



CAPITALS IN THE 21ST CENTURY: METROPOLITAN MANAGEMENT AS MAINSTREAM ECONOMIC POLICY

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1. After Whitlam: new times

- ▶ Successful Cities Define and Drive Modern Australia
- ▶ Federal Interest has been Peripatetic, Municipalities perpetually weak
- ▶ The Vision and Competences of States have shaped Success

BUT

- ▶ HENRY (2011) spells out the growth future, within existing metropolises
- ▶ Planning, land, infrastructure and housing will constrain this
- ▶ Core economic challenge, Really Smart Metro Management

PLACE AS PRODUCTIVITY, NOT DISPLACEMENT

1. After Whitlam: new ideas?

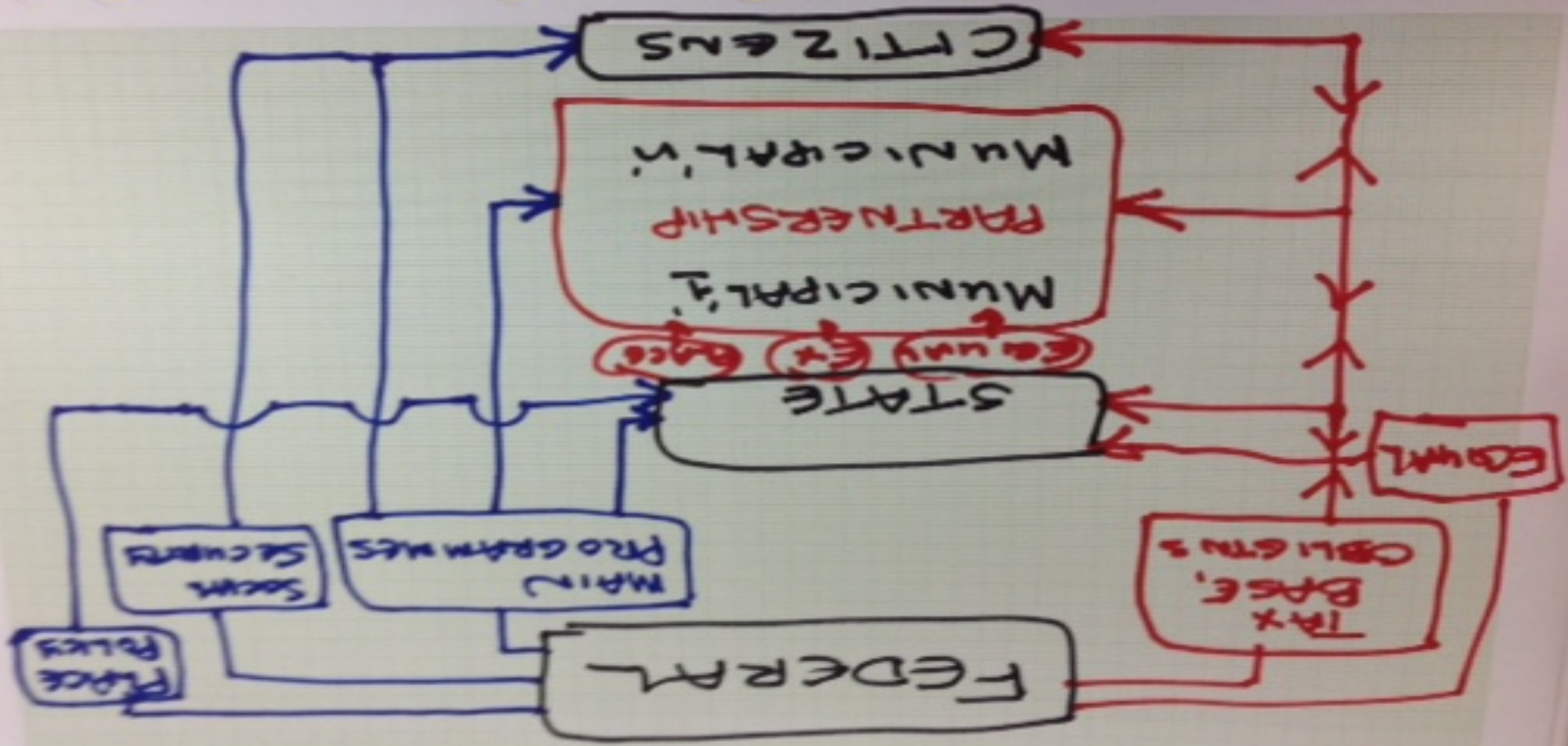
- ▶ Place policies (region, city, neighbourhood) based in regional/urban economics with
 - ▶ Location theory, agglomeration economies
 - ▶ Export base, stabilisation (Keynesian)
 - ▶ Different growth models, Solow to Myrdal
- ▶ Now reflected in interest in agglomeration economies, knowledge economies

IS THIS WHAT URBAN POLICY IS ABOUT, SKILLS AND INNOVATION AGENDAS? NO,
NOT ENOUGH!

