

City Attractiveness: Concepts, policies and strategies

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Abstract

Cities are facing new challenges to maintain and improve their competitiveness in order to create a flexible, adaptable and diverse local economic structure, which would allow the city to be in a better competitive position

In this context, these new challenges are forcing cities to actively take on new, more effective methods and tools of socio-economic development of their territories, which could help to develop the attractiveness of the city. Cities aspire to become and remain attractive places for potential residents, business and visitors.

Key words: City attractiveness, City development, Residents, Tourism, Investment.

الملخص

تواجه المدن تحديات جديدة لتطوير وتحسين قدرتها التنافسية من أجل خلق قاعة اقتصادية محلية مرنة ومتنوعة مما يسمح لها أن تكون في وضعية تنافسية جيدة. في هذا السياق؛ هذه تحديات جديدة تحتم على المدن الأخذ بأساليب وأدوات التنمية الاجتماعية والاقتصادية والتي يمكن أن تساعد في تطوير وتحسين جاذبيتها؛ إذ تسعى المدن إلى أن تكون أماكن جذابة للمقيمين؛ الأعمال والزوار.

الكلمات المفتاحية: جاذبية المدينة، تنمية المدينة، السكان، السياحة، الاستثمار.

Introduction

In the era of global competition, Cities possess unique cultural and architectural qualities, strong forces of social inclusion and exceptional possibilities for economic development. They are centers of knowledge and sources of growth and innovation.

To achieve this aim, cities are constantly competing for many different - both internal as well as external - factors that stimulate their economies and are the engines of knowledge economy.

In this context, cities are facing new challenges, forcing them to actively take on new, more effective methods and tools of socio-economic development of their territories, which could help to enhance the attractiveness of the city to society groups, which can guarantee its long-term economic stability. So what is meant by “city attractiveness”? What are its dimensions and determinants?

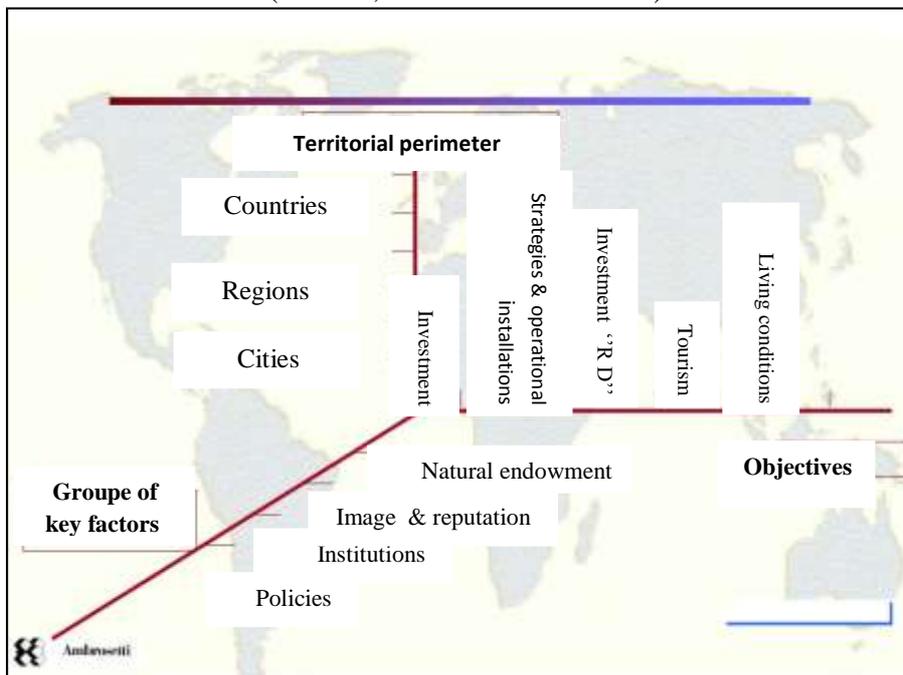
Different tasks have been set within the framework of the research:

- to explain the theoretical aspects of city (territorial) attractiveness;
- to identify the city attractiveness factors which are the most important for the residents;
- to show the priorities for spatial strategies regarding the cities to develop their attractiveness.

