



## OECD INTERNATIONAL CONFERENCE ON CITY COMPETITIVENESS

**MARCH 3-4, 2005**  
**City of Santa Cruz, Tenerife, Spain**

### **The conference**

The OECD international conference on the Competitiveness of Cities is being held in conjunction with the government of the Canary Islands. This conference is a high-level event which brings together government leaders, policy makers and practitioners to discuss the key issues of city competitiveness.

This conference is part of a series of conferences organized by the OECD to address the challenges confronted by cities to develop the best economic and social conditions to attract skills and investment. It should be a valuable opportunity to further TDPC ongoing work in identifying the most effective central government policy strategies for supporting competitiveness in metropolitan areas.

The two-day conference will be organized into five sessions, each with an expert presentation followed by a panel discussion. Panel discussants will include national and local government representatives, mayors and practitioners. The conference will close with a roundtable discussion on the role of national government in enhancing cities competitiveness. A special session will highlight the Canary Islands Network case study, leveraging globalisation through a regional hub strategy.

### **THURSDAY 3, MARCH**

**8:30 – 9:00**      **CONFERENCE REGISTRATION**

**9:00 - 10:00**    **INTRODUCTORY REMARKS**

<b>Canary Island Representative</b>	Adan Martin Menis, President, Canary Islands Government, Spain
<b>OECD Representatives</b>	Odile Sallard, Director, Directorate for Public Governance and Territorial Development, OECD Takayuki Hara, Chairman, Working Party on Urban Areas, OECD
<b>Spanish Government Representative</b>	José Luis Mendez Romeu - State Secretary of Territorial Organization, Spain Fernando Ballesterro, Spanish Ambassador to the OECD

**10:00 – 11:30**

**SESSION I**

**Globalization and City Competitiveness**

The first session will discuss the link between macroeconomic trends and urban economies. Cities are vital competitive geographic units of the global economy. They have become the leading generators of new technologies and production in the global marketplace by taking advantage of agglomeration economies of scale such as localised information and knowledge spillovers. Globalisation and the shift toward a knowledge-based economy have had different effects on city competitiveness and cities are adopting a variety of approaches. Urban scale is a determining factor in selecting an approach, though it is not the sole differentiator. Some large cities are becoming hubs of knowledge-based innovation, while others stagnate and struggle to restructure their economies. Their size puts them in a better position to attract investment and skills, and to benefit from agglomeration economies but they also confronted with congestion costs and higher levels of social and environmental costs. Medium-sized cities, with their less diversified economic bases, are facing greater difficulties positioning themselves in the international marketplace. Still, some have successfully managed to develop an appropriate specialization strategy in the new knowledge-based economy.

***Questions:***

- How and to what extent does city growth contribute to national growth?
- What are the main competitiveness challenges faced by cities in the context of globalisation?
- Who are the winners and losers?
- Which approaches are required for which types of cities?

CHAIRMAN

Paul Hildreth, Policy Adviser, Office of the Deputy Prime Minister, United Kingdom

KEYNOTE SPEECH

Willem Van Winden, Department of regional, port and transport economics, European Institute for Comparative Urban Research, Faculty of Economics, Erasmus University Rotterdam

DISCUSSION PANEL

Filippo Penati, President of the Milan Province, Italy  
Joan Clos i Matheu, Mayor of Barcelona, Spain  
Kadir Topbas, Mayor of Istanbul, Turkey  
Jean Michel Daclin, Vice-President of Eurocities, Vice-Mayor of Lyon, France

**12:00 – 13:00**

**SPECIAL SESSION**

**Case Study – Leveraging Globalisation Opportunities:**

**The Regional Hub Strategy of the Canary Islands Cities Network**

Adan Martin Menis, President, Canary Islands Government  
José Carlos Mauricio Rodríguez, Councilor, Economy and Treasury, Canary Islands Government  
Alex Penela, former Mayor of Miami, United States  
José L. Tongzon, Professor, University of Singapore, Singapore

**13:00 – 14:30**            **Lunch**

**14:30 – 16:00**            **Session II**            **Cluster-based Development in Metropolitan Areas**

Clustering and specialisation in productive activities, where a competitive advantage can be derived and maintained, often results in considerable economic value. This has led national and regional/local policymakers to focus on strategies that can encourage this type of firm agglomeration and network building. Cluster policies have proliferated over the past decade, with approaches ranging from policies to encourage low-resourced, small-group business networks without a particular sectoral focus to complex, large-scale programmes of co-ordinated measures that target a specific, geographically-cohesive industry. As an approach to metropolitan development, they differ from traditional incentive-based regional development policies by concentrating their support in networks of diverse agents rather than individual firms.

