Innovation in urban policy; collaboration rather than competition between cities

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1. Introduction

It is now widely accepted that there is competition between cities for a variety of resources and for some events. In a globalising world, there is competition for an enhanced share of global corporate and public investment in enterprises and infrastructure. Population, especially skilled and creative workers, is increasingly mobile and cities will compete to attract them often through enhanced quality of life. Corporate enterprises are now much more mobile, partly because they have been more dependent upon the transmission of information and knowledge to conduct their business, and partly because they are more likely to regard the world as their market and source rather than merely local or regional catchment areas. Competition has been fostered by the growth of multi-national free-trade areas such as the European Single Market and the NAFTA, and by national bodies such as the United Kingdom Monopolies and Mergers Commission.

Porter (1998) argued that cities can compete in the way that firms and nation states compete, albeit by using different strategies and measuring their competitive success in terms of different objectives. Krugman (1991) argued that cities do not compete because they do not have a single decision-making body (such as a corporate board of management or a national government with powers over interest rates or exchange rates), but his views have largely been superceded by a volume of work stressing the role of competition and competitiveness between cities (Begg, 2001). In this respect interurban competition is seen as a natural product of capitalism, as opposed to the nonmarket allocative procedures of centrally-planned economies. However, even in the formerly centrally planned economies such as that in The Peoples' Republic of China, there are examples of the combination of interlocking attributes and advantages such as those between Hong Kong and Guangzhou in the innovative policy of 'shopwindow and factory'. Researchers, anxious to find an alternative to either the full blown market capitalist model and the state controlled nonmarket model have described a 'third way' in which enterprises collaborate to develop jointly products or services. An example would be the 'Third Italy' of Emilia-Romagua in north central Italy. This region, it is thought, specialised in sectors such as fashion garments, quality foodstuffs and furniture where market choices tend to be based on design and style rather than price competition. In this context firms collaborate, often along a production filiere, to generate a product. Researchers, particularly those who do not sympathise with the capitalist mode of production have tended to regard this 'third way' very sympathetically, but it must be said that few examples seem to occur globally. In policy terms, these models have often been equated with 'clusters', which exchange information, components and products, although such clusters have not always proved easy to deliver through the intervention of policymakers.

This paper now develops the innovativeconcept of collaboration between cities in a ‘third way’ in contrast to the idea of urban competition within the market economy.

2. Competition and the ranking of world cities

At the global scale, competition operates between a relatively small numbers of world cities. They compete for private sector investment, population, tourist income, major infrastructural projects, especially in transportation, hallmark events, and sheer kudos and prestige. At the level of world cities, there have been a number of recent studies which have identified key criteria or factors which contribute to, or measure, a city’s world status and, based upon these, offer a ranking of the 75 major world cities.

111 factors were grouped into six dimensions – the legal and political framework, economic stability, the ease of doing business, the volume of financial flows, the effectiveness of the city as a business centre (largely a function of airport connectivity and real estate processes) and knowledge creation and information flows. Table 1 lists the top twenty cities globally in terms of their status as a world centre of business. Scores are calculated by taking each of the 111 factors and ranking cities so that the ‘best’ scores 100 and the ‘worst’ (i.e. 75th) scores 0 and the others are ranged in between: were a city to come top in all 111 factors, it would achieve a score of 100; a city which came 38th (i.e. the median value in each factor) would score 50.00; and a city which came bottom in all factors would score zero. In reality, the leading city is London with a score of 79.17 and the poorest of the 75 cities, Caracas, scored 26.11. Table 7.1 lists the top 20 cities, with Hong Kong, with a score of 63.94, positioned between Chicago and Paris. Nine of the top

twenty are in Western Europe, five are in North America, and the remainders are in China, the Far East and Australia. These represent the three stages of global economic dominance from the nineteenth, twentieth and twenty-first (prospectively) centuries. Competitive dominance currently therefore is partly attributable to size (but excludes the contemporary megacities such as Mexico City, Calcutta and Mumbai) and to a lengthy period of the development of governmental and economic institutions.

