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Creating Economically Successful Places | November 2014

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100 years of professional planning

PLANNING
Horizons

Creating Economically Successful Places

Why planning is needed in a fast-changing world

About the RTPI

With 23,000 members worldwide working in the public, private, charitable and educational sectors, the Royal Town Planning Institute (RTPI) is the largest institute for professional planners in Europe.

As well as promoting spatial planning, the RTPI develops and shapes policy affecting the built and natural environment, works to raise professional standards and supports members through continuous education, training and development.

Everything we do is inspired by our mission to advance the science and art of planning (including town and country spatial planning) for the benefit of the public.

Front cover: Vancouver skyline from Granville Island. Photo credit: Niall Williams. Vancouver Mayor Gregor Robertson led the city community including business and the public to realise their ambition of becoming a green city by linking economic vibrancy and jobs to sustainability initiatives. Its planners and leaders have focused on liveability in particular by enhancing the beauty of the city through parks and open space, and allowing for some density to facilitate growth. Actions included creating compact neighbourhoods within reach to jobs, shops and leisure facilities, leading to the city being ranked as one of the world's most liveable cities.[1] In addition, a green enterprise zone was established focusing on green business, infrastructure, building design and land use planning. Vancouver is now focused on taking advantage of being closer to Asia's rapidly growing economy than most other North American cities, becoming a gateway between business in North America and the Asia-Pacific region.[2]

Foreword by the RTPI President

I am proud to be President during the Institute's Centenary Year of 2014. I am also proud to be a planner.

Planning was established as a discrete profession in response to the challenges of the day and a fundamental belief that the world needs planning. A century later, it is timely to review the challenges that we face now and their potential to shape professional planning for the next 100 years.

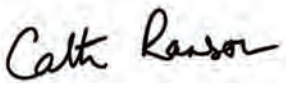
Our *Planning Horizons* series of papers considers how planning needs to respond to some of the major challenges we face in the twenty-first century. These challenges are already with us – from promoting better health in cities, to responding to climate change and demographic pressures.

In the wake of the global financial crisis, this fourth paper in the series considers perhaps the central challenge facing our societies: how to ensure sustainable and shared economic growth in a world changing faster than ever before.

This paper summarises the major trends that are likely to shape economies over the next few decades, and includes numerous examples of how planners and planning are leading responses to fundamental economic, but also social and environmental challenges, drawn from around the world.

Planning needs to be a critical part of the response to this challenge because it focuses on *places* – particularly towns and cities and how their economic success is dependent on their broader success as communities.

Our profession will have to adapt and evolve as these challenges increasingly shape our world. In another respect, professional planning will need to return to its historic broader mission to create stronger, better communities for all. This series of papers is just one part of the effort to give planning a renewed sense of purpose as a force for good.



Cath Ranson MRTPI

RTPI President 2014-2015

Our economic future depends on creating successful places

The world economy is changing faster than ever before. Parts of the developing world face many of the same challenges as the developed world did a century ago, such as bringing electricity to cities and rural areas, and responding to inequality and ill-health as people move into cities for jobs. These types of challenges helped to spur the development of planning as a profession, improve living conditions and public health, and widen economic opportunities.

Today, in both the developed and developing world, we are also confronted by a wholly new set of challenges including accelerated globalisation, technological changes and resource scarcity. Achieving sustainable economic growth in a fast-moving globalised world requires an understanding of trends and opportunities that can be used to develop a vision for successful places, taking a balanced account of people's wellbeing, an area's economic performance and future inhabitants.

Guayaquil (Santiago de Guayaquil) is the largest and most populous city in Ecuador, with around 2.69 million people in the metropolitan area, as well as the nation's main port. After decades of unplanned development and poor governance, in the 1990s and 2000s the city government made significant investments in a range of urban regeneration projects to drive economic growth from business and tourism, including parks, pavements, the sewer system, power and telephone lines, the city's previously chaotic transit system (with a bus rapid transit system, Metrovia), and a prominent renovated waterfront promenade. With the assistance of a team from Oxford Brookes University the Malecon 2000 Foundation chaired by the mayor was established to encourage the creation of an urban identity, pride in the city and the private financing of public goods.[3] The regeneration of the city centre including a mix of commercial space, green space, amenities like a cinema and museum, and investments to the city's port and airport has attracted increased tourism and employment. Photo credit: Eddyl.

6-7 Executive summary

The challenges facing twenty-first century societies:

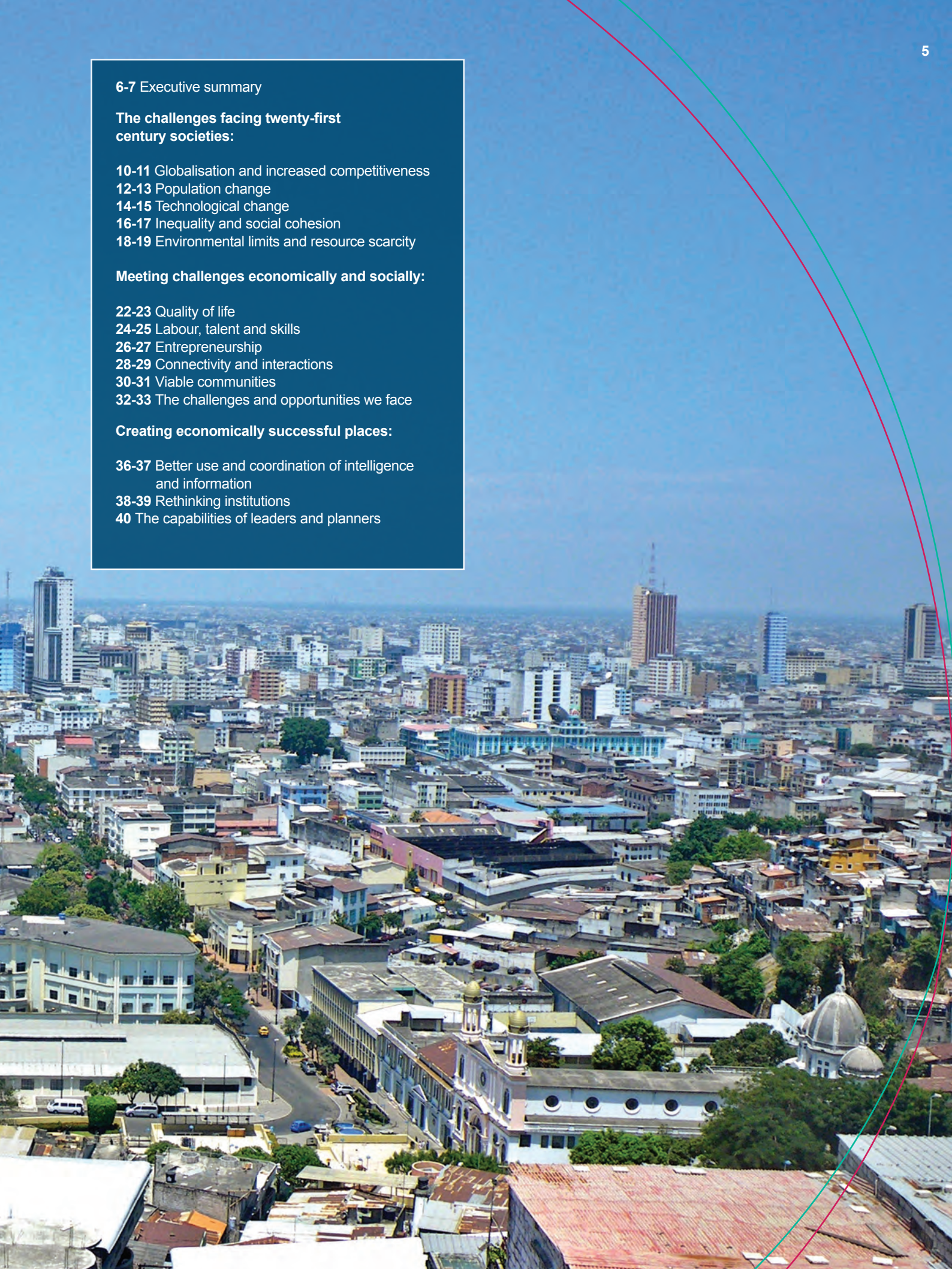
10-11 Globalisation and increased competitiveness
12-13 Population change
14-15 Technological change
16-17 Inequality and social cohesion
18-19 Environmental limits and resource scarcity