1- Attractiveness in the new era of territorial competitiveness:

Cities play a crucial role as motors of the economy, as places of connectivity, creativity and innovation, and as service centers for their surrounding areas¹.

Figure 01: The three dimensions of attractiveness (Factors, Actions and Policies)



Reference: Massimiliano Ballotta, *Factors, Actions and Policies to Determine the Investment Attractiveness of a Territorial System*, World Bank, WBI/PSD Investment Climate, Seminar Series, Washington, 29th January 2004, p13 in <http://info.worldbank.org/etools/docs/library/49058/ballotta.pdf>

City governments face a need to understand the new importance of attractiveness of a location, to understand the individual needs of the city's target groups, the characteristics of their performance and also the factors, which determine² decisions of each target group to settle in a specific location.

People choose to live in urban areas so they can have a better quality of life. They want to beat the heart of economic activity, and to have more job opportunities and other social and economic advantages. However, city living brings arrange of challenges³.

City attractiveness (considered also as territorial attractiveness, regional attractiveness and place attractiveness) is a nowadays created concept the aim of which is to solve long-term regional development problems by new means. Its importance in academic studies and work of

national, regional and local governments has grown during the recent years⁴.

2- City attractiveness: concept and theoretical aspects

In the recent academic and the European Union (EU) debates on regional economic development and territorial policy place assets and spatial qualities have increasingly been understood as factors for attracting economic agents and, consequently, as important features for local development strategies⁵.

Neminei gives a definition of an attractive city, emphasizing such city characteristics as: strong economy, successful business and housing policy, supply of essential public services, pleasant environment, efficient transport and traffic system⁶.

European Commission⁷ emphasizes the following important features of attractive city: an effective structure of economic activities, accessibility and mobility, access to public services and institutions, knowledge-based society, information tools and resources, attractive natural and physical environment; strong and diverse cultural and tourism sector.

The European Urban Charter⁸ describes an ideal city as “... one which succeeds in reconciling the various sectors and activities that take place (traffic, living working and leisure requirements), which safeguards civic rights, which ensures the best possible living conditions, which reflects and is responsive to the lifestyles and attitudes of its inhabitants; where full account is taken of all those who use it, who work or trade there, who visit it, who seek entertainment, culture, information, knowledge, who study there”.

UK Government analyzing possibilities to strengthen the attractiveness of national cities focuses on the following factors: environmental quality, the quality of public spaces, city's vitality, liveability, viability and the city's image⁹.

Berg L., Van der Meer J. and Otgaar A. H. J. (2007)¹⁰ list criteria which reveal city attractiveness from the point of view of inhabitants (housing in a clean and safe environment, employment and its various opportunities, provision of high-level education, cultural, health care, shopping and other services), entrepreneurs/investors (the quality, availability and cost of real estate, tax environment, conforming offer of labour force, the presence of a supplier and customer, qualitative living environment and services provided) and tourists (accommodation facilities,

access to entertainment and restaurants, public transport and other amenities attractive to visitors)¹¹.

Before the development of a strategy to enhance the attractiveness of a city, it is very important to understand that urban attractiveness for different society groups (target groups) differs and consists of many different characteristics. The major target groups of a city: visitors, residents/employees, business/industry and export markets (see Table 1).

According to Berg¹², a city attractive for business should have good accessibility, acceptable land prices, local taxes and legal requirements, sufficient quantity and quality of labour force supply. Other factors such as the market size, city status, living environment and quality of public services are important as well. An attractive city can attract capital, knowledge and competitiveness and this implies a strong comparison of local enterprises with other external realities.