Table 7.1 Ranking of the top 20 Centres of Commerce, 2008

Rank	**City**	**Scores**
1	London	79.17
2	New York	72.77
3	Tokyo	66.60
4	Singapore	66.56
5	Chicago	65.24
6	Hong Kong	63.94
7	Paris	63.87
8	Frankfurt	62.34
9	Seoul	61.83
10	Amsterdam	60.06
11	Madrid	58.34
12	Sydney	58.33
13	Toronto	58.16
14	Copenhagen	57.99

15	Zurich	56.86
16	Stockholm	56.67
17	Los Angeles	55.73
18	Philadelphia	55.55
19	Osaka	54.94
20	Milan	54.73

Mastercard (2008)

Whilst the current list of world cities is dominated by places with long histories, the list of mostly rapidly improving cities shows how other factors are affecting shortrun competitiveness. The European cities on the list comprise the new marketized economies of Moscow and St Petersburg (these cities enhanced by the impact of sharply rising oil and gas prices), and Budapest and Warsaw, and the two Spanish cities of Madrid and Barcelona. All the other cities in the top fifteen, with the exception of Sydney, which profits from the Olympic spillover (as does Barcelona), are major cities in the developing world including Mumbai, Mexico City, Kuala Lumpur, Cairo and Delhi. In these instances, competitiveness seems to be linked to absolute size, measured in terms of population, and a rapidly growing economy especially where the city is located in one of the BRICs (Brazil, Russia, India and China). The most rapidly improving cities in China on this measure are Shanghai (seventh) and Shenzhen (fifteenth).

Table7.2 Most rapidly improving world cities

Rank	**City**	**2007 Score for growth**
1	Moscow	60.77
2	Mumbai	59.50
3	St Petersburg	53.80
4	Warsaw	53.45
5	Mexico City	53.06
6	Kuala Lumpur	49.53
7	Shanghai	49.39
8	Cairo	49.16
9	New Delhi	48.98
10	Budapest	48.95
11	Johannesburg	48.52
12	Madrid	47.84
13	Sydney	46.94
14	Barcelona	46.14
15	Shenzhen	45.11

Mastercard (2007)

The Mastercard World Centres of Commerce study is interesting in one further respect, namely the cities which were added to the list between the 2007 and 2008 calculations. Table 11.3 lists the top sixteen cities which joined the list, as a review of the 2007 study revealed a number of exclusions. Firstly, and relatively high up in the 2008 rankings are a number of ‘second level’ world cities which lag behind national capitals of developed, advanced national economies. These include Philadelphia, Osaka, Hamburg, Dallas, Dusseldorf and Edinburgh. Significantly for the discussion which follows, Edinburgh was included in this group not because it has all the attributes of a world city, but because it is the location of a number of global financial institutions such as the Royal Bank of Scotland the Halifax-Bank of Scotland (both of which, as result of aggressive takeover and merger activities, are amongst the top ten world banks) and insurance giants Scottish Amicable and Scottish Widows.

Table 7.3 Additions to Centres of Commerce 2007-08

2008 Ranking	**City**	**Score**
18	Philadelphia	55.55
19	Osaka	54.94
22	Taipei	53.52
33	Hamburg	51.53
35	Dallas	51.25
39	Dusseldorf	50.42
43	Edinburgh	47.79
46	Lisbon	46.46
51	Moscow	44.99
55	Athens	43.25
60	Shenzhen	40.04
61	New Delhi	39.22
62	Bogota	38.27

63	Buenos Aires	37.76
64	Istanbul	36.14
65	Rio de Janeiro	35.91

Mastercard (2008)

Also added to the 2007 list of world cities are a number of national capitals of western economies such as Lisbon, Athens, Moscow and Istanbul (although the latter is not the administrative capital of modern Turkey). The third group of additions comprises national capitals of growing economies in formerly developing countries such as Taipei, Delhi, Bogota, Buenos Aires and Rio de Janeiro (although again Brasilia is the administrative capital of the country).

All these three types of additional world cities are in some respect incomplete in one or more of the six dimensions and/or 111 factors but all have some attributes of world cities. In this respect they form a subgroup within Friedman's 'secondary world cities' (1990). In each case, they must be regarded as competitively successful on some, if not all, criteria. Nevertheless, this incompleteness may render them particularly suitable candidates for collaborating with other physically adjacent cities in order to complete or extend their 'asset portfolio'.

3. Collaboration

Whilst much of the debate about globalisation has been conducted in terms of competition between world cities, in terms of investment, population, the attraction of tourist income, competition for 'hallmark' events, talented labour, corporate offices and public sector development of infrastructure, a number of studies have now begun to question whether this is the only approach (Cowell, 2010). Whilst the most important cities at the global scale seek to compete on all dimensions of economic growth, there is a growing recognition that slightly smaller cities may be more successful if they collaborate with a near neighbour. This argument is enhanced if the asset sets of the two, or more cities, complement one another. The simplest model of such collaboration is where two adjacent cities have contrasting economic structures, one focused on services and the other focused on manufacturing. An example of a simple model would be collaboration between Philadelphia with its services, government and tourist bases and Pittsburgh with its legacy of steel and heavy industry, now undergoing an 'urban renaissance'. A European example would be collaboration between Manchester with its services and regional government and Liverpool, forty miles away, with its dependence upon port related heavy manufacturing, augmented by more modern sectors such as automobile manufacturing. A slightly more complicated variant of this model would involve more than two cities. Collaboration between Milan, Turin and Genoa is an example where Milan, with its base in design, culture and tourism, Turin with its emphasis on manufacturing, especially in automobile manufacture, and Genoa with its port related activities collaborate, as for example in the development of a high speed rail link to connect with the French TGV.

