Concept, Directions and Practice of City Attractiveness Improvement

Jolita Sinkienė, Saulius Kromalcas

Kaunas University of Technology
K. Donelaičio str. 20, 44239 Kaunas

   This article discusses the concept of attractive city and its role in the context of international competition of cities. The authors draw attention to the changing orientation of cities development efforts from heavy industry to creative, talented and highly-skilled residents. Three main groups of society - residents, business and/or visitors – are proposed as possible target groups of a city. General needs of each of the group for a location of their activity are distinguished as well. The authors emphasise the importance of values, identity, especially the socio-cultural heritage of a city community for a successful strategies to improve the attractiveness of a city. The article also presents main results of the research, which aimed to identify directions of Lithuanian cities to improve their attractiveness.

   Keywords: *attractive city, city target groups, characteristics of attractive city.*

   Raktažodžiai: *patrauklus miestas, tikslinės miesto grupės, patrauklaus miesto charakteristikos.*

Introduction

   In the era of global competition, 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. To achieve this aim, cities are constantly competing for many different - both internal as well as external - factors (highly skilled, creative entrepreneurs and workers, "clean" and high value added businesses, etc.) that stimulate their economies and are the engines of knowledge economy. Therefore, one of the most important conditions,

which determines inter-city competition outcome is the ability to compete for these factors. In this context the attractiveness of a city is regarded as one of the most important pre-conditions for its future economic success.

Over the past decades, the processes of democratization, decentralization, development of information technologies, free movement of people, capital and goods and other trends increased international competition among territories, determined the decline of the national state's role and the growing political, economic and social importance of its sub-national units – regions and cities. Different researchers [5, 6, 17] note that nation states transfer increasingly more powers and responsibilities to local level authorities (regions and cities) to take advantages of globalization at the level, where their expression is most intense. Decentralization of government functions, competencies, responsibilities and resources, the transfer of decision-making powers from the national level to the lower state government levels give cities more power, as well as responsibilities.

In this context, city leaders 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. 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 determine decisions of each target group to settle in a specific location. On the basis of this knowledge a city government should initiate and implement complex strategies to enhance the attractiveness of the city.

Unfortunately, the scientific literature does not provide a sound academic discussion on the city attractiveness issue and suggestions for the structure of "typical" needs of certain society groups (for example, residents, visitors, business) for a location. The study of Berg, Meer, Otgar [3] shows that representatives of businesses generally look for the labour market quality and size, quality of residential environment; the residents' group look for a clean and safe environment, a balanced social structure, good access to qualitative public services, etc.; visitors' group require from a city good accessibility, diversity of cultural activities and similar factors. Survey conducted by the European Commission [16] reveals requirements that all three target groups look for in a city: good transportation system, accessibility and mobility, access to public services and amenities, natural and physical environment, rich cultural sector.

In this context, this paper aims to discuss the concept of an attractive city and its importance for a successful urban development with regard to the main needs of major city target groups. The theoretical analysis is supplemented by the results of empirical research, which aimed to analyze most recent efforts of Lithuanian cities (municipalities) to increase their attractiveness.

1. Importance of attractiveness for development of the contemporary city

Cities are the most important forces of national and regional socio-economic development [15]. They are spaces, which create an economic surplus that further helps to develop the less developed areas of the region or a state.

The rapidly changing global and national urban hierarchies push cities into constantly increasing competition at both national and international levels. This has led to a new approach: 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 visitors [11]. Porter [14], analyzing the competitiveness of nations, also stresses that the location is becoming increasingly important, because now organizations can choose the best location without any barriers.

Analysis of criteria, which enterprises and people considered as most important when choosing the location of their activity in 20th and 21st centuries illustrate an important shift. In 21st century, the knowledge-based economy, where the relative advantages on the market depend largely on the creative, complex skills, the needs of creative and competent workforce play a crucial role (see Table 1).

