

# COMPETITIVE EUROPEAN CITIES: WHAT AND WHERE ARE THEY? AND SO WHAT FOR POLICY?

Professor Michael Parkinson  
European Institute for Urban Affairs

Cardiff County Council  
April 2006

# This talk will ask 4 questions:

1. What's happening to European cities?
2. What is a competitive city?
3. How does Cardiff compare?
4. What's next for Cardiff?

# 1. WHAT'S HAPPENING TO EUROPEAN CITIES?

Cities up the political agenda

- International not national hierarchies
- Growing networks
- Growing competition
- Growing economic opportunities and potential
- Growing social exclusion

- Globalisation – power away from nation state
- Economic and technological restructuring – Porsche-hamburger economy
- Increasing competition between places – winners and losers
- Institutional and welfare state restructuring – increased vulnerability

- Cities matter more not less
- European governments – targeting and empowering cities
- Europe – new spaces, opportunities, internationalism, entrepreneurialism
- New hierarchies
- Increased concern urban competitiveness

## 2. WHAT IS A COMPETITIVE CITY?

- Ability to attract and maintain firms with stable or rising market shares in an activity, while maintaining stable or increasing standards of living for those who participate in it
- Competitiveness not competition
- Competitiveness not urban renaissance

# Characteristics of competitive city-regions

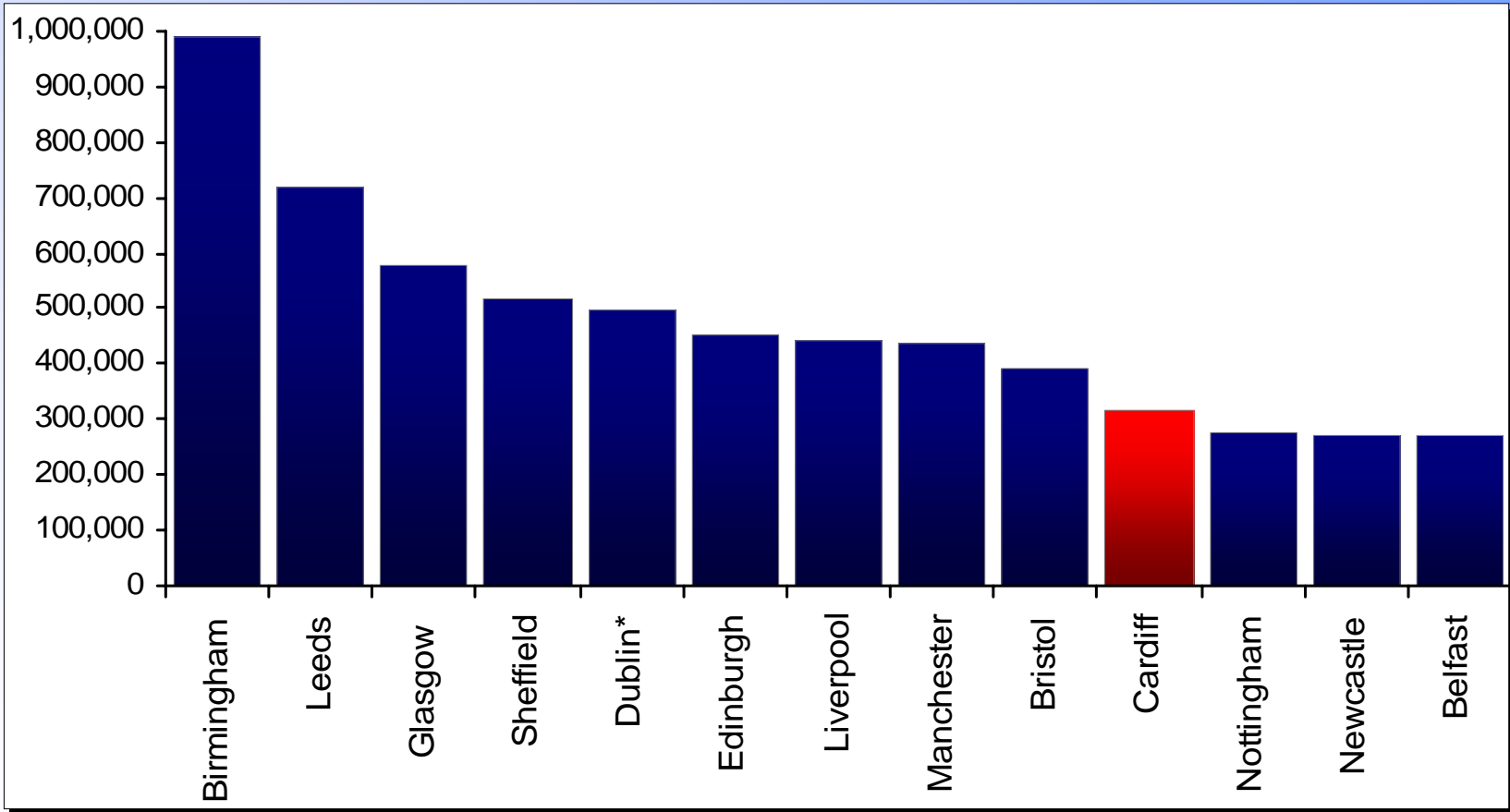
- Innovation
- Diversity
- Skills
- Connectivity
- Strategic capacity
- Quality of life

# Measures

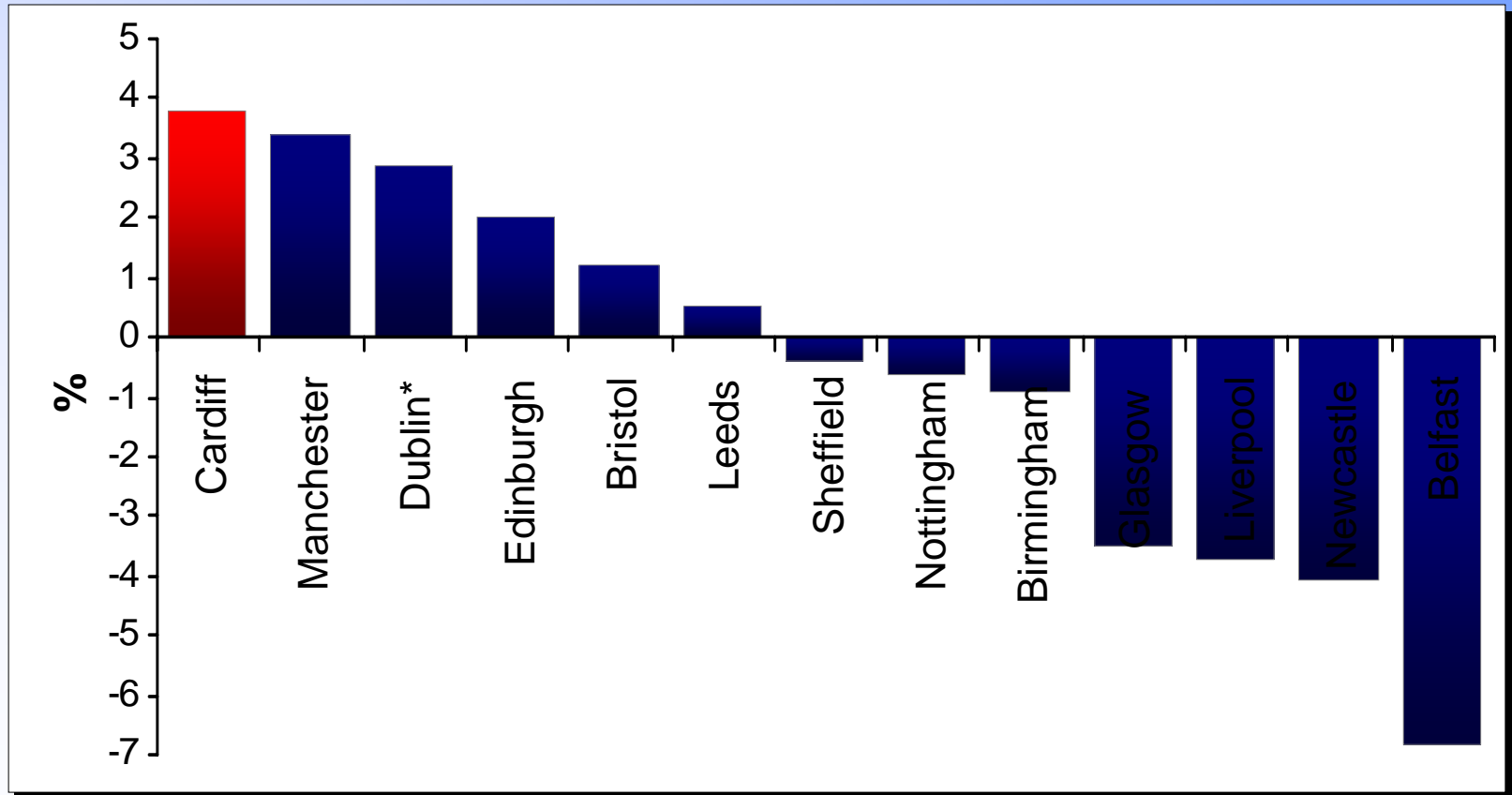
- GDP per capita
- EU Innovation score card
- Percentage population higher skill levels
- Demographic change
- Unemployment
- Dependency levels
- Airport passengers
- Internet connections
- Private sector assessment

### 3. HOW DOES CARDIFF COMPARE?

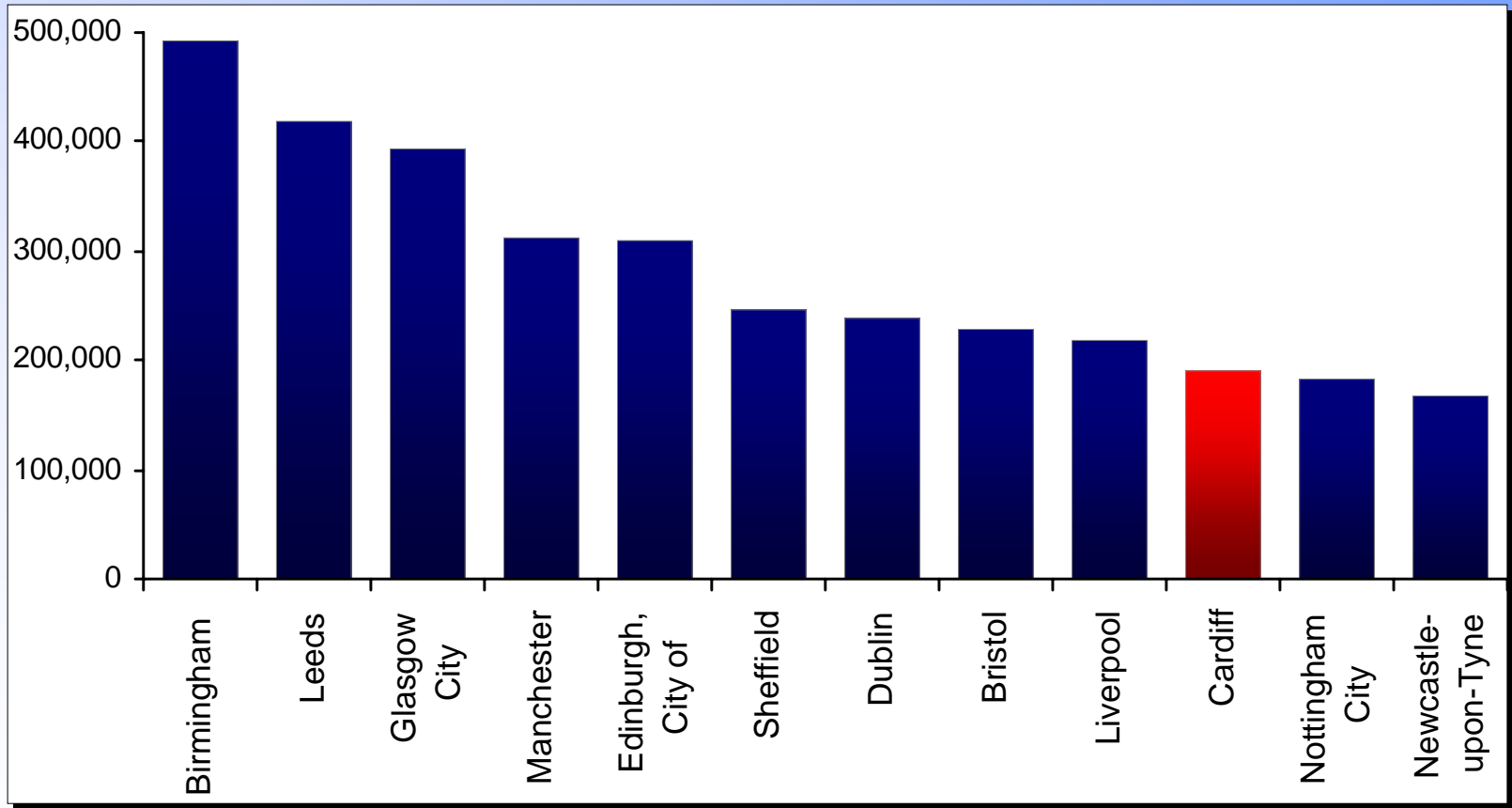
# Total population 2004



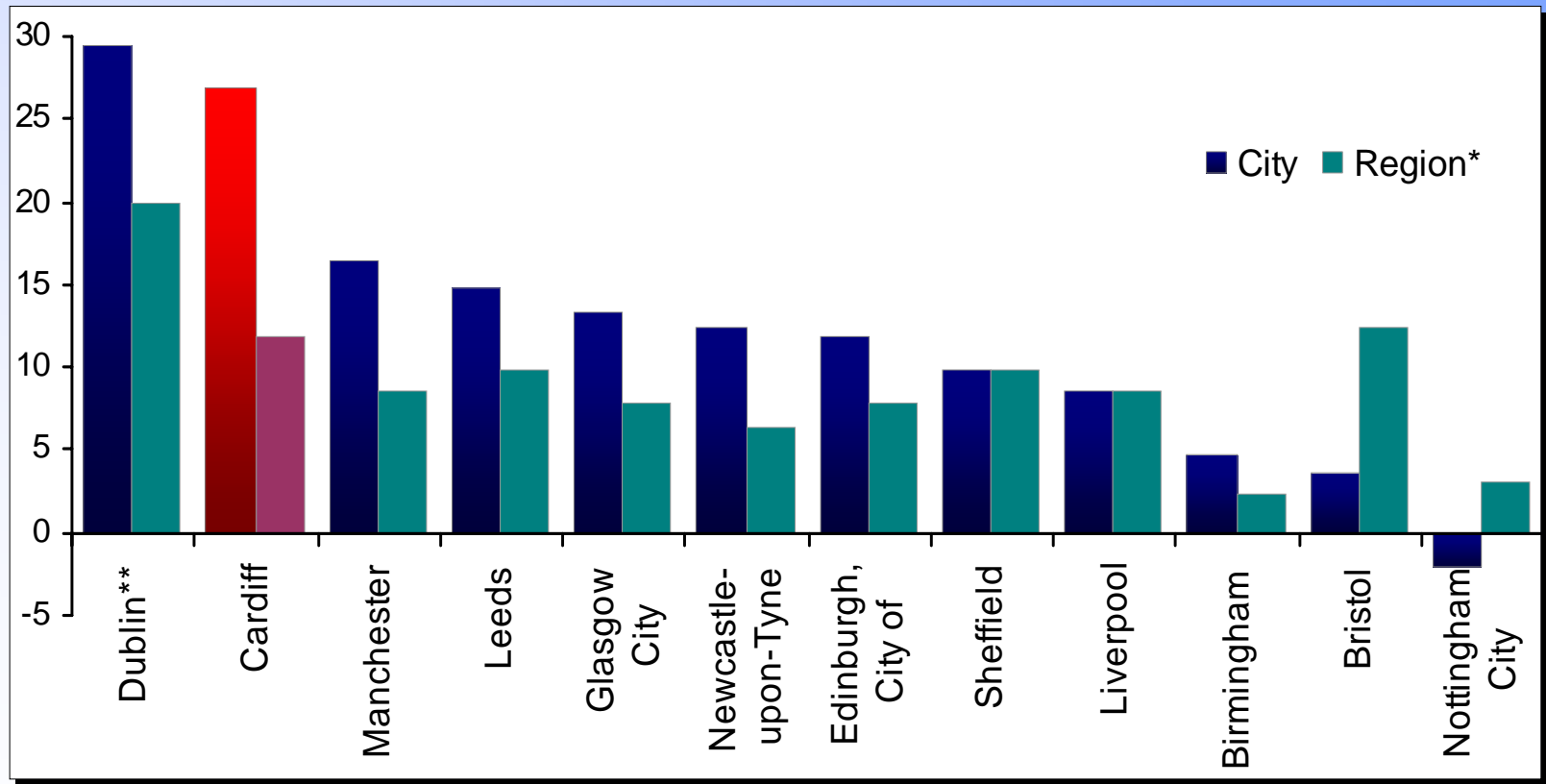
# Population change 1996-2004



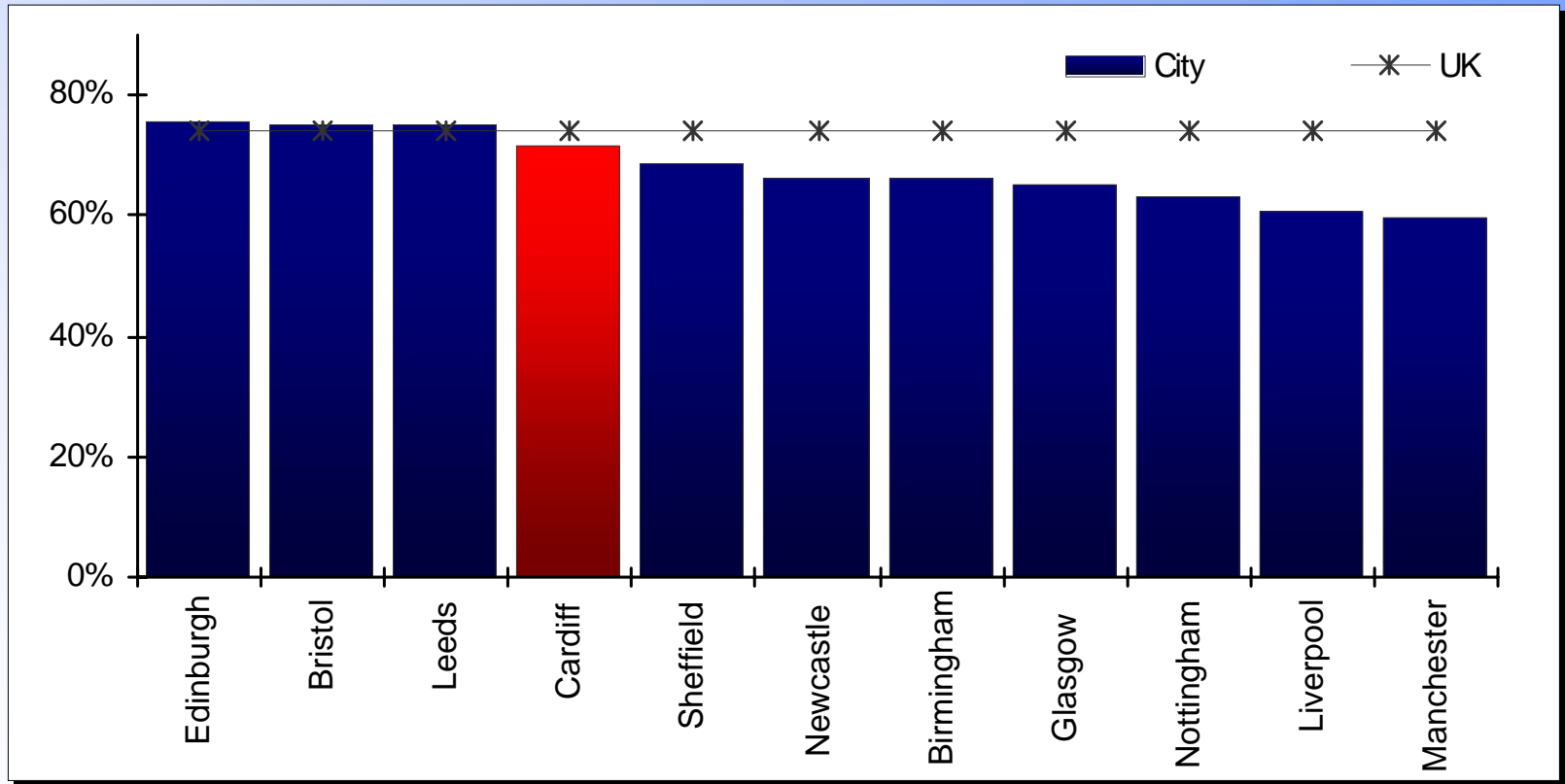
# Total employment 2004



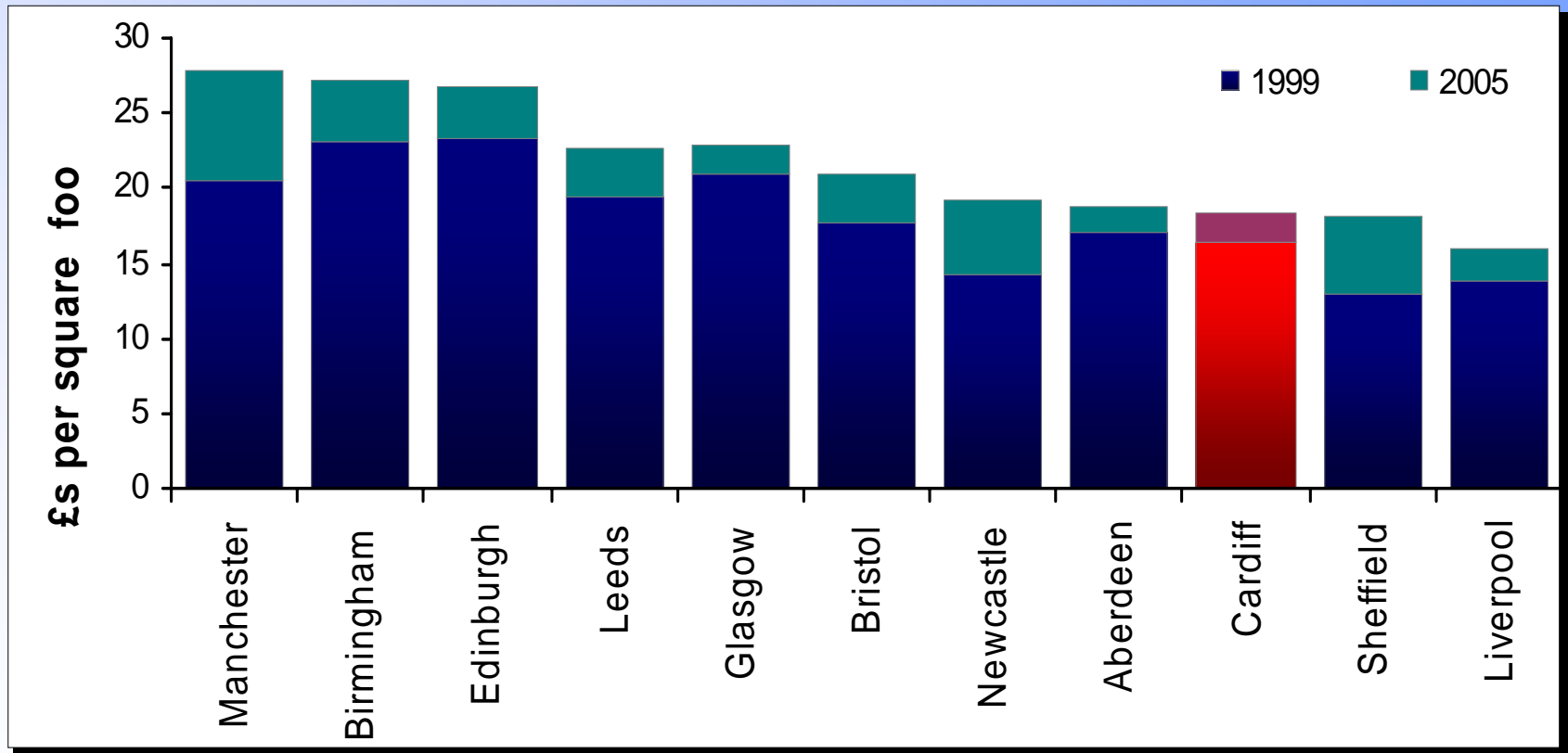
# % Change in total employment in cities & regions 1998-2004