Meeting challenges economically and socially:

22-23 Quality of life
24-25 Labour, talent and skills
26-27 Entrepreneurship
28-29 Connectivity and interactions
30-31 Viable communities
32-33 The challenges and opportunities we face

Creating economically successful places:

36-37 Better use and coordination of intelligence and information
38-39 Rethinking institutions
40 The capabilities of leaders and planners



Executive summary

The global economy is changing faster than ever. Increased competition, the rise to prominence of economies such as China and India, technological change, flows of financial capital and other factors mean that existing industries and old certainties are being challenged as never before. Such changes may be global, but their impacts are felt locally in and around our towns and cities. In addition, in the wake of the financial crisis and in the face of threats such as climate change, there are increasing debates about the stability of our economies and whether there are environmental limits to growth. All this means that, in the twenty-first century, what makes an 'economically successful place' goes well beyond a narrow approach to development. Planners have a critical role in helping communities at all levels prepare for and navigate these challenges. In particular, planners can help to create quality places to live, work and invest in, as the fundamental basis for successful, sustainable economic development in a fast-changing world.

This paper considers the major economic trends that will shape societies in the twenty-first century – from population change, globalisation and competition, technological change, inequality and social cohesion, to the increased scarcity of natural resources such as water and food supplies exacerbated by over-use and climate change impacts.

The future may be uncertain in many respects, but planning can help places to navigate these challenges. In a fast-changing world, given the pace and scale of the challenges considered in this paper, it is no longer possible for planners or decision-makers merely to 'predict and provide', if it ever was. But this does not mean that there is no role for planning, quite the contrary. In the twenty-first century, it is precisely *because* of the uncertainties of the future rather than *in spite* of them that places need to have a vision of their own future.

How we respond to these changes cannot then be left to a narrow set of economists or policy-makers disposed to short-term thinking. Successful places require certain key ingredients that go beyond the immediately economic including connectivity, opportunity and pleasant environments, underpinned by bold but flexible visions for the future. Increased global competition means that places will be increasingly competing for talent, skills and investment. Alongside other professions, planners have a critical role to play in creating and sustaining successful places – attractive, liveable, accessible, connected, vibrant places that are able to attract people and investment that will be crucial to healthy economies that meet people's needs. Indeed, planners are in a unique position to identify the critical qualities of places that can be built on, keeping in mind current and future generations. In these ways and others, planners then need to be at the forefront of a much broader approach to the economic development of places, helping policy- and decision-makers, and communities themselves, to avoid complacency and prepare for a fast-changing world.

This has implications for policy and practice at the local and national levels, including:

Better use and coordination of intelligence and information

At the place level, this means a better understanding of local markets and the use of timely relevant information to enable planners and others to respond to current circumstances and future scenarios. Information and data

should also be exploited to enable the public to be more involved in planning their community at the neighbourhood level and beyond; in most countries there also remains a huge potential for so-called 'e-planning'.

At the national level, planning needs to take place across functional economic areas in order to fully realise the growth potential of places and to make maximum use of limited resources. 'Larger than local' or strategic planning is important to address challenges that operate across administrative boundaries. Greater incentives should exist between local authorities to work collaboratively across borders to plan strategically. To help with this, national policies should be represented spatially including via flexible, open platforms which are available to anyone, as advocated for by the RTPI's *Map for England* project.

Rethinking institutions

At the local level, strategies and policies such as transport, education and environmental sustainability should be better coordinated with planning. Because of their potential role in integrating different sectoral decisions, when planners are involved in contributing to visions for places and broader strategies it is more likely that these decisions can contribute to more economically successful places overall. Indeed, some commentators now recommend that cities are given greater opportunity to solve today's most pressing problems such as climate change.

At the national level, governments need to establish overriding strategies to enable places to respond better to current and future challenges, whether that means having a flexible immigration policy depending on the labour needs of a particular city or assisting in rebalancing the national economy. More power and resources can be devolved to local and regional levels, but it is critical that governance exists at a larger level to ensure adequate spatial cohesion resulting from different policies.

The capabilities of leaders and planners

At the place level, an important function of planning is recognising and understanding current economic factors and growth trends. This requires a greater consideration of planners' capacity and confidence in shaping markets and adding value to development activity. More broadly, local leaders also need a better understanding of the interrelationship between places, space and long-term economic success. Leadership also involves building on a particular area's competitive advantage; planners can help to identify a competitive advantage for places, given their knowledge of local areas and how they relate to the surrounding area.

At a national level, land use policy cannot operate in isolation from other areas of public policy. It is imperative that policy- and decision-makers develop an improved ability to consider the spatial consequences of their decisions. This is about appreciating and anticipating how different policies and decisions interact over different pieces of land, and incorporating this intelligence into decision-making. There is a growing need for governments to adopt a spatial approach to fostering economic development. To create more economically and socially successful places, policy- and decision-makers need to work with planners and communities to, among other things: set a broad national vision identifying areas with different potential; encourage places at the neighbourhood, local and regional level to work cooperatively with one another by offering adequate resources and incentives to do so; and try to avoid operating within departmental silos, which often leads to inefficiencies and missed economic opportunities.

The challenges facing twenty-first century societies

While it is impossible to predict the next hundred years, it is possible to anticipate the likely economic shifts that will be faced by both developed and developing nations.

As the world becomes increasingly globalised with the flow of people and ideas, it also faces major trends such as urbanisation, depopulation in rural areas especially within developing countries, rapid technological advancements, environmental limits and resource scarcity. As such, how we respond to these changes is not just a matter for economists or policy-makers. Planners, alongside other professions, have a critical role to play in responding to the question of how we create and sustain successful places.

