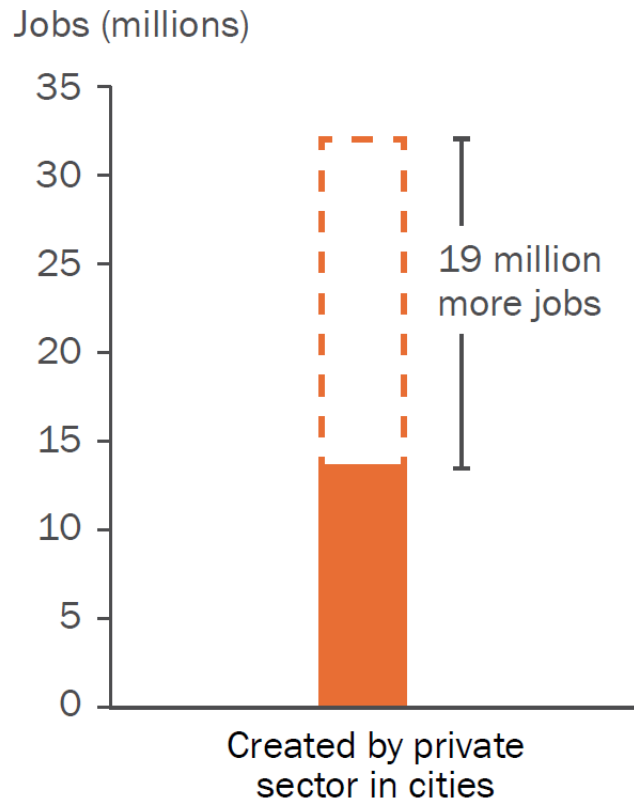
Disposable income
growth of **9.8%** pa

Rely on **tradable**
sectors

Attracted
disproportionate amount
of **FDI**

The city competitiveness opportunity is huge!

A “**COMPETITIVE CITY**” facilitates firms and industries to grow jobs, productivity and incomes over time



There is a lot at stake!

*If all cities could perform to the level of the top quartile within their regions, **19 million more jobs** could be created every year!*

Source: Oxford Economics Dataset 2012.

Source: Oxford Economics Global Cities Database, 2012, World Development Indicators, World Bank

Any manner of city can be competitive



What mayors and city leaders want to know

Many developing countries are experiencing a demographic and spatial transition, with millions of new entrants to the labor market – job creation is at the forefront of the economic development challenge



How have other cities created jobs and growth?

What should be the top priorities for my city?

How do I get it done?

