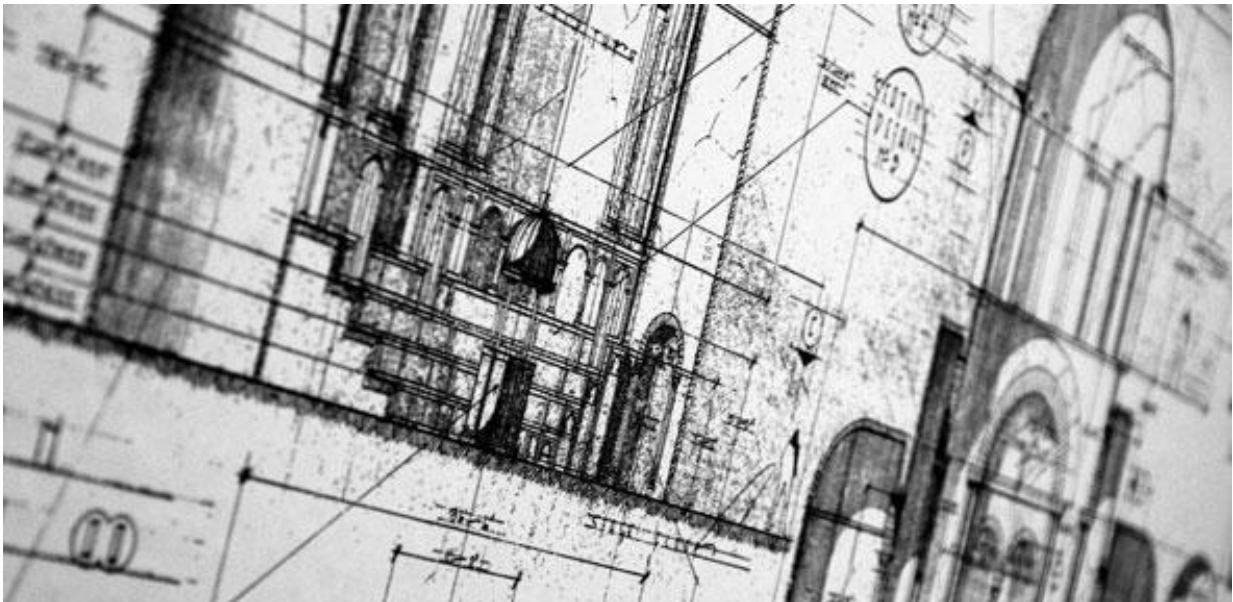


# Blueprint for success—what makes a city thrive?

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Credit: Rhino Neal

Why is Milton Keynes one of the most successful cities in the U.K., and Dundee one of the least? What gives Leeds its economic edge over Liverpool? How did London survive the 1990s recession, going from boom to bust and boom again? Researchers are asking these questions and many more in the largest ever analysis of what makes cities thrive.

Arguably, everything about Milton Keynes is deliberate: its site, its

transport, its housing, its business sectors, its jobs. From the moment of its 'birth' in 1967 as one of the country's 'new towns', Milton Keynes was planned as a whole. Over the past three decades, it has out-smarted every other city in the U.K. in terms of its annual average growth rate of output and employment.

Meanwhile, most of Britain's old industrial cities – Newcastle, Sheffield, Birmingham, Glasgow and Liverpool among them – underwent a dramatic slippage in growth from the beginning of the 1980s to the late 1990s. Although their decline has slowed, they still lag behind the national average in terms of economic growth.

Not so London. After years of relative decline, it has experienced a turnaround since the early 1990s, thanks to its flourishing financial sector and rapidly expanding business services. It even weathered the recent recession better than almost all other parts of the U.K.. It has become one of the fastest growing parts of country, and is predicted to pull further ahead of the rest of the country in the next decade.

This story of a 'great divergence' opening up between cities is being played out all across the U.K., as well as elsewhere in the industrialised world. In the USA, for instance, the downturn in the fortunes of Detroit and Cleveland stand in stark contrast to boom cities like San Francisco and Boston. Recent efforts in the U.K. to rebalance the economy have included the 'Northern Powerhouse' investment to boost Manchester, Liverpool, Leeds, Sheffield and Newcastle.