Table 01: The four main target markets

Target group	Sub-groups
Visitors	Business visitors (attending a business meeting or convention, checking out a site, coming to buy or sell something), Non-business visitors
Residents and employees	Professionals (scientists, physicians, etc.) Skilled workers Wealthy individuals Investors Entrepreneurs Unskilled workers (domestic, migrants, etc.)
Business, industry and investement	Heavy industry/ Entrepreneurs Clean industry (assembly, high-tech, service companies, etc.)
Export markets	Other localities within domestic markets / International markets

Reference: Jolita Sinkienė, Saulius Kromalca. *Concept, Directions and Practice of City Attractiveness Improvement*. Kaunas University of Technology, N31, 2010, p151.

Consequently this comparison stimulates local enterprises to improve and enhance their competitiveness.¹³

Therefore visitors look for a temporary accommodation (hotel, apartment, camping, family’s house, etc.) plus the accessibility to relevant attractions or other amenities¹⁴.

As such, the major insight offered by recent benchmarks on Asian cities is the process of differentiation and specialization in the second tier of Chinese and also Indian cities (see table 02, figure 02).

Table 02: Global Top 20 Top Destination Cities by International Visitors 2014

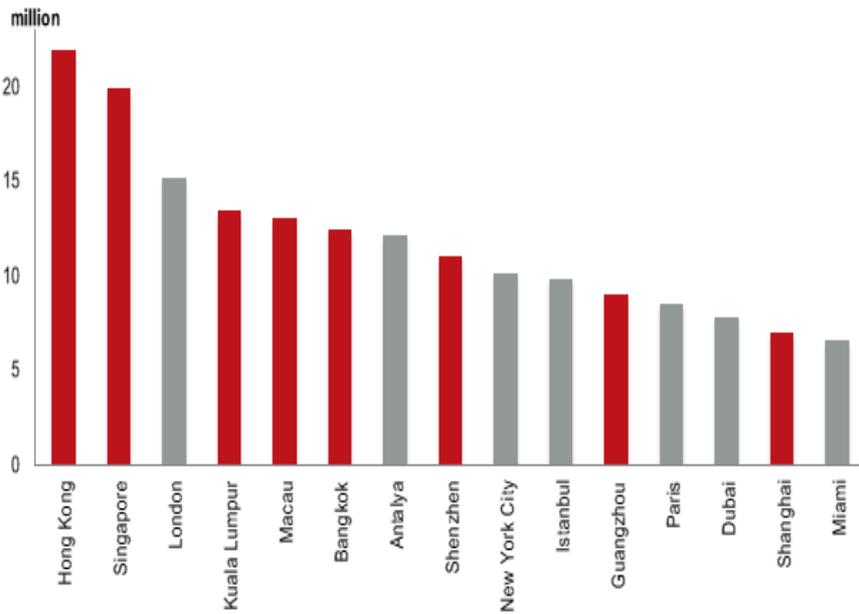
	Destination City	Country	Visitors (millions)					%Δ 2013 & 2014	2014 Visitor Spend (US\$ bn)
			2010	2011	2012	2013	2014		
1	London	United Kingdom	14.71	15.29	15.46	17.30	18.69	8.0%	\$19.3
2	Bangkok	Thailand	10.44	13.80	15.82	18.46	16.42	-11.0%	\$13.0
3	Paris	France	13.27	13.88	14.33	15.29	15.57	1.8%	\$17.0
4	Singapore	Singapore	8.80	10.14	11.11	12.10	12.47	3.1%	\$14.3
5	Dubai	UAE	8.41	9.20	10.16	11.12	11.95	7.5%	\$10.9
6	New York	USA	9.43	10.27	10.60	11.08	11.81	6.6%	\$18.6
7	Istanbul	Turkey	6.45	7.51	8.82	9.87	11.60	17.5%	\$9.4
8	Kuala Lumpur	Malaysia	8.90	8.99	9.26	9.56	10.81	13.1%	\$8.1
9	Hong Kong	China	8.13	8.43	8.37	8.26	8.84	7.0%	\$8.3
10	Seoul	South Korea	6.06	6.56	7.51	8.24	8.63	4.7%	\$11.5
11	Barcelona	Spain	6.18	6.89	6.91	7.18	7.37	2.7%	\$11.2
12	Amsterdam	Netherlands	5.86	6.07	6.10	6.74	7.23	7.2%	\$4.4
13	Milan	Italy	5.83	6.59	6.88	6.85	6.82	-0.4%	\$5.3
14	Rome	Italy	6.65	6.66	6.82	6.63	6.79	2.5%	\$5.6
15	Taipei	Chinese Taipei	3.52	3.96	4.70	5.80	6.29	8.4%	\$10.8
16	Shanghai	China	6.67	6.18	6.04	5.66	6.09	7.6%	\$5.3
17	Vienna	Austria	4.64	5.08	5.38	5.67	6.05	6.8%	\$5.6
18	Riyadh	Saudi Arabia	1.82	4.16	4.83	5.52	5.59	1.3%	\$4.1
19	Tokyo	Japan	4.47	2.94	4.07	5.05	5.38	6.5%	\$7.4
20	Lima	Peru	2.07	2.94	3.94	4.91	5.11	4.1%	\$1.8