More complicated models of interurban collaboration are found where the cities involved are in different countries. Within Europe the best known, and arguably the most successful is the linkage between Copenhagen and Malmo (Sweden) in the Oresund region which has been facilitated by the construction of the fixed link bridge-and-tunnel between Denmark and Sweden. Other transnational collaborations include the Baltnet which links the three Baltic capitals of Riga, Vilnius and Tallinn, and the Quattronet which links Metz (France), Luxembourg, and Trier and Saarbrucken (Germany) largely through enhanced IT. Outside Europe, collaboration between Tijuana (Mexico) and San Diego (US) provides an interesting linkage between two cities located in two countries whose levels of economic development differ quite markedly, so that the former offers cheap labour and services to the high income demand in the latter. Seattle and Vancouver offer another example of international city collaboration, albeit between economies of broadly similar levels of economic development.

Finally in the models of collaboration there are more complex systems involving a larger number of cities. The Randstad in the Netherlands comprises four cities with different economic structures – Rotterdam with its port and port related activities, Amsterdam with capital city functions and tourism, the Hague with government and administration and Utrecht which is a centre for distribution. A less clear cut example of a collaborating polycentric city region is the Rhine-Ruhr area which contains several large cities such as Cologne, Essen, Duisburg, Dortmund and Dusseldorf and many smaller centres, although the functional specialisation here is less clearly spelled out than in the case of the Randstad.

This multiplicity of examples of interurban collaboration is indicative of the perceived advantages of the process by which cities achieve common goals. In particular it:

i) enables smaller and medium-sized cities to approximate the scale, diversity and complexity of larger cities in an open international economy

ii) offers scope for sustainable city and regional development models based on polycentric principles

iii) provides a regional dimension to city development which can integrate smaller cities and towns, and urban cores with suburban and exurban rings

iv) can help to provide a more diverse portfolio of assets to external investors and business clients

v) provides unique branding and marketing opportunities which can be distinctive and appealing in a complex and multifaceted market place

vi) offers opportunities for higher tiers of government to invest in city development without favouring one place over another, and to strengthen national outcomes and, in the case of some EU programmes such as Interreg, transnational ones

vii) provides a fresh logic for major infrastructure investments especially in the field of transport systems.

There are many advantages to working co-operatively at a regional and interregional level in order to address the economic realities of globalisation. Because they are largely conceptual and/or geographic in scope, functional regions, as we have seen, are not limited by political or administrative borders, or even national boundaries, but by imagination and natural environment. Actors within a functional region can define their own relationships to each other. They can co-ordinate strategies in ways that maximize the strengths of their geographic position, physical characteristics, local economies, and human capital.

In the light of these considerations, city to city co-operation emerges as an effective strategy to improve the attractiveness of the functional region as a place to work and to invest. Economic collaboration between cities offers:

- advantages of scale for places too small to marshall certain strategies on their own
- diversification of appeal to firms, investors, and works
- a mechanism for including smaller towns and rural areas in strategies
- a fresh logic to underpin investment in key infrastructures
- new brands and images to introduce to mobile investors

Economic collaboration can bring economic, physical, environmental, cultural and brand/ image benefits.

Economic benefits: co-operation acts as a catalyst for growth, a means of attracting investment or establishing new trade relationships. Collaboration between cities offers its participants all the advantages of agglomeration whilst hopefully avoiding some of the agglomerative diseconomies experienced in the largest cities. These agglomeration economics include a pooled market for workers with specialist skills benefitting both workers and employers, non-traded industry-specific inputs in greater variety and at lower cost, and technological spillovers, because information and knowledge flows more freely locally than over great distances. This is particularly true of tacit knowledge, rather than the more ubiquitous codified knowledge, where the former may require, or be enhanced by face-to-face contact. City to city collaboration fosters the clustering of a wide range of (particularly knowledge intensive) economic activities. This can be an important factor to consider given that the agglomeration of industries such as telecommunications, broadcasting, finance and health care can greatly enhance a region's competitiveness.