1. After Whitlam: city policies now

INDUCTIVELY, WHAT DRIVES SUCCESSFUL CITY GROWTH

- ▶ Neilson's 21 factors, reflect (from person upwards)
 - ▶ Macros policies, interest rates etc
 - ▶ Social policies (poverty etc), key public services (health, education)
 - ▶ Tax policies (multiple levels), equalisation; CONSTITUTIONS MATTER
 - ▶ Place policies (neighbourhood, city, region, metropolitan)
- ▶ Place or Territory management in new public management approach, and two meanings for city/urban policies.
 - ▶ POLICIES CHOSEN, INTEGRATED AT CITY LEVEL WITH LOCAL GOALS
 - ▶ HOG POLICIES TO CONNECT NATION, REMOVE HARMFUL IMBALANCES



2. NOW: Fashioning Metro policies

Metropolitan areas have key features for good policy design

- ▶ Not simply dense, big but are complex systems (get Really Smart)
- ▶ No simple drivers, drop adjectival policies (smart, creative, green)
- ▶ Not islands, open systems with fuzzy boundaries
 - ▶ Problem government boundaries, governance of functional spaces
 - ▶ Stress and govern the connections to hinterland, not the boundaries
 - ▶ Recognise (non-nested) connections of individuals, city, state, world

THIS IS A WORLD IN WHICH THERE ARE CITY AGGLOMERATIONS AND CONGESTIONS WITH SPILLOVERS OUTWARDS AND UPWARDS AND MULTIPLE DRIVERS DOWNWARDS AND INWARDS: THIS IS WHAT METROS MANAGE

2. NOW: 'Land' at policy core

- ▶ Classical economists on land, growth and 'economic rent: we need to return land to centre stage,
- ▶ Piketty's: growth of inequality and lowering of productivity, role of land/housing wealth in shaping a less fair, rentier Australia!
- ▶ Land now means
 - ▶ Planning, that is flexible and creative?
 - ▶ Infrastructure that is responsive, and includes housing
 - ▶ Planning mechanism and tax changes that remove unearned rents

ECONOMICALLY INFORMED 'LAND' POLICIES DO NOT LIE AT THE CORE OF FEDERAL AND STATE POLICIES IN AUSTRALIA; THAT NEEDS TO CHANGE

3. ACTION: 7 POINTS FOR A REALLY SMART MELBOURNE

1. Is informed Vic enough: is there a case for metro Melbourne (Vancouver, Auckland, Manchester, even Brisbane).
2. If TIFs and CITY DEALS are good ideas do you need to rethink public borrowing and investment stances at metro levels
3. What about a state-federal CITY DEAL for Melbourne 'LAND'
4. Spatial plans are not enough; what about the investment plan? (does the spatial plan serve the investment plan, do you have sequence right?)
5. Isn't it about time there was a productivity oriented housing investment strategy with a more contestable (privately financed non-market association sector) to deal with market failures and not just poverty
6. Do you have effective vehicles to deliver investment plan aims and extract planning/infrastructure gains? Vancouver, London are obvious examples
7. Why no Living Laboratory with and economic/environmental well being emphasis: radically rethink state-metro-city knowledge mobilisation and city's knowledge ecosystem

3. ACTION: FEDERAL ROLES, CONNECTIONS.

OBJECTIVE IS EFFECTIVE MANAGEMENT OF AUSTRALIA'S URBAN SYSTEM with
MAXIMUM EFFECTIVE SUBSIDIARITY: THEME IS SPILLOVERS AND CONNECTIONS.

- ▶ Be more consistent; logic chains on metro outcomes for federal goals, track city/ metro progress
- ▶ Key knowledge on what works for cities; research and practice
- ▶ City, space effects in national models
- ▶ Economic Spillovers: labour mobility, land prices, housing
- ▶ Environmental Spillovers:
- ▶ ITC: smart technological connections and ideas
- ▶ A city/metro summit annually with city, state and federal leaders

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