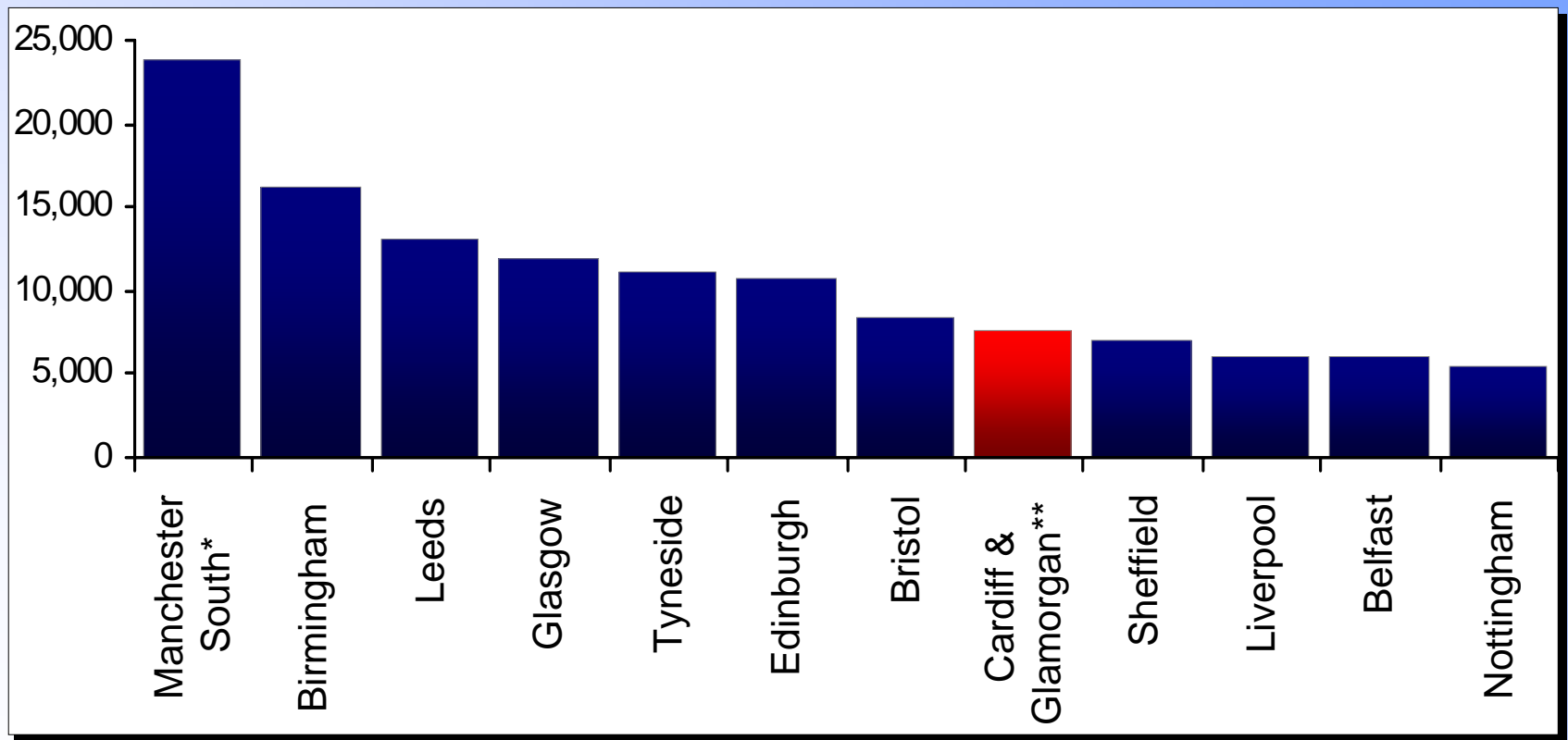
# Employment rate 2004



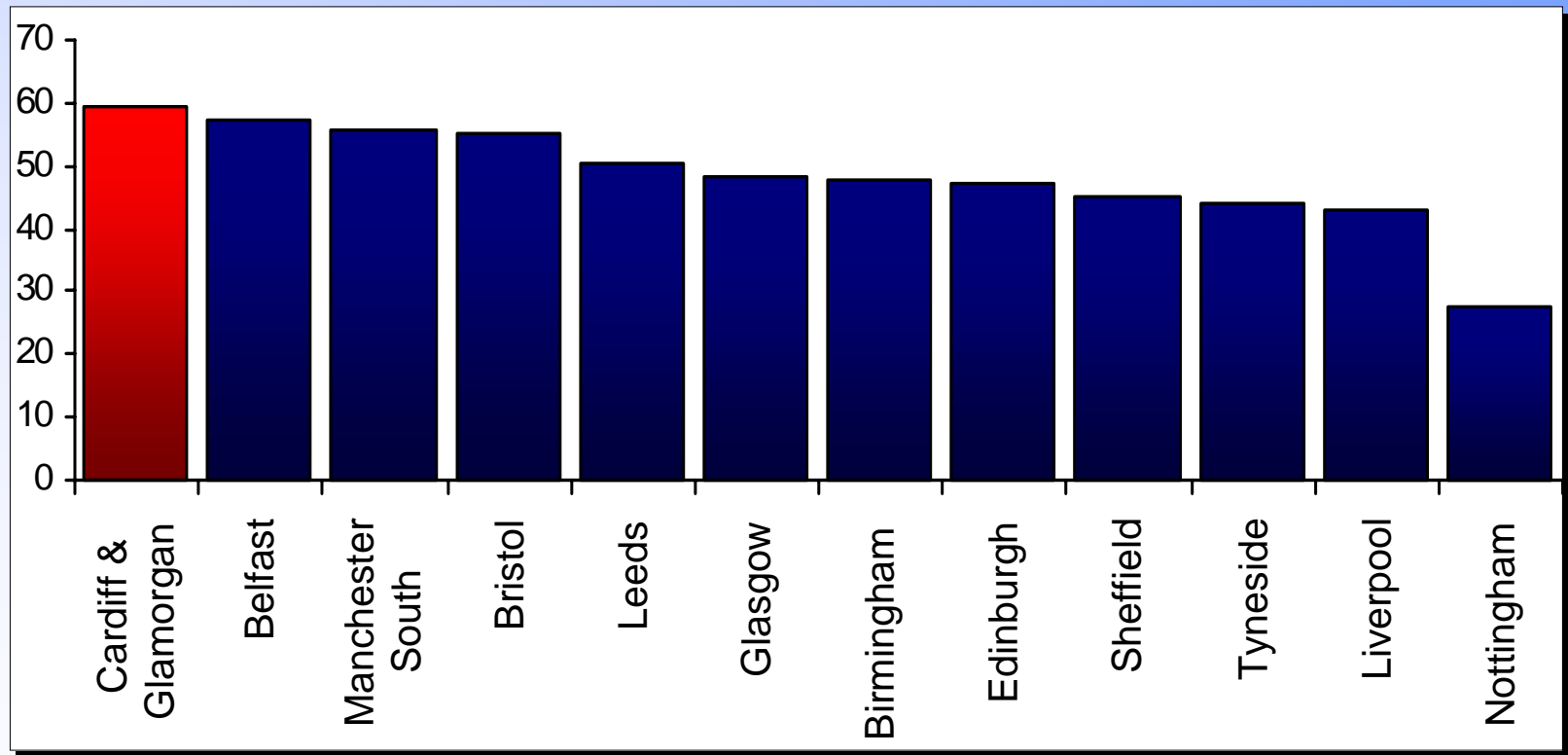
# Prime office headline rents 1999 & 2005



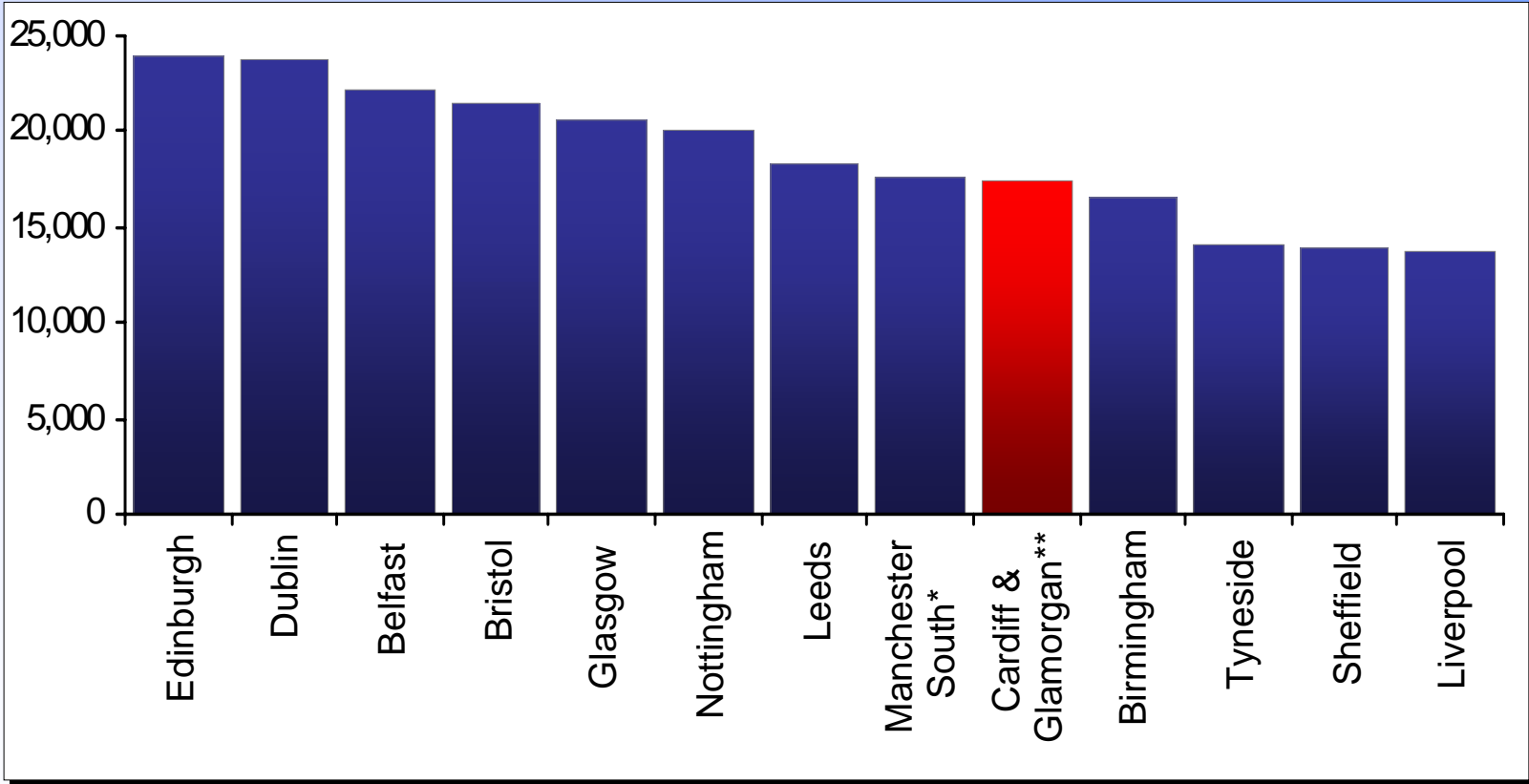
# Total GVA (£m) NUTS 3 areas 2002



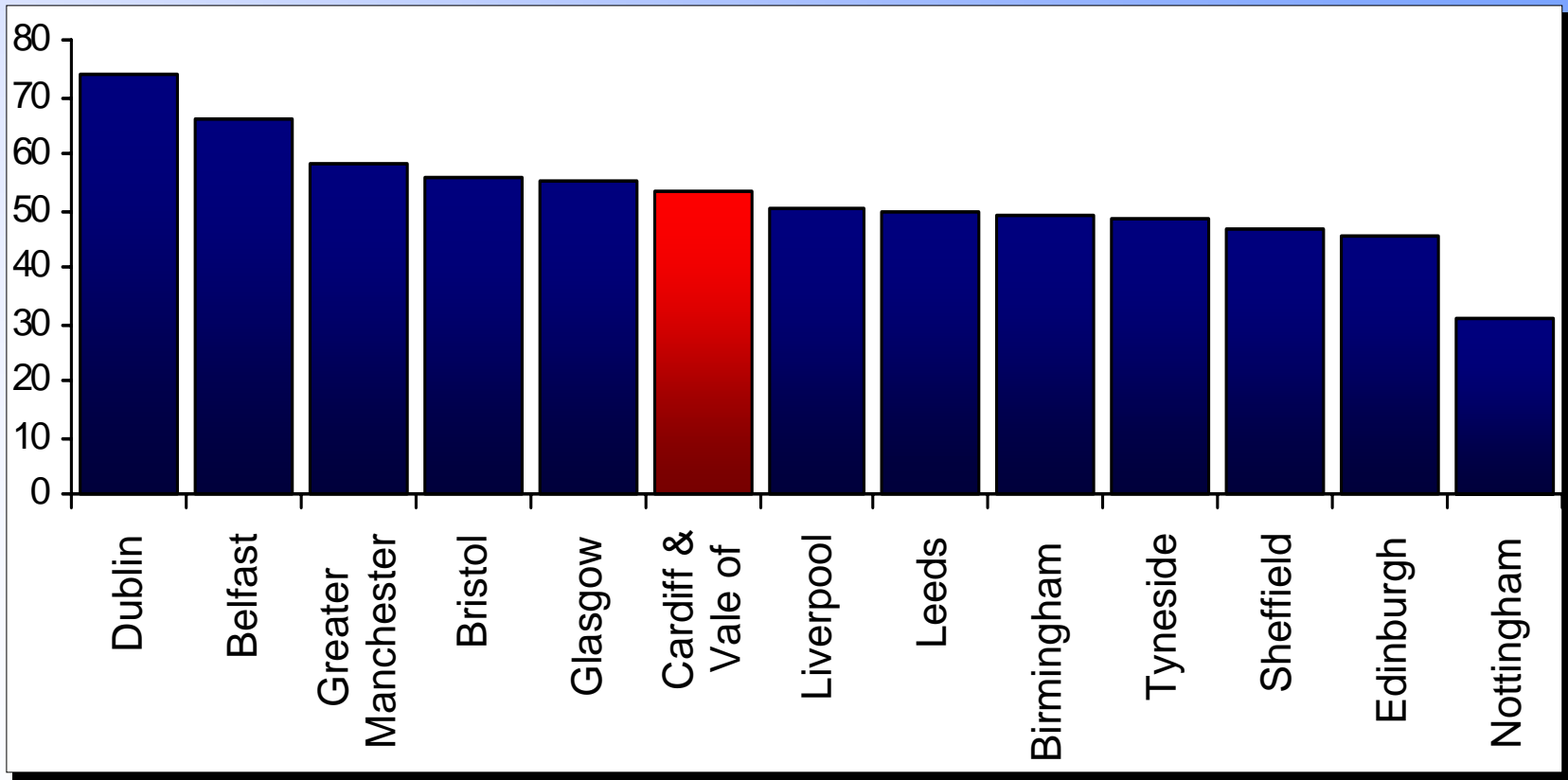
# % Change in total GVA 1995-2002



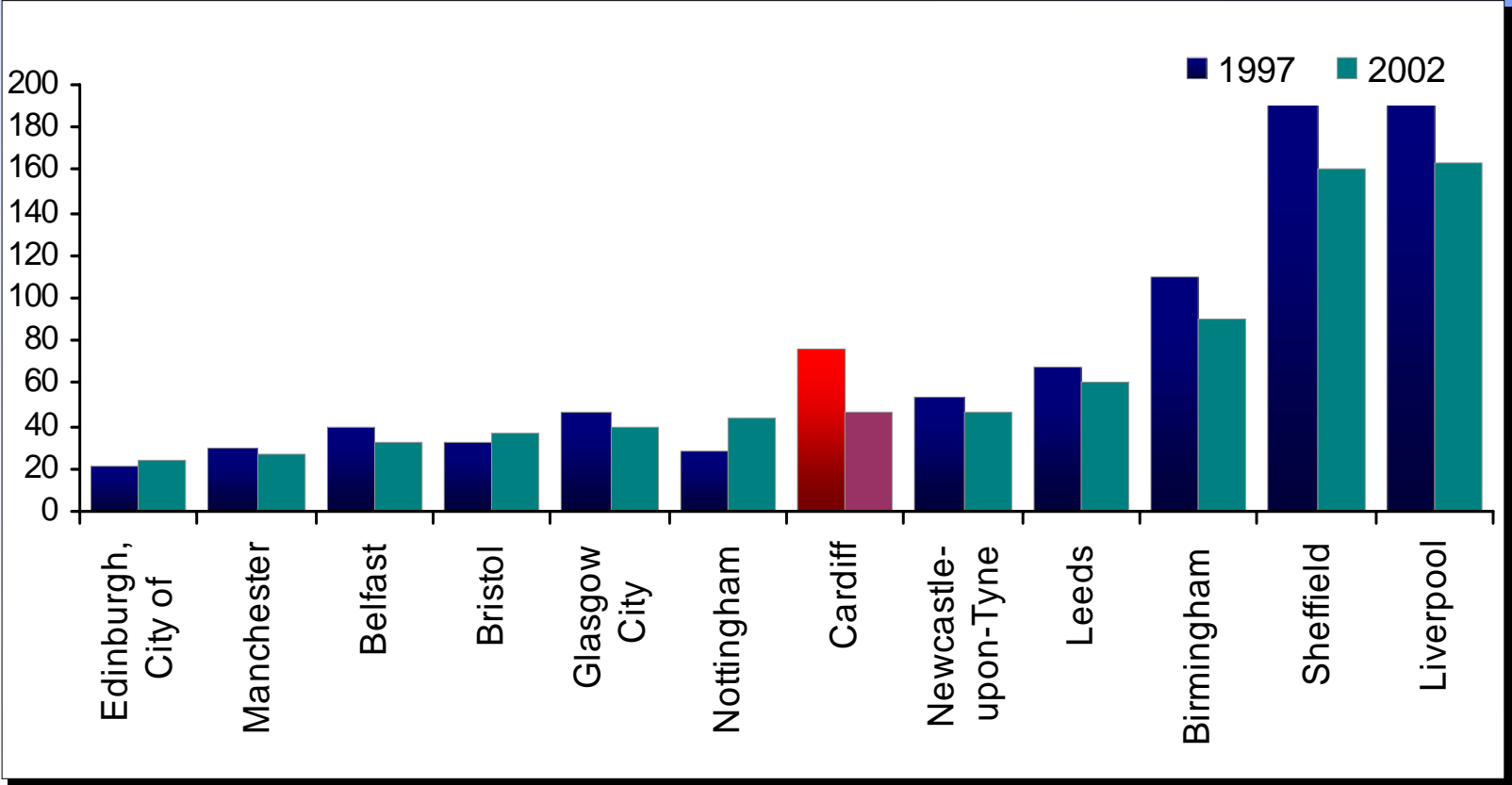
# GVA per capita (£) NUTS 3 Areas 2002



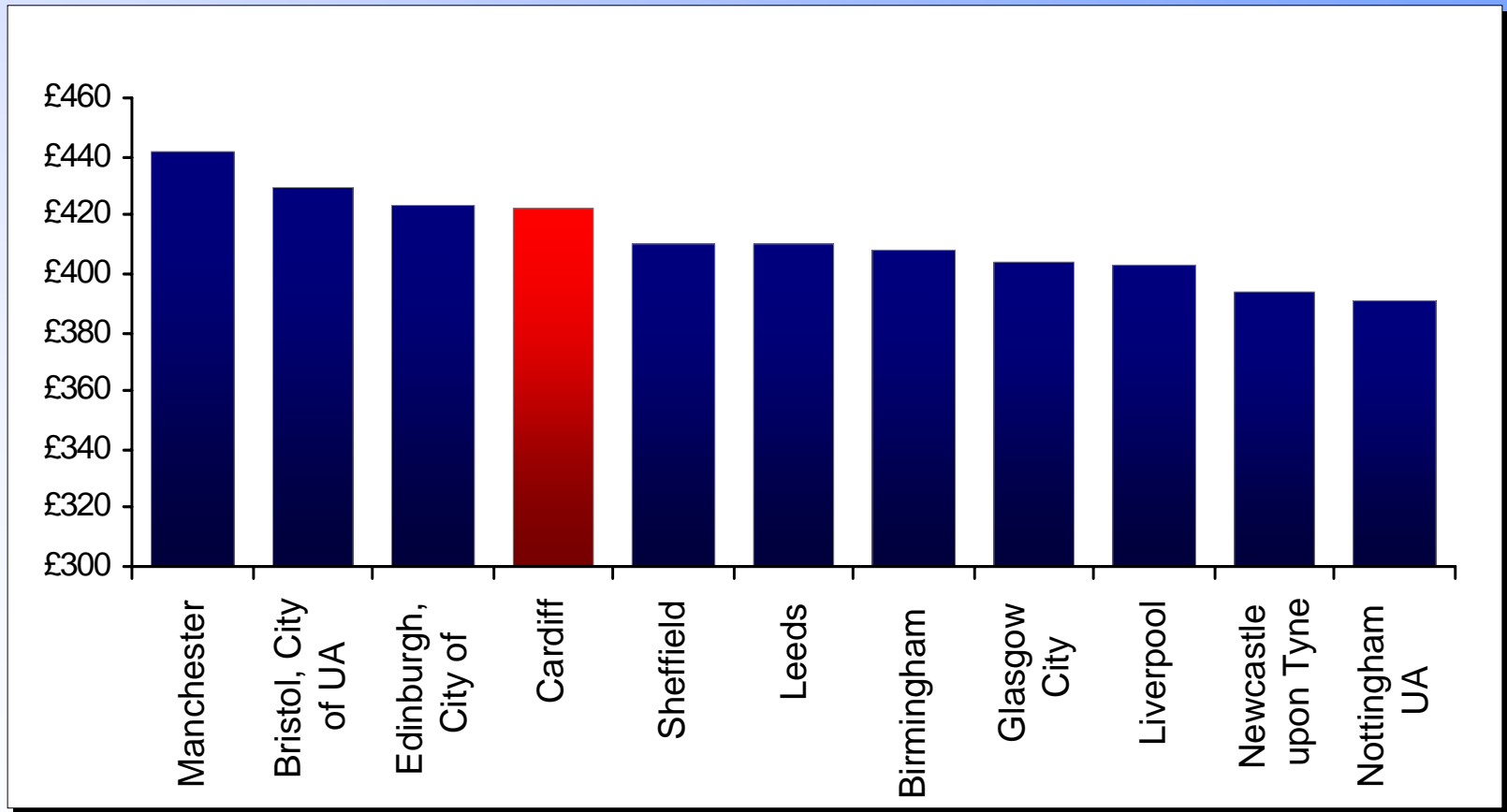
# % Change in GVA per capita 1995-2002



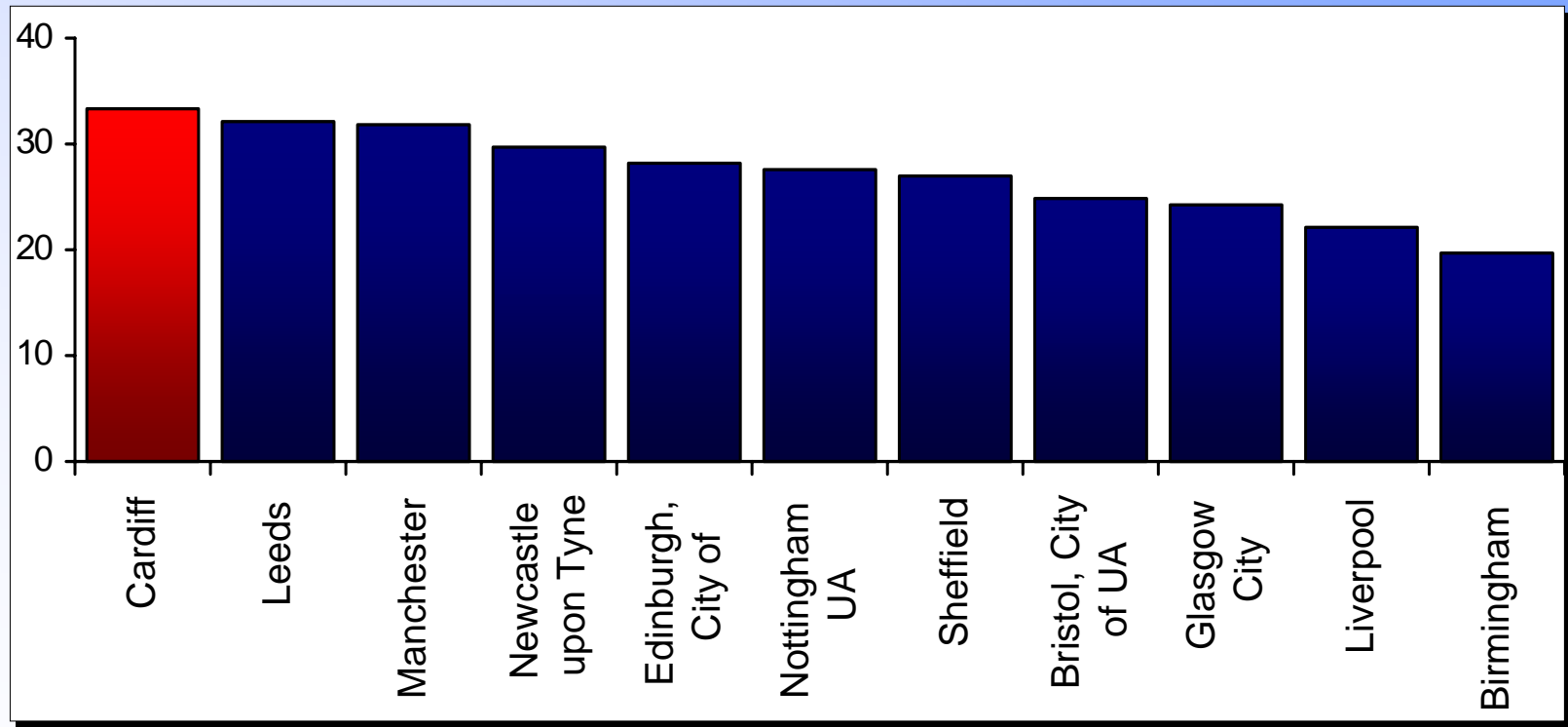
# GVA per capita - rank of selected local authorities (Huggins) 1997 & 2002



