• **More than a half** of global population lives in cities

• **80%** of GDP is produced in cities

• **72%** of new private sector jobs are 750 largest cities

• Top 300 cities host 19% of population and **48%** of GDP.
Cities and economic prosperity do not always go hand-in-hand...

The missed opportunity
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?
COMPETITIVE CITIES FOR GROWTH
JOBS AND WHAT, WHO, AND HOW
A “COMPETITIVE CITY” facilitates firms and industries to grow jobs, productivity and incomes over time

- **What** do successful cities do?
- **Who** does it?
- **And How** does it get done?

- We are looking at *private sector* performance
- Data is *imperfect*
- There are *no silver bullets* and all circumstances are unique
New cities are entering global competition
What: Four levers available to cities

- Firm growth;
- Investor attraction;
- New start-ups.

Overall framework

Institutions & Regulations

Infrastructure & Land

Skills & Innovation

Enterprise Support & Finance

City wedge
What matters most depends on circumstances

<table>
<thead>
<tr>
<th>Category</th>
<th>Metric</th>
<th>Market Towns &lt;$2,500 GDP per capita</th>
<th>Production Centers $2,500-$20,000 GDP per capita</th>
<th>Creative and Financial Centers &gt;$20,000 GDP per capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutions &amp; Regulations</td>
<td>Ease of Doing Business Index (DB)</td>
<td>+ Start with basic infrastructure and regulation...</td>
<td>+... then upgrade infrastructure...</td>
<td>+ ...and invest in human capital &amp; innovation.</td>
</tr>
<tr>
<td>Infrastructure &amp; Land</td>
<td>Physical Infrastructure¹</td>
<td>+</td>
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<tr>
<td></td>
<td>Social Infrastructure²</td>
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<td>Skills &amp; Innovation</td>
<td>Human Capital³</td>
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<td></td>
<td>Innovation⁴</td>
<td>+</td>
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<tr>
<td>Enterprise Support &amp; Finance</td>
<td>Financial Infrastructure⁵</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
</tbody>
</table>
Successful cities combined:

- **industry-specific** (sector/value chain) interventions, with
- **economy-wide** interventions.

*This was not an either/or choice...*
Who and How: The city wedge

i. Growth Coalitions: collaboration with stakeholders;

ii. Mayor’s Wedge: internal scope and capacity;

iii. Intergovernmental relations: external leverage.
How do you choose what to do?
Benchmarking: Johor Bahru – Choosing comparators
Benchmarking: Industrial structure of Johor Bahru

Employment structure by Industrial sector 2012

- Public Services
- Finance and business services
- Transport, storage, Information & communication
- Consumer Services
- Industry
- Agriculture
Kigali, Rwanda
• Do you know your own economy?

• Do you know who you are competing with?

• Is the private sector (firms) at the center of your wedge?

• Are you working as a team?
COMPETITIVE CITIES FOR GROWTH
JOBS AND WHAT, WHO, AND HOW