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ROUTLEDGE

DELIVERING SUSTAINABLE COMPETITIVENESS

REVISITING THE ORGANISING CAPACITY OF CITIES

EDITED BY
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Delivering Sustainable Competitiveness

Global trends such as climate change, digitalisation, enhanced concepts of democracy and the consequences of the 2008 financial crisis are changing the playing field of cities across the world. Urban development objectives are shifting away from being purely concerned with wealth creation and competitiveness, to increasingly combining social and environmental dimensions. In this context, how can cities influence and sustain their competitive position over time? Which new types of urban strategies are emerging, and which organising capacities are proving the most important?

This book provides insight into the complex issue of delivering sustainable competitiveness by analysing a number of innovative urban development strategies in context. Questions and topics addressed include: how can new legacies of city events be secured; how can clean technology industries be nurtured through urban regeneration initiatives; and how can the impact of urban safety strategies be enhanced? These and other pivotal questions are explored through close attention to the enabling factors linking ideas with results, such as distributed leadership, collaboration, communication and experimentation. Combining case studies from Europe, Africa, South America and Southeast Asia, the book provides a truly international perspective on the potentials and limitations of a new generation of urban development and competitiveness strategies.

Luís Carvalho is Senior Researcher at the European Institute for Comparative Urban Research (EURICUR) and at the Centre of Studies in Geography and Spatial Planning (CEGOT), based at the University of Porto. His research addresses local economic development dynamics, innovation and economic geography issues. He has been closely involved in a number of international comparative studies in several European, Asian and Latin American cities and in the coordination of academic and executive education in his fields of expertise. Current research focuses on the geography of smart city innovation and socio-technical transitions in cities.

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EURICUR Series

The European Institute for Comparative Urban Research (EURICUR) was founded in 1988 and has its seat with Erasmus University Rotterdam. EURICUR is the heart and pulse of an extensive network of European cities and universities. EURICUR's principal objective is to stimulate fundamental international comparative research into matters that are of interest to cities. To that end, EURICUR coordinates, initiates and carries out studies of subjects of strategic value for urban management today and in the future. Through its network EURICUR has privileged access to crucial information regarding urban development in Europe and North America and to key persons at all levels, working in different public and private organisations active in metropolitan areas. EURICUR closely cooperates with the Eurocities Association, representing more than 100 large European cities.

As a scientific institution, one of EURICUR's core activities is to respond to the increasing need for information that broadens and deepens insight into the complex process of urban development, among others by disseminating the results of its investigations through international book publications. These publications are especially valuable for city governments, supra-national, national and regional authorities, chambers of commerce, real estate developers and investors, academics and students, and others with an interest in urban affairs.

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Delivering Sustainable Competitiveness

Revisiting the organising capacity of cities

Edited by Luís Carvalho, Leo van den Berg, Hazem Galal and Peter Teunisse

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Preface

As of today, the governance of metropolitan regions has been and remains a central concern for urban scholars and policymakers alike. During the 1990s, the European Institute for Comparative Urban Research (Euricur), in partnership with several European cities, heartily addressed this issue and studied different ways through which urban stakeholders influenced change in cities and metropolitan regions. These early studies resulted in a number of volumes, namely *Governing Metropolitan Regions* (Leo van den Berg, Arjan van Klink and Jan van der Meer, 1993) and *Metropolitan Organising Capacity* (Leo van den Berg, Erik Braun and Jan van der Meer, 1997), both published by Ashgate.

By that time, an important notion emerging from these studies was 'organising capacity', defined as the ability (of those in charge of urban development) to enlist all actors involved, and with their help generate new ideas and develop and implement policy designed to respond to fundamental developments and create conditions for sustainable development. Parallel to other conceptual developments in the urban planning literature, organising capacity called attention to the organisational factors behind successful urban transformation projects and strategies, namely leadership, vision, strategic networks, social and political support and communication.

Yet, since then, the playing field of cities has been changing substantially. New trends, such as climate change, digitalisation, ageing, state rescaling and new concepts of citizen participation, gained ground at the same time as urban development objectives shifted from wealth creation to combine social and environmental dimensions. In this new context, how can cities influence their competitive position over time? Which new types of urban development strategies are emerging and which organising capacities are proving important? Are they just 'old wine in new bottles'? What will be the critical issues for the coming years?