Table 1: **City in old and new economy** [8]

Resource-based economy	Knowledge-based economy
Offering quantitative factors: Labour force Resources Premises Bulk transportation Energy resources	*Offering qualitative factors:* Qualification R&D centres Local suppliers Reliable infrastructure Good living conditions
Subsidizing: Tax exemptions Grants and direct subsidies Low consumer taxes and rent	*Entrepreneurial:* Friendly and stable attitude Effective and honest promotion/advertising Competition in capital, innovations and labour markets

The main difference between "traditional" and contemporary choice of location for activity is the fact that nowadays creative and talented people associate the attractive location with the "quality of a place". This encourages the development and implementation of new urban policy measures to attain a clear objective - to increase the attractiveness of the city.

But there are other opinions about the importance of attractiveness of a city as well. Some researchers state that cities do not strive to increase their attractiveness; on the opposite – they seek to restrict their attractiveness, especially if it is very distinct comparing with other cities of similar size and functions. For example, "the principle of attraction" proposed by Forrester [9] states that every class of society, all geographic locations strive to be equally attractive. Or specifically to say, all locations strive to be equally unattractive. When people move to attractive locations, prices there rise, vacancy rates fall, supply of workplaces decrease, the natural environment is loaded, availability of high-quality housing and public services is reducing. In other words, the growing city's population facilitates the decline of all qualities of the city, which previously made the city an attractive one. Forrester [9] recognizes that no one can create an ideal city.

2. Concept of attractive city and factors of city attractiveness

The *European Urban Charter* [7] 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".

Neminei [12] 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 system, and "something special".

European Commission [16] 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.

UK Government [18], 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 image.

Analysis of attractive city definitions suggests that the concept of attractiveness of a city as well as the classification of its most important structural elements is diverse.

Urban uniqueness and attractiveness from the point of view of different economic subjects is different, depending on their specific needs and activity characteristics. It is obvious that a certain city cannot be "perfect" - equally appealing to all groups in society: domestic or foreign business people, residents, visitors, young, elderly, etc. Consequently, for cities, seeking to manage their attractiveness, first of all it is necessary to understand and decide which group of society (target group of the city) is most relevant in order to ensure its long-term socio-economic growth and higher competitiveness.

To choose the target group of a city is a particularly important challenge for a city government, since this choice will affect the city's development activities (the development and communication of attractive city characteristics) for the coming several years. It is important to realize that strengthening the city's attractiveness is a continuous and long-term process, the cornerstone of policy and efforts, not a one-time action.

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. Kotler et al. [11] identifies the following major target groups of a city: visitors, residents/employees, business/industry and export markets (see Table 2).

Berg et al. [4, p. 8], Ashworth and Voogd [1, p. 177] distinguish residents, businesses and visitors. In general, particularly preparing the city attractiveness improvement strategy for the first time, it is suggested to focus on the three main target groups: residents, business, visitors - as their activities, objectives and interests have the most prominent differences.

Table 2: **The four main target markets [12]**

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 and industry	Heavy industry „Clean" industry (assembly, high-tech, service companies, etc.) Entrepreneurs
Export markets	Other localities within domestic markets International markets

City characteristics important to *business*. As analysis of academic and empirical literature shows, most cities strive to attract new business or industry, which could provide new employment opportunities for the city's population and to generate income of the city's budget. If previously cities put most efforts to draw attention of industries, associated with smoke chimneys (i.e. producers of automo-biles, steel, etc.), for contemporary cities it is important to attract attention of companies belonging to "clean industries" (i.e. banking, advertising, especially high-tech companies). According to Berg [3], 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. Braun (2008) states that entrepreneurs and investors look for the following most important city's characteristics: location, built environment, labour force, existing and new customers, suppliers, finance; partners.

City characteristics important to *residents*. In general the attractiveness of a city to residents means all city characteristics, which meet needs of all their family members. According to Braun [2] these are jobs, education institutions, leisure facilities, other institutions and services. According to Berg [3] a city attractive to residents should have good, accessible, clean, safe environment; good access to employment, high quality educational and health care services; high quality city culture, attention to public safety, religion, arts.

City characteristics important to *visitors*. This group of society, contrary to the previously discussed two other city target groups, does not aim to settle in the city for a long time. Therefore visitors look for a temporary accommodation (hotel, apartment, camping, family's house, etc.) plus the accessibility to relevant attractions or other

facilities or locations. With regard to the temporary accommodation the visitor could consider factors like the costs and type of accommodation, that architecture and design, comfort, availability of restaurants, the direct neighbourhood, parking facilities, public transport stops and other amenities [2].

