Cities, Competition, and Cooperation
Prospect Meets Retrospect

Marjatta Hietala

In today’s “global world,” competitiveness is one of the key aims for cities. Municipal authorities across the world strive to enhance the economic capacity of their cities by attracting businesses and workers. This, in turn, has shaped local and regional policy in many Organisation for Economic Co-operation and Development (OECD) countries. For these countries, major determinants of a city’s competitiveness include such policy keywords as “accessibility,” “infrastructure,” and “human capital.” In addition, “entrepreneurship,” “innovation,” and “investment” are identified as facilitating new business growth and product development, while fostering the growth of a new urban economy centered on knowledge creation and innovation. Cities thus compete to attract and retain mobile factors like labor and capital, which they do through their provision of tangible local amenities, such as green spaces, affordable housing, business support, and multinational corporate headquarters.¹

When exploring a city’s competitiveness, new trends are evident, at least in the OECD’s 2006 report, *Competitive Cities in the Global Economy*. Chief among these are economic opportunities, which are sought through a sustainable growth vision of “competitiveness” and “livability.” However, the OECD also recognizes three dilemmas in this strategic vision. The first

Marjatta Hietala was the first historian to systematically examine the circulation of know-how between municipalities. Her memorable study, *Services and Urbanization at the Turn of the Century: The Diffusion of Innovations*, published in 1987, aroused our own interest in the similarities and contrasts between our own municipalities. When we embarked on this venture, we were keen to invite Marjatta to contribute an epilogue to this collection, twenty years after *Services and Urbanization* was published. To this she kindly accepted.

P.-Y. Saunier et al. (eds.), *Another Global City*
© Pierre-Yves Saunier and Shane Ewen 2008
concerns the spillover of metroregions, those sprawling conglomerations of urban people. The report questions whether metroregions have become major centers of growth in contemporary economies. It cites greater accessibility, lower transaction costs, social capital, and urban agglomeration as positive externalities not just for businesses but also for public authorities, educational institutes, and local civic associations that are keen to benefit from increased competition and livability. For all their benefits, though, there remain various negative externalities associated with large conglomerations of population. These include congestion costs, dilapidated or obsolescent infrastructure, and also weak social, political, and fiscal cohesion, which together dilute the impact of spatial planning on a city’s growth prospects.²

The second dilemma deals with the public strategic vision. The authors describe the risks in developing policies based on a focused strategic vision, citing the example of the Montreal metropolitan region as evidence of the diversity of specialized targeted clusters in a multiplicity of different metroregions.³ The third dilemma concerns the relationship between economic dynamism and the livable city. The authors emphasize that there exists considerable evidence that an attractive and functional metropolitan environment is not contrary to economic growth, noting several examples of how public authorities regulate air pollution, energy utilization and conservation, renewable energy sources, and water conservation.⁴ Seoul, for example, has developed a restoration project that has replaced an elevated expressway and supplied its disadvantaged neighborhoods with fresh stream water and green spaces.⁵ Of course, this resonates with the destruction of city walls that encircled historic European cities during the nineteenth century, in place of which were built green belts or ring roads. This point explicitly connects “competition” with “innovation,” or “competitiveness” with “innovativeness,” as the mindset oriented toward innovation.

Every city now wants to promote creativity and innovativeness, which necessarily involves encouraging greater mobility and networking, in and around various formal and informal clubs, and common interest networks. A city’s innovativeness is connected to the mentality of its people, but equally so to its prominent institutions, public buildings, and support services, such as transport links and telecommunications. All of this belongs to what Charles Landry calls “hard infrastructure.”⁶ For Paul Edwards, infrastructure is an invisible background, the substrate or support, of the modern environment, the system without which contemporary societies cannot function.⁷ In its widest definition, infrastructure includes several features: the material capital (e.g., land and buildings), the immaterial capital (e.g., educational attainment, health and research potential), and the institutional infrastructure (e.g., the city council and other service providers).