This book looks into these issues through the lens of a large international comparative study, carried out during 2012–14, in partnership between Euricur, PricewaterhouseCoopers (PwC) and the Institute for Housing and Urban Development Studies (IHS). The early idea for this study dates back to a joint discussion platform on the future of European urban policy, initiated by Euricur together with the City of Rotterdam and with city officials from Antwerp, Barcelona, Budapest, Dortmund, Dublin and Helsinki (2010–11). During 2012, this discussion platform was expanded to transform it into an international comparative study, broadening its European scope to include cities and developments in other parts of the world. It followed up and deepened previous Euricur and IHS studies, as well as recent global surveys by PwC that examined enabling factors for successful urban strategy execution.

This book is grounded in a number of in-depth case studies and could not exist without the enthusiasm and commitment of their authors. However, many other people were essential in making it happen. Alexander Otgaar and Egon de Haas were fundamental in

managing the whole research project and, together with Jan van der Meer, Leon van den Dool and Saskia du Bois-Schutz, formed the core team and provided valuable inputs throughout the research process. Nick Jones reviewed previous versions of the introductory and concluding chapters and gave us many comments and a lot of 'food for thought' to improve them further. We thank Sarah Horsfield (for her collaboration in the case study of Rio de Janeiro), as well as Kees van Rooijen (IHS), Peter Kresl (Global Urban Competitiveness Project), Chris de Lange and Hans Verdonk (City of Rotterdam) for their support throughout the process. We are also grateful to Monique Valkenburg, Eva Smeding, Brenda Verberne, Stella Soekhlall and Ingeborg Haasbeek for their organisational support.

Finally, we are indebted to all the city officials directly involved in this study for their willingness to share their experiences and discuss insights and challenges with us. We are also thankful to all the interviewees and discussion partners for their time and willingness to contribute to this study, making the final result a true co-production.

The editors,
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1 Organising capacity for sustainable urban competitiveness

Luís Carvalho, Leo van den Berg, Hazem Galal and Peter Teunisse

1 Introduction

1.1 Setting the scene

Cities have always been engines of growth and development. It is widely stated that they boost people's productivity, wealth and creativity, but also energy efficiency and social mobility (Glaeser, 2011). Despite globalisation and the opportunities opened by information and communication technologies, it is still in cities that new ideas circulate faster and, therefore, where new productive combinations and innovation tend to emerge first. Cities are hotspots for ideas exchange among skilled individuals. Indeed, over the last few decades, as economies have become more knowledge intensive, the role of cities has clearly increased (van den Berg *et al*., 2005; McCann, 2008).

Naturally, and despite the much-heralded urban revolution and the growing urban population worldwide (United Nations, 2008), cities have rather heterogeneous capacities to grow and develop over time. Moreover, the fortune of cities is not perennial: they face cycles of growth and decline (van den Berg, 1987). Throughout history, many cities lost the edge they once had – just think of Renaissance Venice or industrial Detroit. Indeed, sometimes cities face problems to reinvent themselves in new global economic contexts, particularly after periods of strong economic specialisation. Physical assets become redundant and under used. But also their economic structures and institutions tend to become inflexible and inward looking (Grabher, 1993). As their innovation drive and position in the international labour division slips, the city's future is put at jeopardy (Storper, 2013).

In the medium and long term, a city's economy is driven by its capacity to innovate and diversify towards new economic activities, namely by nurturing and attracting new jobs, people and skills (Jacobs, 1969; Boschma, 2015). However, social and environmental dimensions are increasingly important for societal progress as well (Pike *et al*., 2010). Poverty, crime and widening divides between the 'haves' and 'have-nots' are critical issues in large metropolises as diverse as Paris, Rio de Janeiro or Cape Town. These are not only increasingly unacceptable from a moral perspective, but, over time, they endanger a city's very economic foundations and attractiveness (Hall and Pfeifer, 2000). The same goes for pollution, climate change and environmental problems, increasingly acute in rapidly growing cities such as Beijing or Shanghai. In the medium and long term, congestion and pollution negatively impact on a city's quality of life. Hence, social cohesion and environmental quality are no longer luxury alternatives or even 'restrictions' to growth and competitiveness – they are becoming integral to a city's economic development prospects.

