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.
Global disparities in city performance

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.*
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

The reasons:
• Expand the local economic pie;
• Help increase productivity through competition.

What we found: Four levers available to cities

Overall framework

- Institutions & Regulations
- Infrastructure & Land
- Skills & Innovation
- Enterprise Support & Finance

ΔFirm growth;
ΔInvestor attraction;
ΔNew start-ups.

Source: Competitive Cities for Jobs and Growth, World Bank Group, forthcoming 2015
Sequencing levers at different stages of development

<table>
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<tr>
<th>Institutions &amp; Regulations</th>
<th>MARKET TOWNS &lt;$2500 GDP per capita</th>
<th>PRODUCTION CENTRES $2,500-$20,000 GDP per capita</th>
<th>CREATIVE/FINANCIAL CENTERS &gt;$20,000 GDP per capita</th>
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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.

1. Catalyze a public-private Growth Coalition
2. Apply city scope and capability
3. Leverage regional and national relations
Japanese cities – an exceptional source of learning