Whereas most developed countries transitioned from pre-industrial to post-industrial over the course of 200 years, Dubai did so in just fifty years.[4] Dubai is the most populous city and emirate in the United Arab Emirates (UAE) and the second largest emirate by territory after the capital Abu Dhabi. Its population has grown from just 20,000 in 1966 to more than two million today.[5] The discovery of oil reserves helped to drive the early development of the city from the mid-1960s when it was just a small fishing village, but subsequently Dubai has become a global city and business centre, including as a major transport hub as well as for tourism, real estate and financial services. The city has become known for its skyscrapers and high-rise buildings, including the world's tallest building, the Burj Khalifa. However, the financial crisis raised doubts as to Dubai's sustainability, when it needed help from neighbouring emirates. Photo credit: Jason Hayes.

Globalisation and increased competitiveness

As the town planner, urbanist and geographer Sir Peter Hall observed: "[Advanced] nations and cities have passed at extraordinary speed from a manufacturing economy to an informational economy, and from an informational economy to a cultural economy."[6] Now, cities in the world's emerging economies are increasingly driving the global economy.

In an increasingly globalised world, the geographic concentration of people and businesses is driven by 'agglomeration economics' – put simply, by the benefits of being near to others. Clusters provide companies with a competitive advantage, enabling them to improve productivity. According to the McKinsey Global Institute, just 600 cities encompass a fifth of the world's population but are growing 1.6 times as fast as the global population.[7] At the same time, agglomeration brings problems such as congestion, which can add to economic costs and inefficiencies in addition to reducing the quality of life for residents.[8]

Shifting economic power

Economic power is shifting. The global economy is becoming more distributed and multi-polar, as countries including China, India, Brazil and Indonesia continue to grow in significance. From the McKinsey Global Institute analysis, 440 of the world's 600 most economically significant cities are in developing nations and these are projected to account for almost half of all growth globally by 2025.

Generally however, the world's economy is expected to grow more slowly than it has in the twentieth century. This is especially the case in developed nations, where post-Second World War long-term rates of economic growth may have come to an end, partly as a result of increased competition but also due to structural factors in many of these economies, such as ageing populations and levels of public debt.[9]

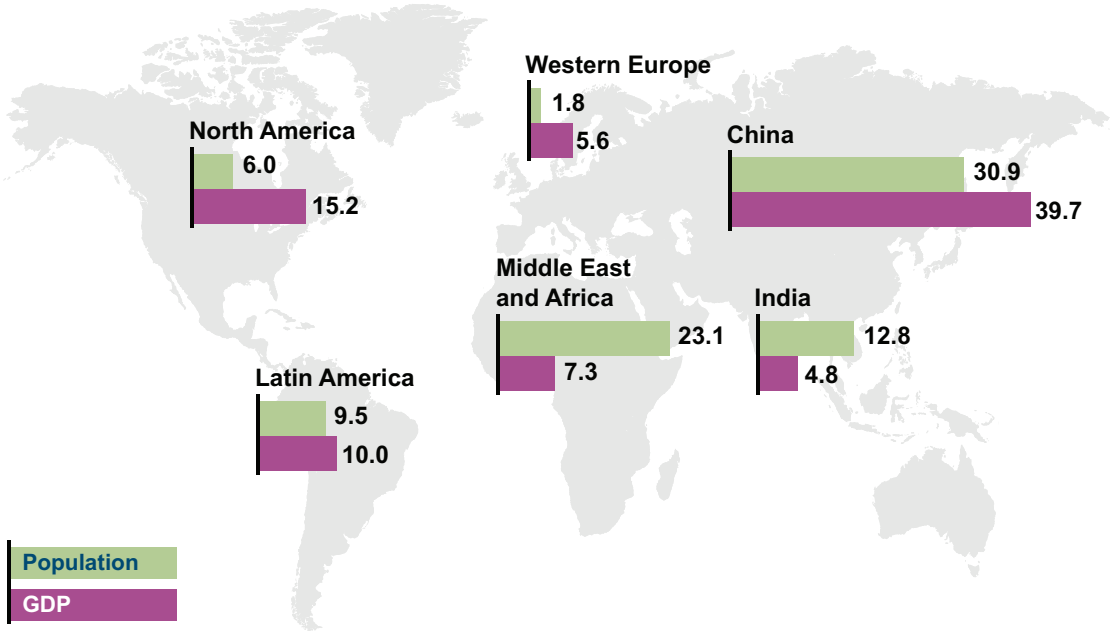
Increasingly, Europe will need to focus on growing emerging markets by taking advantage of its available capital, and will need to attract qualified labour given its changing demographics.[10]

Increasing competition

Cities as well as nations are increasingly competing for people, investment and dominance in a particular sector. Manufacturing cities such as Liverpool and Detroit have shrunk in part due to competition from places with less expensive labour costs. These are issues not just for the developed world; for example, Majalaya, Indonesia, once known as 'dollar city' and a leader in textile manufacturing, has been hit by globalisation and increased competition from places like China using more advanced machinery. Furthermore, Majalaya has become disconnected from its affluent neighbour Bandung due to poor infrastructure.[12]

Another aspect of competition is for natural resources, which will become even more important. Increasing competition means that countries such as China understand the importance of securing scarce resources in places like Africa, where it has invested heavily in infrastructure. In 2011, more than 80 per cent of China's $93 billion imports from Africa were crude oil, raw materials and resources. Chinese investment in Africa's infrastructure in the form of loans generally results in natural resources and service contracts for China.

Projected regional contribution to global population and GDP growth between 2010-2025 (as a percentage)



NOTE: Other developed and emerging regions account for 16.0 per cent of growth in population and 17.4 per cent in GDP measured at expected real exchange rate.

Source: McKinsey Global Institute Cityscope 2.0.[11]

Case study: Pittsburgh responding to decline

Pittsburgh, once known for its steel industry, quickly became synonymous with urban decline due in part to international competition. In the 1980s it decided to turn decline around by focusing on two assets: higher education; and health care, including medical research.[13] By focusing on its strengths, combined with investment including replacing the trolley network with a light rail system, building a subway connecting downtown and transforming Grant Street into an urban boulevard, Pittsburgh has been responding more effectively to decline.[14] It still faces challenges such as a shrinking population (declining three per cent from 2000 to 2010), but there have been signs it is beginning to reverse this trend.[15]

Population change

A crucial driver of the changing economy is changing demographics. The world's population is expected to climb from seven to nearly 10 billion people by 2050.[16] More people will be living in cities, but in many nations and regions this population will also be older.

Increasing urbanisation

By 2050, the equivalent of the world's current total population will live in cities. The top 40 'megacity regions' already account for 23 per cent of the world's population but 59 per cent of the world's economy. However, urbanisation is not limited to the largest cities – nearly half of the world's urban residents live in areas of less than 500,000 people.[17] The fastest growing urban agglomerations are in medium-sized cities with fewer than one million inhabitants, especially in Asia and Africa.