The previous challenges have also been magnified by a number of currently unfolding megatrends. For example, climate change, digitalisation, population ageing, state rescaling, severe budget cuts and enhanced concepts of democracy-transparency (e.g. European Commission, 2011; PwC, 2013) are changing the playing field of cities. On the one hand, while many cities in emerging economies continue to thrive, it is uncertain whether such growth can be sustained over time. A pressing challenge is how to decouple growth from environmental dilapidation while making it more inclusive. On the other hand, in advanced economies a key challenge is how to re-ignite growth and create jobs while maintaining social welfare and quality of living. Even if much of a city's fortune has to do with external-to-the-city macroeconomic and political developments, cities are often not just passive receivers of a given context – they can also shape their own development.

1.2 The organising capacity of cities: issues and challenges

Naturally, a central question is how can cities (and their multiple actors) deal with those variegated trends and make urban change happen 'on the ground'. In the late 1990s it was argued that the success of urban transformation projects and strategies would be increasingly dependent on a city's organising capacity, defined as: 'The ability to enlist all actors involved, and with their help generate new ideas and develop and implement a policy designed to respond to fundamental developments and create conditions for sustainable development' (van den Berg *et al*., 1997, p.1).

Organising capacity was defined as relying on a set of enablers or conditions, such as the quality of actor networks and stakeholder's collaboration, communication, leadership, social and political support. In other words, organising capacity was considered a fundamental mediator between a city's ability to identify present and future challenges and effectively act upon them. The organising capacity framework was relatively early combining notions of urban competitiveness and sustainability within a single conceptual model. Moreover, it called attention to relevant organisational features in urban management and to the role of agency in urban transformation. It has been tested and validated in several case studies, and provided important insights to understand the success (and failure) of urban development strategies during the 1990s, namely in Western Europe (e.g. van den Berg *et al*., 1993, 1997, 2003, 2005, 2014).

Currently, the changing playing field of cities and evolving notions of urban competitiveness and sustainability around the globe call for a reappraisal of the role of organising capacity and its enablers in urban development projects. First, as a response to the aforementioned trends, a new generation of urban development and competitiveness-oriented projects and strategies has been emerging, whose visions, results and implementation modes are still to be assessed. Second, there is a strong need to understand development patterns and the success factors behind urban policies also outside western economies, namely in places where cities are growing at a very fast pace (e.g. Turok, 2013).

Overall, it is important to get a better understanding of how different types of contemporary urban development strategies are envisioning (and leading to) sustainable competitiveness, that is, 'the ability of cities to keep growing and developing over time while fostering social cohesion and environmental quality' (van den Berg *et al*., 2014, p.4). How are cities currently dealing with new urban development challenges? And how (and to what extent) are cities moving beyond pure economic 'boosterism' strategies (Gold and Ward, 1994; Logan and Molotch, 2007) and combining economic competitiveness with higher order sustainability objectives?

1.3 Research questions and the organisation of this book

To deal with the aforementioned issues, this book offers a case-study-based survey of new types of urban development projects and strategies initiated, supported or carried out by local governments, with the ambition to improve a city's sustainable competitiveness. Its underlying research question is thus:

- How have cities been enhancing their sustainable competitiveness through new urban development projects and initiatives?

Each chapter in this book answers this broad question by focusing on a concrete urban development initiative and by answering to the following sub-questions:

- What contextual factors in the city (and external trends) explain the emergence of the initiative? How does it contribute to sustainable competitiveness?
- What are the key features of the initiative and what is most innovative about its content?
- Which enablers and organisational features (organising capacity) have been critical during implementation?
- What are the direct and indirect results of the initiative so far? What are the limitations and challenges ahead?

Before delving into each of the book's case studies, the remainder of this chapter provides a short review of the building blocks behind the notion of sustainable competitiveness, notably the complex and changing notions of sustainability and competitiveness (Section 2). Subsequently, we present the conceptual framework that guided the overall study, as well as the research setting and methods (Section 3).

Chapters 2–12 present concrete case studies, carried out by different authors. They analyse the emergence, implementation mechanisms and (early) results of contemporary types of urban development strategies. The cases come mostly from Europe, but include Asian, South American and African cities as well. Altogether, they bring to the fore a number of new (and not so new) urban development themes and strategies, as well as the organising capacities and enablers that mediated city ambitions and concrete achievements:

- *Chapter 2: Digital Strategy (Manchester)*, an integrated road-map to jointly tackle several dimensions of digitalisation in the city (by Luís Carvalho and Erwin van Tuijl);
- *Chapter 3: Dublinked (Dublin)*, an 'open data' initiative to foster innovation and entrepreneurship through the open release of data on urban transport, water, planning and energy (by Luís Carvalho and Alexander Otgaar);
- *Chapter 4: Integrated Housing Development Programme (Addis Ababa)*, an initiative to dramatically increase the city's housing supply and stabilise home ownership (by Alberto Gianoli and Alexander Otgaar);
- *Chapter 5: Kasongan pottery cluster (Yogyakarta)*, a combination of bottom-up and top-down initiatives to enhance and diversify one of Indonesia's most competitive and indigenous business clusters (by Jan Fransen and Erwin van Tuijl);
- *Chapter 6: Mobile World Capital (Barcelona)*, a new nexus of event legacy in the quintessential 'Olympic' city, this time focused on the relation between the Mobile World Congress and the city's ambitions to excel in digital innovation (by Alexander Otgaar and Luís Carvalho);

- *Chapter 7: Pacifying Police Units (Rio de Janeiro)*, an integrated type of security-social intervention to bring Rio's famous *favelas* 'back to formality' while enhancing the city's safety (by Hazem Galal);
- *Chapter 8: Park Railway North (Antwerp)*, the revitalisation of an old railway site towards a new urban green park (by Jan van der Meer and Alexander Otgaar);
- *Chapter 9: Phoenix project (Dortmund)*, the regeneration of a large brownfield site into a post-industrial location for leisure and new economic activity (by Erwin van Tuijl and Leo van den Berg);
- *Chapter 10: RDM Campus (Rotterdam)*, the redevelopment of deprived port areas for new industries, education and climate-proofing experimentation (by Erwin van Tuijl and Alexander Otgaar);
- *Chapter 11: Water management strategy (Singapore)*, a comprehensive strategy to enhance the link between water self-sufficiency, innovation and cluster development (by Sarah Lidé);
- *Chapter 12: World Design Capital (Helsinki)*, an 'umbrella' type of event with a focus on embedding design-thinking across the city as key legacy (by Alexander Otgaar and Luís Carvalho).

Chapter 13 wraps up and synthesises highlights from the various case studies across different themes and dimensions. It concludes with a number of conceptual reflections, policy implications and challenges ahead for urban managers.

2 The intricate notions of sustainability and urban competitiveness

2.1 Sustainability

It has become common sense that cities should develop in a sustainable way. Yet, the debate is easily undermined since there is not one single, unified meaning for sustainability. It is a very porous and elastic concept, which has been used to describe almost any kind of policy or intervention goal, even when radically different objectives are at stake. Sustainability can simply mean to sustain something over time; however, in many academic and policy spheres, it is popularly associated with 'green' visions and a plea to balance (or, sometimes, decouple) economic growth and its environmental consequences such as resource dilapidation and climate change.

Almost 30 years ago, the influential Bruntland report (WCED, 1987) imprinted an environmental notion to sustainability, also calling attention to the needs of future generations: since they cannot vote, we do not know their preferences and thus a cautionary principle (protecting environmental resources) should be followed. More recently, the sustainability debate gained a social dimension as well, a plea to balance growth and social equity. All in all, there is nowadays an awareness that 'sustainability' has somehow to do with balancing economic, social and environmental dimensions and goals, as they tend to be closely connected and influence each other (OECD, 2008).

Nevertheless, despite the general agreement that sustainability involves a sort of balance between economic, environmental and social dimensions, sustainability is still a highly contested and value-driven concept (e.g. Hopwood *et al*., 2005). This becomes particularly evident when discussing urban planning and local development strategies (Campbell, 1996; Næss, 2001; Rees, 1995), for example in the integrated redevelopment of urban quarters and

waterfronts. Although operating under the same 'sustainability banner', the involved stakeholders often have significantly different ideas about what sustainability means and use it according to their own agendas (e.g. pro-market vs pro-conservation vs pro-inclusion). Over time, those dissonances have been proving detrimental for the consistency of urban projects and strategies (Lombardi, 2011; Plácido Santos, 2011).

All in all, there is a relatively wide continuum between different notions of what sustainability is or should be. A standard distinction (see Figure 1.1) is often made between weak and strong sustainability (Williams and Millington, 2004). On the 'weakest' side, sustainability is broadly equated as continued economic growth. Here, the economy is the dominant dimension, and it is seen as practically independent from other environmental and societal spheres (which are perceived also as less relevant, as the size of the circles suggest). From this angle, it is implicitly assumed that economic growth is to be nurtured first since, in the end, new income and jobs will be created and wealth distributed in a trickle-down fashion: the 'Mickey Mouse' model. On the other extreme – 'strong sustainability' – the economy is considered as a minor subset of society and nature (the 'bullseye' model). From this perspective, the natural/environmental capital has precedence in relation to economic and social dimensions and has to be strictly maintained. According to this view, it is not legitimate or 'sustainable' to substitute natural resources with the help of new technology possibilities (Solow, 1986). This is an eco-centred model, associated with deep ecology and conservationist movements.