Reference: Yuwa Hedrick-Wong and Desmond Chong, MasterCard, 2014 Global Destination Cities Index, p6

http://newsroom.mastercard.com/wpcontent/uploads/2014/07/Mastercard_GDCI_2014_Letter_Final_70814.pdf

London is in the top rank in terms of visitor spending, which is estimated to be US\$19.27 billion in 2014.

Figure 02: Number of international visitors

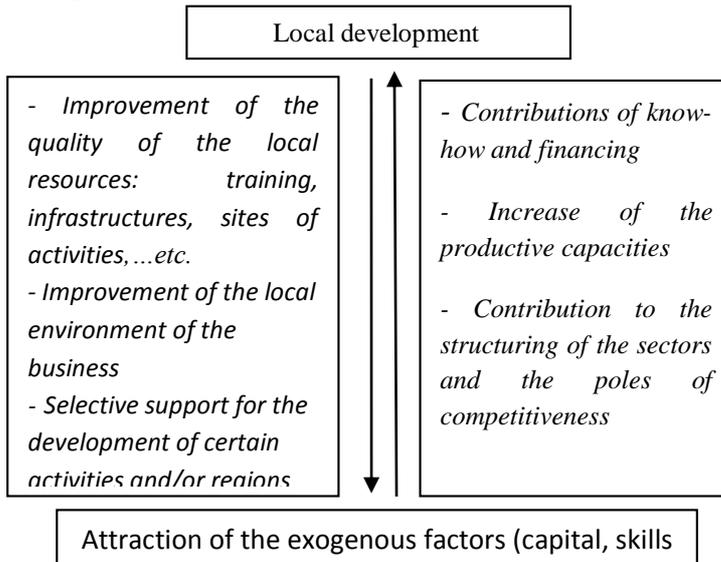


Reference: Tim Moonen, Greg Clark, Tim Moonen, Greg Clark (2013); *The business of Cities 2013, What do 150 indexes and benchmarking tell us about the urban world in 2013?* November 2013, P26, in <http://www.jll.com/Research/jll-city-indices-november-2013.pdf>

3. Attractiveness and the city development

Cities are the most important forces of national and regional socio-economic development. They are spaces, which create an economic surplus that further helps to develop the less developed areas of the region or a state¹⁵. Cities are regarded as "cities-entrepreneurs", complex enterprises, actively using their resources to achieve higher competitiveness in the economic, social or environmental fields, to keep current and attract new economic activities, urban functions, residents and visitors¹⁶.