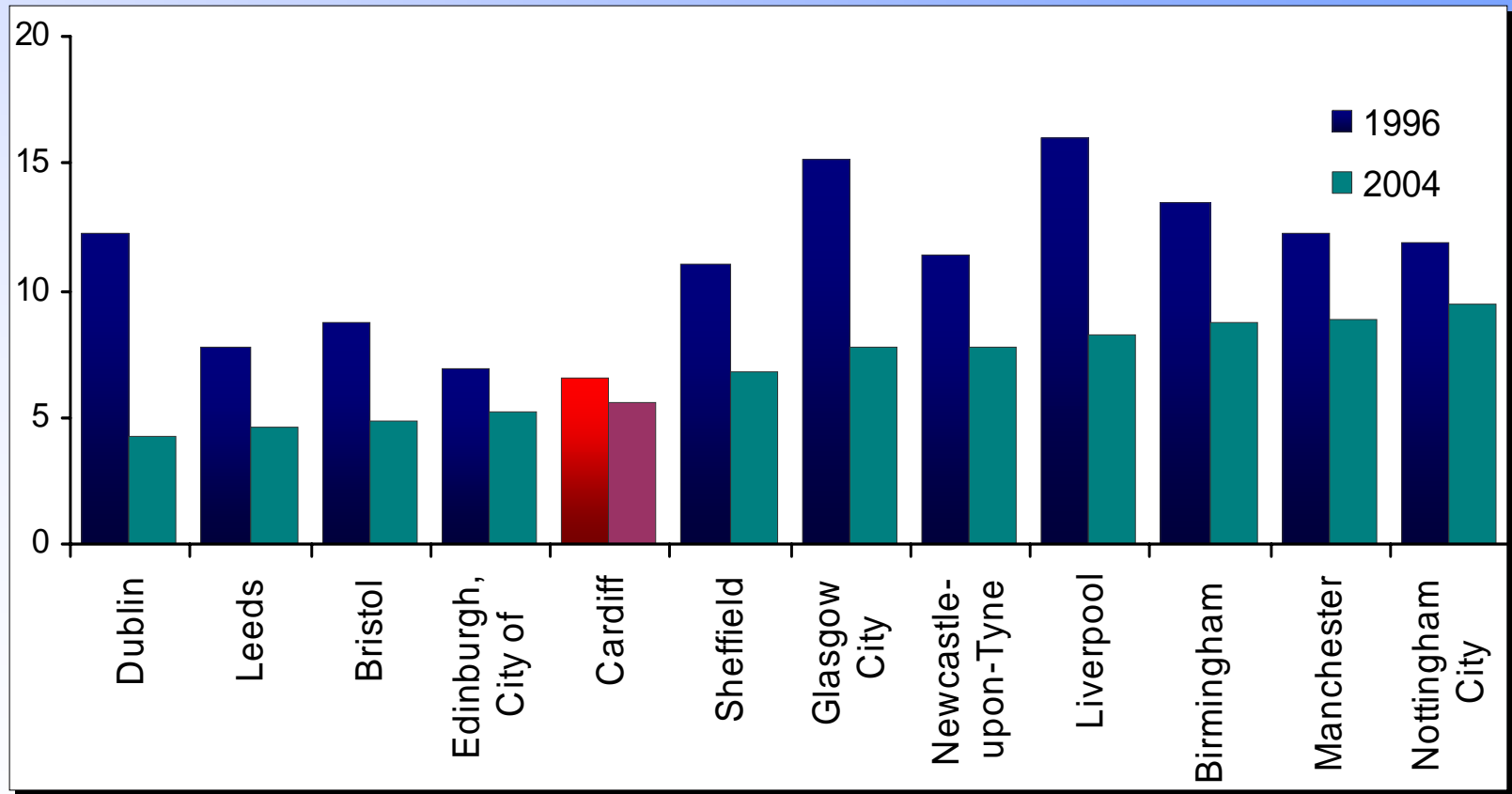
# Gross median weekly earnings (£) for full-time employees 2004



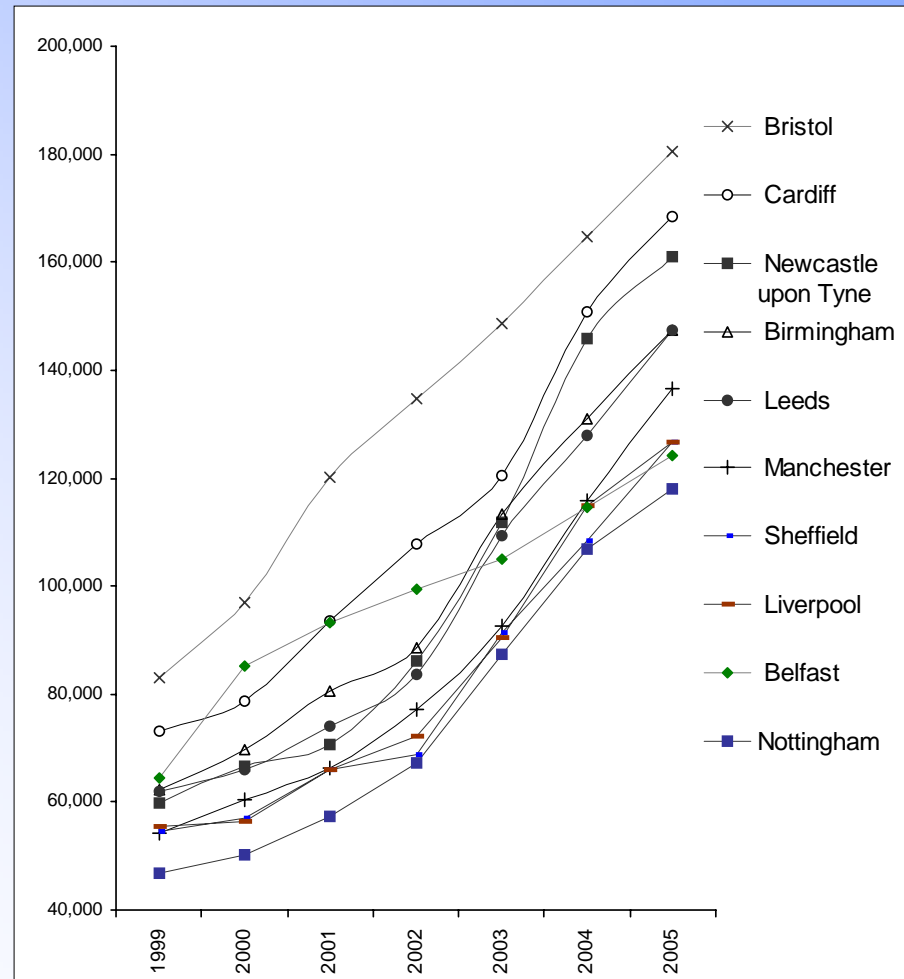
# % change in gross median weekly earnings full-time employees 1998-2004



# Unemployment rates 1996 & 2004



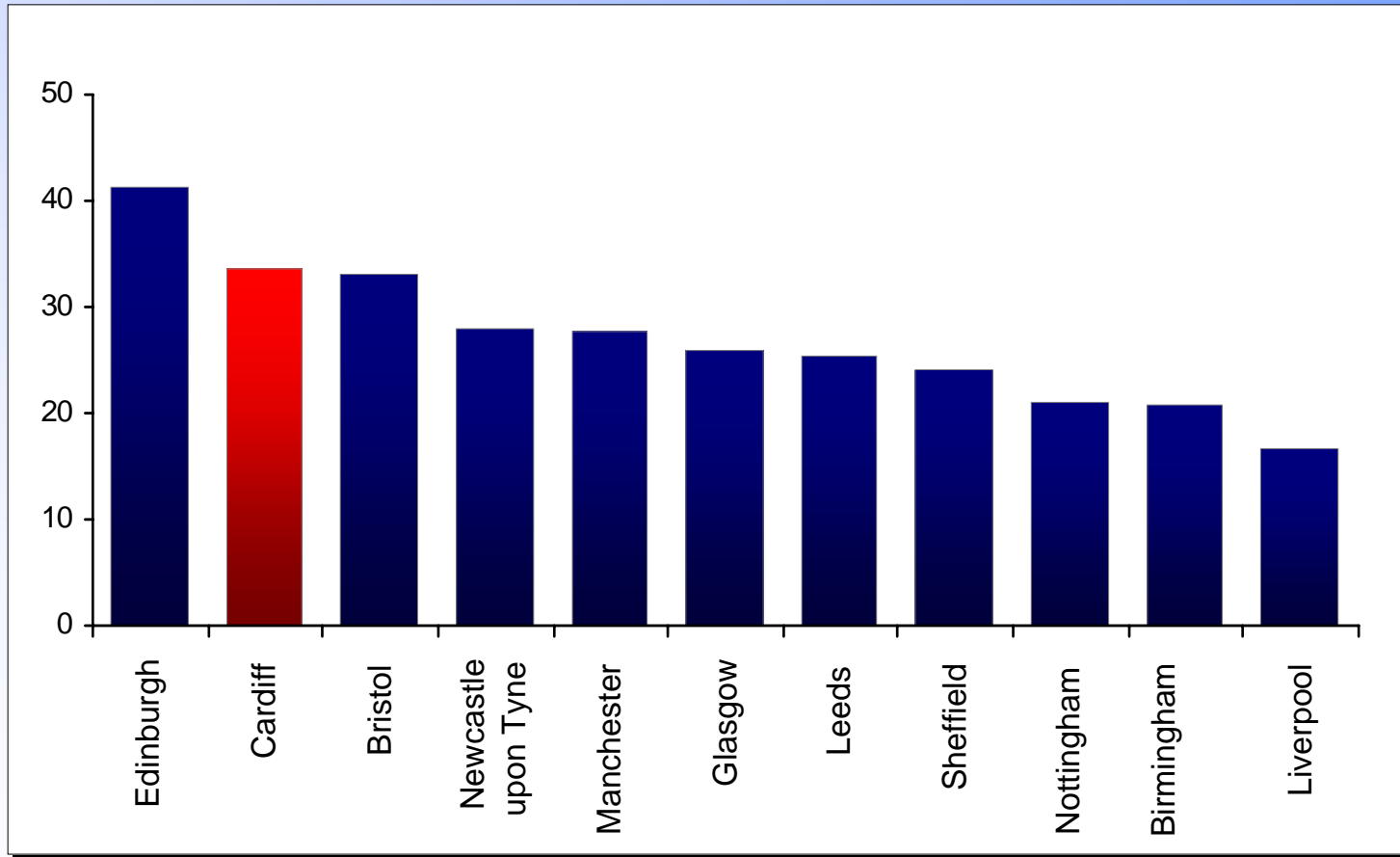
# Average selling price of a semi-detached house 1995-2002



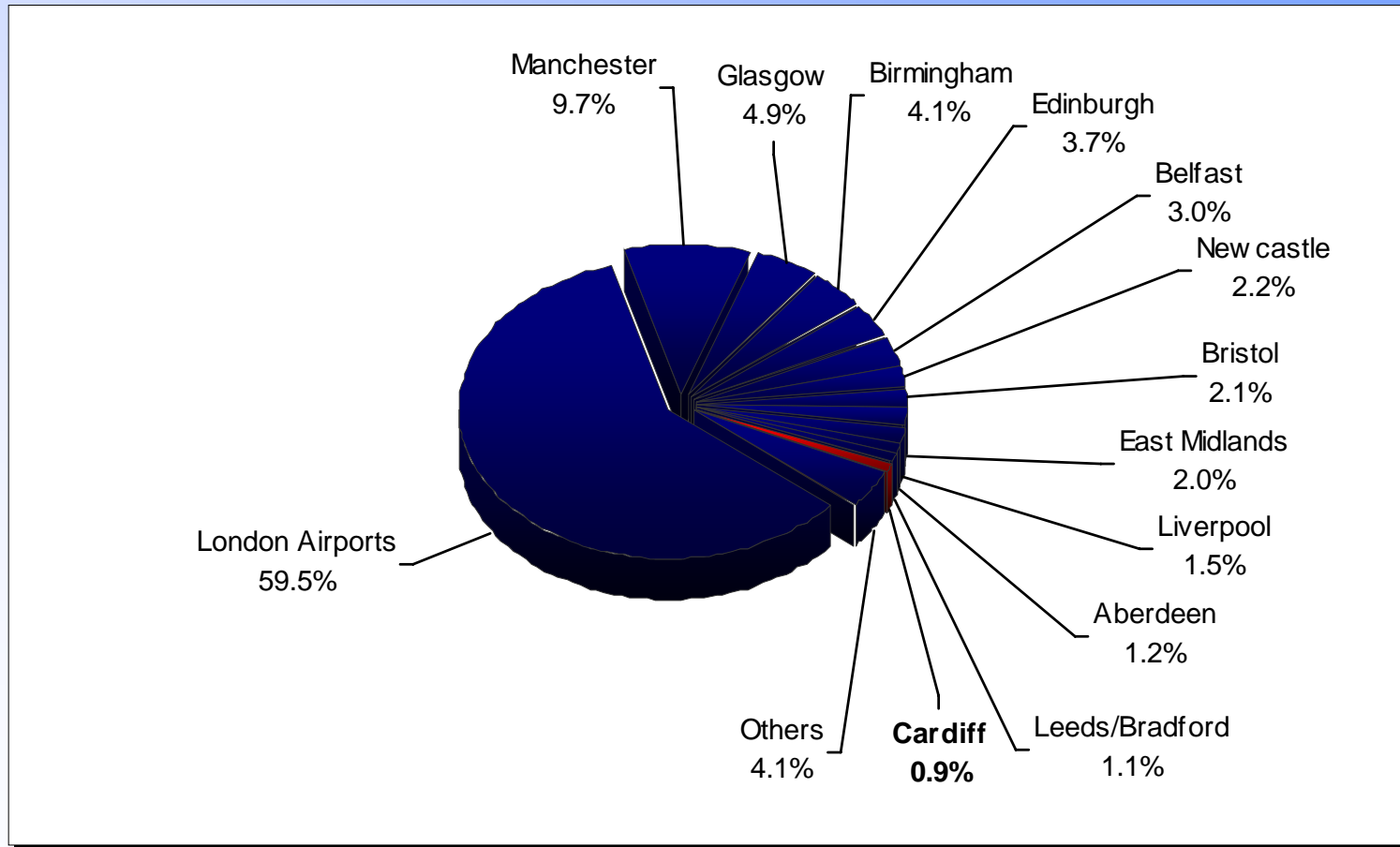
# % of 15 year olds gaining 5 or more GCSEs at A\*-C 1996-2004

| City                | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|---------------------|------|------|------|------|------|------|------|------|------|
| Birmingham          | 32.9 | 35.3 | 35.9 | 38.1 | 40.8 | 41.2 | 45.3 | 49.4 | 51.2 |
| Cardiff             | 38.6 | 39.7 | 43.7 | 43.7 | 44.6 | 45.1 | 46.4 | 47.8 | 48.2 |
| Newcastle upon Tyne | 32.7 | 31.6 | 31.0 | 33.6 | 35.0 | 36.7 | 38.0 | 40.0 | 45.6 |
| Leeds               | 36.6 | 37.4 | 37.9 | 39.4 | 40.4 | 39.6 | 42.4 | 44.4 | 45.3 |
| Sheffield           | 37.2 | 38.3 | 38.0 | 37.6 | 41.1 | 41.9 | 41.4 | 43.3 | 44.7 |
| Liverpool           | 27.6 | 30.1 | 30.9 | 32.4 | 35.3 | 35.1 | 39.2 | 41.3 | 44.6 |
| Manchester          | 27.0 | 26.3 | 28.7 | 30.2 | 30.3 | 31.0 | 33.3 | 39.6 | 39.5 |
| Nottingham          | n/a  | n/a  | 26.2 | 28.7 | 28.7 | 30.3 | 31.3 | 35.1 | 37.7 |
| Bristol             | 30.9 | 32.1 | 29.0 | 31.0 | 31.2 | 31.8 | 31.0 | 35.3 | 35.1 |
|                     |      |      |      |      |      |      |      |      |      |

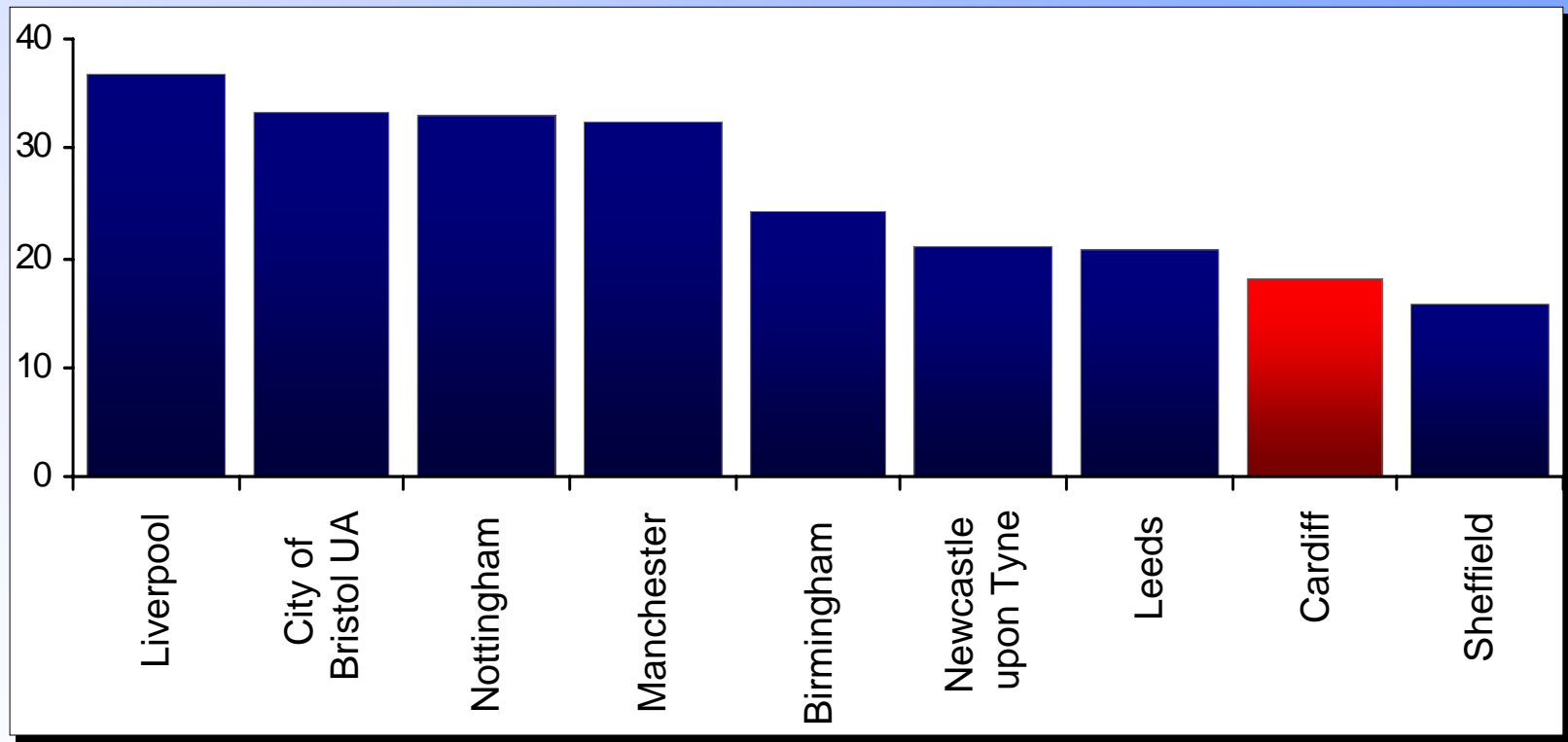
# % of persons of working age educated to NVQ Level 4 or above 2003