Naturally, there is a large continuum of sustainable (urban) development notions in-between these two extremes. In this study we start from a relatively more consensual approach. We consider that the economy, environment and society have a certain degree of independence, but recognise the close relations established between the different spheres. The intersections of the spheres (Figure 1.1) are associated with positive synergies (e.g. social inclusion through job creation, economic attractiveness due to the quality of the living environment), but also represent complex societal choice problems and negative externalities (e.g. pollution). All in all, this middle view assumes that

> To get caught up in an argument over whether sustainable development is more about the environment or about people is to miss the point: it is the connection of humans, their economies and societies to the ecosystems that support them which defines sustainable development. (OECD, 2008, p.33)

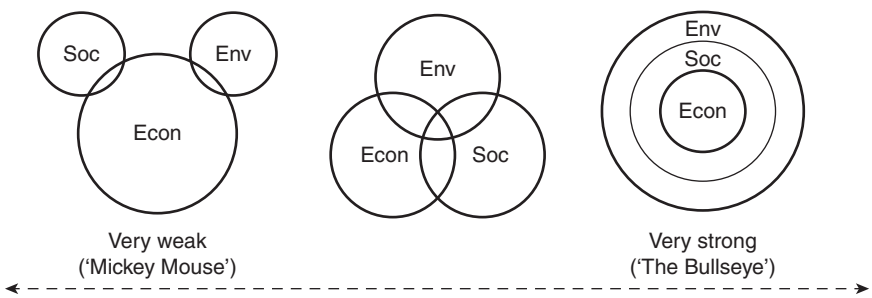

Figure 1.1 Sustainable urban development notions

Source: Own elaboration, inspired by Lombardi *et al*. (2011) and http://computingforsustainability.com/ (accessed 24 July 2012)

In line with Camagni *et al*. (1998), this notion suggests that sustainability implies a balanced and dynamic process – and not necessarily a concrete measurable outcome – in which the economy, society and environment are connected and interdependent. In practice, urban development strategies without economic growth and competitiveness dimensions have difficulties in succeeding – and making it through political arenas (e.g. Porter and Hunt, 2005). However, the capacity of such development strategies to deliver over time is also closely linked with the relations established with environmental and social dimensions (e.g. van Winden and Carvalho, 2015).

2.2 Urban competitiveness and its foundations

The interplays between economic, social and environmental spheres in urban development have also been permeating notions of urban competitiveness. In the late 1980s and 1990s, van den Berg and Braun (1999) suggested that globalisation, heightened factor mobility, digital accessibility and political integration were leading to growing competition between cities to attract jobs, people and investments. Since that time, there has been a long academic debate about whether notions of competitiveness, as used for firms, could be meaningfully applied for cities (e.g. Urban Studies, 1999; Regional Studies, 2004; OECD, 2006). There is nowadays some consensus that the answer is yes, but not in the same way. In this section we briefly elaborate on the changing notions of urban competitiveness to derive the perspective adopted in this book.

Urban competitiveness can ultimately be assessed by the performance of a city over time. In other words, it is about how well a city does in attracting and retaining jobs and people. As argued by Kitson *et al*. (2004), 'competitive regions and cities are places where both companies and people want to locate and invest in' (p.997). Thus, from this perspective, urban competitiveness is about two key issues: people development and business development. There are in principle two main channels for achieving this, which often work in combination: through nurturing existing, indigenous assets (e.g. upgrading of existing businesses and skills; creation of new start-ups) and through external-to-the-region attraction (e.g. of transnational companies and skilled migrants). In order to account for these outcomes, urban competitiveness is usually assessed through aggregated indicators such as per capita income, productivity, population growth and unemployment rates.