Figure 03: Policies of attractiveness and development



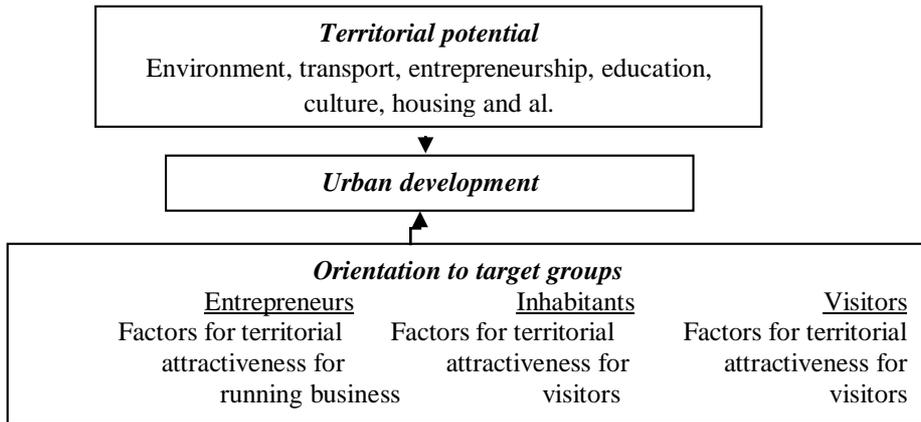
Reference:

http://librairie.immateriel.fr/fr/read_book/9782847690804/e9782847690804_c03#ref_int_22

It is important to understand what creates the attraction of cities and regions for residents to integrate the policies of attractiveness and development (see figure 03).

Serrano A argued, that it is not just a matter of marketing the place in a different way, but it also represents a new mentality among the individuals in the place, and how social, political, economic and environmental factors are linked together to enhance the competitiveness of cities within the development context¹⁷(see figure 04).

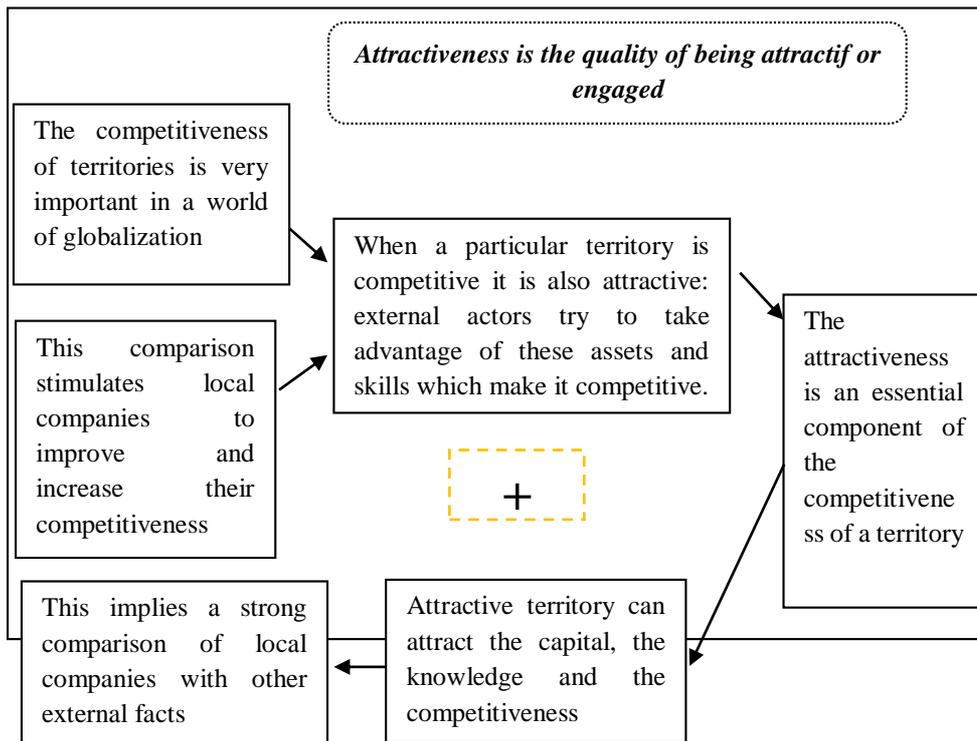
Figure 04: Strategies for Territorial Attractiveness



Reference: Sandra Ezmale, *Strategies For Enhancing Attractiveness of the Cities in Latgale Region*, p126 in <http://dx.doi.org/10.5755/j01.eis.0.6.1601>

Attractiveness is now linked to economic growth to provide a broader framework for the analysis of the process during which cities will reach higher standards of their inhabitants' life quality. Therefore it is important to understand how to coordinate the pillars of the attractiveness of cities and the importance of attractiveness in policies of city development (see figure 06).