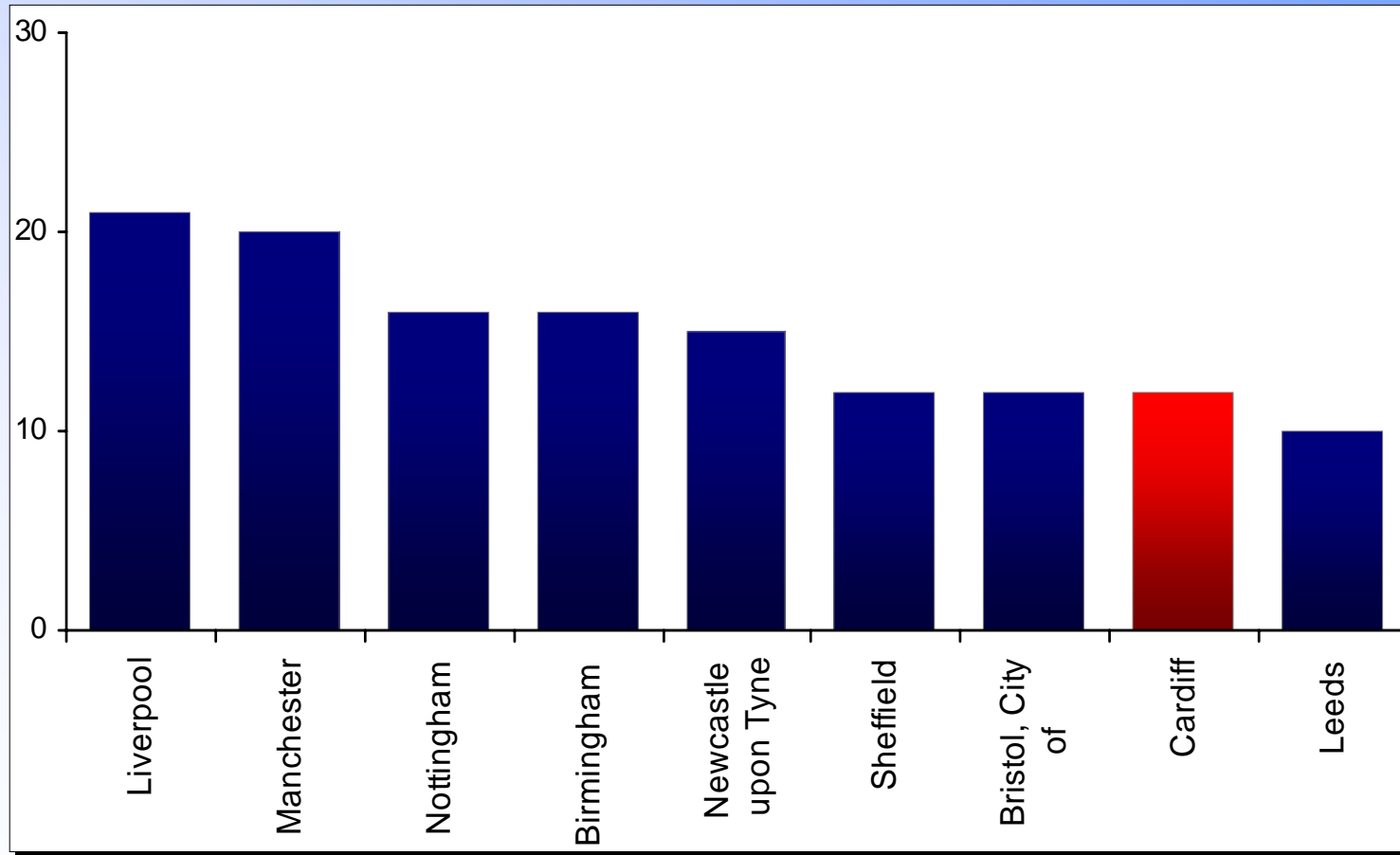
# Terminal passengers 2004



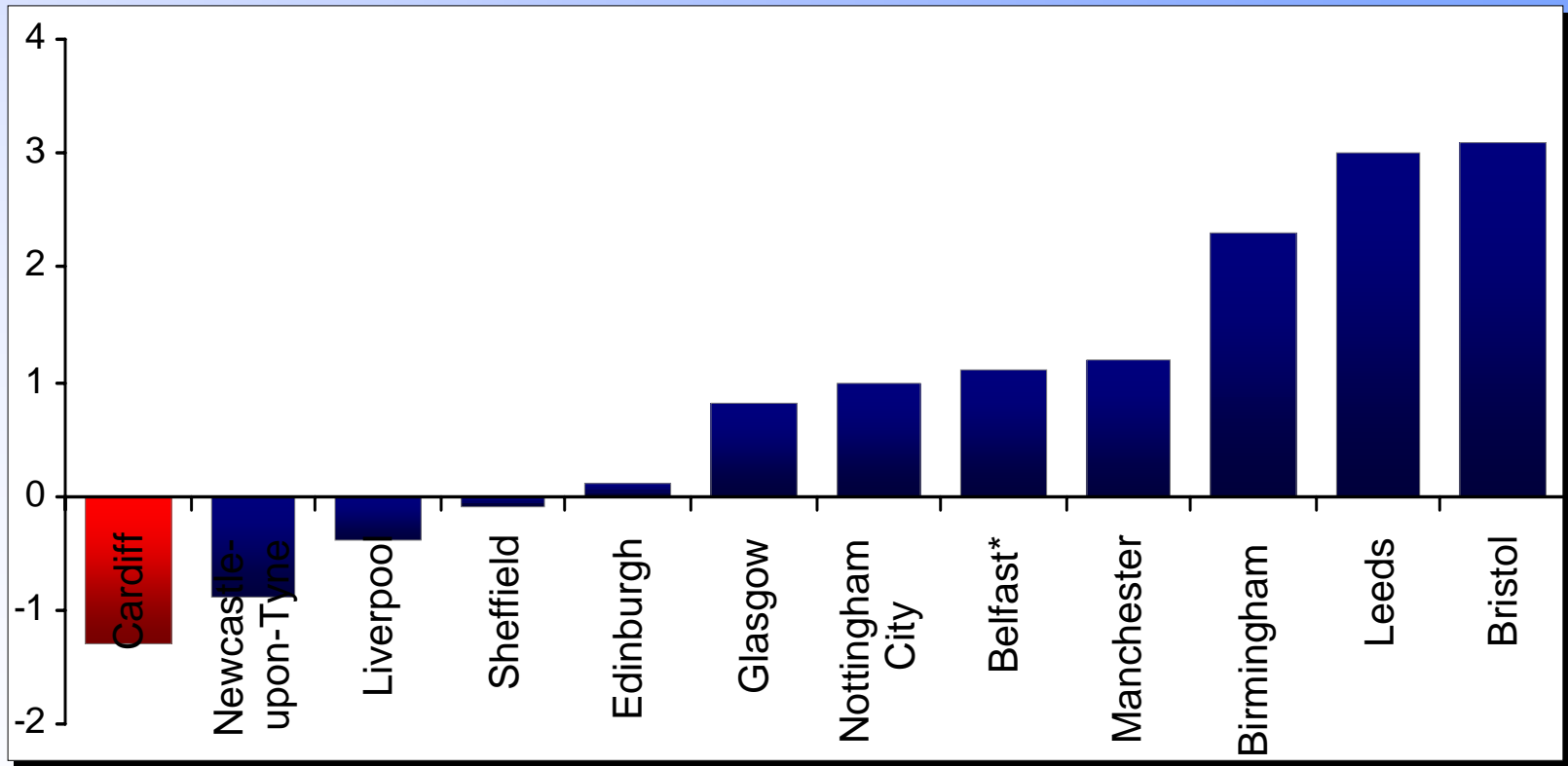
# Recorded 'violence against the person' offences per 1,000 population 2004/5



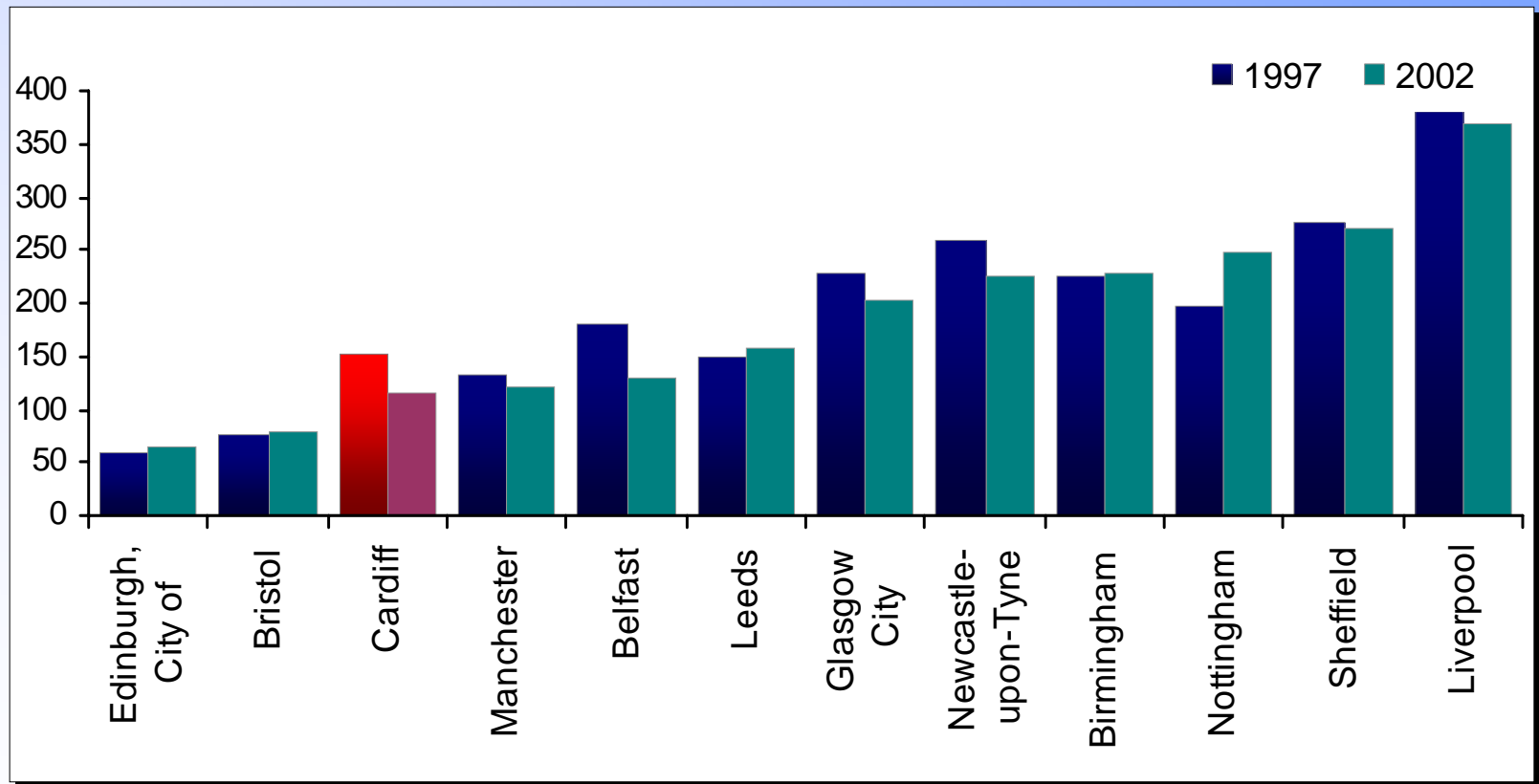
# % of persons who are income support claimants 2003



# % change in number of income support claimants 2001-2003



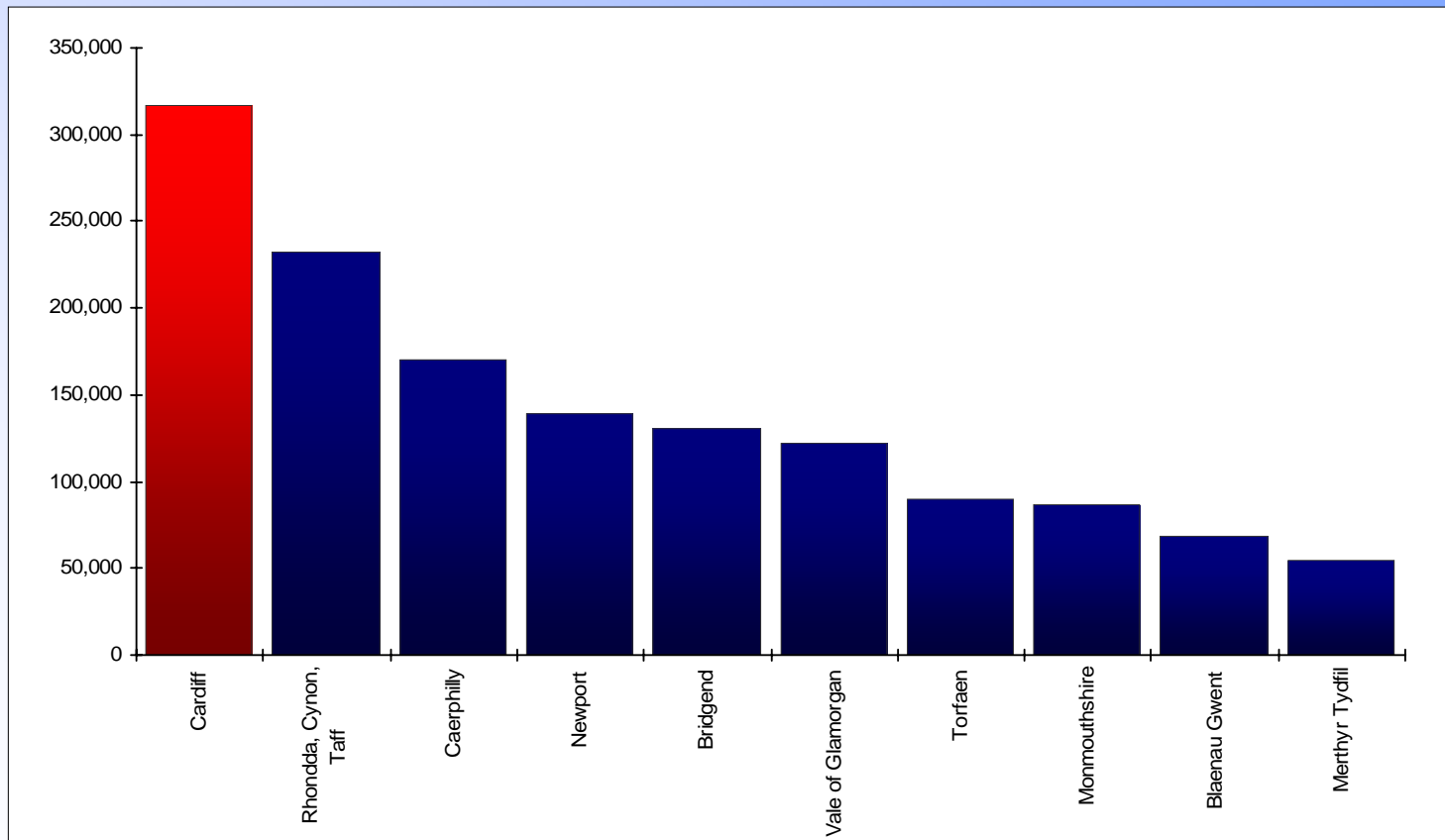
# Competitiveness index (Huggins) - Rank of Local Authority 1997 & 2005



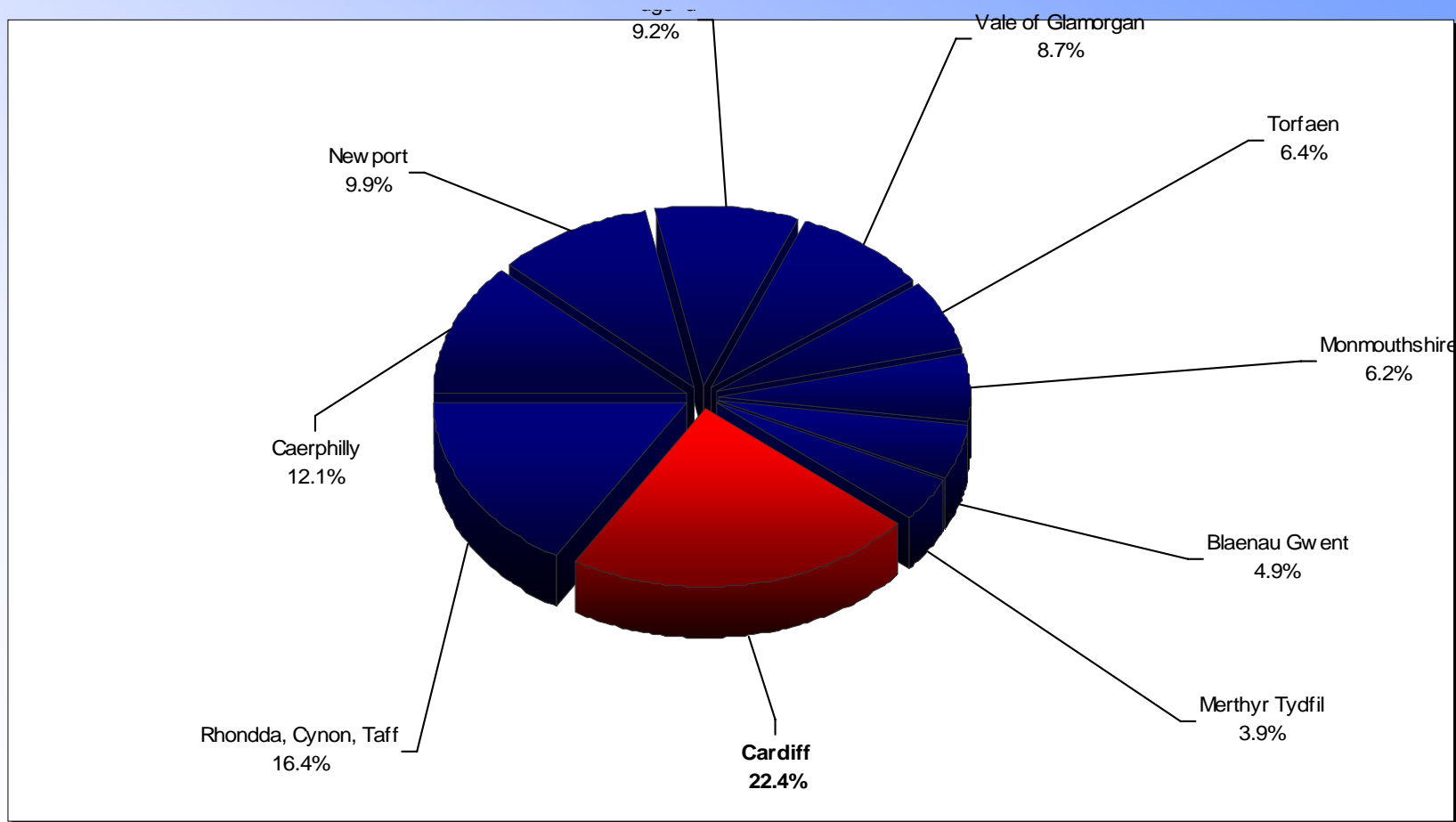
# OMIS 'best locations for business' survey (of 28 cities) 2003

| Overall Rank | City                | Workforce | Premises | Transport | Costs | Environment |
|--------------|---------------------|-----------|----------|-----------|-------|-------------|
| 1            | Leeds               | 1         | 1        | 2         | 4     | 1           |
| 2            | Manchester          | 1         | 1        | 1         | 4     | 4           |
| 3            | Newcastle upon Tyne | 1         | 2        | 1         | 2     | 2           |
| 4            | London              | 2         | 1        | 1         | 4     | 4           |
| 5            | Salford             | 1         | 3        | 2         | 2     | 2           |
| 6            | Birmingham          | 1         | 1        | 1         | 4     | 4           |
| 7            | Glasgow             | 2         | 1        | 1         | 3     | 1           |
| 8            | Bradford            | 1         | 2        | 2         | 2     | 1           |
| 9            | Edinburgh           | 2         | 1        | 1         | 4     | 1           |
| 10           | Cardiff             | 2         | 2        | 4         | 3     | 2           |
|              |                     |           |          |           |       |             |

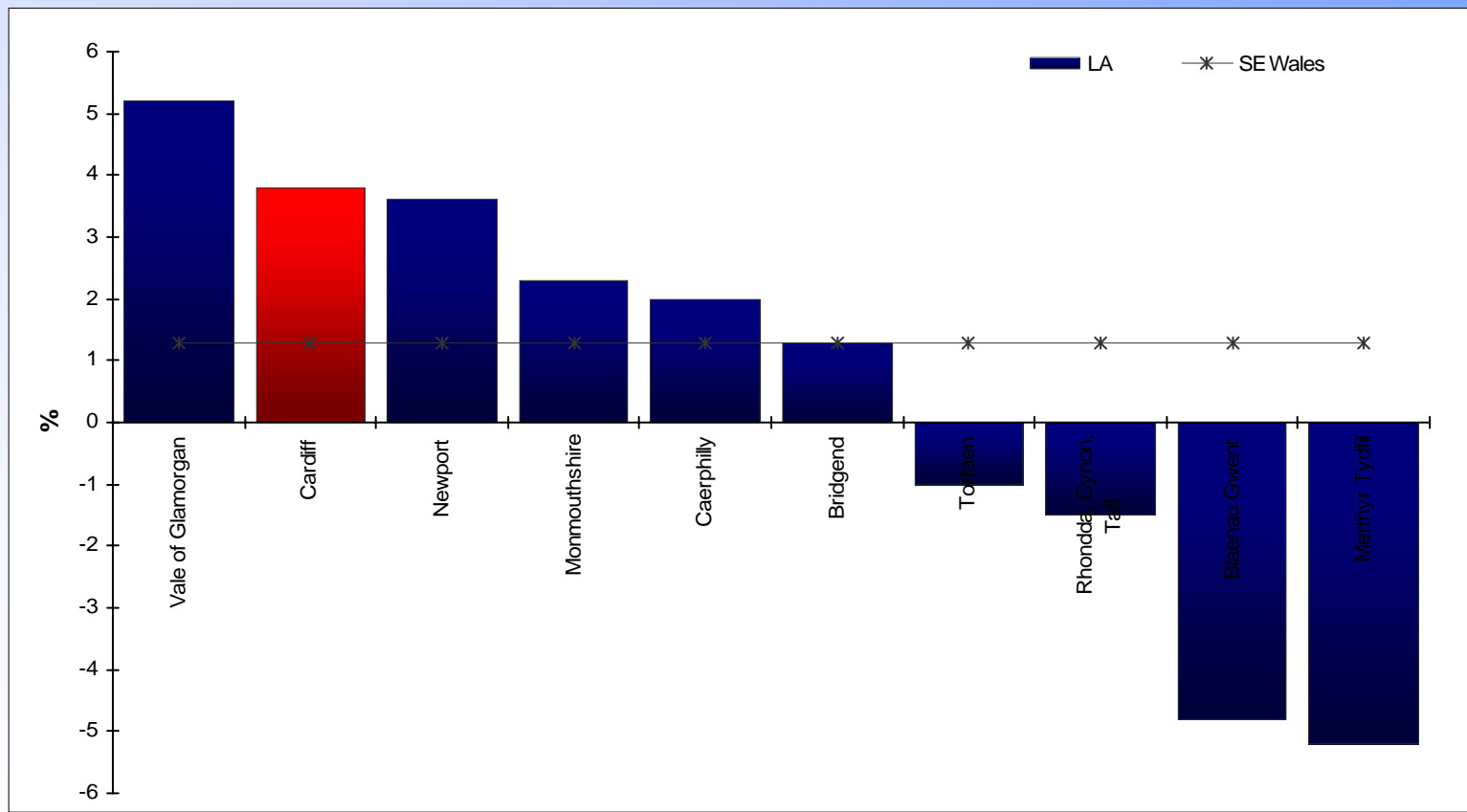
# Population in South East Wales Local Authorities 2004 (1)



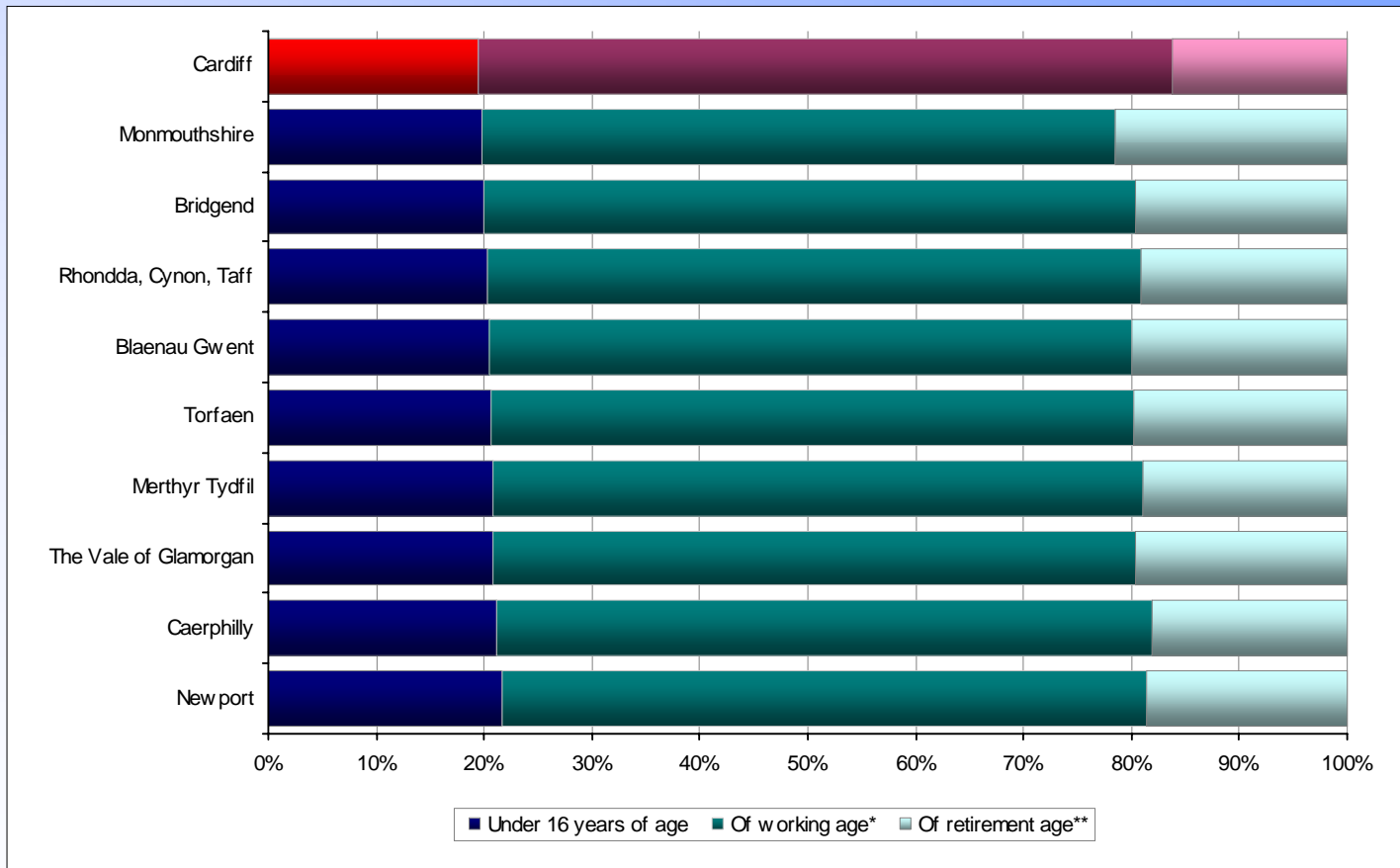
# Population in South East Wales Local Authorities 2004 (2)