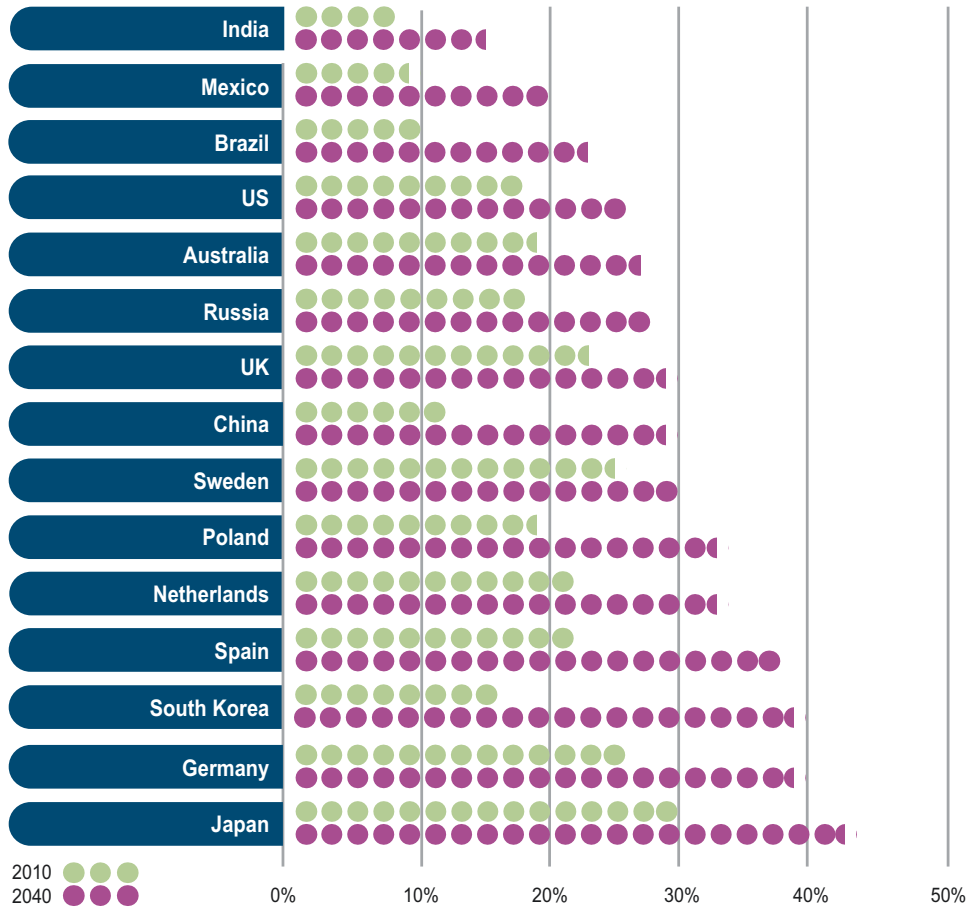
As people increasingly move to cities, developing countries will have to build the equivalent of a city of one million people every five days up until 2050.[18] A major challenge from this increased urbanisation is providing sufficient employment as well as adequate housing, sanitation and healthcare.[19] This raises questions as to how urban areas can be effectively planned and managed, including to avoid people living in slum-like conditions where jobs and services are often largely inaccessible.

Old Dhaka, Bangladesh. Photo credit: blese.

Case study: Planning Dhaka, Bangladesh as a global city

Dhaka is the densest and one of the fastest growing megacities in the world, and one that poses some of the most major challenges for planners. Despite its central location and transport and communication connectivity with surrounding cities, Dhaka is characterised by unplanned sprawl, and has developed a reputation as a chaotic city unprepared for further population increases. Approximately 28 per cent of residents live below the poverty line for basic needs[20] and an estimated 3.4 million live in slum conditions.[21] As a fast-growing capital city, it benefits from agglomeration economics, however to attract investment and enterprise requires Dhaka to plan more effectively to meet present and future needs, including basic infrastructure and public services.[22]

Percentage of elderly (aged 60 and over) of nations' populations in 2010 and 2040



Source: Center for Strategic and International Studies.[26]

An ageing world

The world's median age is increasing almost everywhere, including developing and developed countries except for Sub-Saharan Africa. According to a 2030 outlook the US National Intelligence Council expects ageing countries to face difficulties in maintaining current living standards, while more youthful countries have the potential to boost their economy but only if they can provide sufficient new jobs and opportunities.[23]

By 2050, there will be approximately four working age adults between the ages of 15-65 per adult aged 65 or over (2.2 in developed regions and 4.6 in less developed regions).[24]

Countries with older populations risk slower aggregate growth or stagnation[25] as they have a smaller labour pool, resulting in a smaller tax base with fewer funds available for social welfare services. An older population also has implications for the built environment, such as workplace adaptations and better access to health facilities and other services, as explored in the *Planning Horizons* paper on *Promoting Healthy Cities* (October 2014). Nations able to respond to this challenge through flexible working, phased retirement, and flexible pension and welfare benefits may be able to benefit from expanding their social care and 'silver' markets for goods and services.

Technological change

Advances in production technologies have always had a profound effect on economic sectors and employment. New roles and whole new industries have developed, been restructured and in some cases have disappeared.[27] Over the past few decades in particular, automation and information technologies have driven major changes in industry structures and employment, reducing the number of unskilled jobs in developed countries but also 'hollowing-out' employment in what were previously seen as safe middle-tier (and middle class) occupations.

Increased productivity, fewer jobs

Entrepreneur and philanthropist Bill Gates has said that: "[I]n 20 years from now, labour demand for lots of skill sets will be substantially lower. I don't think people have that in their mental model."[28] Researchers Carl Benedikt Frey and Michael Osborne suggest that 47 per cent of jobs within occupational categories including accountancy, legal work, technical writing are at a high risk of being automated.[29]

The pace of technological advances has the potential to radically reshape work patterns in developing and developed countries by increasing productivity.[30] However, this requires a greater focus on education and training, to ensure that people have the skills and also adaptability for what is a less secure economic environment. The danger is that these technological advances result in limited job creation – a shift from the conventional wisdom which assumes that technological change might cause short-term disruption but ultimately creates new jobs.

In the face of such changes, towns and cities will have to focus on ensuring their greater economic resilience. Currently in Europe this resilience varies widely, but regions closer to urban areas tend to be more resilient. Research suggests that a place's overall competitiveness is linked to its historical growth patterns, economic diversity, innovation and skills, accessibility and connectivity.[31] [32]

Technology reshaping the built environment

Networked technologies and the internet have opened the door to technological innovation on a scale never witnessed before. Instead of shipping a product from a faraway factory, people will soon be able to visit their neighbourhood 3D printer where the same product they have

Jobs likely to be replaced by automation

Tax Preparers

Insurance Underwriters

Telemarketers

Insurance Claims and Policy Processing Clerks

Credit Analysts

Legal Secretaries

Payroll and Timekeeping Clerks

Receptionists and Information Clerks

Source: Oxford Martin School.[33]

ordered is waiting for them. Once ideas such as 3D printing were merely science fiction, but they will soon transform the way in which people consume and produce goods, in addition to the logistics of moving products from point A to point B. 3D printers may also revolutionise people's ability to manufacture – one or thousands of widgets – while sitting at their own computer.[34]

Given these changes, planners and city leaders will need to re-examine methods of assigning use classes to buildings or zones to tracts of land. The use of buildings and land will become more complicated as further innovations become commonplace, but these changes may also enable more sustainable and liveable communities where people are able to travel shorter distances to meet everyday needs.

Paris, France. Photo credit: Jessica C.