Before starting the development and implementation of a city attractiveness improvement strategy it is important to understand that these efforts must be based primarily on existing city's advantages, its values, identity, especially its socio-cultural heritage [10]. This will help to create a distinctive urban character, which will draw attention of visitors, residents, and businesses, will distinguish it from many other locations and will encourage settling in the city. It is also important to achieve that the objectives how to enhance the attractiveness of a city would be the result of debates and consensus of leaders of all city's interest groups (political and administrative level, private and NGO sector). These objectives should be reflected in the wording of vision of the city's development strategy. City attractiveness enhancement efforts will be successful only if it is systematic, targeted, an entire-city community effort to use existing city qualities and characteristics to create and promote conditions for living, doing business and visiting, which are required by modern society groups with highest socio-economic potential.

3. Attractiveness of Lithuanian cities

The growing urban competition and a desire to be attractive for groups that might strengthen socio-economic development of a city are relevant for Lithuanian cities as well. To identify the practise of Lithuanian cities in this field, the authors of this paper in January-February 2010 conducted a review of strategic development plans of Lithuanian cities (municipalities). From all 60 Lithuanian municipalities, strategic development plans of 7 municipalities were not published on-line[1]. The authors took the assumption that the urban development goals and main target groups, which will help to achieve them, are identified in the city's development strategy, in particular the wording of the vision.

The review of strategic development vision statements of 53 cities (municipalities) showed that almost half of them (43 per cent) include the phrase "attractive / attract-tiveness". This indicates that improvement of attractiveness is indeed a highly important challenge for Lithuanian cities and their communities. The authors of the analysis also aimed to find out which of the three target groups (residents, businesses, and visitors) are most important for Lithuanian cities, i. e. to whom they orient their city's development efforts of the next few years. It was found that almost 90 per cent of surveyed visions reflected a city's wish to become attractive to business. The same (90 per cent) amount of cities strives to attract residents. 58 per cent of analyzed cities indicate visitors as an important target group.

In addition we analyzed to how many target groups a single city targets its development efforts for the next 5-7 years. It was found that all three target groups are

---

[1] Ignalina, Telšiai, Ukmergė, Kėdainiai, Pakruojis, Utena, Vilkaviškis districts municipalities did not publish their development strategies on municipality's website.

equally important to 45 per cent of studied cities. Almost half (49 per cent) of the studied cities orient their development at two target groups (business and residents). Finally, only 5 per cent of the cities would like to attract just one target group (all of them - solely visitors). Following the view that a city development vision should reflect the priority development objectives and areas of the city, the authors would like to raise a question whether the desire to meet the needs of all three - business, residents and visitors - groups within the same period of strategic development plan implementation is real?..

In summary, the efforts to create an attractive city are an integral part of socio-economic development of Lithuanian cities. Although the majority of them see business as the main pre-condition for the city's future development and prosperity, yet a considerable attention is paid to tools that help to retain existing and attract new residents and employees. The least attention is paid to creation of conditions that are important to visitors and tourists.

Conclusions

Globalization and the knowledge economy bring complex challenges for city governments seeking to achieve a better competitive position of their city. The most important challenges are to maintain the existing or desired position by creating a flexible, adaptable and diverse local economic structure, allowing the city to improve its situation in regional and global competition. To achieve this, cities are competing to retain existing or attract new (both external and internal) major development factors, particularly high-skilled, creative workers, businesses that are the driving force of the knowledge-based economy, and visitors.

The analysis of development strategies of Lithuanian cities (centres of municipalities) showed that almost half of them aim to improve their attractiveness. Equal number of surveyed cities (90 per cent) strives to attract business and residents groups; visitors are important for about 2/3 of the surveyed cities. However, a question remains if the Lithuanian city governments and communities understand the specific factors that are most important for an individual group (business, residents and visitors) when it makes a decision to settle in a particular location and how to strengthen them. The first part of the article helps to find the right answer.