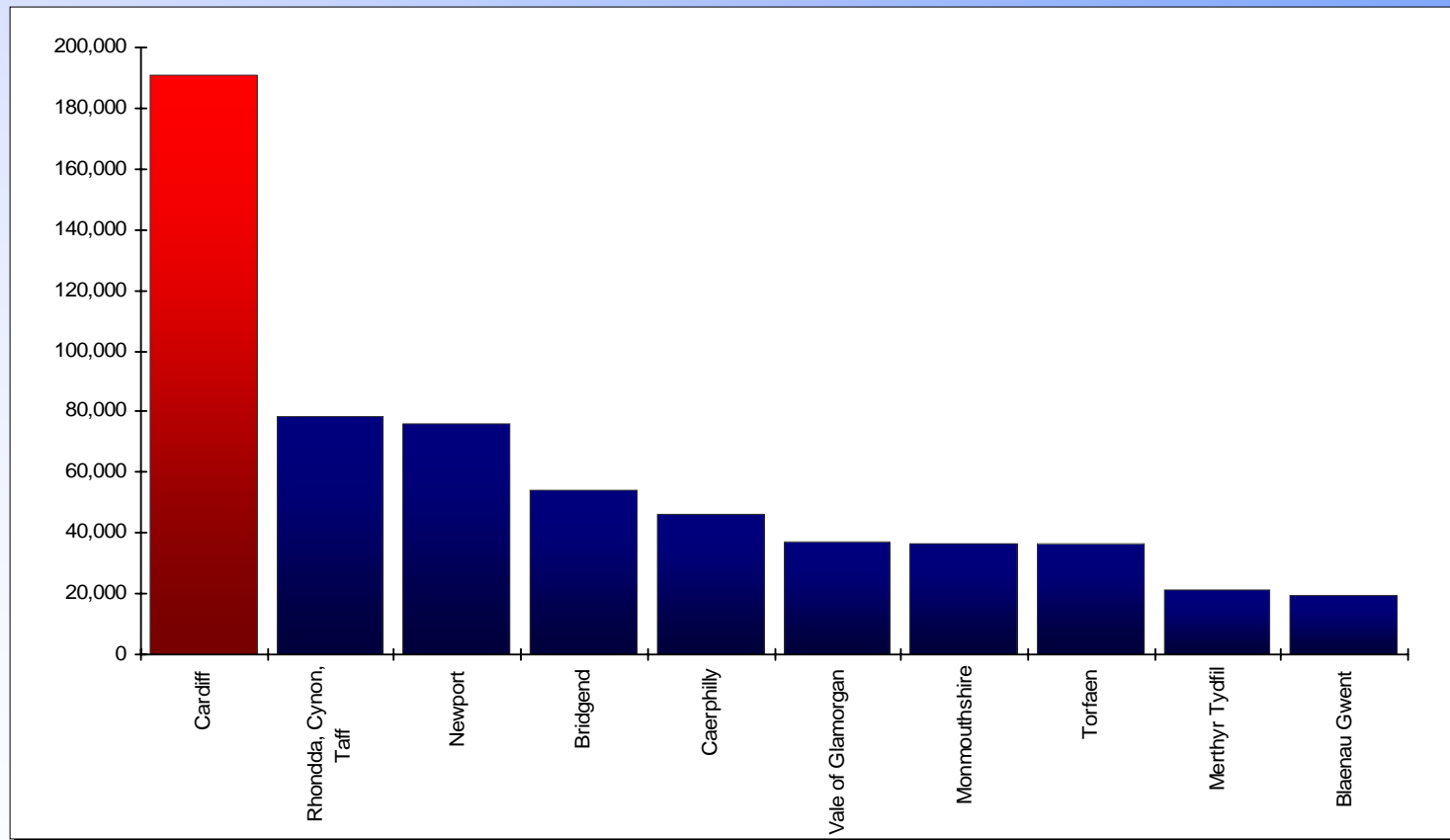
# Percentage change in population 1996-2004



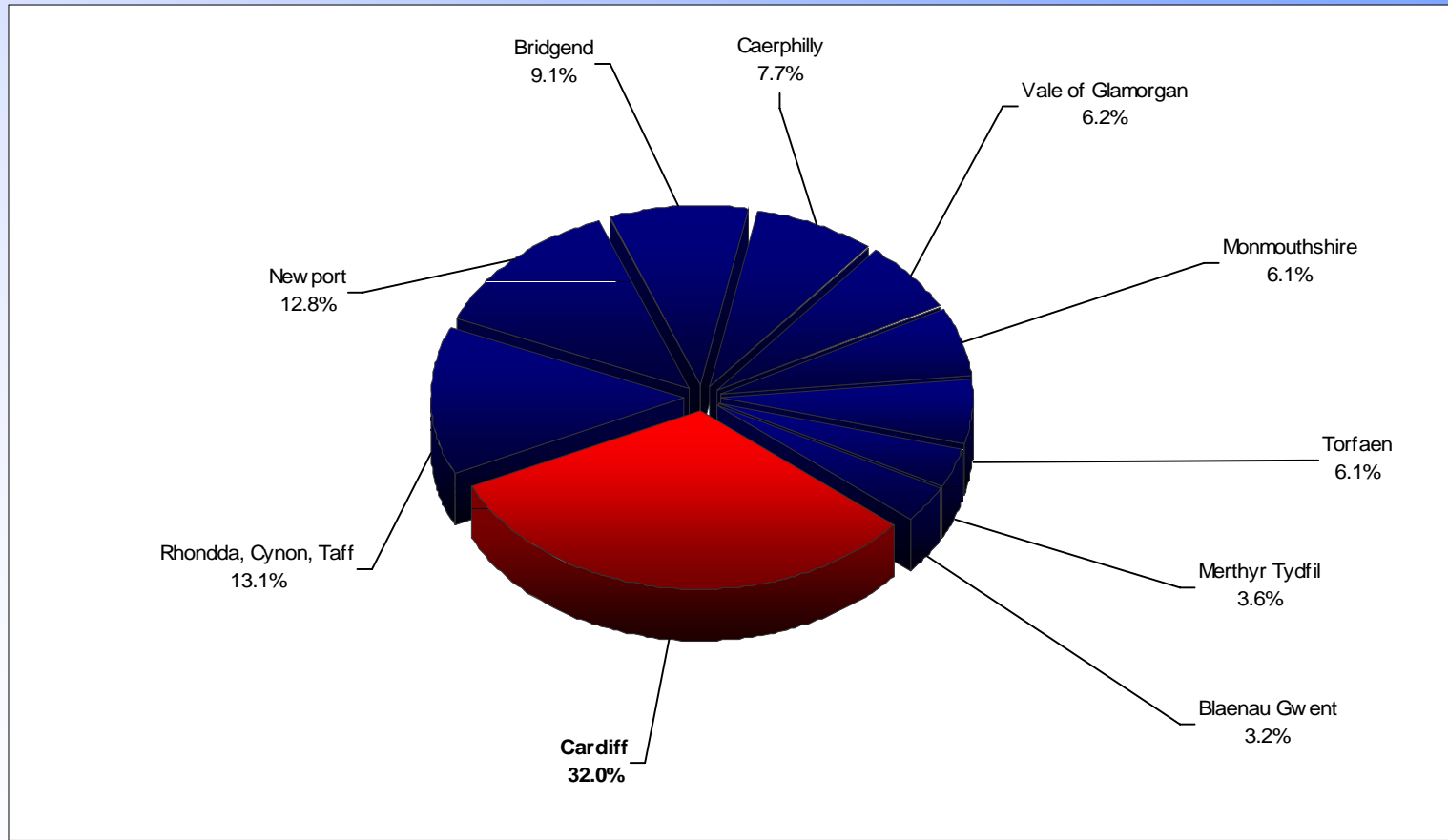
# Age profiles in South East Wales Local Authorities 2003



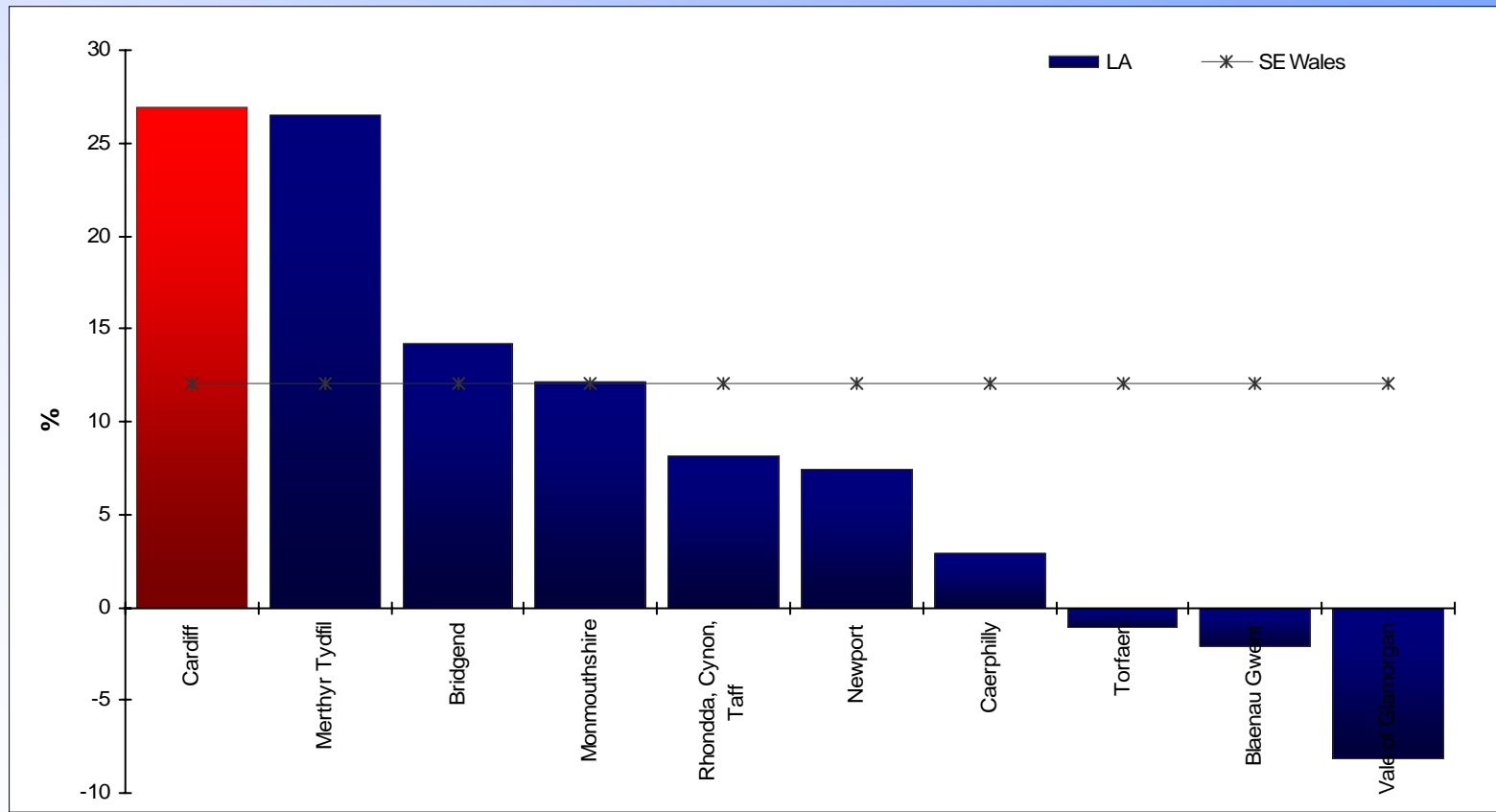
# Total employment in South East Wales Local Authorities 2004 (1)



# Total employment in South East Wales Local Authorities 2004 (2)



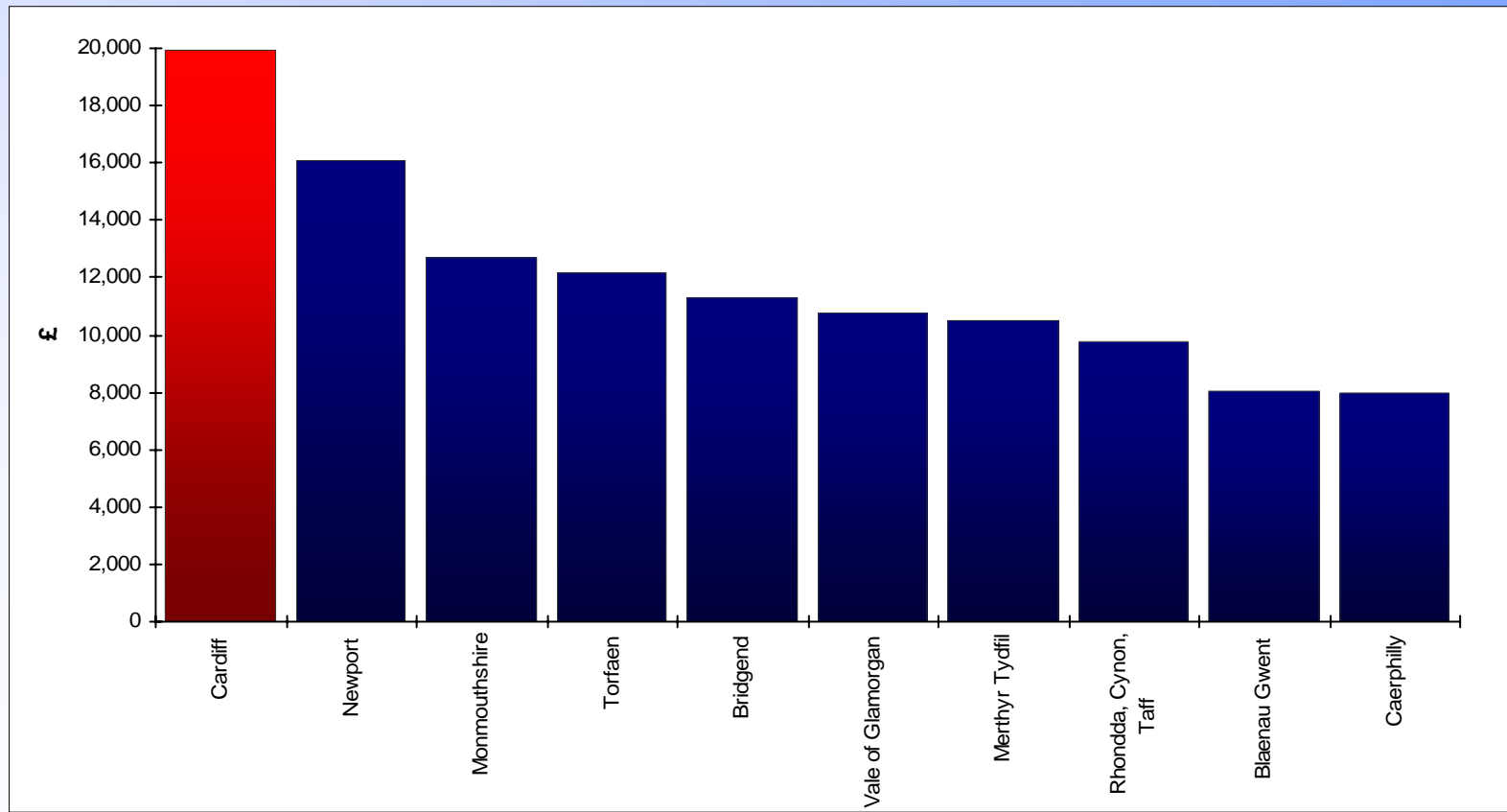
# Percentage change in total employment 1998-2004



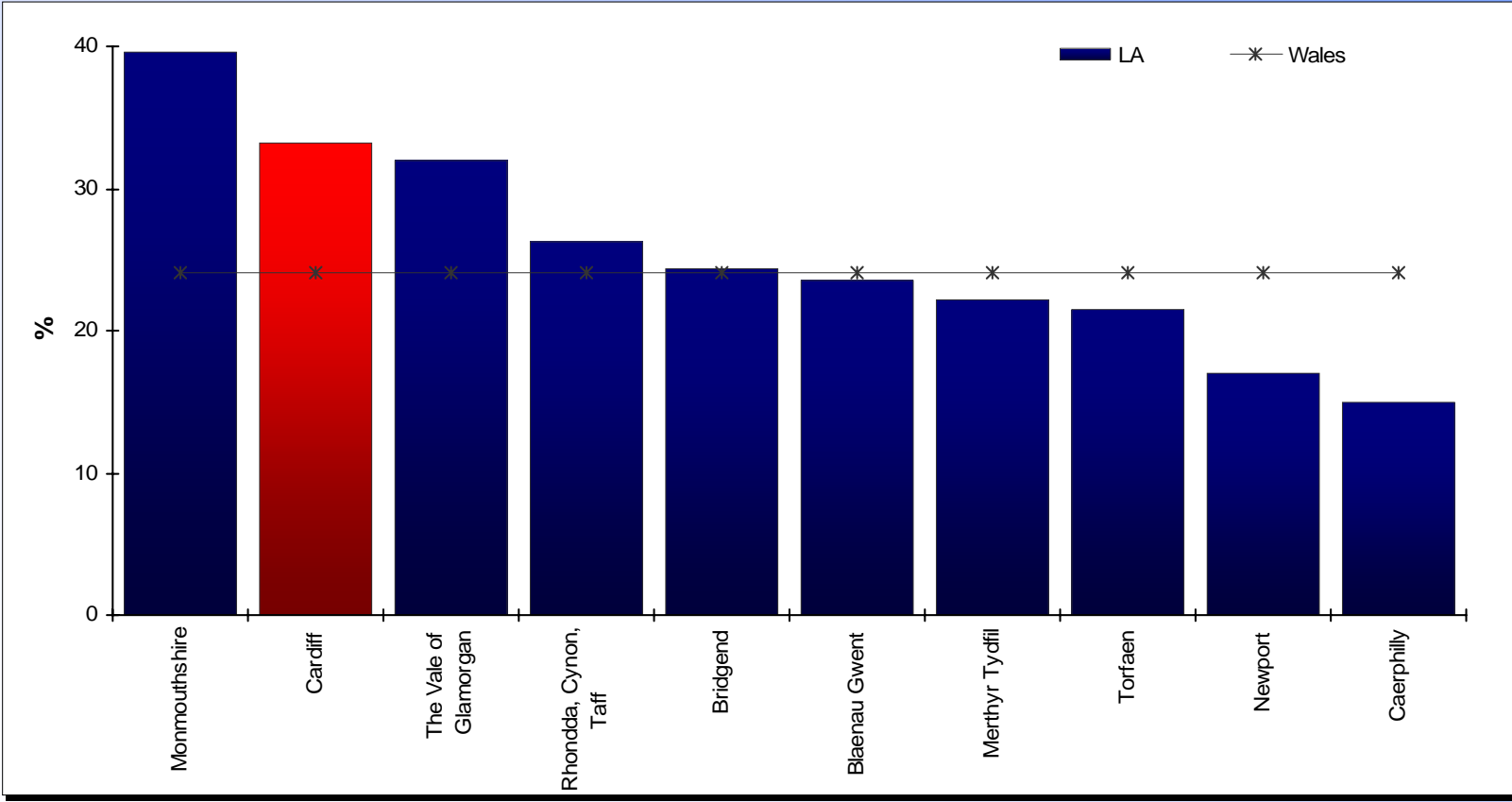
# Percentage of FTE employment in key sectors 2003

| Local Authority      | High Tech Industries | Research & Develop. | Higher Education | Medium-High-Tech Industries | Knowledge-intensive business services (narrow definition) | Knowledge-intensive businesses (wide definition) | 'Creative industries' | High-Tech sectors |
|----------------------|----------------------|---------------------|------------------|-----------------------------|-----------------------------------------------------------|--------------------------------------------------|-----------------------|-------------------|
| Blaenau Gwent        | 2.0                  | 0.0                 | 0.1              | 14.9                        | 1.8                                                       | 3.1                                              | 1.1                   | 4.1               |
| Bridgend             | 3.9                  | 0.0                 | 0.5              | 8.7                         | 2.4                                                       | 5.3                                              | 1.2                   | 3.4               |
| Caerphilly           | 4.1                  | 0.1                 | 1.1              | 7.4                         | 3.4                                                       | 6.5                                              | 1.8                   | 6.6               |
| Cardiff              | 1.6                  | 0.1                 | 4.1              | 1.0                         | 6.6                                                       | 21.2                                             | 5.2                   | 1.6               |
| Merthyr Tydfil       | 0.1                  | 0.6                 | 1.1              | 7.3                         | 3.5                                                       | 5.8                                              | 2.3                   | 1.2               |
| Monmouthshire        | 2.9                  | 0.2                 | 0.0              | 5.5                         | 5.1                                                       | 7.0                                              | 3.2                   | 3.6               |
| Newport              | 3.1                  | 0.1                 | 1.1              | 3.0                         | 4.0                                                       | 12.4                                             | 2.5                   | 4.2               |
| Rhondda, Cynon, Taff | 4.0                  | 0.0                 | 3.5              | 6.8                         | 2.4                                                       | 8.6                                              | 1.2                   | 4.2               |
| Torfaen              | 0.7                  | 0.0                 | 0.0              | 10.6                        | 3.4                                                       | 5.0                                              | 1.3                   | 2.3               |
| Vale of Glamorgan    | 5.7                  | 0.0                 | 1.2              | 3.7                         | 3.6                                                       | 7.3                                              | 2.5                   | 5.9               |

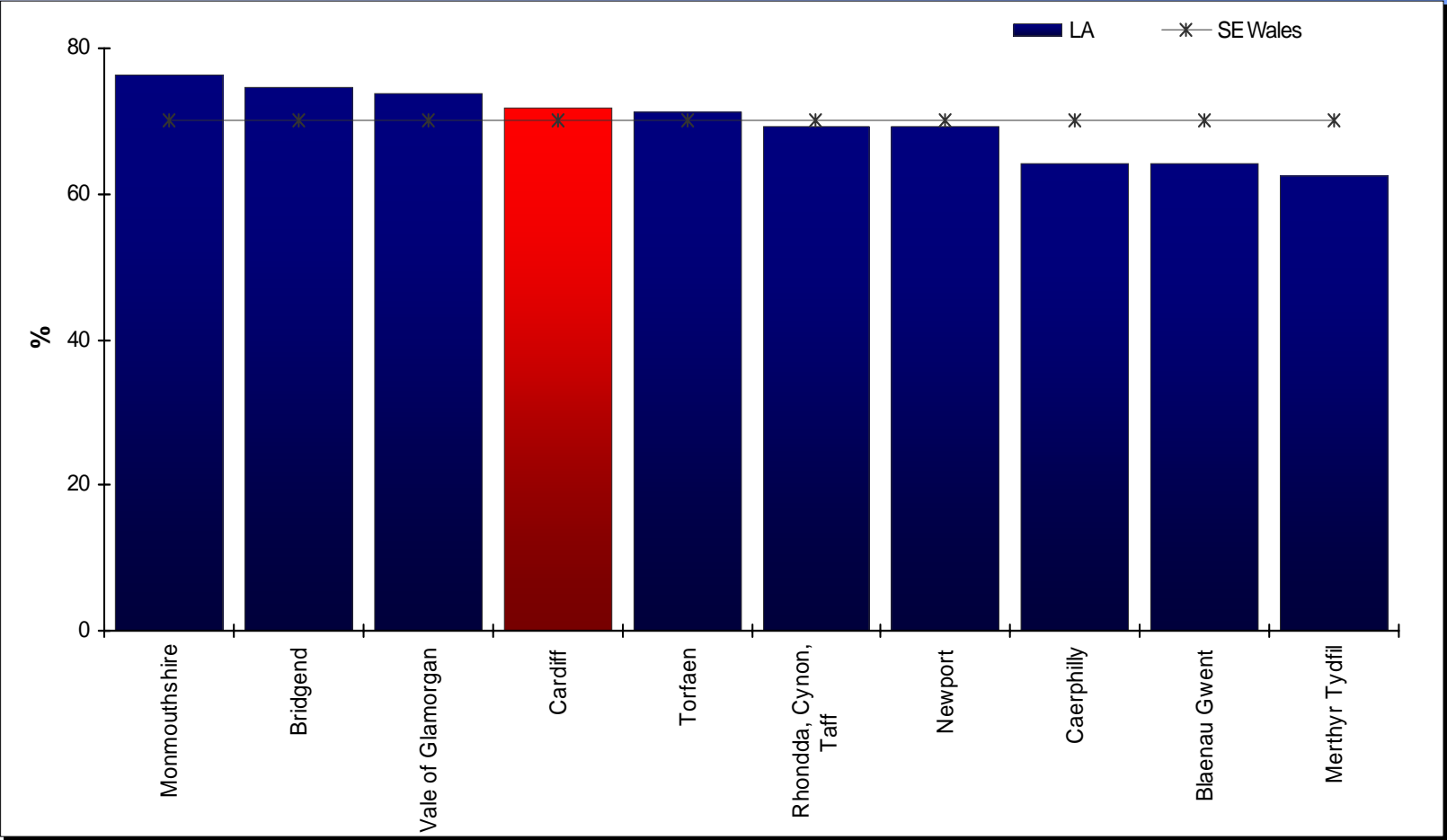
# GVA per capita in SE Wales Local Authorities (Huggins) 2002