"Cities have always had upturns and downturns. But for the first time in human history more than half of the world's population lives in cities and so now more than ever it's important to understand what it is that makes a city flourish," says Professor Ron Martin, from Cambridge's Department of Geography. "Adaptability and resilience may be today's buzzwords but this is the way that cities – and those making policies that

affect cities – need to think to keep them working well."

Martin leads a major research project aimed at understanding transitions through boom, bust and austerity for U.K. cities, and the lessons that can be learned from the past 50 years of economic history that might help cities prepare for the decades ahead.

It will be the largest ever analysis of the post-industrial fortunes of the U.K.'s cities. It builds on work that Martin and his team carried out for the U.K. Government Office for Science (GoS) Foresight Project on the Future of Cities – the brainchild of Government Chief Scientific Adviser, Professor Sir Mark Walport.

"Cities matter to the U.K.," explains the GoS Future of Cities project. "They are the concentrations of the U.K.'s population, trade, commerce, cultural and social life. They are also the sites where most of the U.K.'s future growth, both population and economic, is forecast to occur. The U.K.'s future is now closely linked to that of its cities."

The fastest growing cities over the past three decades have been those in the south of the country, linked with a downturn in manufacturing in the north and an increase in service industries in the south.

"Manufacturing still happens of course, and is still important to the economy of many of our cities," says Martin. "But the number of people working in manufacturing has fallen over the past 30 years because of increasing efficiency and productivity, and the rise of foreign competitors."

The team's study for the Foresight Project looked at 63 cities across the U.K.. One finding was that the fastest growing cities over the past three decades were the new towns like Milton Keynes that had been deliberately planned and developed through post-war public policy. "In

these cases, everything to do with a new settlement could be thought about holistically – an argument perhaps for focusing on expanded cities in the future."

But what about old industrialised cities? "There's a huge infrastructure in these cities and a lot of talent," says Martin. "We found that whereas some cities are experiencing a worsening of economic inequalities and failures, others have managed to reinvent themselves by growing new sectors – electronics, pharmaceuticals, finance, business support services. Those cities that hadn't managed to diversify, reorientate and adapt their employment sectors fared less well."

Martin cites Cambridge as an exemplar of diversification: "Cambridge is interesting because it is often held up as a high-tech cluster but in fact you can identify around 14 specialisms, with life sciences currently moving into pole position. The key is to keep branching into new areas."

He adds: "This shouldn't really come as a surprise. It's a bit like buying stocks and shares – you wouldn't put all your money in one company because you risk losing everything. The same goes here – you need a diverse economic structure to withstand shocks to the system."

Before this study, however, the data simply wasn't available to draw this conclusion. Martin's team worked with Cambridge Econometrics, business management consultants, who are specialists in building up city-level datasets from local data.

Now, with funding from the Economic and Social Research Council, the team has increased to include researchers at the Universities of Southampton, Newcastle and Aston, and the dataset they are building is the largest of its kind ever constructed for the U.K.: the growth, employment and economic structure of 75 cities, for four decades from 1971, with hopes eventually to look back to the mid-19th century. Ten

cities have been chosen for an in-depth analysis of firm dynamics, local governance and public policy.

"Cities have come to dominate how we think and talk about economies, particularly as they navigate the turbulent and uncertain context of austerity and economic reform," says Martin. "There is little doubt that cities face an unprecedented and intense set of economic, social and environmental challenges. Our research as part of the Future of Cities project provided the first quantitative evidence that different cities demonstrate very different capacities to cope with and respond to challenges, and that these lead to diverse economic outcomes."

It's timely, he adds, to be considering what makes a city thrive, given the ongoing discussions by government on the business case for devolving central policy decisions and budgets to regions.

"In this context, while fiscal devolution is desirable, differences between cities could assume greater significance," says Martin. "If cities and regions take more control of the purse strings, they will need to know where best to invest resources to help them thrive. This research programme is ambitious but we are confident that we will be able to identify at least some of the keys to city economic success and how to maintain that success over time."

Provided by University of Cambridge

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