Physical benefits: a satisfactory level of telecommunications and transportation/logistics infrastructure, public utilities and other social infrastructures are a necessary precondition for the creation of effective city collaborations. By collaborating together cities can share efforts to improve industrial infrastructures, such as roads, ports, airports and specialized railheads, as well as social infrastructures such as schools, institutions of higher and further education, and hospitals.

Environmental benefits: co-operation between cities can bring several environmental benefits. Examples include new standards in the building industry, the use of renewable energy sources, innovations in environmentally friendly technologies, the upgrade of water and sewage treatment, new waste management system which employ the greater scale economies available, and environmental education programmes.

Brand/image benefits: co-operation can launch cities on the international scene and improve their relative global position. On a micro-political level collaboration can also produce new forms of public-private partnerships or accelerate public investment decisions. Furthermore, co-operation provides cities with the opportunity to create a new image, making it attractive not only to tourists and business but also to its inhabitants who will feel an increases sense of enthusiasm, pride and unity. This may be of particular significance where the increased quality of life and ‘buzz’ acts to attract the creative classes who are often regarded as key economic growth generators in city and city-region economies (Florida, 2002)

Wider benefits: more broadly, collaboration allows cities to pool their individual capacities, and benefit from increased economies of scale, the so-called ‘borrowed size’ phenomenon. It allows cities to achieve a ‘critical mass’ of resources which would not be possible without collaboration. For example, to use an Italian example, Turin would not easily have won the 2006 winter Olympics without the capacity growth that resulted from the development of Malpensa, Milan’s new regional airport.

Finally, collaboration between neighbouring cities encourages wider collaboration with more broadly dispersed places. Once cities establish a reputation as ‘good collaborators’ they may attract other forms of collaborative investment with potentially useful outcomes.

Whilst the advantages of interurban collaboration are clear, it should be acknowledged that there are potential drawbacks and pitfalls. Firstly, a joint bid for a major infrastructural investment, such as an airport, which can only have one location may be seen as favouring one city whilst preventing any bid from the partner city. Secondly, the deliberate allocation of economic development to one city in accordance with some desired template may work well when there is a great deal of new investment in several sectors to be had, but, in more depressed times, the city which fails to get new investment may resent losing out to its partner city and begin to reject the collaborative arrangement. Thirdly, initiatives to attract new investment presented by more than one city may confuse potential investors whose preference is for a ‘one door’ approach, unless such initiatives are presented clearly by a coherent joint authority. Fourthly, the mere act of collaborating may be seen by some individuals and agencies as a diminution of authority or even sovereignty. This sensation may be exacerbated where the joint initiative is made by cities which historically have experience some antipathy or even hostility at an earlier date.

The advantages of collaboration in part depend upon the organisational structure which delivers it and the system of governance in place at the time, or which is developed to generate collaboration. Collaboration is more than simple networking, since it involves not just the exchange of information but more profoundly the 'exchange of information altering activities, sharing resources and enhancing the capacity of another for mutual benefit and to achieve a common purpose' (Himmelman, 1996). This means that the level of intensity of the collaborative relationship between cities can be plotted in a collaborative continuum in which four levels of relationships are identified (Table 11.4).

i Institutional networking: characterised by arrange of symbolic initiatives such as the exchange visits of arts companies or business associations such as Chambers of Trade and/or Commerce.

ii Co-ordination: nascent links are made more concrete through the development of co-operative events and institutional arrangements which might include joint festivals, bids for major events or shared advertising at trade fairs.

iii Co-operation: city activities and policies are monitored to ensure that they are sufficiently aligned to avoid damaging competition or duplication of effort.

iv Collaboration: new policies and strategies are designed and implemented with collaborative objectives in mind from the outset.

This is likely to necessitate joint allocation and sharing of resources.

Table7.4 The collaboration continuum

Increasing intensity of collaboration

Networking	**Co-ordination**	**Co-operation**	**Collaboration**
Dialogue and common understanding	Exploring shared needs and potential for co-operation	Share resources to address common issues	Build interdependent system to address issues and opportunities
Loose/flexible links	Central body of people as communication hubs	Central body of people consists of decision makers	Consensus used in shared decision making: resources and joint budgets are developed
Non-hierarchical	Facilitative leaders	Links formal with written agreement	Ideas and decisions equally shared
Minimal decision making	Complex decision making	Autonomous leadership but with	Leadership high, trust level high,

		group decision making in central subgroups	productivity high
Informal communication	Formal communication within the central group	Communication is common and prioritised	Highly developed communication systems

It is important to emphasize that each of the four levels can be appropriate for particular circumstances, depending on the degree to which the three most common barriers to working together – time, trust and bureaucracy – can be overcome. Each level becomes more effective when there is a common vision and purpose as this results in power sharing, mutual learning and mutual accountability for results.