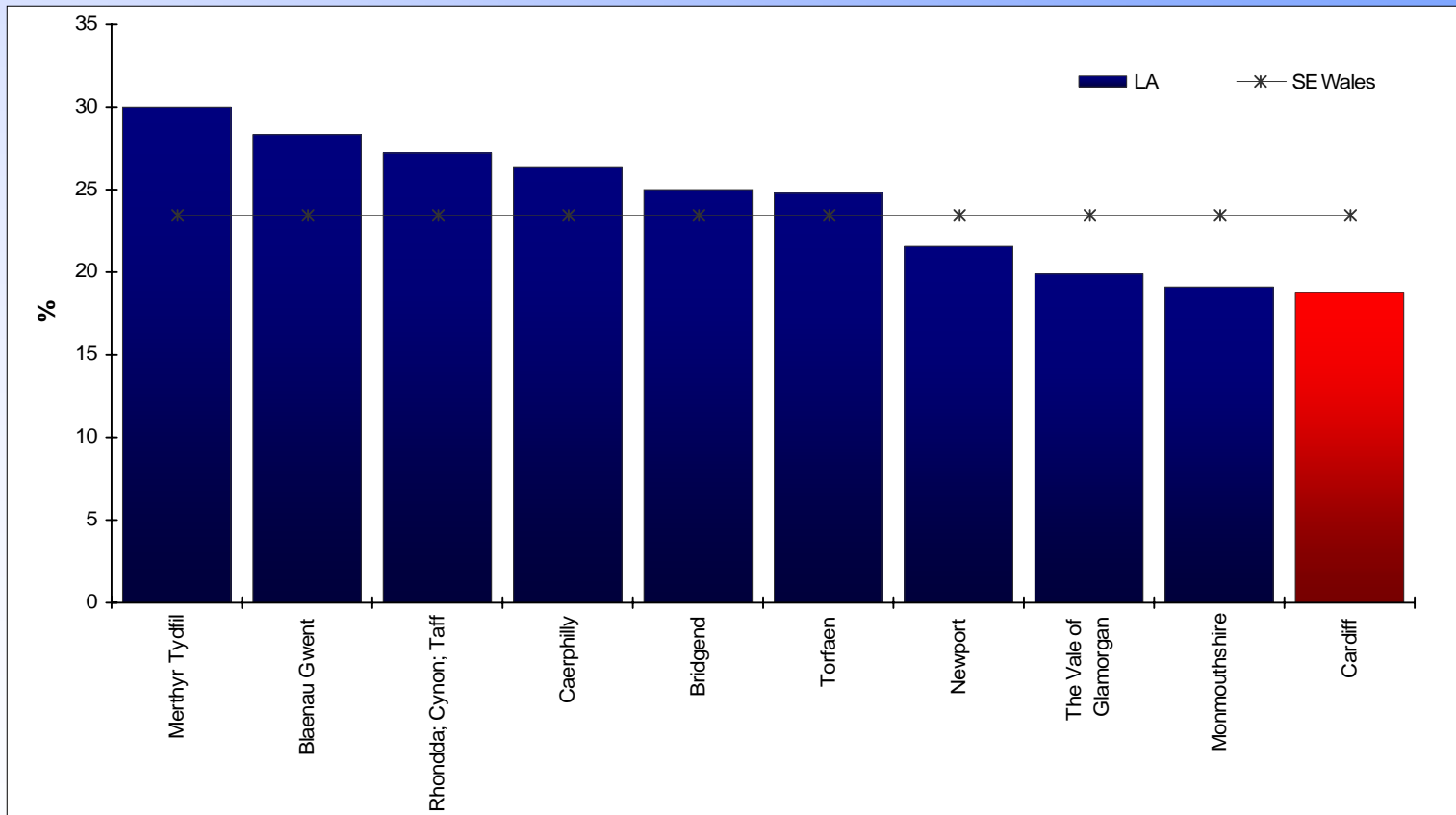
# % change in gross median weekly earnings full-time employees 1998-2004



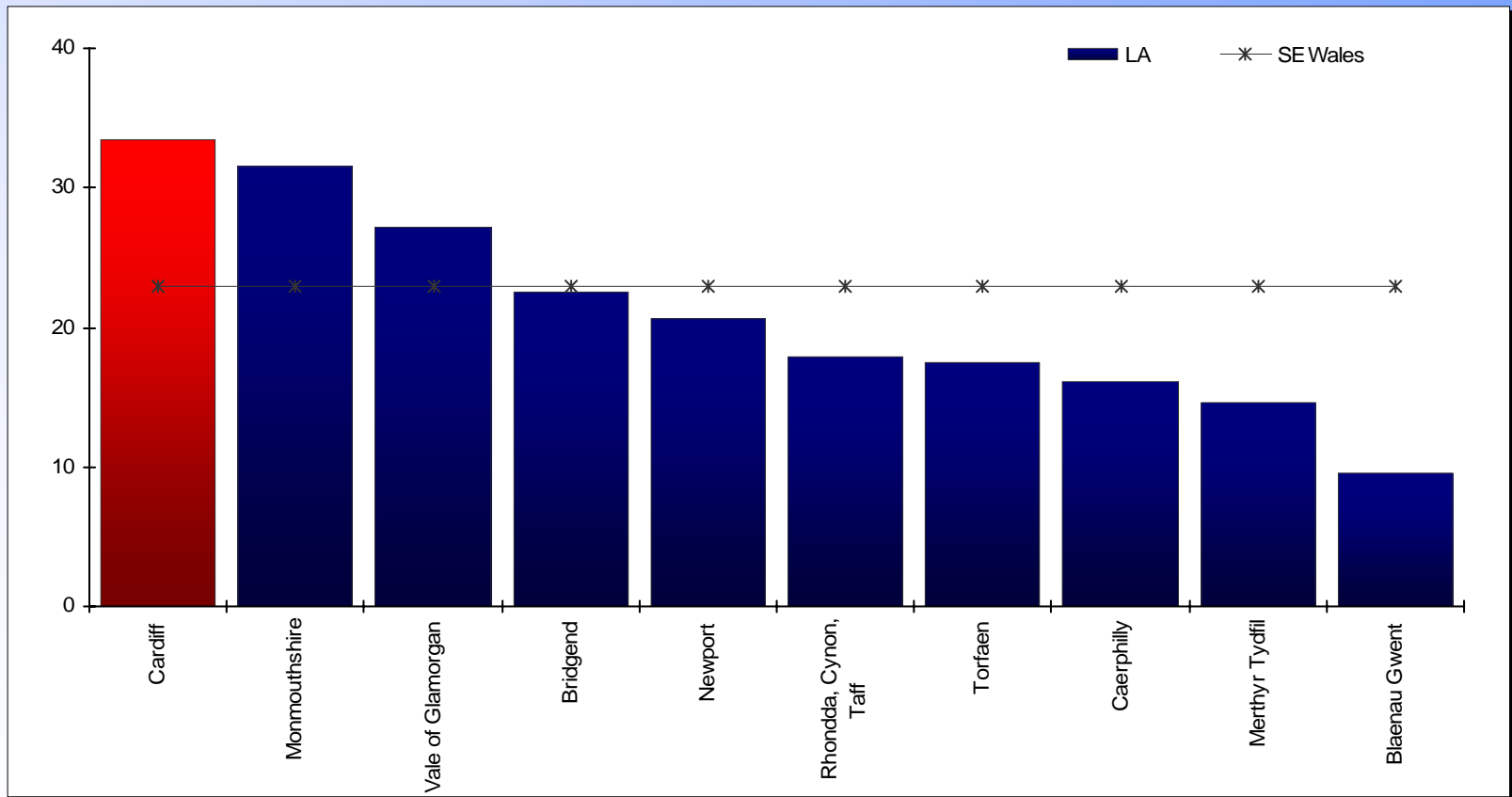
# Employment rates in SE Wales 2004



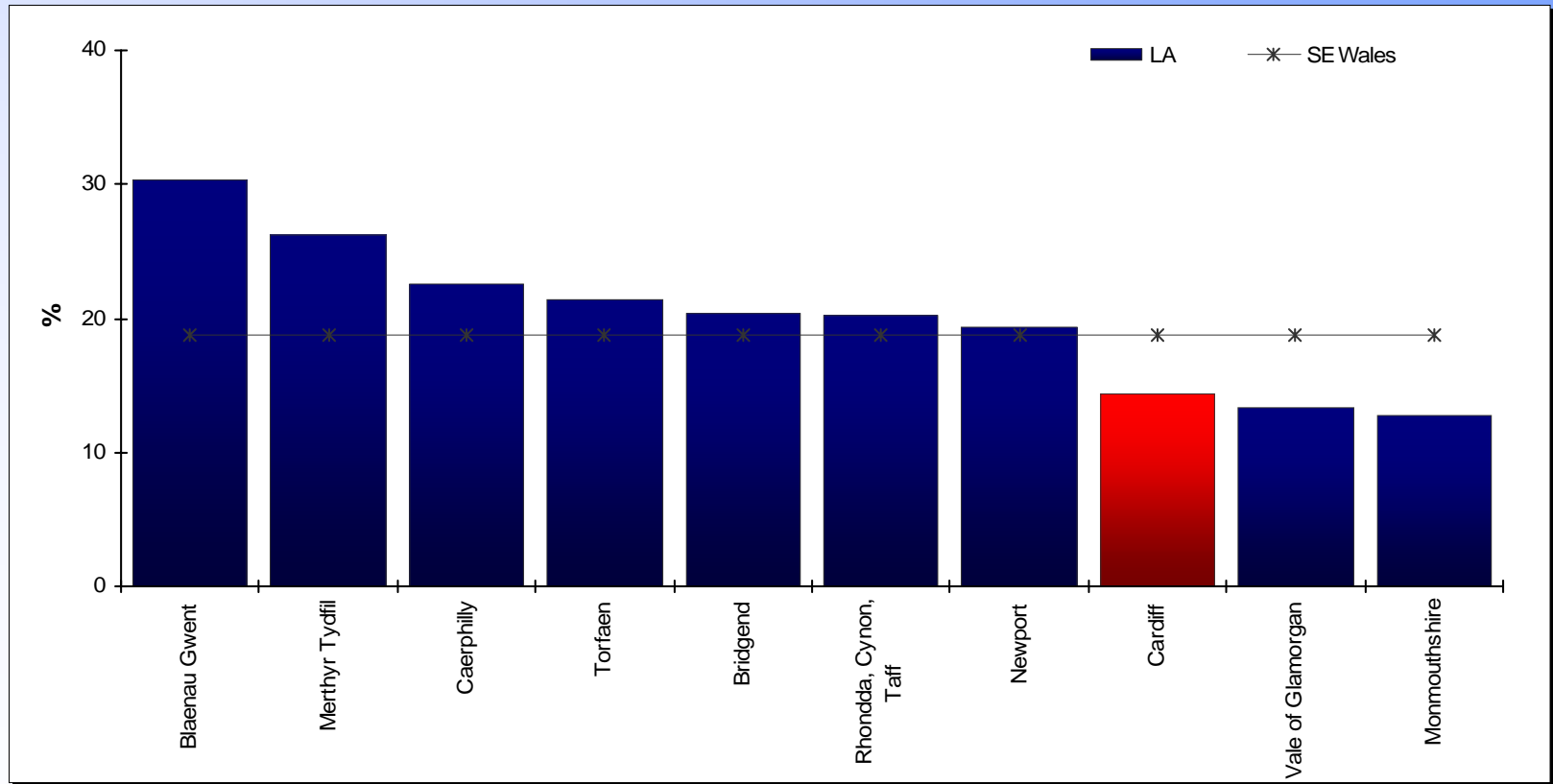
# The proportion of persons with a limiting long-term illness 2001



# % of persons educated to NVQ level 4 or above 2003



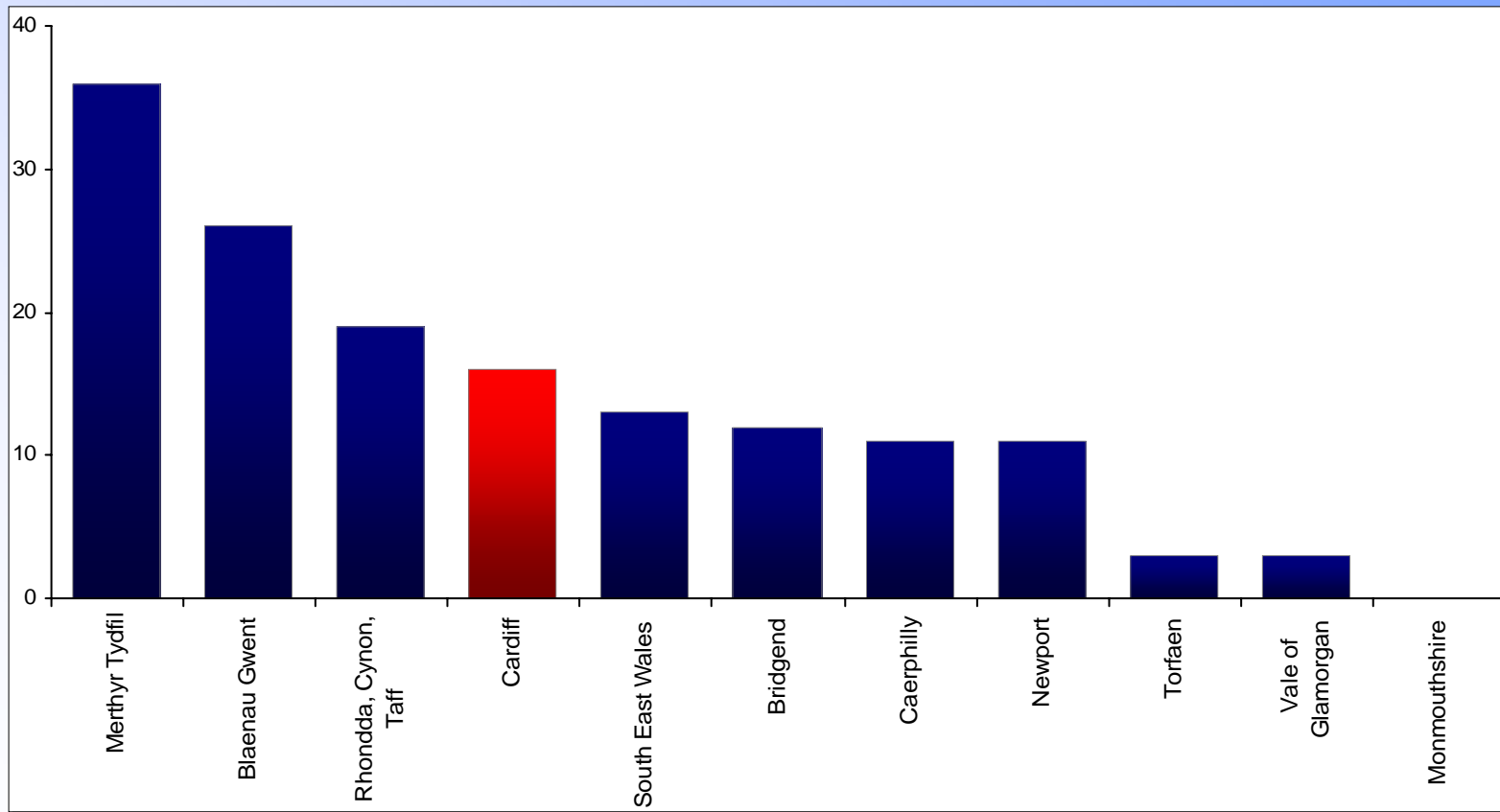
# Percentage of persons with no qualifications 2003



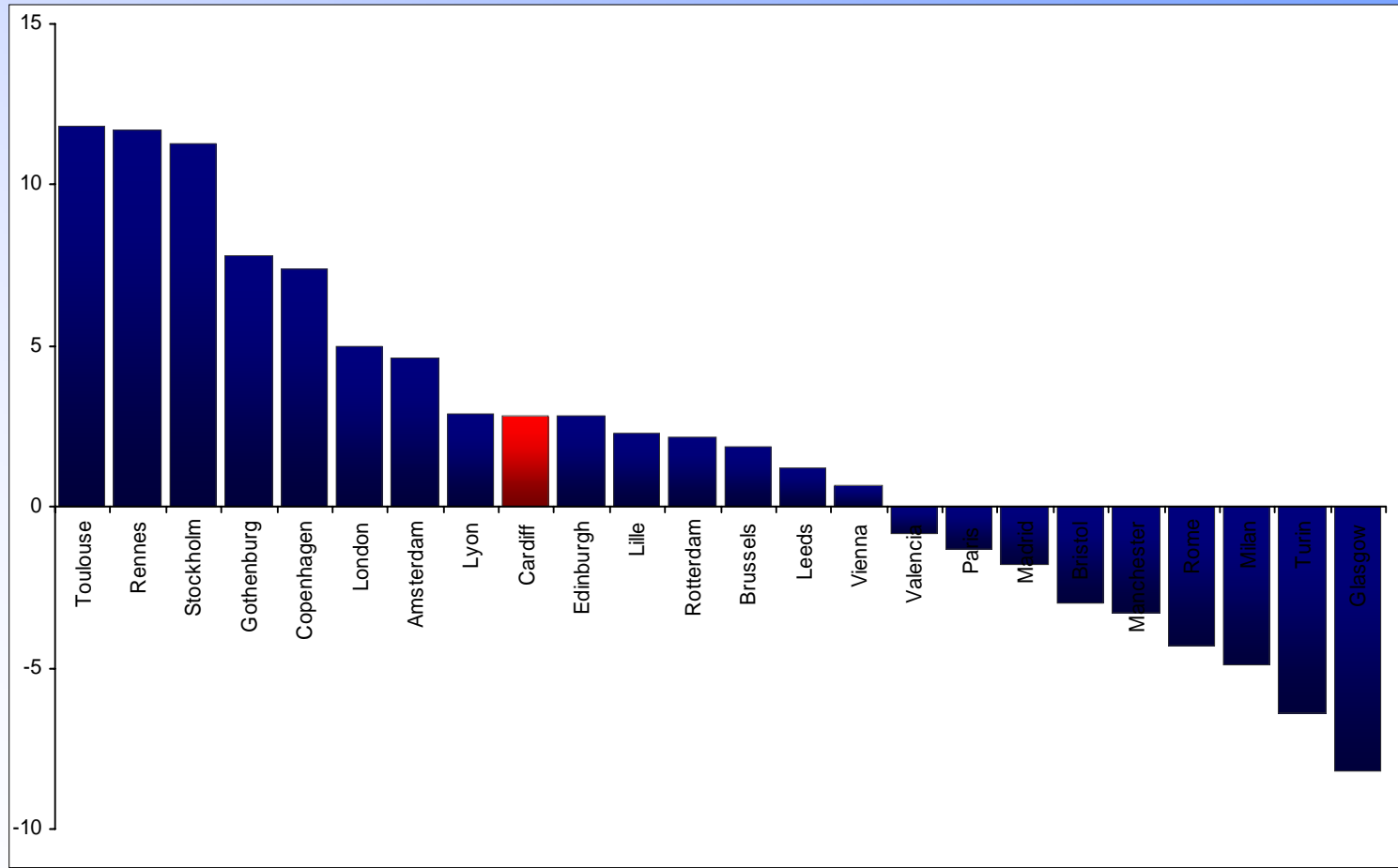
# Huggins' competitiveness index, rankings, 1997 & 2005

| Local Authority      | UK Competitiveness Index | UK Competitiveness Index |
|----------------------|--------------------------|--------------------------|
|                      | 1997                     | 2005                     |
|                      | Rank (out of 434)        | Rank (out of 434)        |
| Cardiff              | 151                      | 115                      |
| Monmouthshire        | 135                      | 124                      |
| Vale of Glamorgan    | 216                      | 230                      |
| Newport              | 326                      | 272                      |
| Bridgend             | 331                      | 364                      |
| Torfaen              | 390                      | 392                      |
| Rhondda, Cynon, Taff | 416                      | 421                      |
| Caerphilly           | 429                      | 428                      |
| Merthyr Tydfil       | 424                      | 430                      |
| Blaenau Gwent        | 434                      | 434                      |
|                      |                          |                          |

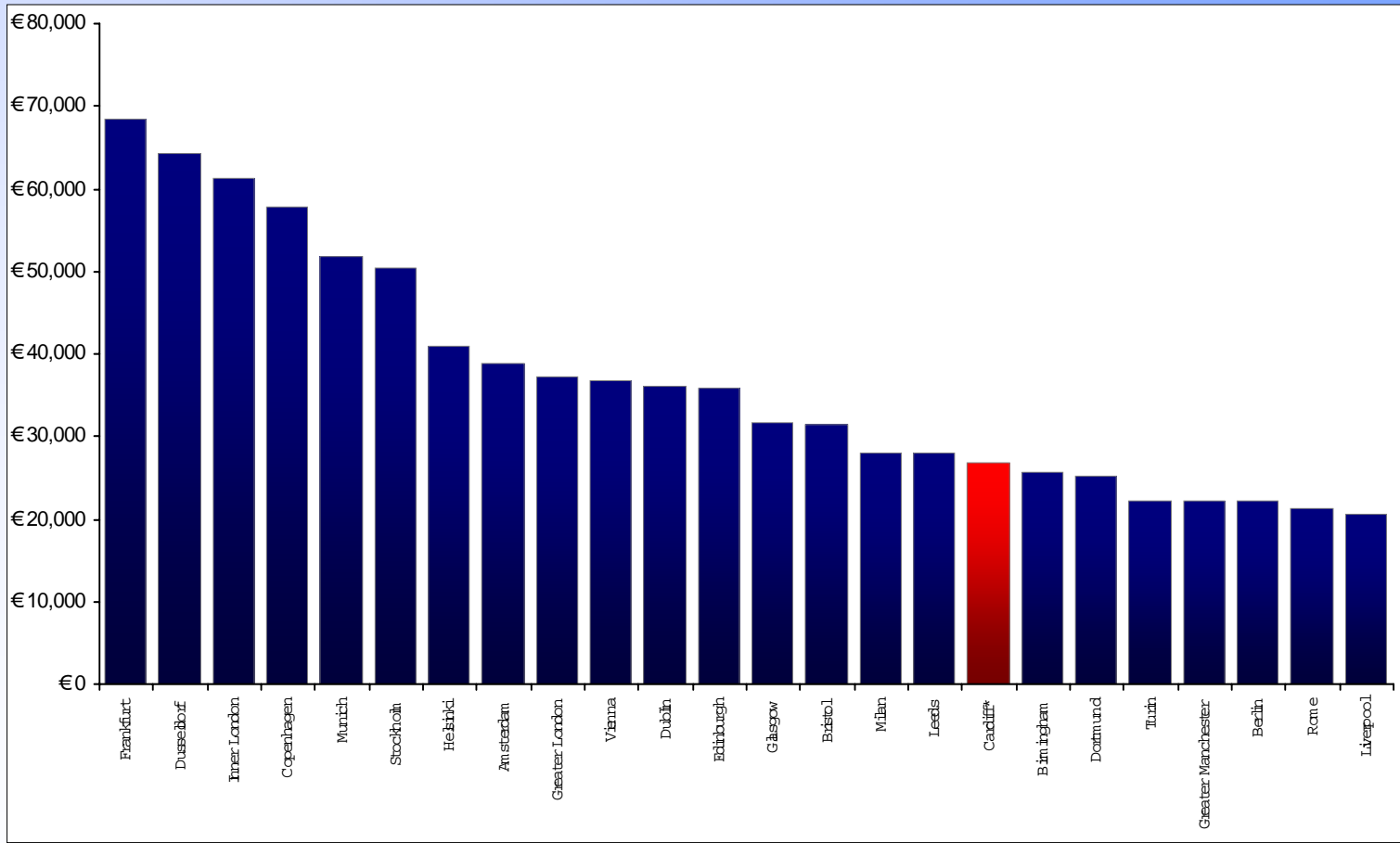
# % of LSOAs in the overall '10% most deprived' category 2005



