

# Four ways to help your city thrive

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Most UK cities are focused on how much funding they are likely to lose in the wake of Brexit. [Metrodynamics analysis](#) shows last year the UK got £1.8bn in European social and investment funds; the European Investment Bank invested more than £4.4bn into cities in the UK; and the EU Framework for Research and Innovation funded about £1bn of activity in mainly urban universities.

But soon the analysis about funding will be complete. It will no longer be about how to survive given changes in the old order; but how to thrive given the opportunities in the new order. Leaders will need to focus on the trading prospects and potential of their cities because our settled trading position as a member of the EU faces fundamental change and our local and city economies need to be smarter at finding new markets for their goods and services. The compelling force for cities is 'competitive connectivity'. Nation states worry about their borders; cities focus on how their economies can better connect across their nation and internationally.

The UK is far better at trading services than trading goods. According to the [Office for National Statistics](#), every quarter, the UK imports £30bn more in goods than it exports, and exports £20bn more in services than it imports. By the end of 2015, the [deficit reached £34bn](#), a record 7.2% of gross domestic product.

London's contribution to the national balance of payments is skewed very heavily to the financial and service sector. Over half all UK service exports are from London. Almost £80 in every £100 exported by London is in the service sector and of that, 41% are in financial services. These are crucial; for every £9 of all revenues into the government, [£1 comes from London's financial sector](#).

All UK cities will need to discover new ways to create value and enable trade if they are to thrive in the future. Seeking new opportunities and enabling new trading connections is what cities are best at but to succeed they will need to balance the achievement of economic goals with other goals because the dynamics of large cities are not just fuelled by economic concerns.

Economic drivers of change are involved in a complex interplay with three other forces: financial, social and cultural. The economies of cities may be fuelled by economic agglomeration, but financial accumulation, social acceleration and acculturation each provide powerful impulses for cities. Cities are where capital accumulates in the development of property and in the financing of business. Cities are where the pace of life is fastest. Cities are where people of difference connect and learn from each other. The most liveable and sustainable cities are those that best blend economic, financial, social and cultural impulses together.

City leaders want policy ideas that help make their cities thrive. They need to adopt economic policies that work with clusters of the developing urban economy. But they also need to foster urban development allied to inclusive growth that supports people deal with the increasing pace of life and fosters social cohesion. Economic resilience is crucial for every city, but cultural and social connections to the wider world will enable better prospects for trading into the future.

Here are four ways to help cities thrive:

- 1 Choose a functional urban economic area that makes sense and admit that your city is porous and is subject to enormous spillover and leakage effects from elsewhere. Start with the goal of increasing your city's competitive connectivity to other places.**

- 2 Acknowledge that you can't impose economic clusters; they occur emergently. You can foster the conditions for some clusters to be realised. These will stem from the distinctive capabilities in your city and its business communities. You simply can't decide exactly where others will be entrepreneurial and innovative. You must make plans but don't get deluded by them.**
- 3 Cities are places of people with bewildering diversity of ethnicity, national origin, faith, identity and values. Your role is to help them build bridges with each other rather than for them to live in segmented communities. Harmony, tolerance, empathy, respect and the celebration of difference are the watchwords.**
- 4 Successful cities require scale for their specialisations to work but scale can be a problem; commuting for hours a day corrodes a sense of liveability. Successful cities build belonging. Cities don't just do deals with the nation states that host them; they build compacts with the citizens who live there. Cities and their citizens together nurture 'the civic': the virtues, duties and habits that sponsor engaged citizenship. They also foster 'the civil': the sense of empathy, courtesy and reciprocity that sponsors a sense of community and helps people connect across differing identities and cultures.**

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*This article is based on a longer research paper by Barry Quirk, [The Four Forces that Make Cities Successful](#), published by the New Local Government Network in September.*