References

1. Ashworth, G. J., Voogd, H. *Selling the City*. Belhaven Press, 1990.

2. Braun, E. *City Marketing: Towards to an Integrated Approach*. Erasmus School of Economics, Erasmus University Rotterdam, 2008.

3. Berg, L. van den, Meer, J. van der, Otgar, A. H. J. *The Attractive City*. European Institute for Comparative Urban Research (EURICUR), Erasmus Universiteit Rotterdam, 1999.

4. Berg, L. van den, Klaassen, L.H., Meer, J. van der. *Strategische City-Marketing (Strategic city marketing)*. Schoonhoven: Academic Service, 1990.

5. Brenner, N. *New State Spaces: Urban Governance and the Rescaling of Statehood*. Oxford University Press, USA, 2004.

6. Dunning, J. D. The Competitive Advantage of Nations and TNC Activities. *Transnational Corporations*, 1992, No 1, 135-168.

7. *European Urban Charter*. The Council of Europe. www.lrs.lt/pls/proj/dokpaieska.show doc_bin?p_id=11806 [2010-02-28].

8. Gorzelak, G. *Economic and Strategic Plan for a City or Region*. EUROREG: Warsaw University, 2001.

9. Forrester, J. *Urban Dynamics*. Productivity Press, PO Box 13390, Portland, 1969.

10. International Symposium "Enhancing City Attractiveness for the Future". Nagoya Congress Centre, Japan, 2-3 June 2005. http://www.oecd.org/dataoecd/37/ 63/34916861.pdf [2010-02-24].

11. Kotler, P. *Marketing Places: Attracting Investment, Industry, and Tourism to Cities, States, and Nations*. Free Press, 1993.

12. Neminei, I. *The Attractive City – Urban Quality and Social Responsibility in Salo*. http://www.mecibs.dk/Artikler/Conf3_presentations/Konference_presentations/Irma%20N ieminen/The%20attractive%20city.pdf [2010-01-04].

13. Piliutytė J. *Rinkodaros metodų taikymo teoriniai aspektai miestų plėtros kontekste. Viešoji politika ir administravimas*. 2005, Nr. 11, 95-100.

14. Porter, M. *Competitive Advantage: Creating and Sustaining Superior Performance*. Free Press; 1st Free P edition, 1998.

15. Ratcliffe, J. *Competitive Cities: Five Keys to Success*. http://www.chforum.org/libra1ry/ compet_cities.html [2010-01-20].

16. *Sanglaudos politika ir miestai: miestų ir aglomeracijų įnašas į ekonomikos augimą bei darbo vietų kūrimą regionuose.* Europos Komisijos komunikatas Tarybai ir Europos Parlamentui, Briuselis, 2006. http://www.europarl.europa.eu/meetdocs/2004_2009/documents/ com/com_com(2006)0385_/com_com(2006)0385_lt.pdf [2010-02-05].

17. Savitch, H. V & Kantor, P. *Cities in the International Marketplace: The Political Economy of Urban Development in North America and Western Europe*. Princeton, NJ: Princeton University Press, 2002.

18. *Transport Investment and Urban Attractiveness*. Department for Transport, Government of the United Kingdom. http://www.dft.gov.uk/pgr/scienceresearch/social/coll_transport and-citycompetitive/table33transportinvestment.doc [2010-01-04].

Jolita Sinkienė, Saulius Kromalcas

Miesto patrauklumo didinimo koncepcija, kryptys ir praktika

Santrauka

Straipsnyje aptariama patrauklaus miesto koncepcija ir reikšmė globalios miestų konkurencijos kontekste, supažindinama su pagrindinėmis miesto patrauklumo didinimo tikslinėmis grupėmis (gyventojais, verslu, lankytojais), taip pat svarbiausiais šių visuomenės grupių poreikiais, lemiančiais jų sprendimus renkantis miestą savo veiklai vykdyti. Pabrėžiama, kad rengiant miesto patrauklumo stiprinimo priemones labai svarbu atsižvelgti į miesto bendruomenės vertybes, esamus išskirtinumus, identitetą ir socialinį-kultūrinį paveldą. Straipsnyje taip pat aptariami Lietuvos miestų (savivaldybių) patrauklumo stiprinimo krypčių tyrimo rezultatai.