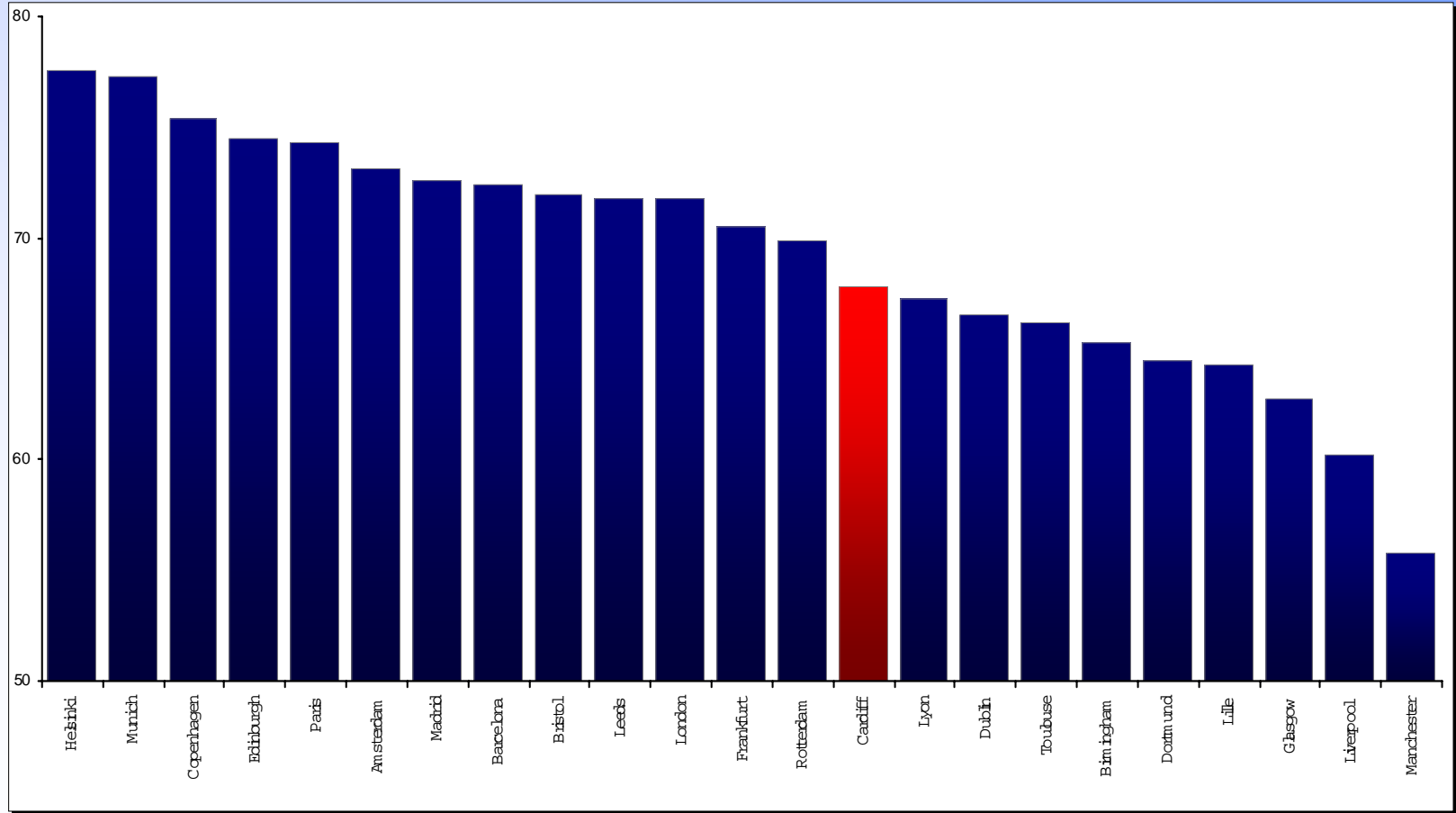
# % change in population 1991-2001



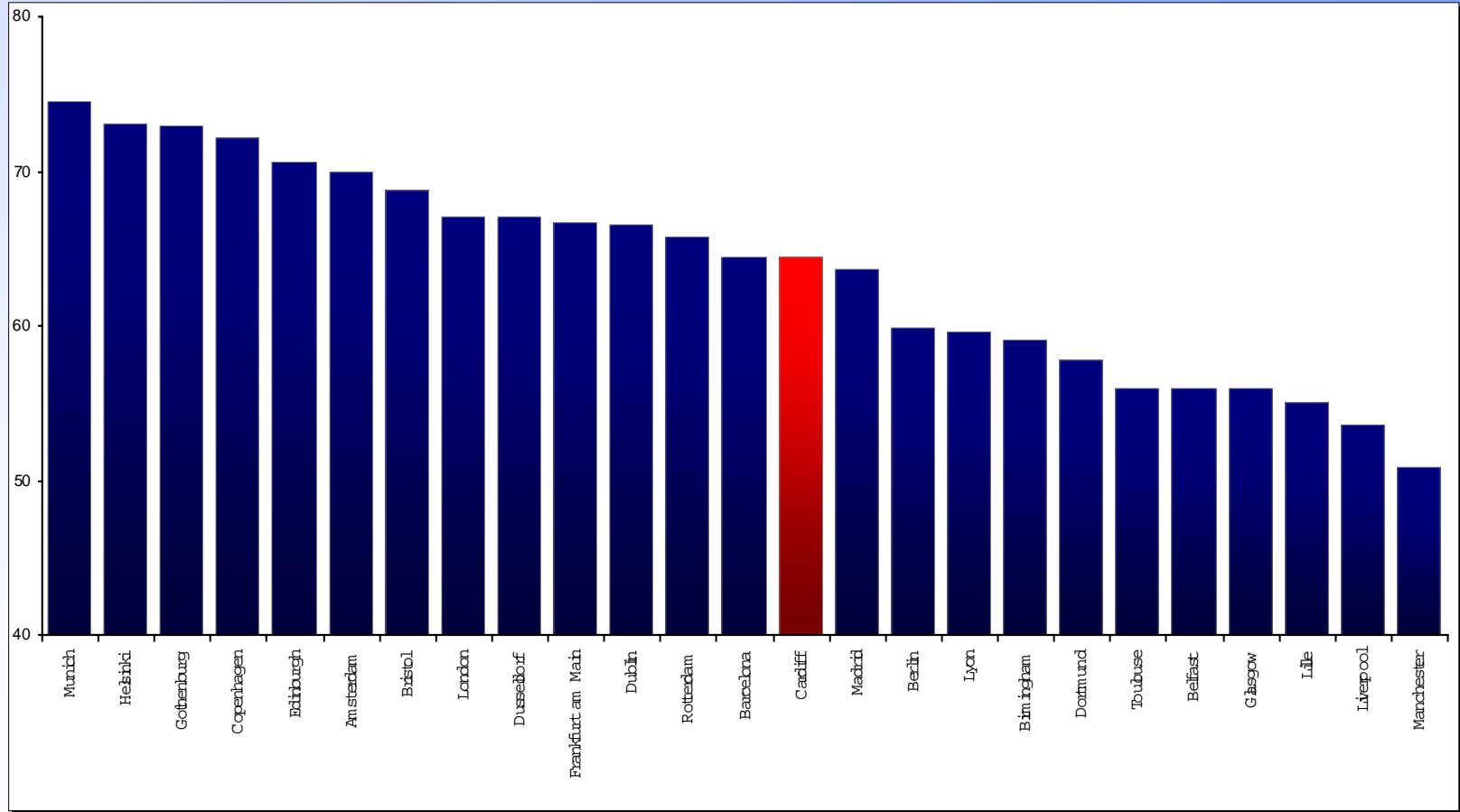
# GDP per capita (Euros) 2001



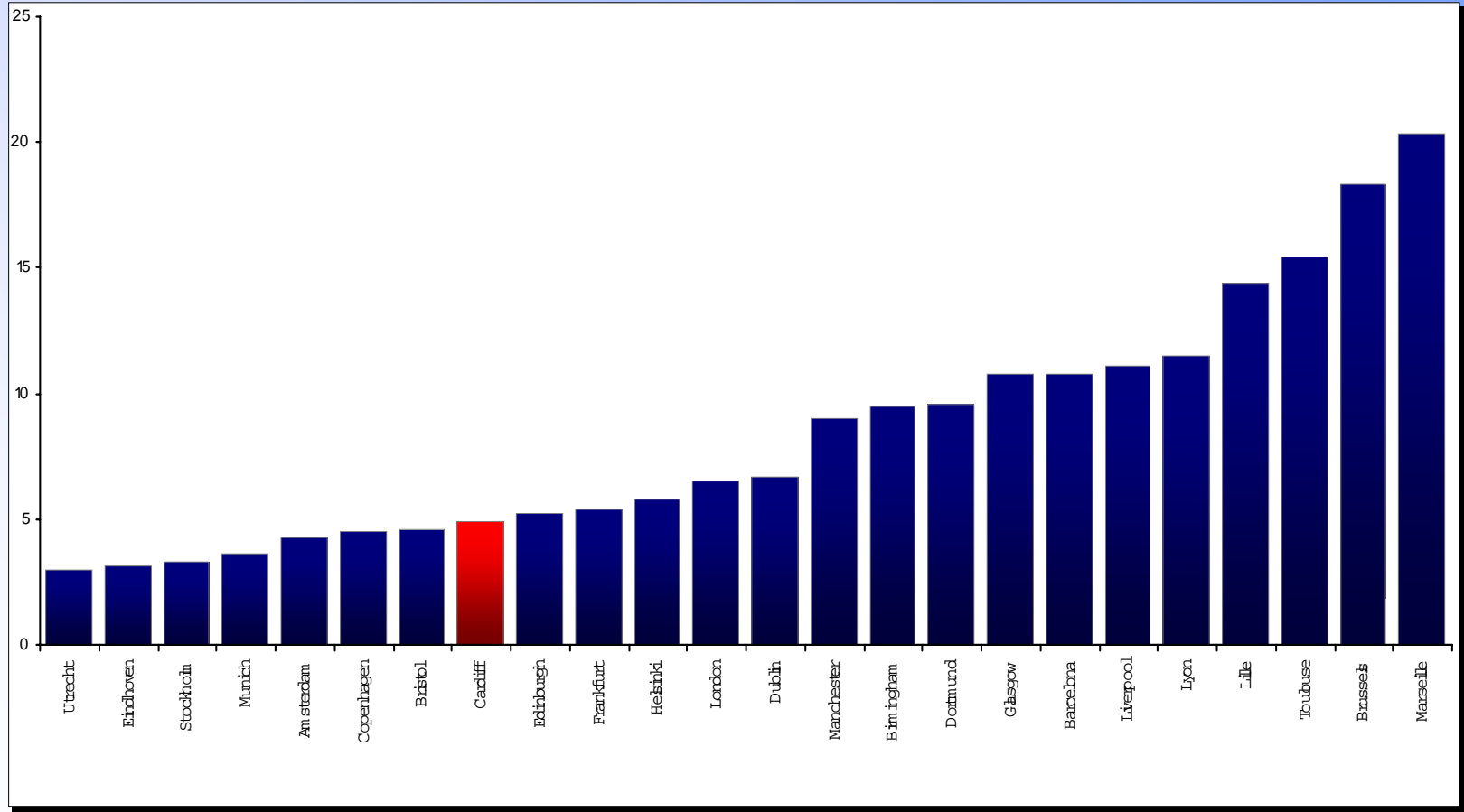
# Activity rates 2001



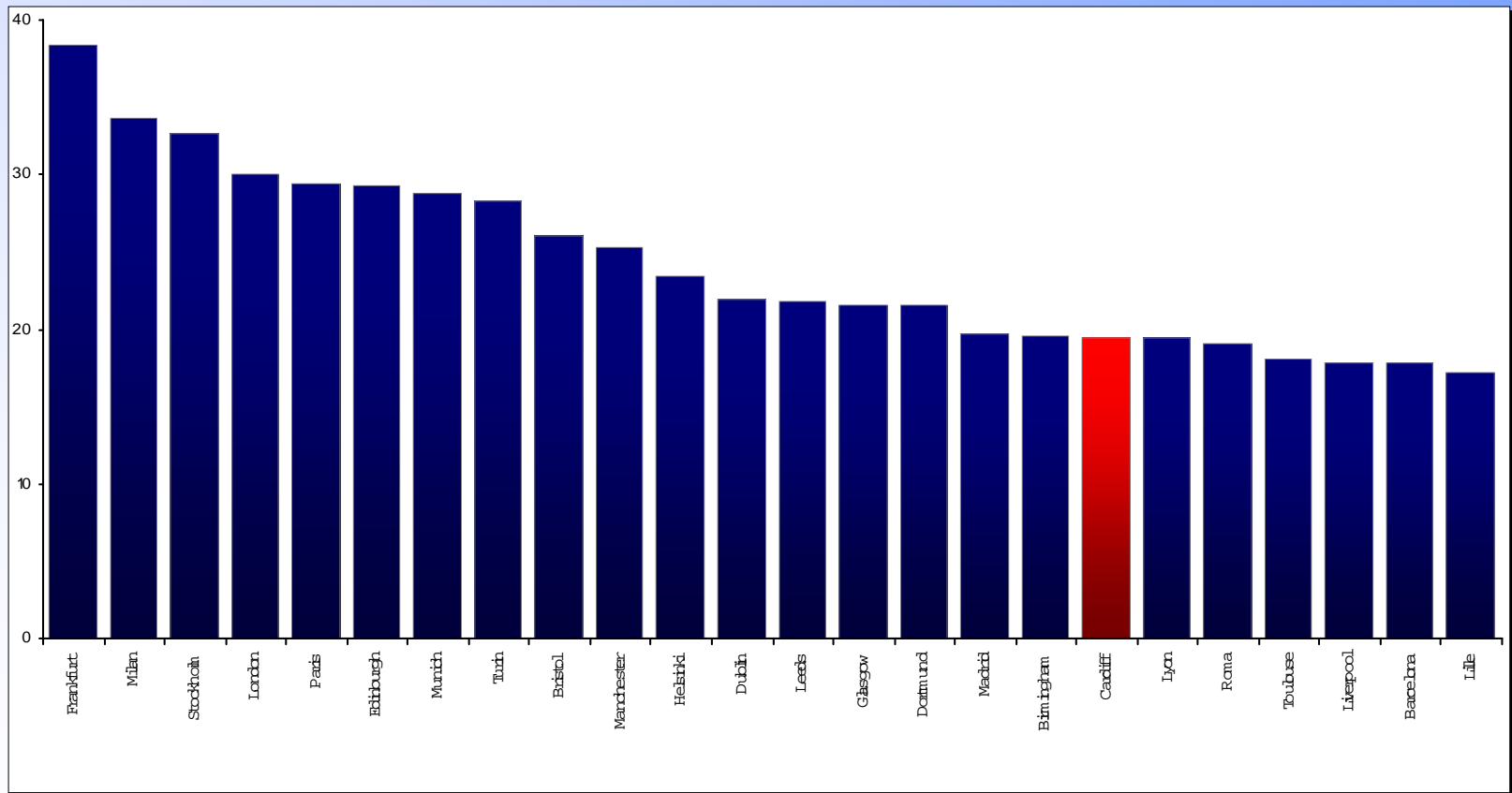
# Employment rates 2001



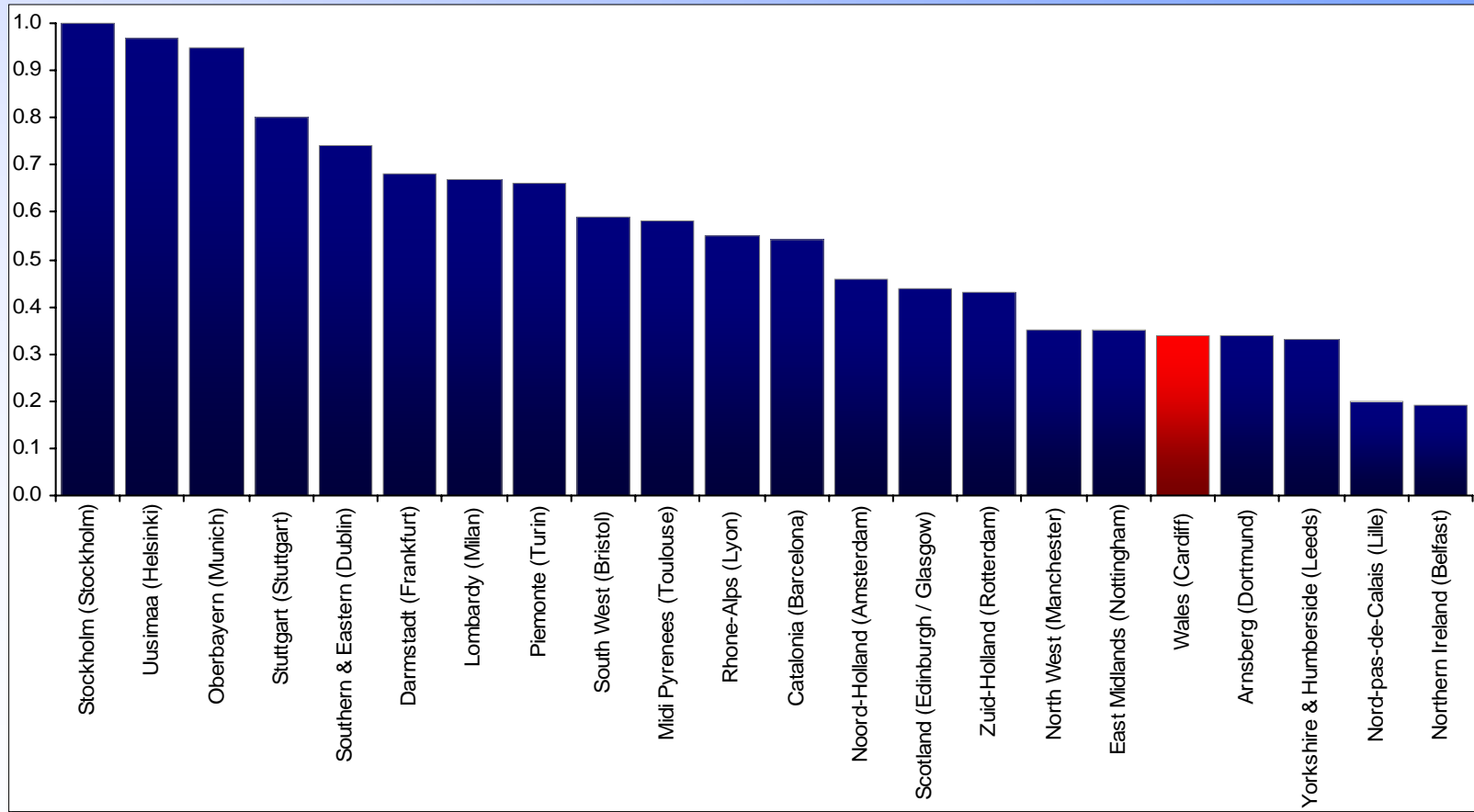
# Unemployment rates 2001



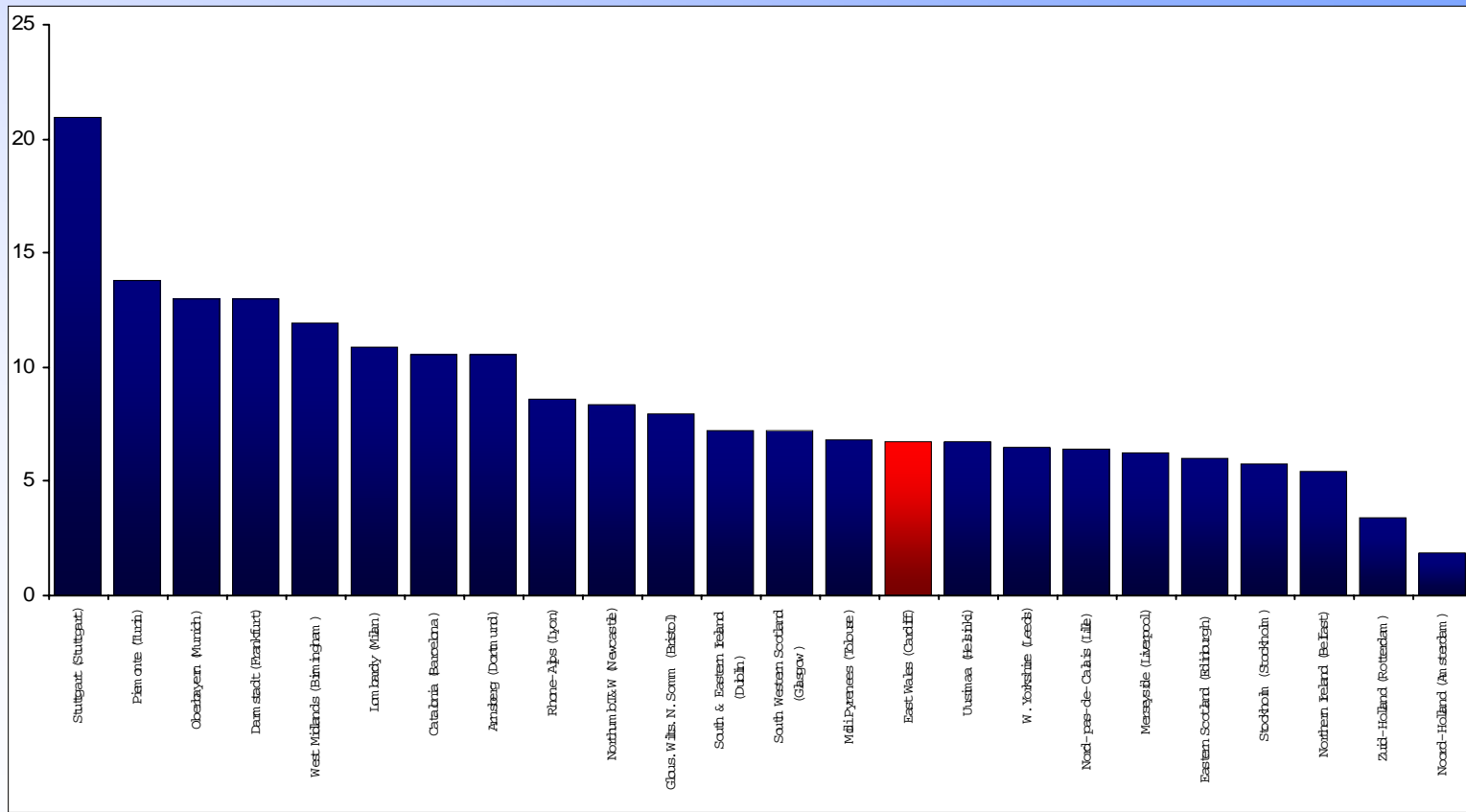
# % persons employed in financial intermediation & business activities 2001



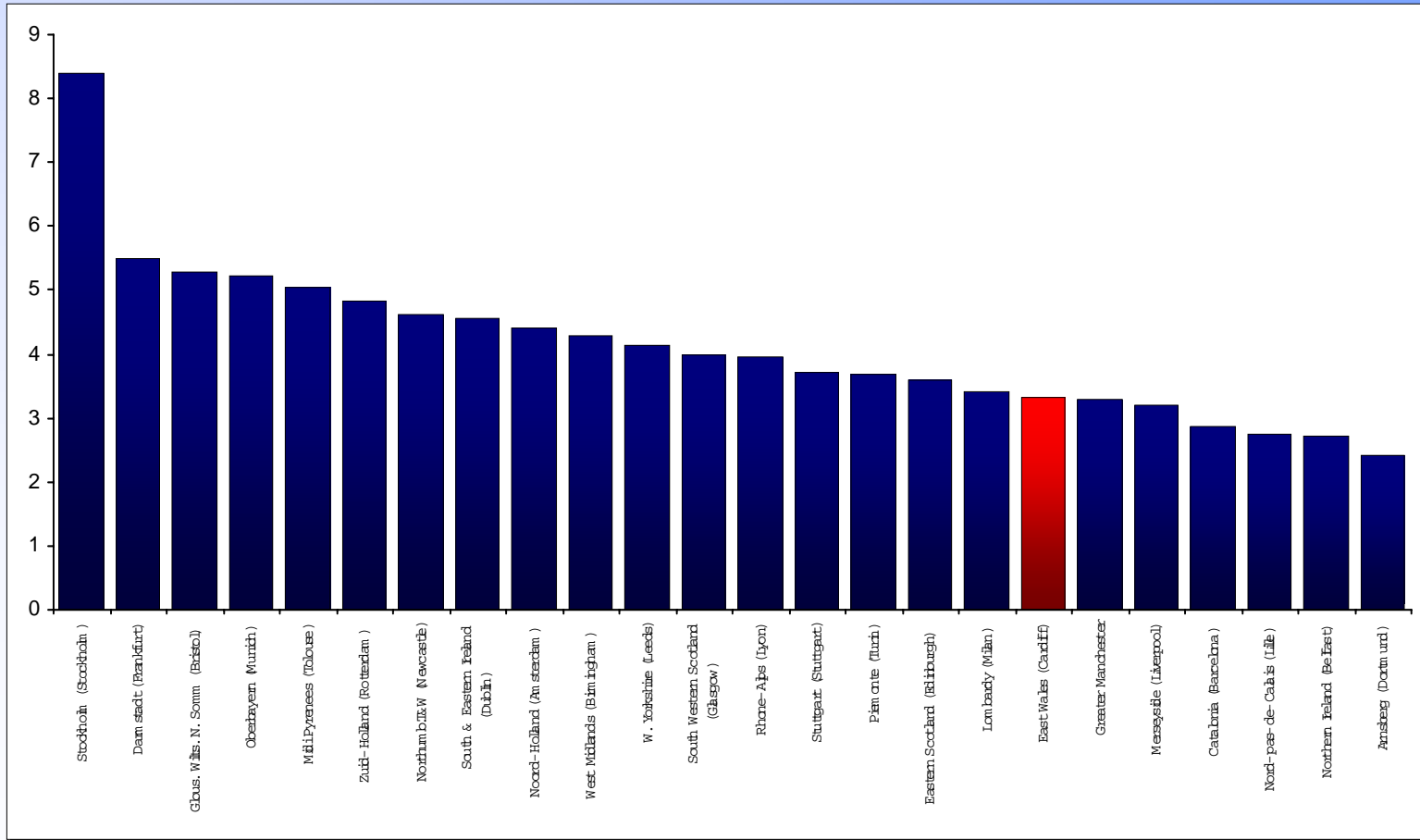
# European Innovation Scoreboard 2003 (RRS Innovation Index)