Case study: Implications of enabling people to share

The electric car sharing programme Autolib' began in Paris by complementing the city's bike sharing programme Velib', and now similar technology is being brought to cities across the world.[35] China has more than 400,000 bicycles in their sharing programmes – more than all other countries combined.[36]

Payment platforms such as Airbnb and sharing platforms such as Couchsurfing have called into question what is considered a 'residence' and what is a 'hotel'. Car sharing apps may ultimately reduce traffic and congestion but have raised significant regulatory questions. For instance, taxi drivers must often meet a number of standards, but because of the proliferation of driving services such as Lyft these standards may no longer be fit for purpose.[37]

At the 2013 US Conference of Mayors 81st annual meeting a resolution was adopted in support of 'shareable cities', recognising the benefits including cost-effective approaches to manage urbanisation and growth, integrated transport solutions and urban spaces.[38] For instance, fewer individual cars on the road will mean less parking facilities are needed, and less congestion. The resolution called for more robust mechanisms to measure the impact of the shared economy, reviewing regulations that may hinder participation and making publicly-owned assets more freely available to the public.

Inequality and social cohesion

Development can lead to greater opportunities but also greater inequality, between individuals, cities and regions. According to the World Bank, nearly 2.5 billion people live on less than $2 per day. The percentage and number of people under this poverty measure has been decreasing since the 1980s,[39] and three billion people are expected to join the global middle class by 2050, meaning that emerging markets will be responsible for two-thirds of global consumption compared to one-third today.[40] At the same time, globalisation and technological progress has disproportionately benefited high-skilled and high-educated workers in developing and developed countries. Debates over inequality will increasingly define twenty-first century economies.

For countries such as the UK and Ireland, there has been unbalanced growth across cities and regions, and increasing spatial inequalities in wealth, education, social mobility and health. Across Europe there remains significant, and in many cases, widening inequalities and social exclusion in both urban and rural areas.[41] In the US, economic growth indicators have largely recovered from the 2008 financial crisis, but until recently it has been seen as a 'jobless recovery'.[42] This may be partly because of the larger number of people working part-time jobs or partially unemployed.[43]

Thomas Piketty has famously argued that not only has income inequality grown since the 1970s, but also that capital or wealth inequality has been increasing.[44] As a result, global movements such as Occupy have mobilised people across the world who have become frustrated with persistent inequality and the perceived lack of accountability of governing elites.

Social mobility is dependent on many factors including social capital, education, 'postcode segregation' (prejudices about particular communities and places), and the segregation of particular social groups.[45] But the effects of inequality are not confined to the poor. Richard G. Wilkinson and Kate Pickett in *The Spirit Level* have shown that inequality has negative impacts on health, wellbeing and crime for everyone, affecting the overall economy. In the UK, poverty has been estimated to cost an estimated £39 billion a year.[46] Some economists argue that the greater social protection (welfare) in Scandinavian countries leads to long-term, more stable growth because it enables people to take greater risks.[47]

Planning for social cohesion

Planners have a role to provide adequate shelter and accessibility, which demonstrably improve people's life chances and quality of life. For this reason, many advocate for a broader definition of 'planning', recognising its role in reducing poverty in relation to accessibility and social inclusion.

As part of this, cities need to be accessible and consider the wider social dimensions of development. In some cities, private developers and businesses have effectively 'claimed' public spaces for themselves, or created 'privately-owned public spaces', which may inhibit the genuine accessibility to spaces some may assume are public.[48] Planners can help ensure the broader public interest and social dimension (including access to transport and space) are properly considered by involving the community.

Chongqing, China. Photo credit: ilya.

Case study: The challenge of managing growth in China

Over the past three decades, China's urbanisation represents the largest and fastest demographic shift in history. In the space of a generation, the country's urbanisation rate has increased from less than 20 per cent to over 50 per cent, with more than 500 million people becoming city residents. China's planning commission has called for 70 per cent of China's 1.4 billion people to live in cities by 2025.[49] Official Chinese policy encourages faster growth in smaller cities, but migrants are typically attracted to the largest cities which have more economic opportunities.[50]

Urbanisation is a necessary part of China's economic development and industrialisation. However, it also means that if Chinese leaders are to manage slower economic growth, create a stable middle class, and avoid the political and social tensions that would threaten the whole system, then successful urbanisation is critical. This means that Chinese cities need to provide good basic infrastructure and services, transportation, energy efficiency and clean environments. In short, planning will be critical to China's future.

Environmental limits and resource scarcity

As the world's population continues to increase there will be higher demand for resources such as water, land and energy, putting strains on the natural environment. Nature and 'ecosystem services' such as clean air and water, and the land we need for recreation and agriculture, not only contribute to good health and wellbeing; they also have an economic value that can be reflected in planning and policy-making.

Supplying and conserving energy

World energy consumption is projected to grow by 56 percent between 2010 and 2040.[51] Electricity can lift people out of poverty by raising productivity and facilitating the delivery of education and health services.[52] However, as global demand increases, the demand for environmentally harmful energy will also increase. In 2040, renewables and natural gas will be the fastest growing energy sources, but coal – one of the major contributors to climate change – will still comprise 36 per cent of the energy supply.[53]

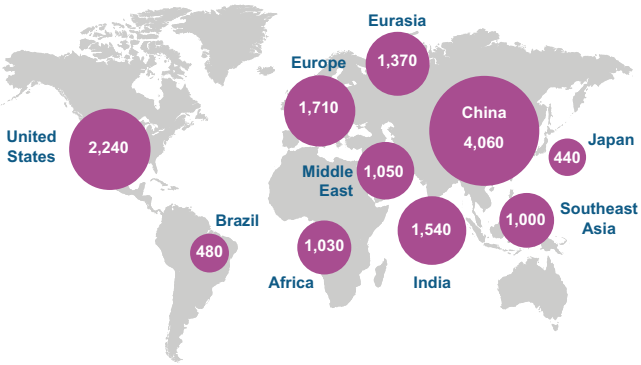
Despite a lack of global consensus, many countries in Europe and around the world have taken significant steps to address climate change. A major challenge is that some developing countries do not want policies such as carbon pricing to negatively affect growth and prosperity for their people. Most resource demand and emissions originate from cities either directly or indirectly. As the world's population continues to increase, developing countries become wealthier, and urbanisation continues, there will be more pressure from citizens for polluting goods such as automobiles.

'Greening' the economy

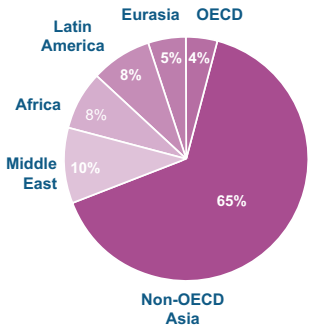
Countries which make a substantial and long-term investment in renewable energy such as wind, solar and hydro/marine will not only ensure a sufficient and stable energy supply, but also create new jobs in the emerging 'green economy' and profit from new innovations and technology.[54] In countries such as Norway, Denmark, Sweden and Germany, renewable energy has been embraced by policy-makers and the public and become a large part of their economies. Four in five leading cities view their capabilities as 'good' or 'excellent' in urban planning in relation to the green economy – higher than any other sector including IT skills, policy and legislation.[55]

Climate change is considered further in the *Planning Horizons* paper on *Future-Proofing Society* (June 2014).