4. Glasgow-Edinburgh collaboration

Glasgow and Edinburgh are Scotland's two largest cities, with 1 million people within their administrative boundaries and about 3 million people within their functional urban regions. They are 75 kilometres apart linked by frequent rail and bus services, and by the M8 motorway which is shortly to be supplemented by a second motorway, the M90-M9. Each has an international airport, Glasgow's, west of the city, is largely concerned with leisure travel (80% leisure: 20% business) whilst Edinburgh's is largely concerned with business travel (80% business: 20% leisure).

The importance of Glasgow and Edinburgh is not simply local or regional. They provide one third of all of Scotland's jobs including those of 250,000 non-residents who commute into the two cities. Since 1995, job growth in the cities (+21%) has been double the rate in the rest of Scotland. From 1995-2005 Glasgow and Edinburgh's GDP per capital grew at a rate double that of the rest of Scotland and at a rate 50% above the UK average. They generate around one third of Scotland's GDP. They account for over half of Scotland's income from overseas visitors: two thirds of financial services jobs, and most of the private sector jobs for new graduates especially in the professions such as law, health, education, and government. Edinburgh is (or was until the recent financial crisis) one of the world's global financial centres, and historically Glasgow was one of the world's leading heavy engineering centres producing steel, ships, railway locomotives, and heavy industrial plant.

Docherty (2005) found that competition between Glasgow and Edinburgh for investment, jobs and population was intensifying with the growth of internationalisation leading to an expanding choice of potential locations for firms and individuals. Connectivity and the quality of higher education and research and development (Greater Glasgow and Edinburgh contain eight universities and numerous Higher Education colleges between them) seem to be the most important factors underpinning this competitiveness. Underlying this competitiveness between the two cities is a longstanding historical antipathy, perhaps best summed up by the distinction between working class Glasgow and middle class Edinburgh. Glasgow's working class basis reflects the city's long dependence upon heavy manufacturing, male employment, poor housing and heavy reliance on state welfare and the public sector. Edinburgh's middle class basis reflects the predominance of white collar professional employment, higher incomes, a much larger private sector, better housing and better health. Throughout the second half of the twentieth century, Glasgow's unemployment rate has been double that of Edinburgh (Bailey, Turok and Docherty, 1999). Glasgow has seven of the United Kingdom's ten most multiple deprived areas, Edinburgh has none. Attitudinally, this leads to antipathy and even antagonism between the cities' populations – Glasgow regards Edinburgh as aloof and standoffish: Edinburgh regards Glasgow as crude, violent and overly dependent upon welfare. Even at the level of civic government there is mutual suspicion and mistrust. Anecdotally the Provost (Mayor) of Glasgow in the 1980s is reported to have claimed that the only good thing to come out of Edinburgh was the train to Glasgow. The fact that Edinburgh is the historic capital of Scotland and hence the seat formerly of the Scottish Office and now the seat of the elected Scottish Parliament (where the independence favouring Scottish National Party currently form the government) further exacerbated the problem as it makes it easier for Glasgow to blame Edinburgh for its perceived misfortunes. The most recent example was Glasgow's criticism of the SNPs cancelling the construction of the light rail link between Glasgow Airport and the city centre (Glasgow Airport Rail Link: GARL) on cost grounds whilst Edinburgh City pressed on with the construction of its tramway including a link to Edinburgh Airport. A second source of argument is the perceived low level of government funding for Glasgow in the most recent round of central government allocations. A dispute of longer standing concerns the funding of cultural assets such as museums and art galleries. Edinburgh's art galleries and museums are provided with operating funds from the Scottish government at Holyrood on the grounds that they are national (i.e. Scottish) institutions, but Glasgow's art galleries and museums are regarded as local and therefore have to be funded by local government taxation grants and charges.

Despite these potentials for conflict it is recognised that there is considerable scope for collaboration between Glasgow and Edinburgh

'If Edinburgh and Glasgow can get their acts together it could become the UK's second most important region after London' (Sir Terry Farrell, evidence to the Scottish Parliament, 2004)

The Scottish Executive's 'Cities Review' (2003) suggested that considerable benefit could be gained for Scotland as a whole through city collaboration. Since then, Glasgow and Edinburgh have launched a collaborative initiative as a partnership among the two city councils (the Scottish regional development authority) entitled the Glasgow and Edinburgh Collaborative Initiative (GECI). This initiative is supported by the Scottish Executive's Cities Growth Fund and the Executive are also represented on the Initiative's Steering Group. From an economic perspective, collaboration between the two cities can offer

- advantages of scale where the individual cites might be too small to marshall strategies on their own (the concept of 'borrowed size')
- a more diverse set of attributes to appeal to firms, investors, workers and visitors

- a new logic to underpin investment in key infrastructures especially in transportation
- a new brand or image to introduce to mobile investors.