***Questions:***

- What are the different approaches for promoting cluster development?
- To what extent is 'cluster policy' more than a reformulation of traditional sectoral policies?
- What types of measures are being implemented (i) to support existing clusters, (ii) to provide support for businesses that already collaborate, and (iii) to encourage non-cooperating businesses to collaborate?
- How can FDI policies be linked to cluster development? How can entrepreneurship and incubators be enhanced within existing clusters?

CHAIRMAN                    Mikel Landabaso, DG Regional Policies, European Commission

KEYNOTE SPEECH            Allen Scott, (UCLA) Associate Dean, Department of Public Policy School of Public Policy and Social Research, University of California in Los Angeles

DISCUSSION PANEL            Mats Hellström, Governor of Stockholm region, Sweden  
Carl Hum, Director, Mayor's Office Industrial and Manufacturing, New York City, United States  
Reinhard Wieczorek, Councillor and Head of Department of Labour and Economic Development, City of Munich, Germany

**16:00 – 18:00**    **Session III**            **Addressing Specialization and Networking in Medium-sized Cities**

Specialisation in medium-sized cities tends to be common with economies developing around one single industry and firms specialising in different phases of the production process or providing complementary services. Industrial restructuring, already a difficult process in any area, is further complicated in these cities due to the high dependency on one industry. With fewer resources, small and medium-sized cities are often unable to provide all of the human and material resources required for business sector development. A co-operative approach makes it possible to develop the critical mass necessary to ensure economically efficient service provision and to gain a higher economic profile domestically and internationally.

***Questions:***

- How can urban policy makers reap the benefits of specialisation at the regional level while maintaining the flexibility and diversity that facilitate creativity?
- How can these cities successfully address industrial restructuring?
- How can we improve inter-city industrial networking policies?
- What mechanisms exist for producing and diffusing innovations? What are the most effective policy measures?

CHAIRMAN	Mario Pezzini, Head of Territorial Reviews and Governance Division, OECD
KEYNOTE SPEECH	Colin Crouch, Head of the Institute of Governance and Public Management at Warwick Business School, United Kingdom
DISCUSSION PANEL	Alexander Sakkers, Mayor, City of Eindhoven, the Netherlands Paul Rubinstein, Head of Economic & Cultural Affairs, City of Newcastle, United Kingdom Marco Romagnoli, Mayor of Prato, Italy

#### **FRIDAY 4, MARCH**

#### **9:30 – 11:00    Session IV    The Impact of Tertiary Education on Urban Development**

Developing a competitive city advantage is increasingly dependant on creativity and innovation. Linkage to tertiary institutions plays a key role in this respect. Universities have historically been viewed as providers of basic knowledge and skills for the labour market; they produced knowledge through scientific research and diffused it through education and training. In many cities they remain relatively isolated from the rest of the economy. This role is now changing. Pressure to enhance the employability of university graduates has put skill issues on the tertiary education agenda. Moreover, with the increasing demand for higher technology-content within goods and services, access to university research findings has become critical for firms. University expertise is more solicited as growing decentralisation in many countries increases the need for policy advice and strategic intelligence, especially at sub-national levels. As a result, higher education institutions are becoming involved in tasks such as regional development and urban planning, as well as co-operating with firms to a degree far beyond their traditional teaching and research functions. Finally, many universities are relying increasingly on income from these initiatives to fund their core activities.

***Questions:***

- What are the different strategies for facilitating co-operation between universities and businesses?
- How do universities and other educational bodies participate in the economic development process of a city?
- Does the type of educational institution – e.g., university, technical college and vocational training institution -- affect its potential role?