Projected global energy demand in 2035 (Mtoe*)



Share of global growth 2012-2035



* Million Tonnes of Oil Equivalent (Mtoe)

Source: International Energy Association.[56]

Feeding a growing world population

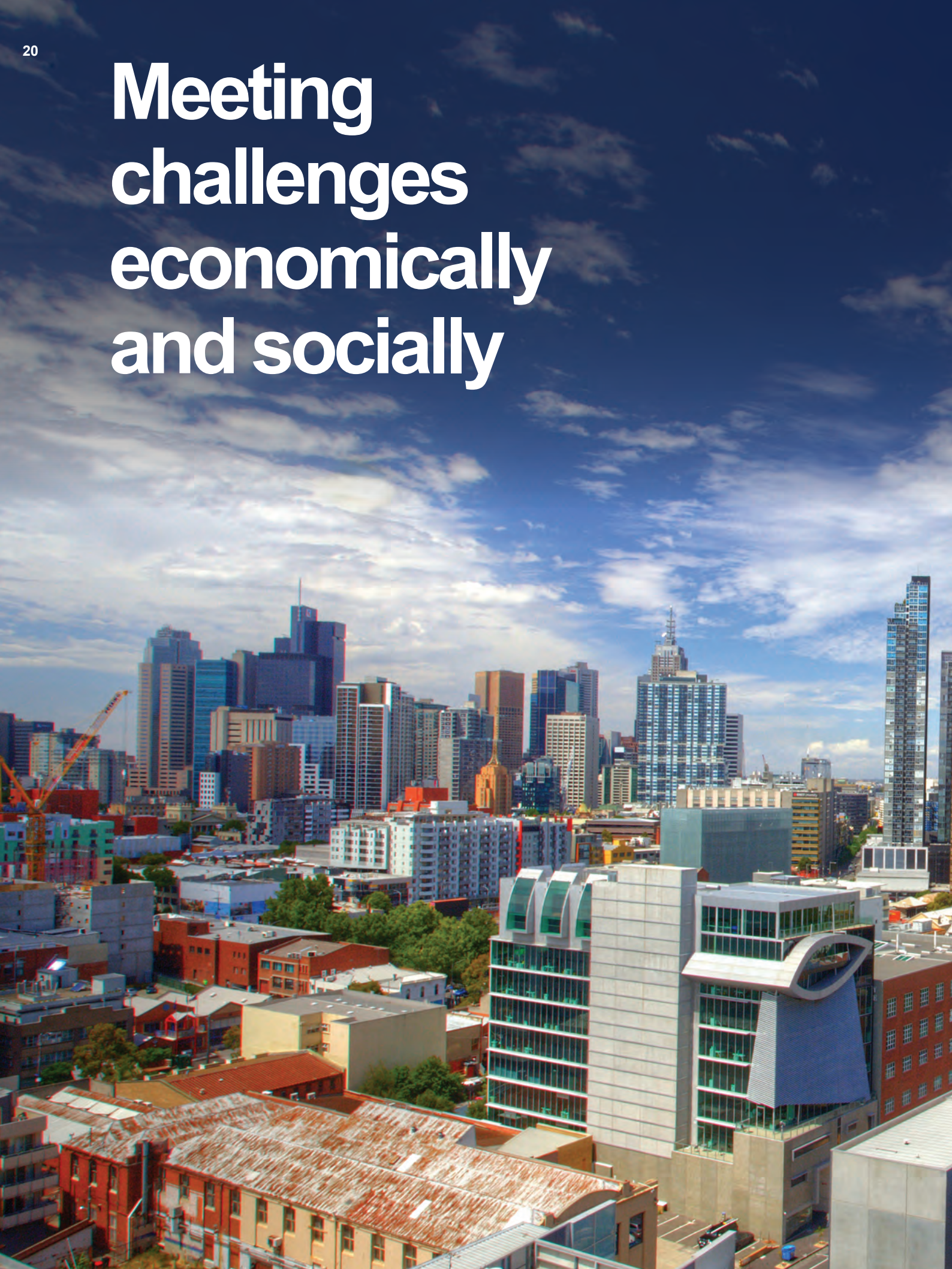
A growing population and the effects of climate change (including severe flood and drought), mean that food security will become more difficult to achieve in many parts of the world. Presently, there is enough food produced to feed all of the world's population, but it does not make it to people in need, leading to 400 million chronically malnourished and 11 million children under the age of five dying each year from hunger or hunger-related disease.[57]

Food production has become more efficient with the availability of new farming techniques, but as the world becomes more urbanised, sprawling development threatens the availability of land for farming. Cities and nations will also be increasingly vulnerable to resource shortages and tensions arising from 'who gets what'.

Living in a resource constrained world

As a result of these challenges, more people are considering what may be the right balance between economic growth and social sustainability. Tim Jackson for example has written of a future where places achieve 'prosperity' redefined to take account of the importance of people's wellbeing and sustainable growth, balancing the need for social, environmental and economic needs on a finite planet.[58] This thinking has also led to considerations for planners such as building more sustainable communities allowing for people to live, work and socialise in compact communities which reduce the need to commute. 'Work' itself could be redefined with people working fewer hours, leaving more time to be with their families, socialise or manage socially-owned community facilities.

Meeting challenges economically and socially



It is increasingly important for policy and decision-makers at all levels to focus on how they can create and sustain economically successful places – places that are able to attract and retain people and investment that will be crucial to a healthy economy meeting people's needs. An increasing body of research and analysis is showing that creating great places to live and work is the fundamental and sustainable basis for successful economic development, and this is where 'planning' in its broadest sense has a critical role to play. Crucial to this will be an understanding of how to integrate policies and investments focused on people and place. Planners, among others, have a particular responsibility to help prepare communities for a changing world. All this means that, in the twenty-first century, what makes an 'economically successful place' goes well beyond a narrow approach to development.

Melbourne is the second largest city in Australia and serves as a regional financial centre within and outside of Australia. It is known as Australia's cultural capital and is consistently considered to be one of the world's most liveable cities (ranking top of the Economist Intelligence Unit's 'Liveability Index' from 2009 to 2014, see the next page).[59] Melbourne has succeeded by focusing on good transport, green space and mixed-use development.[60] Creating liveable cities increases the attractiveness to people, businesses and investors, meaning the major challenge now facing Melbourne's planners is to respond to the resulting growth pressures. Photo credit: Neil Howard.

Quality of life

The economy is not just about growth in GDP; underpinning successful places is a good quality of life for as many people as possible. In the developed and developing world, planners implement schemes to increase accessibility to the 'social infrastructure' important to people's lives such as schools, healthcare and leisure facilities, in addition to shaping the environment around them to promote good health and active lives.

Richard Florida among others has written extensively on the importance of places attracting the 'creative class', defined as highly skilled and educated people, and including minorities. Some commentators, including Florida himself, also question who benefits from attracting these highly sought after and well paid people. Evidence suggests that economic success cannot be guaranteed simply by attracting members of the creative class, but need to be embedded in wider regional or urban strategies that are rooted in local potential and a place-based approach.[61]

Further, as cities continue to grow, a major challenge facing planners is to create mixed neighbourhoods welcoming to people of all backgrounds and ages. Maintaining high standards of quality of life for all provides people with greater economic opportunity to contribute to a strong functioning economy. To succeed in creating successful places, leaders will need to increasingly address social and economic inequalities.