On the basis of consultants' advice, GECI has identified four major ways in which collaboration can boost the creation of a world city in central Scotland. The resulting combined city has recently been identified as one of the world's top 30 'New Megas' – regions identified as the 'real organizing units of the world, producing the bulk of its wealth, attracting a large share of its talent and generating the lion's share of its talent and generating the lion's share of innovation' (Newsweek, 2006). The four areas for collaboration are

- connectivity
- city development
- the international profile of the cites
- key sectors of their economies.

Despite the growth of electronic communications, face-to-face contact remains an essential element of business. Indeed, as human relationships, individual knowledge and creativity become more important, demand for business (and other) travel is increasing. Thus efficient transport is integral to economic success in the same way as skills or other information technology. Consultants indicated that transport provision in Scotland's central belt lagged behind that of many of its competitor regions. They argued that additional investment in transport infrastructure is crucial to propelling Glasgow and Edinburgh into a European 'super league' (BAK Basel, 2006). Glasgow-Edinburgh is Scotland's principal economic corridor, and is distinctive in serving a large business-to-business market. Travel between the two cities is considerable and increasing, especially by rail, but a return train journey represents a considerable business time cost (up to half a day when waiting times are included) and the journey itself is slower and more prone to overcrowding than in the 1970s. A recent Scottish Enterprise study found that higher connectivity can produce economic benefit through

- efficiency gains, lessening the financial and time costs of business travel
- facilitating greater economic specialisation and agglomeration effects achieving lower cost and/or higher margins through better access to skilled labour, customers and suppliers
- creating wider and deeper labour markets, allowing specialist skills and jobs to be better matched across larger geographical areas.

Transport development between the two cities has arguably been the most successful and least contentious of collaborative programmes to date. The main rail service between the cities is planned to double in frequency and to shorten the trip length by approximately 20% (overall a 35% improvement). The motorway, the M8 which directly links the two cities is currently heavily congested. It will, by 2011 be augmented, by a second motorway the M90-M9 which will draw towns like Falkirk and Stirling into the central Scotland network. In motorway, the most important addition is the construction of the M74 from the Glasgow city boundary to the city centre south of the River Clyde offering an alternative to the M8 at its most congested spot.

The case for Glasgow-Edinburgh transport improvements is not simply about point-to-point development: it is also about better connecting the two cities with their regional labour markets, and allowing business better access to these. For example, the restoration of the rail connection between Airdrie and Bathgate will open up new opportunities to many workers and employers, and together with the Bathgate-Edinburgh line, now reopened, will offer both an alternative direct route between Glasgow and Edinburgh and a feeder route into the two cities from the intervening Lothian and Lanarkshire catchment areas.

Perhaps the most fertile area for collaboration on transport has been linking the two cities by high speed rail to London and some major English cities. Glasgow and Edinburgh have both been linked with London 600 kilometres distant by rail services with journey times of 4 hours 25 minutes. To be competitive with internal air services this time needs to be reduced to a little over 3 hours (allowing for airport delays and the fact that rail offers city centre to city centre travel). By 2009, improved services had been planned to reduce rail times to 3 hours 25 minutes.

Collaboration on transportation infrastructure has not been without its problems however. Glasgow and Edinburgh both have international airports which by 2006 were short of capacity. The Scottish Executive was presented with the choice of adding an additional runaway to one of the two airports but there was insufficient projected additional demand to justify the creation of two additional runways. This was clearly a potential conflict between the two cities over the locational choice of ‘the third runway’.

The Scottish Executive commissioned a study as to whether it would be economically viable to create a Central Scotland Airport with enhanced possibilities of ‘hubbing’ or interlinking, and the closure of both Glasgow and Edinburgh Airports. Both cities protested vehemently against the loss of status consequent upon their airport closures, but, in any case, the costs of such a venture far outweighed the perceived or estimated economic benefits (Main and Lever, 2006).