However, from a policy perspective, the idea that 'cities are in competition' tended to favour policies and urban strategies emphasising external-to-the-region attraction of footloose people, companies and investments (e.g. sports and cultural mega-events, multinational subsidiaries, creative workers). According to this view, cities can compete for quotas of investment, resources and markets in a certain moment of time, often by offering tax breaks, relocation incentive packages, good infrastructure and safe business environments. Yet, evidence suggests that this kind of policy has resulted in counterproductive and wasteful 'bidding wars' (e.g. Rodríguez-Pose and Arbix, 2001). In the absence of complementary policies, these types of competitiveness-boosting policies often led to zero and negative sum effects and temporary shifts of resources (and problems) from one city to the other (e.g. Pike *et al*., 2006). Over time, in the absence of local anchoring capabilities – for example complementary skills, demanding local markets, adequate institutional settings – companies and investments tended to relocate again. Overall, there is plenty of evidence that those types of static competition policies based on external attraction seem to be incomplete (at best) or misleading (at worst), if the aim is to foster urban competitiveness and local economic development.

Therefore, there is a growing consensus that urban competitiveness must be deeply grounded in the structural drivers of a city's competitive advantage. Many authors have demonstrated that the long-term competitive advantage of places is created and sustained through highly localised 'assets', 'foundations' or 'capitals', such as the presence of specialised resources, skills, infrastructure and information flows (e.g. Porter, 1990; Saxenian, 1996; van Winden *et al*., 2007; PwC, 2013). Those capitals change slowly as they are linked with industrial structures, socio-cultural bounds and actors' exchange routines (Storper, 1997). This is why it has proved so difficult to replicate 'Silicon Valleys somewhere' through subsidies and infrastructure (Hospers, 2006). In order to attract and retain jobs and people over time, the presence – but also the coherence – of such place-based capitals is of utmost importance: it is out of the match between external inflows of businesses and people and place-based capitals that regions diversify and remain competitive over time (Boschma and Frenken, 2011).

Urban competitiveness structural assets or 'capitals' result from a mix of historical processes, market forces and multi-level public interventions. They are not solely in the hands of local governments, but can be influenced by their action. Altogether, they form the socio-economic context of a city (van den Berg *et al*., 2005; van Winden and Carvalho, 2008). There are many possible ways of clustering such capitals for analysis. In this study we considered the following: knowledge and economic capital; social conditions; environment and quality of life; image; and institutional conditions.

The *knowledge and economic capital* of a city is the most important capital. It is closely associated with its knowledge infrastructure (e.g. universities, R&D and higher education institutes) and the skills of the working population. There is a strong link between a city's knowledge capital and urban productivity increases (e.g. Glaeser, 2011). The skills of the working population tend to reflect the city's economic structure and its capacity to generate new innovative combinations. Highly specialised cities face problems in economically reinventing themselves; however, fully diversifying their industry and economic base is not the solution – if diversified urban economies tend to be more resilient to external shocks, they find fewer opportunities for productive recombination (Frenken *et al*., 2007). Recent research suggests that, over time, the best performing and innovative local and regional economies are those which have a diversified yet related mix of industries and economic activities (Boschma and Frenken, 2011).

However, even in successful urban economies, social problems and inequalities can persist and hinder further development. For example, cities like Manchester have done remarkably well changing their economic structure and attracting new residents, but social deprivation and unemployment persists. Thus, *social conditions* are also considered by many as an important driver of urban competitiveness (e.g. widespread access to housing, basic skills, health and opportunity). A key issue has to do with the disparities between have and have-nots. Social disparities can be related to crime, decreasing a city's attractiveness for new residents and businesses (van den Berg *et al*., 2005). However, beyond the pure economic and utilitarian rationale, disparities also raise many ethical considerations on urban justice since economic growth does not seem to trickle-down so easily into new jobs and opportunities (e.g. Storper, 2011; Fainstein, 2010). Overall, there is a well-known 'inverted-U' relationship between equality and economic performance in cities: over time, too high or too little social equality hinders growth (e.g. Castro and Jensen-Butler, 1999).

Environmental and quality of life conditions have been increasingly considered important capitals for urban competitiveness, namely when it comes to the attraction and retention of talented workers. Although in somewhat different fashions, both Florida (2002) and Glaeser

(2011) show positive relations between the environmental and amenity endowments of places and their competitiveness. The underlying logic is that a high premium has been placed on quality of living (van den Berg, 1987) and that talented workers chose to move or stay based not only on job opportunities but also on attributes of the built and natural environment, cultural endowments, advanced consumption opportunities and advanced health services. The market provides many of such amenities, but in most countries the public sector plays a key role as well. However, the opposite is also true: from a certain threshold of environmental degradation, a city's competitiveness is put at risk (even if jobs, consumption and cultural amenities are present).