Figure 06: Importance of attractiveness in policies of city development

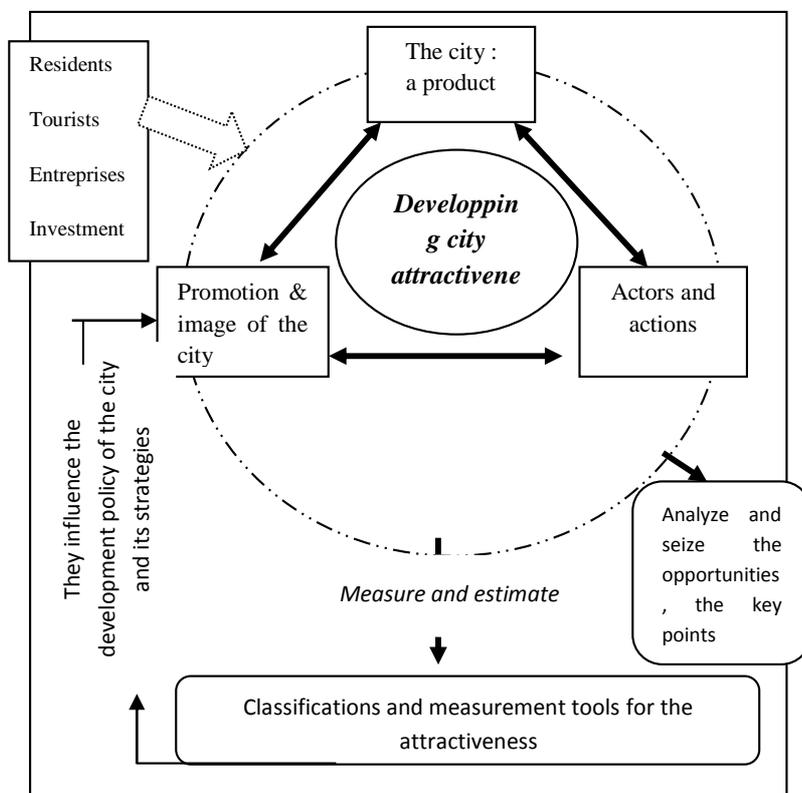


Reference: Massimiliano Ballotta (2004), *Factors, Actions and Policies to Determine the Investment Attractiveness of a Territorial System*, Op Cit; p6

Developing policies about attractiveness means: to connect the world of business and tourism opportunities in the area effectively, to contribute to the creation and enhancement of the territory (see figure 07).

Attractiveness is a very important element in all policies related to urban development attempting to attract more residents, tourism, investment and activities. Figure 08 shows a model of analyzing and developing of city attractiveness.

Figure 08: Model of analysis of the city attractiveness



Reference: authors

Conclusion

Cities are already home to a majority of people on the planet. The current level of urbanization ranges from 82% of the population in North America to 40% in Africa.¹⁸

Cities find themselves increasingly in competition with one another, particularly on account of globalization. For this reason, they are constantly attempting to attract more residents, tourism, investment and activities, and to position themselves at the top of the various league

tables that have emerged in recent years to indicate the attractiveness of the great metropolises.

Attractiveness is a very important element in all policies related to urban development, it is not just a strategy to provide a competitive product to meet visitors' expectations but a way to develop the city itself and provide more and better infrastructures and bring conditions to residents.

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⁴. *European Urban Charter* in Europe. www.lrs.lt/pls/proj/dokpaieska.show

⁵. Neminei, I. *The Attractive City – Urban Quality and Social Responsibility in Salo*.http://www.mecibs.dk/Artikler/Conf3_presentations/Konference_presentations/Irma%20N

⁶. European Commission in http://www.europarl.europa.eu/meetdocs/2004_2009/documents/com

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¹⁰. Berg, L. Van der Meer J. and Otgaar A. H. J. (2007), *The attractive city: catalyst of sustainable urban development*, Op Cit p63

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¹⁵. Jolita Sinkienė, Saulius Kromalca. Op Cit, p149.

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