Major transport infrastructure projects in the Central Belt of Scotland, like elsewhere, have proved very vulnerable to cancellation or deferral in the current financial crisis, especially where the benefits are extremely localized geographically. The cancellation of the Glasgow Airport Rail Link has become a source of anger between Glasgow and Edinburgh (albeit that it was the Scottish Parliament decision rather than one taken by Edinburgh District Council). Similarly, the funding for a second Forth estuary road bridge, has become increasingly uncertain, albeit that it would help Edinburgh link more effectively with its hinterland in Fife.

Collaboration between the two cities can greatly enhance their international exposure, image and openness. Glasgow and Edinburgh with eight universities between them, including two of Europe’s most ancient and prestigious are part of Scotland’s image abroad. These educational institutions are part of the overseas profile and the scale and depth of opportunity which are the most powerful attractors to the mobile, talented people who are increasingly seen as being key to economic success (Florida, 2002). The two oldest of the cities’ universities have played a historic role in the development of the New Enlightenment (Hume, Adam Smith), steam power (Watt), electromagnetism (Kelvin, Clark Maxwell), vaccination (Jenner), telephones (Bell) and television (Logie

Baird) and a host of lesser inventions. Currently, CEGI are investigating how work with higher education institutions in each city can help use the power of Glasgow and Edinburgh together to project a more compelling image of Scotland abroad. An early project brought together universities in each city to promote the combined career and lifestyle opportunities to overseas postgraduate students. The two oldest universities have collaborated on postgraduate marketing using their high academic and 'student livability' rankings, along with iconic images from Edinburgh Castle to Charles Rennie Mackintosh in Glasgow, and creating collaborative academic ventures such as the Scottish School of Economics, and science-based research parks.

In international events – another major draw for overseas professionals and visitors – collaboration between the cities' conference bureaux – who do compete against each other for conferences and events of a scale manageable by each city – means they have collaborated with each other to deliver larger events, e.g. by sharing accommodation and hospitality. The ability to do this will be greatly assisted by transport improvements. The cities also have an understanding that their bureaux will not allow event organisers to undercut or 'gazump' one city by asking the other for a better deal once they have identified either Edinburgh or Glasgow as their preferred option. In terms of 'hallmark' events, the two cities competed vigorously (and at times acrimoniously) to be designated 'European City of Culture' in 1988 – a competition which Glasgow won, leaving it with a legacy of several cultural institutions (Concert Hall, Burrell Art Gallery, enhanced hotel accommodation, bijou theatres) and employment. More recently, however, the bidding process to host the 2014 Commonwealth Games (the world's largest sporting event after the Olympics) was constructed so that Glasgow was the sole British or Scottish bidder (against Abuja and Fredrickton) to give the bid focus and in recognition of the fact that Edinburgh had held them in the 1970s.

The third element in the collaborative initiative concerns support for key sectors. This is most advanced in the case of tourism. Glasgow and Edinburgh are powerful assets in Scotland's tourism profile: the cities regularly take top places in newspaper and travel magazines readers' polls of favourite cities, and account for half of Scotland's income from overseas tourists despite the competing attractions of Scotland's Highlands and Islands. Glasgow and Edinburgh are often ranked second and third, in foreign tourist destinations after London, based upon leisure, music culture, retailing, history and 'the friendliness of the people. Tourism is a particularly effective area for collaboration when cities have complementary 'offers'. Glasgow and Edinburgh share specific and distinctive roles which make a twin-city focus appropriate. These roles include being international gateways, major urban, cultural and business and (especially) conference locations. Although the cities share some similarities – principally related to their scale in a Scottish context – their 'offers' are quite complementary – each adds to the other.

The financial service sector is the second major income generator for the Scottish central belt. With approximately 200,000 employees the finance sector in both cities has grown rapidly. Initially the greater part of the growth was located in Edinburgh, both in the city centre and, when pressure for space intensified, on the South Gyle Business Park on the western edge of the city close to the airport. Pressure on space, rents, labour costs and road congestion forced an increasing volume of the additional growth in financial services to Glasgow as the alternative location with reserves of labour, skilled and graduate labour and space. This was not a result of collaboration per se but a recognition by the two cities that Edinburgh's economy was becoming 'overheated' and that only Glasgow, with its newly designated Financial Services District, represented a viable alternative. As the financial crisis unfolded in 2008-09, Edinburgh suffered more with significant job losses at major bank headquarters for RBS and HBoS whilst Glasgow continued to attract new employers in the financial services sector. Despite the role played by IT and telecommunications in financial services, improvements to transport services, especially by rail, are seen as an important factor in securing renewed development in financial services.

The growth of the financial service sector shared between the two cities has been a relatively benign process as there was enough growth to go round and concentrating the growth in one city would have generated unwanted pressures. It remains to be seen whether, in the current recession, the two cities will be so willing to collaborate to the point where one city foregoes investment in favour of the other city.