A city's *image* and identity is also an important capital, and one that changes very slowly. Van den Berg and Braun (1999) stress the role of a city's image in its long-term competitiveness. When choosing a city, in a context of limited information and with other things being equal, its external image plays a role (Carvalho, 2013). Urban regeneration strategies, culture and the hosting of large events have been among the most common strategies deployed by cities to change their images to the outside world, but also to improve the self-esteem of their residents (Richards *et al*., 2013). Former industrial cities provide vivid examples of the role of image in competitiveness: just think of the re-imagining of Barcelona and its increased post-Olympic attractiveness (Smith, 2005).

Finally, it is now widely acknowledged that place-specific *institutional conditions* are central in urban and regional development (e.g. Rodríguez-Pose, 2013). The capacity of a place to bring together stakeholders and get things done in the face of complexity, conflict and change are important factors behind a city's competitiveness (Stoker, 1995; Sotarauta, 2006). Rodríguez-Pose and Di Cataldo (2015) recently found a strong causal relation between the quality of the government and the capacity of regions to innovate and, on the flip side, confirm that ineffective and corrupt governments severely hinder the innovative capacity of regions, namely in more peripheral regions. Institutional conditions go beyond actors and administrative structures to include dimensions like social capital (Putnam, 2001) and the norms, cultures, exchange routines and regulations that guide and organise exchanges and interactions among different actors in place (e.g. North, 1990).

2.3 Organising capacity: old and new dimensions

Clearly, institutional conditions influence a city's overall capacity to identify and act upon its pressing development challenges and opportunities, reinforcing (or not) all the other 'capitals'. As mentioned earlier, van den Berg *et al*. (1997) speak about organising capacity as 'the ability to enlist all actors involved and, with their help, to generate new ideas and to develop and implement a policy designed to respond to fundamental developments and create conditions for sustainable development' (p.1). This capacity is pivotal to improve a city's aforementioned capitals over time and to mobilise new resources for a city's development. It refers to the capacity of places to pursue policy integration between different government layers (e.g. national, regional, local), but also between different stakeholders in a city (e.g. government, chamber of commerce, universities and other organisations) and to put their energy at the service of concrete urban development projects and strategies.

In this study, we revisit the original organising capacity framework (see introductory section; van den Berg *et al*., 1997; van den Berg *et al*., 2003) and suggest that the organising capacity required to implement increasingly complex urban development strategies – integrating competitiveness and sustainability goals – benefit from six key enablers: strategic networks and collaboration, leadership, communication, finance, prioritisation and piloting,

and agile delivery. The first three enablers were present in the framework's original formulation, while the others are derived from recent studies and surveys on urban development strategies (e.g. Carvalho *et al*. 2014; van den Berg *et al*., 2014; PwC, 2011, 2012, 2013).

Strategic networks and collaboration refers to the relations established between systems of urban actors whose strategies are influenced by (and may depend on) each other. As societal demands grow, the resources required to tackle integrated urban development strategies (e.g. knowledge, finance and legitimacy) are increasingly spread out (Teisman and Klijn, 2002) and hence the growing relevance of partnerships and 'co-production' in public governance and urban affairs (Pestoff *et al*., 2012). Partnerships are time consuming (e.g. to align objectives and interests) but offer better guarantees of more sustainable outcomes, namely when 'birds of different feathers' are involved (van den Berg *et al*., 1997; Carvalho, 2006). In this vein, the notion of 'triple helix' became popular to refer to the multitude of relations established between university-industry-government e.g. to promote local and regional innovation and economic development (Etzkowitz and Leydesdorff, 2000). More recently, notions of 'quadruple', 'penta' and 'N'-helix have been introduced to cater for the involvement of other actors in innovation processes, such as the civil society, not-for-profit organisations, etc. (Leydesdorff, 2012; Carvalho *et al*., 2014).

Leadership has long been considered a critical element in urban development strategies. Good projects without good leaders can easily fail. Urban leadership is often associated with visionary and charismatic individuals that drive initiatives through the many obstacles on the way, linking actors and finding new solutions to old problems (van den Berg *et al*., 1997). However, in urban and regional development studies, leadership is increasingly understood as a distributed capacity beyond hierarchical relationships (e.g. Beer and Clower, 2014), sometimes involving action in domains in which formal responsibilities are not attributed to concrete actors. Leadership is important to acquire social and political support for controversial urban projects and strategies (van den Berg *et al*., 1997). Yet, the sources of power of urban leaders and urban development officials seem to be changing – more than exerting power through institutional and formal positions, the ability to connect visions and networks, inspire others to action and build convincing and appealing narratives is becoming ever more important (Sotarauta, 2006, 2009).

