

# LEARNING FROM GLOBAL METROS

A number of European and Asian cities have demonstrated sustained growth over the past three decades, notwithstanding the current economic crisis. Breaking free from historical dependencies, they overcame challenging crises to show progress in economic development. LSE Cities carried out in-depth research of four metro regions in the European Union and Asia, focusing on Munich (Germany), Torino (Italy), Barcelona (Spain) and Seoul (South Korea), to identify the processes, governance arrangements and interventions through which progress has been achieved. The aim is to provide U.S. leaders with valuable resources as they respond to the challenges posed by the current global financial crisis. The main policy lessons are illustrated below, followed by a summary of each global success profile.

## Policy Lessons

The four metros offer insightful lessons on successful programs and policies that fundamentally transformed their economy. Though none have been perfectly successful, each has made decisive progress and set the groundwork for future growth, trade, and job creation. We have observed a number of key insights from the European and Asian metros.

### An Intentional Government with Partners

The metros demonstrated the essential role of local and regional government (the tier between municipal and national levels) in sustaining and leading, economic development with national and business partners. Examples include:

Achieving vertical and horizontal alignment  
*A shared vision between Torino and Piemonte enabled them to win significant funding from the European Union*

Delivering integrated strategic planning  
*Torino's new strategic plan helped promote economic diversification in parallel with a revitalized master planning framework*

Establishing metropolitan and regional coalitions of public, private, and civic organizations  
*Munich's Future Bavaria Program invested in knowledge infrastructure and public venture capital*

Creating effective intermediary bodies, including public-private partnerships  
*Barcelona Activa helped create a business incubator and provide seed capital funding to local firms*

Establishing innovative public finance vehicles  
*Finpiemonte Partecipazioni, a public investment holdings company, invested in Torino and its region*

Introducing effective metropolitan level government  
*Seoul realigned central and metropolitan government priorities*

Effective governance and partnerships, as demonstrated by these metros, has helped improve the business climate, increased interest by international organizations and firms, and provided the necessary consistency and stability to realize long-term projects.

## Internationalization and Trade

All four metros have developed programs to accelerate the internationalization of their economies over the past 30 years, including:

Trade and export promotion through public sector-led programs  
*Torino's "From Concept to Car" program has delivered new contracts and real jobs*

Attracting foreign investment and international institutions  
*China is now investing significantly in the expansion of the Port of Barcelona*



Using international events to spur new international interest  
*All four cities hosted Olympic Games and continue to organize global gatherings*

Supporting internationalization programs among key metro organizations  
*Politecnico di Torino has significantly increased its international students*

The impact of these activities can be seen in the increased number of foreign-owned companies, high- and medium-skilled immigrants, foreign tourists, students and convention visitors.

Innovation and Entrepreneurship

The framework for economic development in the EU and Asia has emphasized the transition to a "knowledge-based" or "knowledge-led" economy. This includes using innovation in processes and products to modernize traditional industries and support entrepreneurship to grow new knowledge-intensive sectors and firms. Described below are a number of such efforts:

Delivering an innovation-led economy through strategic planning  
*The Munich Cluster program promoted 19 hubs for biotechnology, energy, and environmental technologies*

Promoting entrepreneurship  
*Barcelona and Torino set up business incubators and seed capital funds*

Modernizing manufacturing industries and diversifying supply chain activities  
*The Politecnico di Torino re-tooled and diversified the automotive sector*

Promoting investment into cutting-edge science and technology facilities and infrastructures  
*The Barcelona Economic Triangle now includes three major employment hubs*

Re-using industrial land for centers of innovation and technology  
*Seoul designed the Digital Media City in a former landfill*

This modernization has promoted local firms into national and international markets, fostering economic diversification, catalyzing local market revival, and re-orienting traditional manufacturing in emerging sectors.

Human Capital and Quality of Place

In our four metros, the human capital and quality of place agendas have merged with the knowledge economy, attracting new people and talent. To deliver human capital systems, the four metros have been:

Building and developing human capital  
*Torino successfully upgraded local skills and provided a local supply of university graduates for the new economy*

Creating new amenities and quality places  
*All four cities have pioneered urban improvement projects, from Seoul's rediscovery of its underground river to Barcelona's regeneration of its waterfront*

Revitalizing city centers  
*Torino upgraded its public spaces, removing cars and introducing public art*

Supporting talent attraction and retention  
*The "Do It In Barcelona" campaign and Seoul's reinvention of the Guro district as a major fashion and IT factory hub*

The four metros possess a more competitive and better-skilled workforce than they did 20 years ago, with a core set of competencies in both traditional and emerging productions and services. In addition, improvements to the quality of place have successfully attracted international talent and innovative companies.

Green Economy

The metros have understood the unique opportunity of shifting towards a green economy and combining environmental sustainability with new business opportunities, job creation and a more resilient metro economy. The initiatives to advance the green economy include:

Creating national renewable energy policies which are adopted and implemented locally  
*Germany's feed-in tariffs unleashed unprecedented levels of renewable energy investments*

Promoting green economy approaches to sustain economic growth and job creation  
*Automotive firms in Torino re-oriented their production towards environmental machinery and services*

Investing long-term in highly profitable green energy solutions  
*Munich's city-owned utility company invested strategically in wind and solar energy in Germany and internationally*

Expanding green transport infrastructure  
*All metros continue to invest in rail and high speed rail infrastructure; Seoul and Munich are implementing trials for electric vehicle infrastructure*

While data on the impact of green economy policies is only just emerging, lessons from the four metros suggest that green economy initiatives can help sustain employment, grow new markets for business, and improve the quality of life.

Conclusion

The European and Asian examples have pursued different initiatives through an integrated approach, taking action on all five fronts and setting themselves on a path to longer-term success. The case studies suggest that metros that adopt aspects of these five areas—an intentional government with partners, internationalization and trade, innovation and entrepreneurship, human capital and quality of place, and the green economy—will be rewarded in the future.

In the next section, the metros and their programs are defined and highlighted.