The fourth area for planned collaboration between the two cities is 'city development' which is an omnibus term for lobbying government for investment in cities as the main drivers of the Scottish economy. The Scottish Executive, and now the Scottish Parliament has tended to look at the four (and subsequently) six cities as separate entities (Scottish Executive, 2005). This is perhaps the least developed of the four areas for collaboration between Glasgow and Edinburgh. Work at CEGI focuses upon three actions – i) encouraging the development of Government policies on the cities and urban development including the enhancement of city centres through urban renaissance (heritage protection, greater safety and security, landscaping), the correct balance between city centre and out-of-town retail and business developments, mixed use and tenure housing development, and brownfield site management; ii) work towards best practice models for sustainable urban development in pursuance of the government's push towards a low carbon economy; and iii) support for the development of innovative investment finance models as a means of funding infrastructure.

5. Conclusion

We have argued that whilst undoubtedly cities do compete with one another, particularly the larger ones at the global scale, there are significant advantages to be gained by two, or more, cities collaborating to enhance their joint competitiveness. The process of collaboration should enable them to gain absolute size and greater diversity without creating agglomerative diseconomies experienced by the largest single, unicentric cities. Even in relatively unpropitious settings such as pairs of cities which have a history of mutual antipathy and rivalry or which are not contiguous, benefits are experienced from collaboration.

The main areas of collaboration are listed in Table 11.5, which on the basis of 13 case studies shows the sectors in which collaboration occurs. Transport and telecommunications are the most common sectors for collaboration in that they are rarely subject to intercity competition. Almost as common is collaboration in the fields of research and development, higher education and tourism. Less common, partly because they are more subject to the pressures of competition are energy, manufacturing, business services and hallmark events.

In the case of Glasgow and Edinburgh collaboration is focusing upon four areas. The most successful to date has been joint lobbying for transport improvements and international exposure (universities, conferences). Rather less progress has been achieved in key sources (largely limited to tourism and financial services) and in city development (urban structure, innovative finance, and 'green' issues). Not all ventures have been a success or have even got off the drawing board as instanced by the proposal for a single central Scotland airport, the cancellation of the Glasgow Airport Rail Link, and uncertainties about the finances of a second Forth Road bridge.

Table 7.5 main areas of collaboration

	Telcoms	Science/ Technology	IT	HE	Energy	Tourism	Manufacturing	Transport/ Infrastructure	Events	Other
Glasgow-Edinburgh	X	X	X	X		X		X	Com Games	Culture Finance
Malmo-Copenhagen		X	X	X				X		
Seattle-Vancouver	X					X		X	Olympics	
Baltmet	X	X	X					X		Culture
Quattropole	X				X				City of Culture	
Turin-Milan-Genoa				X		X		X	Olympics	
Centrope				X		X		X		Culture
Randst	X	X		X			X	X		Spatial

ad										Planning Environment
Rhine-Ruhr	X	X	X				X	X		Culture
Tshwane-Joburg	X	X	X			X	X	X	FIFA World Cup	Environment
San Diego-Tijuana	X	X				X	X	X		
Pearl River Delta		X		X		X	X	X		
Yellow Sea Rim						X	X			Environment and Logistics

It is unlikely that the current levels of collaboration between Glasgow and Edinburgh will lead to a fuller merger, partly because of the ambiguous status of the counties of west Lothian and north Lanarkshire, the space in between, who already feel themselves excluded from processes which involve just the two cities (Lever, 2005) but, perhaps more importantly, because there would be major disputes whether the resultant urban entity would be known as Glasburgh or Edingow!

In the context of China, two examples of urban collaboration have currently been identified. The first of these is collaboration between Hong Kong and either Shenzhen or the wider urban agglomeration of Guangzhou. This area, often termed the Pan-Pearl River Delta, is based on the Pan-PRD Regional Co-operation Framework Agreement, signed in 2004, which identified ten major areas of collaboration. These are infrastructure, industry and investment, commerce and trade, tourism, agriculture labour service, science, education and culture, information building, environmental protection, and health and epidemic prevention. The second area is very much wider and includes six cities in China, Japan and Korea which agreed to collaborate at the 1991 East Asian Pan-Yellow Sea City Conference. This was subsequently expanded to ten cities including the Chinese cities of Dalian, Tianjin, Qingdao and Yantai. Collaboration covers four major sectors – manufacturing, environment distribution and logistics, and tourism. These innovations in urban economic policy demonstrate that the experience of western Europe and north America has its parallels in China.

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