Quality of life is likely to become even more important. Technology advances have meant increasing automation, resulting in many people being under-employed. More advanced technology means the human population is more productive as ever, but the reality is that fewer working hours are required, meaning that there may be a massive shift to shorter working weeks, allowing people to spend more time with their friends and families[62] or participate in their communities. Our economies – and places – will need to adjust to maximise quality of life in a changing world.

Best cities for liveability

Source: Economist Intelligence Unit.

The impact of the built and natural environment on people's health and wellbeing is considered further in the *Planning Horizons* paper on *Promoting Healthy Cities* (October 2014).

Survey: What people want from their communities

In October 2014, the RTPI commissioned a UK-wide survey to reveal what people think about their communities and what they want from where they live.

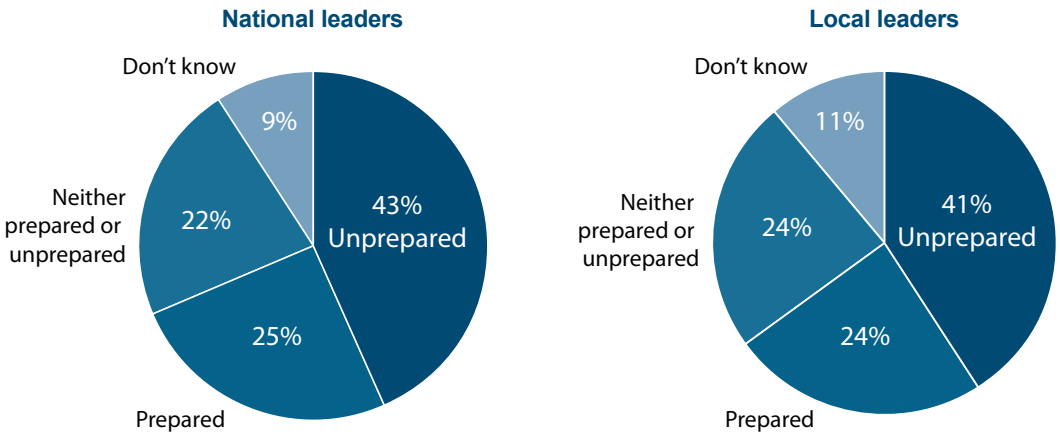
Most important factors for people when choosing where to live

- Cost of living 64%
- Local amenities 60%
- Community safety 57%
- Green spaces 51%
- Walkability 49%
- Friends and family 42%
- Good transport 42%
- Local economy 35%
- Diversity of community 32%
- High-speed internet 29%

61 per cent of participants believe the best way to grow the local economy is to invest in services such as schools, transport, amenities and to make the area attractive, compared to 20 per cent who believe the best approach is to recruit companies to bring investment to the area.

48 per cent of those surveyed believe there are too few economic opportunities in their local area. In comparison, eight per cent believe there are more than enough and 32 per cent believe there are just enough opportunities.

Public perception of leaders' ability to address major economic challenges



Source: RTPI Planning Horizons survey, nationally-representative survey of 2,083 UK adults conducted by Populus, 22-23 October 2014.

Labour, talent and skills

Globalisation and the relative free movement of people, goods, services and ideas have increasingly resulted in cities competing with other cities. This will require places to identify their unique position in the world and to continuously take advantage of their strengths and adapt if necessary, including to attract talented, entrepreneurial and creative people (discussed further overleaf). However, immigration policies are decided by central governments and so cities typically have little direct autonomy in this area; instead they need to attract and welcome talented people through other means.

American cities such as Chicago, Atlanta and Charlotte have introduced initiatives to welcome new immigrants and make them feel a part of the community, given their importance to the local economy.[63] Baltimore, which has been battling a declining population, has enacted polices to attract new immigrants, who are twice as likely to start their own business.[64]

What has been termed the 'knowledge economy' – an economy more dependent on access to knowledge, information and skills – has grown in importance as many jobs in factories and now some professional services[65] are becoming increasingly automated due to advances in technology. Skills are the currency of the twenty-first century[66] making it critical that schools, colleges and universities are well-placed and accessible to meet the needs of residents and employers.

Types of jobs are likely to shift quickly meaning there may be a large imbalance between skills and demand in the future.[67] It will be necessary to ensure where there are shortages of a certain skillset that there is either the ability to quickly train people in the location or the capacity for them to move to where they are needed. Reskilling people to take advantage of available jobs prevents them from being locked out of the economy.

Planners help to shape quality places to retain and attract labour. Labour must have access to adequate affordable housing and transportation connections. This may involve special provision for housing key workers and ensuring residential developments are easily accessible to employment opportunities – including built in flexibility for the possibility of more people working from home. Local communities can also provide recreational spaces, retail districts and cultural amenities.

Universities in particular can be magnets in attracting and retaining skilled human capital as well as investment in research and development.[68] Places home to top universities such as Boston, Massachusetts and Austin, Texas have been able to convince graduating students to stay, helping their local economies successfully compete in the knowledge economy. However, places without high-quality universities or places with an inadequate number of jobs or amenities generally struggle to retain graduates. More broadly, universities have a civic responsibility to be aware of the quality of place in which they are located and how they can contribute not just to local economies but communities as well.[69]

Barcelona, Spain. Photo credit: Barcelona City Council - Barcelona Activa.

Case study: 22@Barcelona

In Barcelona a former industrial area once designated for '22a' industrial use has been transformed to a knowledge hub now designated as '22@' to attract innovation and talent. Because of its central location it is well connected by road, tram and rail, making it easily accessible to workers.

Executing this vision requires transitioning from a low density industrial environment to a compact and dense development benefiting human interaction and agglomeration economics. The scheme allocates 10 per cent of previous industrial land as green space, quality streets and improved public spaces to encourage human interactions.

Each redevelopment plan requires the consideration of mixed uses including affordable housing, green space and amenities, which creates a vibrant place to live and work allowing people to live close to their workplaces.

The innovation district also encourages synergies with area universities, technology and research centres, promoting collaboration between researchers and business. The Smart City Campus will create an innovation space bringing companies, institutions, research and development and universities together to develop innovative technologies.

Entrepreneurship

Like most people, entrepreneurs are attracted to vibrant, liveable places. Whether enterprises are large or small, place is fundamentally important. Places must be attractive to skilled people by providing services, amenities and an overall high quality of life, which in turn will attract further entrepreneurship and business investment. But places also need to consider how entrepreneurship is changing in the twenty-first century.

Some commentators such as Tyler Cowen argue entrepreneurship is declining in richer nations and that future growth is more dependent upon developing countries.[70] However, this might neglect that future entrepreneurship will come in a range of different forms. Future entrepreneurship is likely to include a greater role for businesses and organisations focused on social purposes or which are collectively-owned – part of a 'new social economy'.[71]

The non-profit sector is already the third largest sector in the US after retail and manufacturing, making up more than 10 per cent of total employment or 10.3 million people in 2010.[72] Social enterprise also contributed £24 billion to the UK economy in 2010.