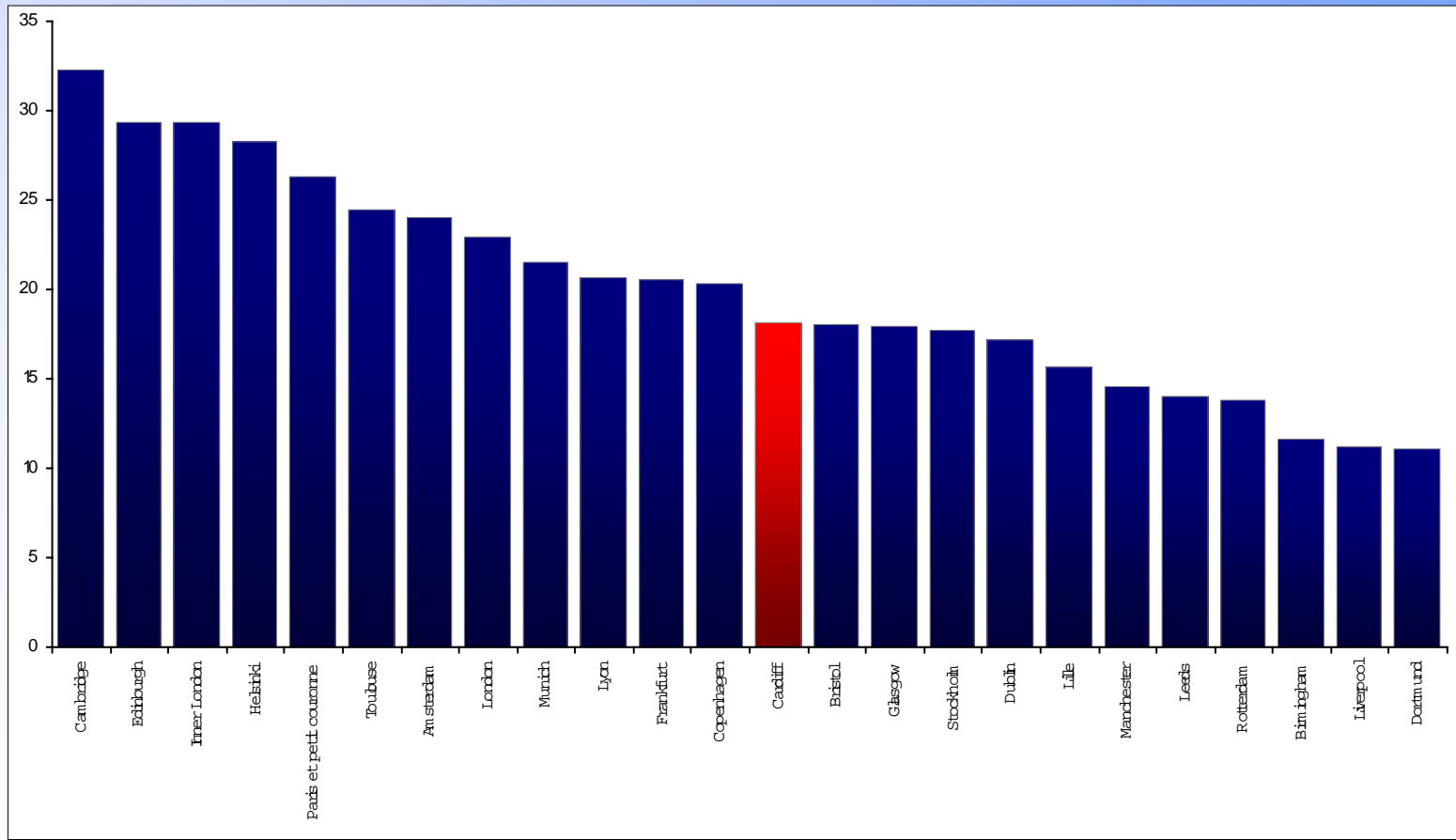
# % of employees in high & medium-high technology manufacturing sectors 2001



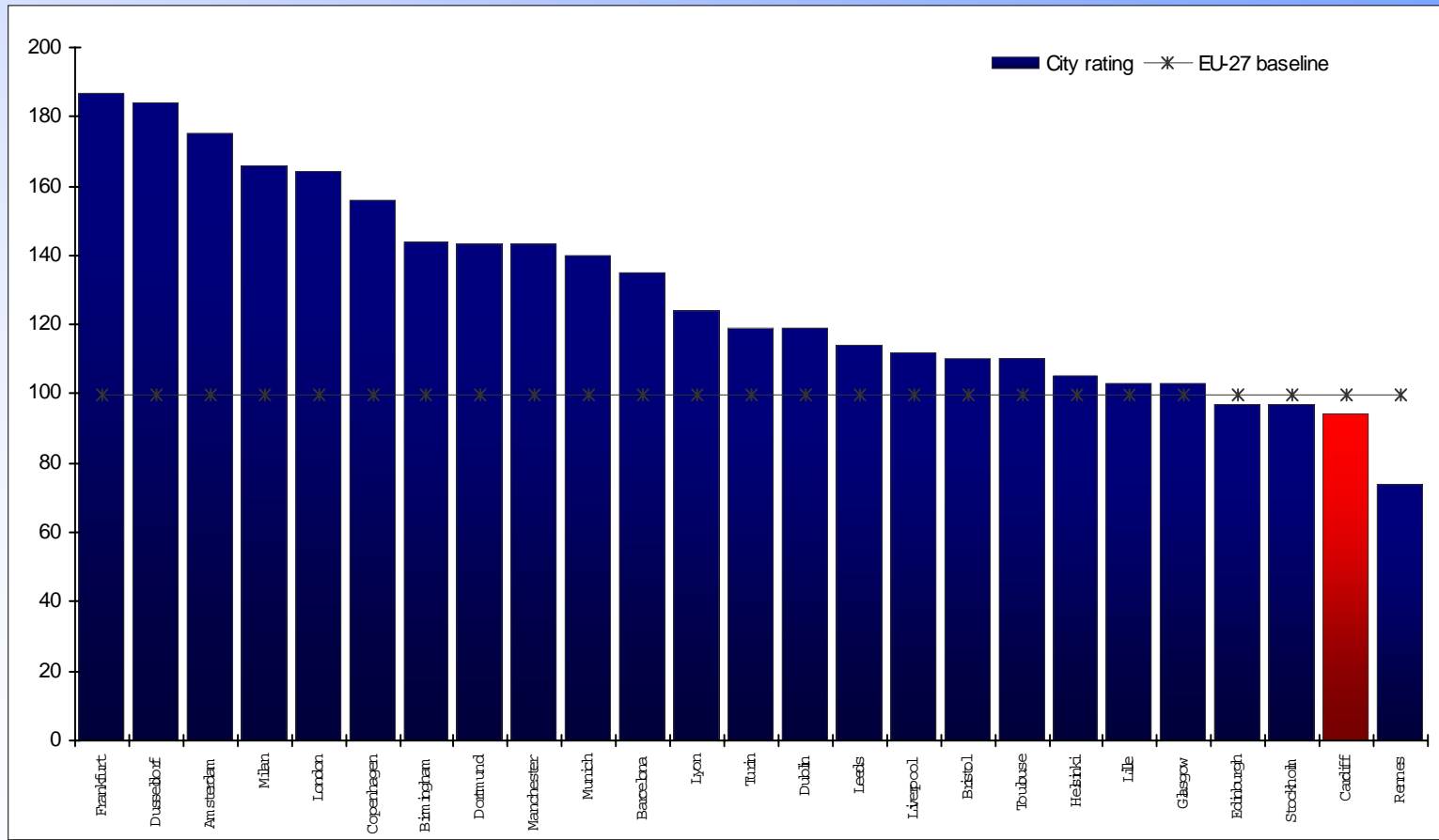
# % of employees in high-technology service sectors 2001



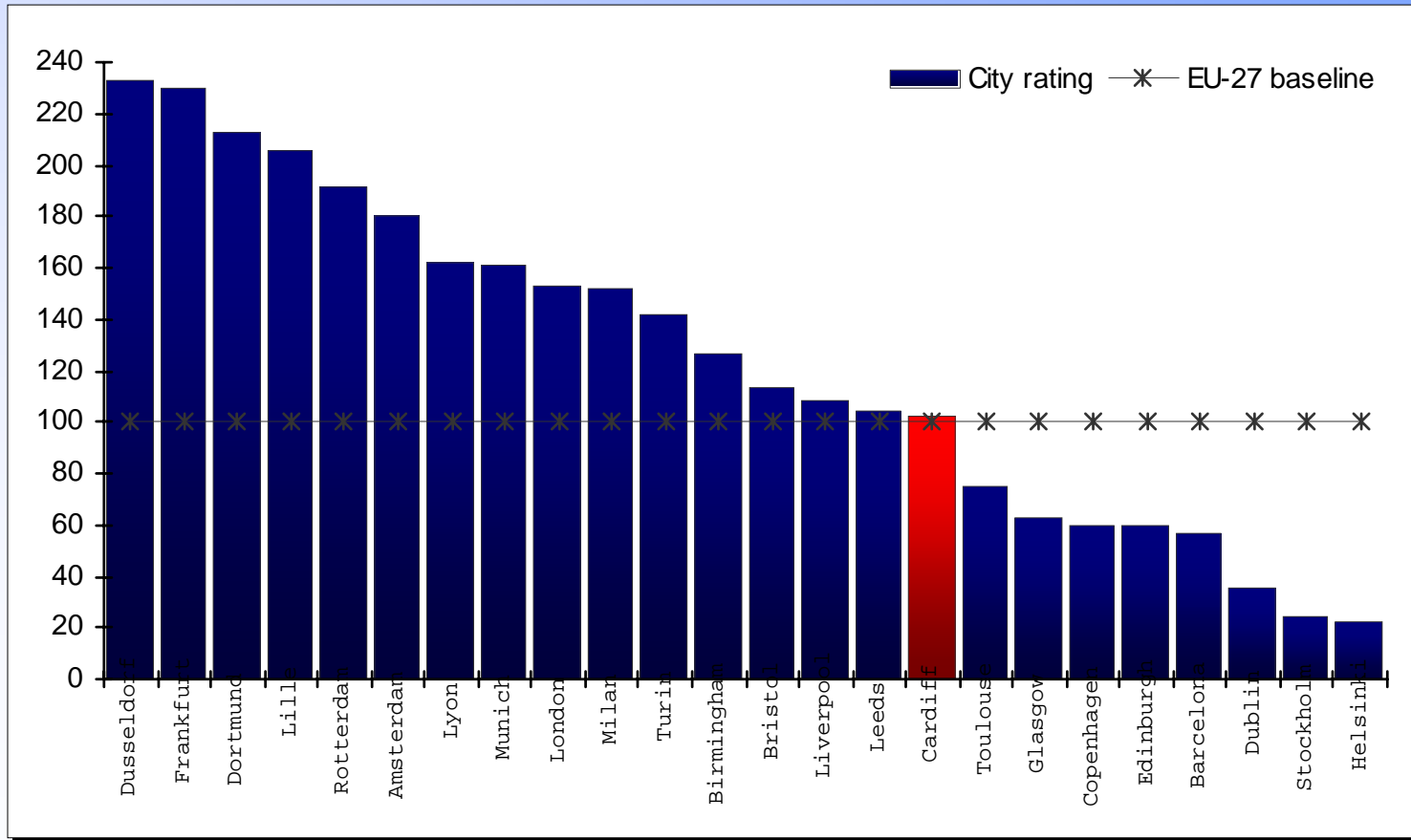
# % of persons with a tertiary education 2001



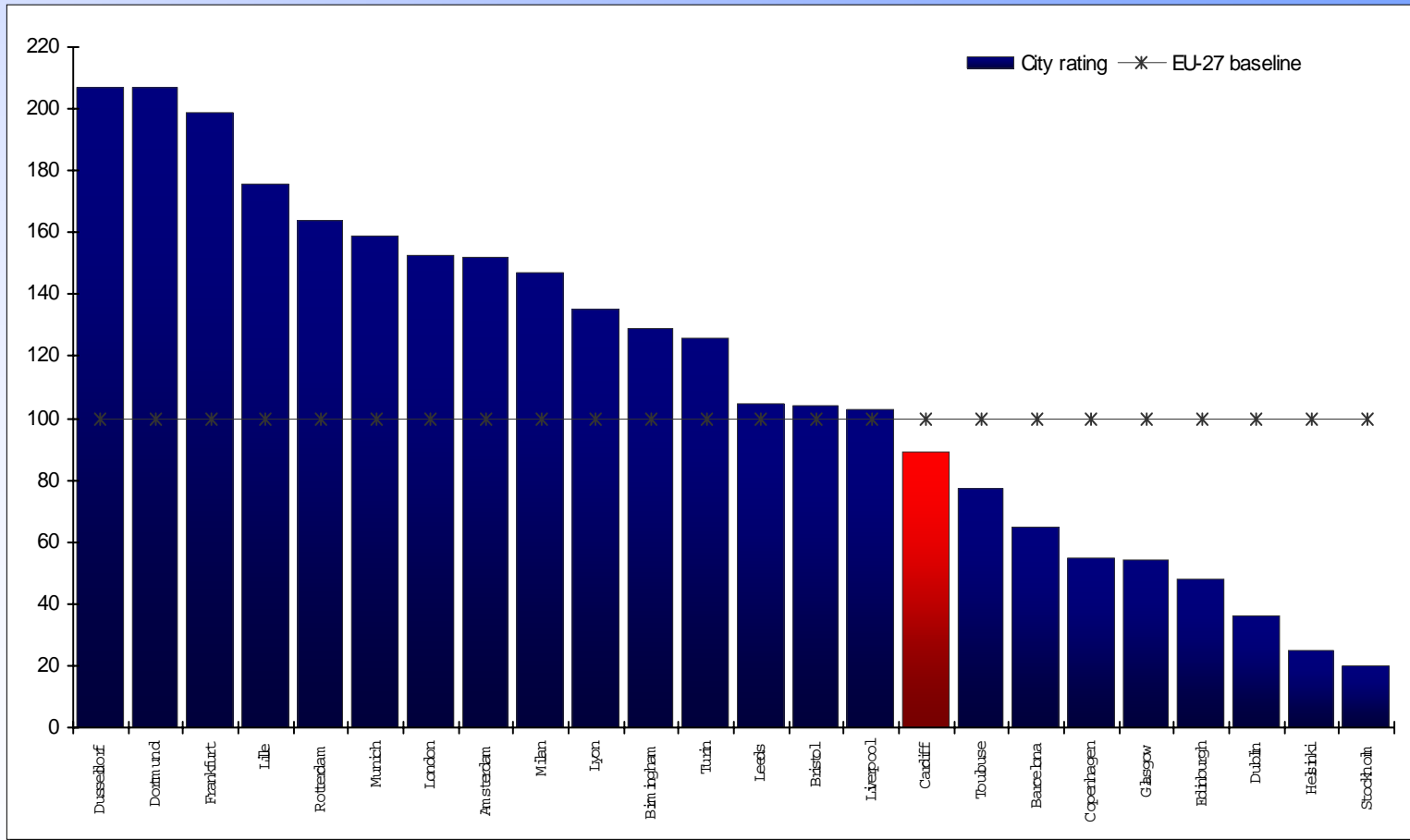
# Accessibility by air – rating against an EU-27 baseline 2001



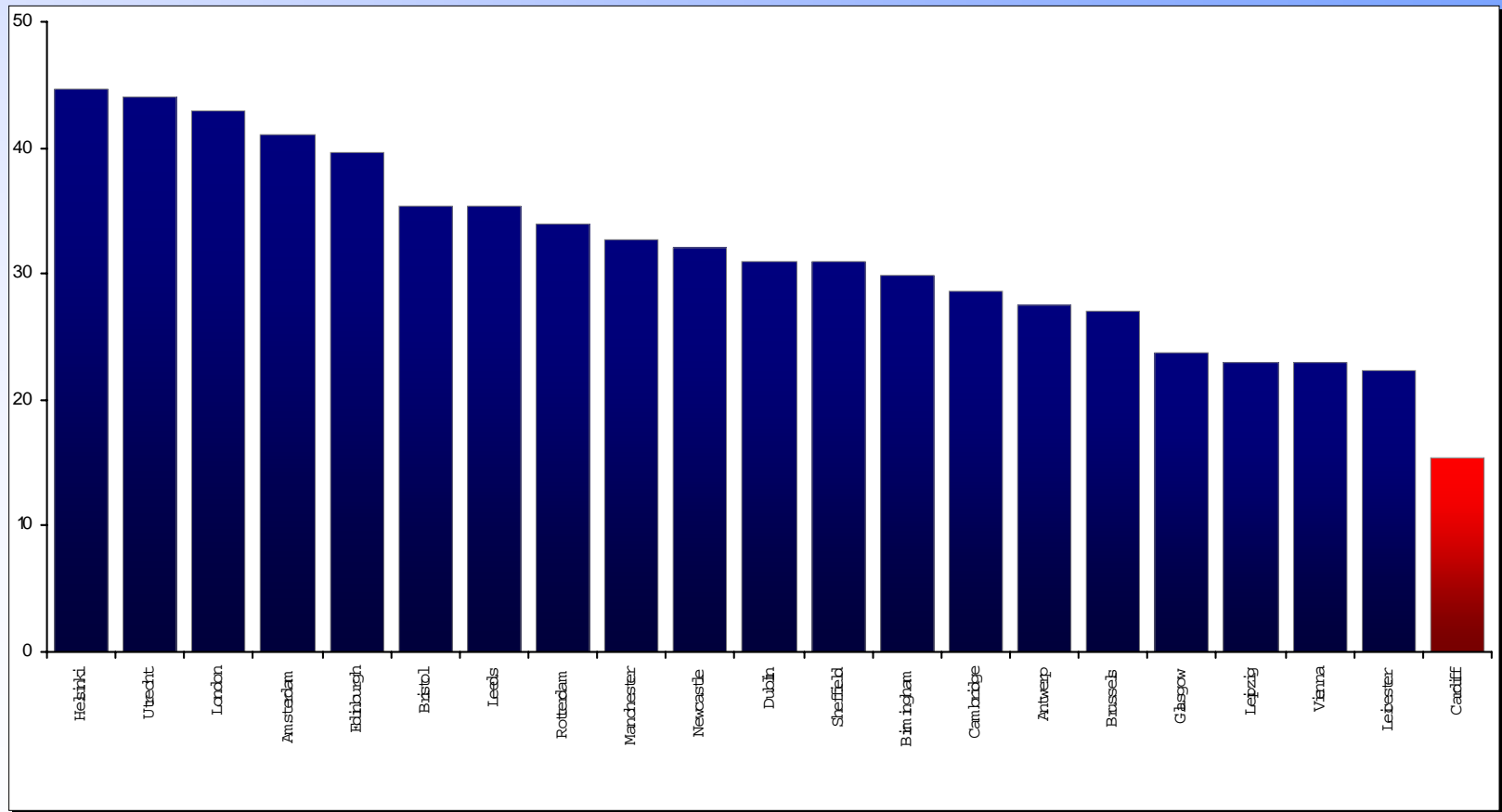
# Accessibility by rail – rating against an EU-27 baseline 2001



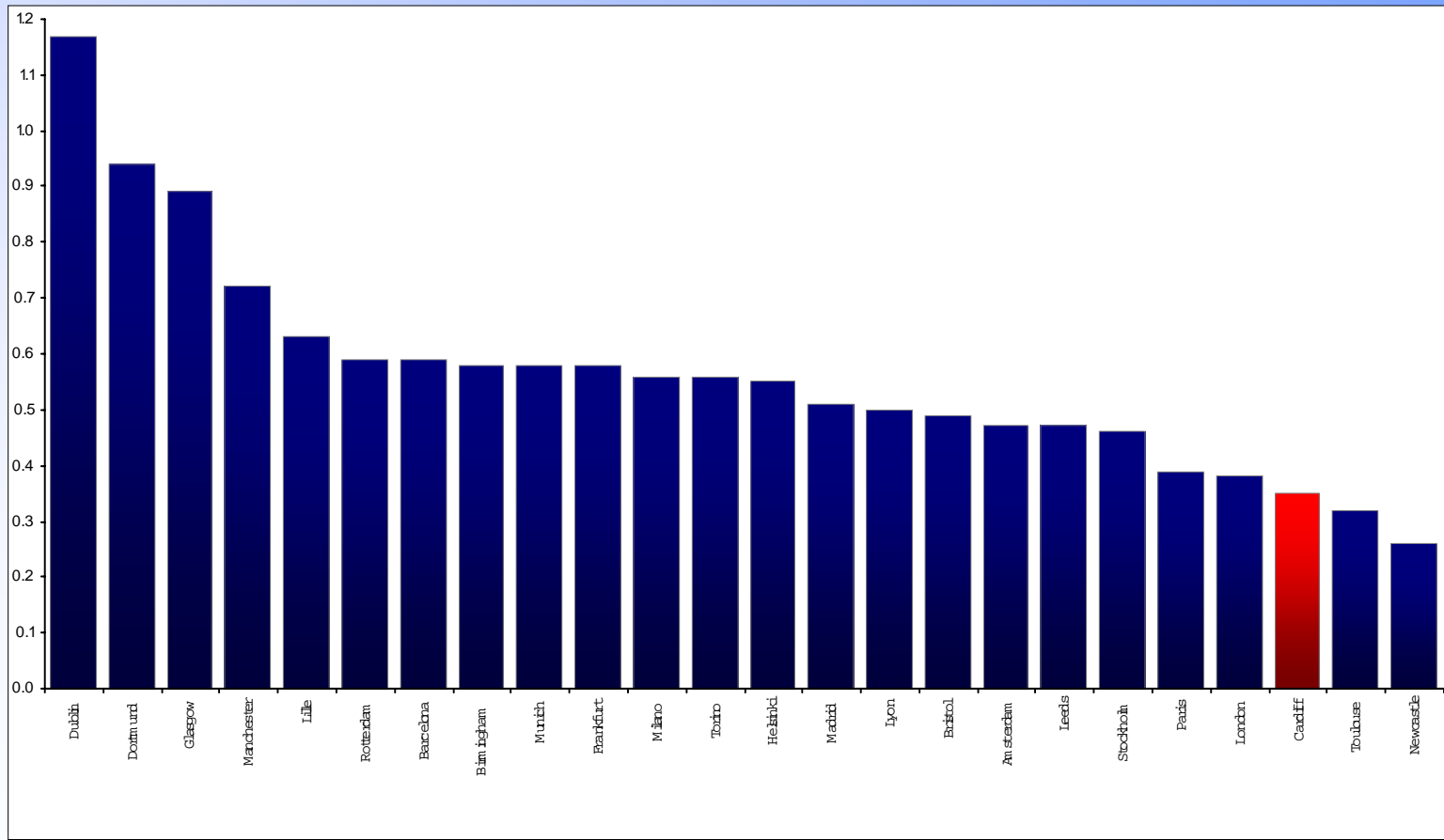
# Accessibility by road – rating against an EU-27 baseline 2001



# % of households with Internet access 2001



# Mortality rates for under-65s – heart disease & respiratory illness 2001



# 4. WHAT'S NEXT FOR CARDIFF?

- Hierarchy is stable but cities can improve
- Cities matter to national performance
- Competitiveness and cohesion not mutually exclusive
- National and regional government matters

- National policies matter – powers/ resources
- Urban system PLC
- Grown-up government
- Size matters

- Cities can help themselves
- Economy, territory and government
- Urban and regional competitiveness  
– a bridge not a barrier
- Cities levers for improved regional performance