CHAIRMAN	Joan Trullén Thomàs, Vice-Minister of Industry, Spain
KEYNOTE SPEECH	Helen Lawton Smith, Senior Research Associate, School of Geography and the Environment, University of Oxford, United Kingdom
DISCUSSION PANEL	Eero Holstilla, President Helsinki Culminatium, Finland Dr. Cathy Garner, Managing Director, Manchester Knowledge Capital, United Kingdom Fermín Garmendia, Director General, LSK Sociedad Cooperative, Mondragon Cooperative Corporation, Spain

COMMENTATORS - Canary Island Universities invitees: José M Afonso Casado, Dean, School of Economy, Universidad de La Laguna, Santa Cruz de Tenerife and Juan Carlos Martín Hernández, Associate Dean, School of Economy, Universidad de Las Palmas de Gran Canaria

**11:30 – 13:00    Session V            Governance and City Competitiveness: The Role of Metropolitan Economic Development Agencies**

Promoting cluster development and enhanced inter-firm relations may require co-ordination within a territory whose boundaries differ from those of the functional region defined by commuting flows. Due to the large number of actors involved in economic development policy, a collaborative framework is required to facilitate the design and implementation of a clear and coherent strategy at the metropolitan level. One promising way to meet such objectives is to create a metropolitan-level economic development agency. Economic development agencies are common in OECD countries but only a few have a metropolitan scope. Their structure and governance vary from a loose association of multiple partners to direct ownership by a strong metropolitan government or even by the national government.

**Questions:**

- What is the rationale for a metropolitan economic development agency?
- How can these agencies be linked with existing metropolitan structures and other actors/institutions involved in economic development?
- What are the main tools required to facilitate a collaborative process?
- What are the main strengths and weaknesses of the different existing models?

CHAIRMAN	Greg Clark, Director, London Development Agency, United Kingdom
DISCUSSION PANEL	Alfonso Martinez Cearra, Director, Bilbao Metropoli 30, Spain Graeme Reid, CEO, Johannesburg Development Agency, South Africa Paolo Verri, Director, Torino Internazionale, Italy M. Guy Veyard, Deputy Director General, The Paris Regional Development Agency, France

**15:00 – 17:00            Special Plenary Session            An Agenda for Central Government**

The interdependency of national economic performance and that of major metropolitan areas is often cited as one of the main reasons central governments focus on agglomerations. Government intervention in cities has thus far concentrated on urban policies aimed at combating urban sprawl, declining neighbourhoods, and concentrations of social and environmental problems. These actions are progressively being complemented with "proactive" policies to support urban renaissance and enhance regional competitiveness. The goal is to strengthen a region's growth potential by supporting its comparative advantages. Meanwhile, some OECD national governments are concerned about their medium-sized cities and have engaged in a comprehensive regional policy with objectives to: (i) enhance regional competitiveness, (ii) ensure a polycentric urban structure within their country, and (iii) diffuse economic growth more evenly across urban regions.

**Questions:**

- What should be the role of central governments in promoting city competitiveness? What types of policy, fiscal, legal instruments can accomplish this objective?
- How can traditional urban policies be adapted to new regional competitiveness concerns? How to ensure greater policy coherence?
- How can balanced development within countries be promoted without penalising large agglomerations? How can developments in city centres, urban-rural fringe and outer rural areas be balanced?
- How should national governments be organised to improve the co-ordination and integration of national sectoral policies that have an impact on urban and metropolitan regions?

CHAIRMAN

Chris Brooks, Director, Public Affairs and Communications Directorate,  
OECD

DISCUSSION PANEL

Shoichi Ando, Director, Urban Policy Division, Ministry of Land,  
Infrastructure and Transport, Japan  
Vincent Fouchier, Policy Advisor, Délégation à l'Aménagement du  
Territoire et à l'Action Régionale, France  
Keith Hill, Planning Minister, Office of the Deputy Prime Minister,  
United Kingdom  
André Juneau, Deputy Minister, Ministry of Infrastructure and  
Communities, Canada  
Marco Magrassi, Policy Advisor, Ministry of Economy and Finance, Italy  
José Luis Mendez Romeu – State Secretary of Territorial Organization,  
Spain  
Joost Van Iersel, European Economic and Social Committee