Communication is closely linked with the capacity to mobilise partnerships and involve citizens in urban projects, namely whose outcomes are hard to visualise beforehand. Many urban policies and projects increasingly have immaterial dimensions (e.g. involving investments in education or research), making it difficult to the lay citizen to understand its propositions and outcomes. Second, as physical urban projects often involve long time frames, communication is pivotal to keep enthusiasm and momentum over time. Over the last two decades, the role of communication has made strong inroads in planning theory (e.g. Innes, 1998; Healey, 1999). Innes (1998) reminds us that 'it is through communicative practice that they [planners] influence public action' and that 'being technically right is never enough to influence action' (p.52).

As new urban development strategies increasingly combine multiple dimensions and domains (economic, social, environmental, etc.), *prioritisation and piloting* is key. On the one hand, their ultimate objectives are too complex to be attained with single, short-term initiatives; on the other hand, they require concrete action to start and create momentum to achieve more demanding pursuits. Pilots and experiments allow for early visualisation of solutions and to see what works and what does not (e.g. Kemp *et al*., 1998). Moreover, pilots support the formation of coalitions of stakeholders and can pave the ground for the legitimisation of initiatives that more strongly challenge the status quo (Bergek *et al*., 2008; Carvalho

et al., 2012; Carvalho, 2015). Moreover, new visions, strategies and stakeholders' agendas will emerge along with changes during the long-span urban development initiatives (Teisman and Klijn, 2002), calling for flexibility and heterodox governance modes (Loorbach, 2010).

Due to their increasing complexity, it has been argued that successful urban development projects benefit from city administrations that are capable of incubating new ideas and accelerating their impact through rapid prototyping (Adams, 2015; PwC, 2013). Yet, ultimately, acting upon complex urban challenges requires *finance and agile delivery vehicles*. Sound finance is a necessary but not sufficient condition for the success of complex urban development strategies. In recent surveys (PwC, 2011, 2012), finance was portrayed as the most important barrier hindering the implementation of urban strategies, but not the most important enabler. At the same time, urban projects and strategies combining competitiveness and sustainability objectives call for new agile delivery vehicles. These are often important to challenge the silo-oriented mentality of many administrations, calling for action beyond 'comfort zones' and combinations of multiple actors and resources (Miles and Trott, 2011). Yet, the need for good finance and agility should not be associated with the financialisation of urban development or aggressive public service's privatisation that have been present in many urban development strategies over the last decades, clearly endangering the sustainable competitiveness of many cities (Sager, 2011; Weber, 2010).

2.4 Summing up

In this study, we primarily look at urban competitiveness as the dynamic capacity of a city to grow and develop over time, nurturing and attracting new jobs, people and skills. In a certain moment of time, cities can bid and 'compete' with each other to attract residents, investments, talent and companies. Yet, in the medium and long run, urban competitiveness and a city's capacity to reinvent itself are driven by a number of structural assets or 'capitals': knowledge and economic capital; social conditions; environment and quality of life, accessibility; image; and institutional conditions. Such capitals change slowly, but they can be influenced by hands-on policy initiatives and local development strategies.

Different and changing notions of sustainability provide additional twists to urban competitiveness strategies. There are different, often value-driven viewpoints of what sustainability means or should be. Yet, it is more consensual that in order to remain competitive, urban economic development dimensions have to be holistically combined with environmental and societal dimensions. Hence one can speak about sustainable competitiveness as a city's ability to keep growing and developing over time while fostering social cohesion and environmental quality. Yet, a key question is how can cities and their actors make such a complex objective happen, and which processes and enablers are necessary. Under a changing playing field in which urban development strategies become increasingly multidimensional and multi-stakeholder, urban development projects will likely rely on more (and new) types of designs, organisation features and implementation processes.

3 Research framework and case studies

3.1 Research framework

The case studies in this book analyse how different types of contemporary urban development strategies are contributing to sustainable competitiveness, namely by changing/reinforcing a city's structural foundations and 'capitals'. They analyse in depth the rationale