What we did to address these questions

In-depth lit review and consultations

Data Base of 750 Cities

Econometric analysis across and within countries

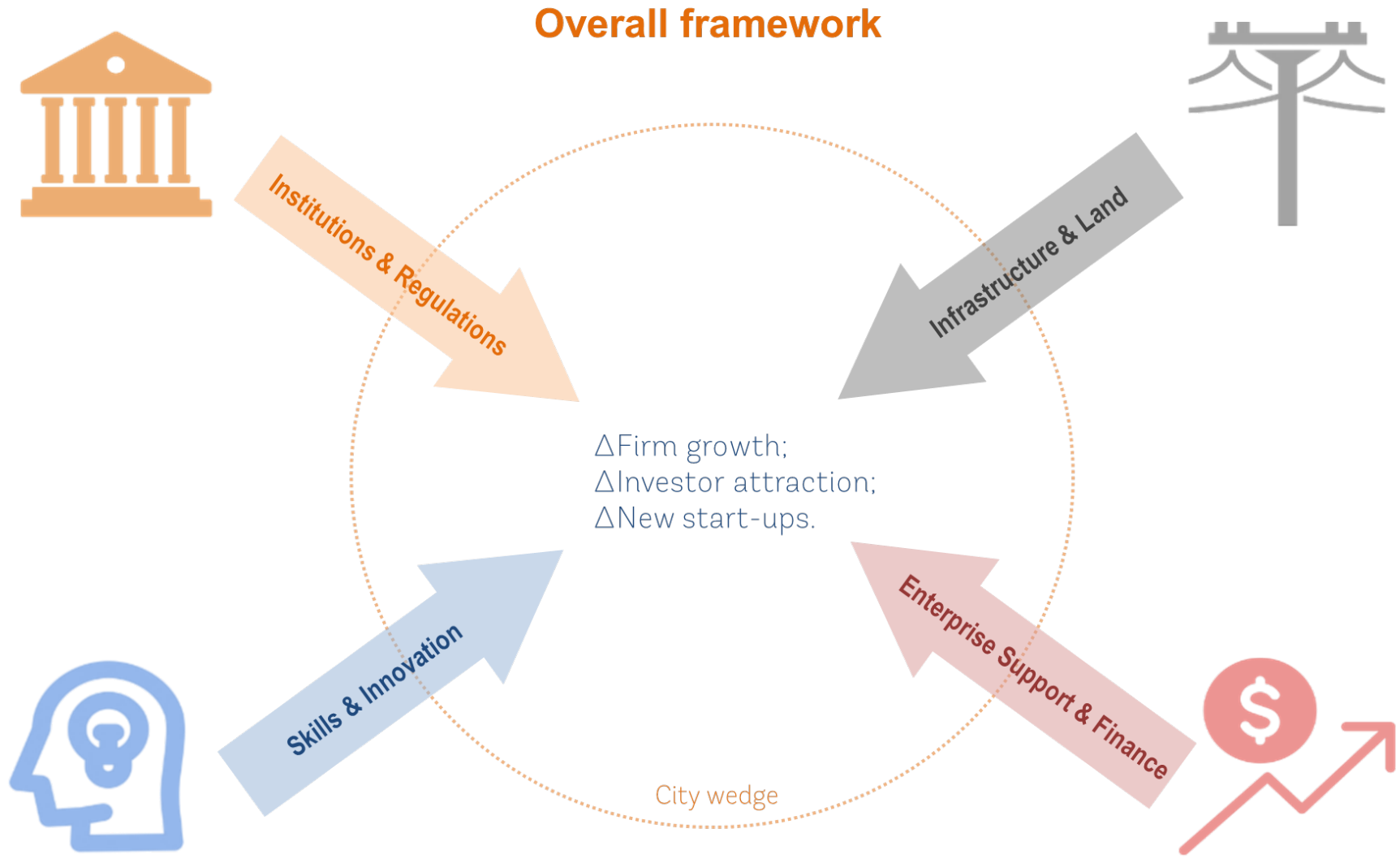
6 original in-depth case studies and lots of secondary

What we found: Tradable goods & services drive growth



Source: Analysis using Oxford Economics city-level data for 750 cities worldwide, 2005-2012

What we found: Four levers available to cities



Source: *Competitive Cities for Jobs and Growth*, World Bank Group, forthcoming 2015

Sequencing levers at different stages of development

	MARKET TOWNS <\$2500 GDP per capita				PRODUCTION CENTRES \$2,500-\$20,000 GDP per capita				CREATIVE/FINANCIAL CENTERS >\$20,000 GDP per capita			
	Disp. Income	Labor Prod.	GDP Growth	Emp. Growth	Disp. Income	Labor Prod.	GDP Growth	Emp. Growth	Disp. Income	Labor Prod.	GDP Growth	Emp. Growth
Institutions & Regulations	+				+		+					+
Physical Infrastructure				+		+			+	+		
Social Infrastructure		-				+			+	+		
Financial Infrastructure						+						+
Human Capital									+	+		+
Innovation						+				+		

+ Positive statistically significant correlation at the 10% level

- Negative statistically significant correlation at the 10% level

Source: *Competitive Cities for Jobs and Growth*, World Bank Group, forthcoming 2015

The City Policy 'Wedge'

- i. **Growth Coalitions:** collaboration with stakeholders;
- ii. **Mayor's Wedge:** internal scope and capacity;
- iii. **Intergovernmental relations:** external leverage.



Japanese cities – an exceptional source of learning