Despite its recent difficulties, in the UK the Co-operative Group employs almost 87,000 people and operates 4,500 retail outlets.[73] In Ireland, Dairygold processes 18 per cent of the country's milk[74] and the Scotmid Co-operative employs 5,000 people in Scotland, Northern Ireland and Northern England.[75] The future is likely to see more community-owned businesses and amenities. In regions such as Emilia-Romagna in Italy, cooperatives comprise 40 per cent of the economy.[76]

Further, the so-called 'sharing economy' has attracted growing interest in the context of the sustainability agenda and following the 2008 global economic crisis. The economic and social theorist Jeremy Rifkin expects non-profit businesses to prosper as the 'Collaborative Commons' spreads.[77] People are now able to visit a new city and find lodging in someone's spare bedroom, share car journeys or participate in car sharing programmes; many more goods and services are likely to follow.

Whether in the private or social economies, the needs of entrepreneurs are changing. The internet and lower transportation costs means that small or start-up businesses are more able to quickly reach customers and markets worldwide. Increasingly, there is a need for flexible work spaces, enabling start-up companies to get up and running, and increase their scale quickly as they grow.

Changes in working practices also mean that flexible working is likely to continue to increase, meaning fewer people may be in an office at any given time. These trends mean that businesses require more flexible leases from landowners to expand and contract as necessary, and smaller office spaces generally. Further, if fewer people are commuting to work each day this has implications on transport planning. For instance, the need for commuting during rush hour may decrease, but the demand for local leisure facilities and green open spaces may increase.

Birmingham. Photo credit: Pete Ashton.

Case study: Reinventing the Custard Factory as an innovation district

The former Bird's Custard Factory in Birmingham has undergone a transformation after being acquired in 1989, keeping its historical significance intact but creating a unique space which has thrived as a home for creative and digital small businesses. Today this former industrial space has capacity for 500 firms employing 5,000 people.[78] The Brookings Institution has described this type of innovation district, making creative use of former industrial areas, as the 'Re-imagined Urban Area' model.[79]

Connectivity and interactions

Part of the reason that places grow is because they provide opportunities for people, organisations and businesses to meet and exchange information and ideas – they are about connections and interactions. This happens through the proximity that towns and cities offer, but also business clusters, public spaces and forums, even cultural events. So the question is how places can maximise this 'offer' to existing and potential residents and businesses. This will become even more important in the context of the knowledge and sharing economy, the creative class and new forms of entrepreneurship, as already discussed.

Research has shown that a 'one-size fits all' approach to encourage innovation, such as a focus on research and development (R&D) investment, does not necessarily result in successful economic development.[80] Connectivity and the combination of different 'knowledge inputs' are often more important, many times spilling over to neighbouring areas.

The built environment and infrastructure, including, transportation, leisure facilities and public spaces, can significantly influence the way in which people are able and willing to interact. To this we now need to add exchanges and networks facilitated by communications technologies, such as broadband and Wi-Fi internet. All of these require spatial strategies and implementation facilitated by planners' expertise. Ultimately, this place-making can help convince qualified and talented people to locate in a particular town or city. Equally, connecting less skilled people to opportunities is vitally important, including the provision of affordable housing close to jobs.

This need for proximity and interactions based on the sharing of ideas is quickly making previous forms of development such as out-of-town business parks not fit for purpose – one of the reasons that many technology companies including start-ups are beginning to concentrate in city centres as opposed to in suburban developments. Increasingly, major businesses, small start-ups and community-owned enterprises are moving into town and city centres, taking advantage of mixed-use developments to make the most of existing connections. For example, San Francisco has experienced 57 per cent job growth compared to 14 per cent in suburban Silicon Valley (in the southern part of the San Francisco Bay area).[81] For employers, it is increasingly important to consider where they are based so that they are able to attract and retain the best employees and harness human capital.

Increased density in cities can make services more readily available including transportation connections, putting in place the key ingredients for economic success. South African cities like Durban, Johannesburg and Cape Town have been implementing densification policies and practices to exploit these benefits and opportunities (see the case study opposite).[82]

The London Docklands development, focused on the city's financial services industry, was made possible by implementing strong transportation connections. However, despite efforts to benefit existing residents such as a high-proportion of housing built by the local authority or housing associations,[83] [84] many commentators have questioned whether the original communities have benefited equally from the success of the area.[85] Some residents have been hit by rising housing costs, forcing them to move further away from what was once a more affordable place to live.

Soweto area in Johannesburg, South Africa. Photo credit: Michael Denne.

Case study: Johannesburg's 'Corridors of Freedom'

Johannesburg is working to move on from the apartheid past. Planners have developed a spatial plan designed to address segregation by joining up the city, increasing mobility, access to opportunities and public spaces.[86]

The average travel time to work in South Africa is 59 minutes, with some people traveling for far longer distances due to the lack of available jobs in hard to reach areas. The idea of the city's Corridors of Freedom project is centred around providing opportunities to people nearer to where they live without needing access to a private car.

Instead there has been focus on access to buses, cycling and pedestrian routes.

These corridors will make possible high density housing, office developments, and retail alongside education, leisure and recreation facilities. This type of development will enable some people to move further into the city where economic opportunities are more within reach, opposed to sprawling low density development which exists because of the apartheid past. Within the corridors the hope is that people from a range of socio-economic backgrounds will live within the same area.

Viable communities

Successful communities which are able to attract people and investment need to limit inequality and social divisions, encourage interactions, ensure a high quality of life, create attractive places and foster entrepreneurship. Fundamentally however, communities need to be viable – they need to be based on and generate a shared sense of purpose and identity.

Successful communities which are able to attract people and investment need to limit inequality and social divisions, encourage interactions, ensure a high quality of life, create attractive places and foster entrepreneurship.

There is no simple or single way to foster a viable community. Given the pace of economic and technological change and the challenges considered in this paper, planners and others will need to be flexible at the same time as planning for the future.

In many parts of the world the concept of a 'community' may change a great deal as urbanisation and people's quality of life increases with easier access to goods, services and amenities. However, as people move from rural areas to cities to seek employment, many families are forced to make their homes in poor areas with a low standard of living. In areas anticipating population growth it is essential there is adequate planning to take into account the needs of infrastructure and services that make a viable community possible. Meeting the future housing needs of society requires creating flexible communities at the right scale and density, fitting the needs of multiple generations and diverse populations.

The dormitory living environments typical of many suburban areas resulting from poor planning will not be fit for purpose, as people increasingly want to be within close reach of employment, entertainment and leisure activities. To meet the scale of population shifts and increased migration, places will need to have the ability to adapt quickly to meet changing needs. While some cities grow, many in Europe will shrink.[87]

Places need to take a longer-term view of economic viability. Ireland, considered the 'Celtic Tiger' from 1995 to 2000, was too dependent on cheap credit fuelling a booming construction industry, and fell into deep recession in 2008. During 1995-2000 Ireland's GDP was growing an average of 9.5 per cent and homes were being built where in retrospect there was not adequate demand.[88]

Both out-of-town shopping centres and high streets may struggle as online shopping becomes more prevalent, meaning the use of these places may need to be adapted to meet future needs of a community. Town centres have continually evolved, but with the advent of online shopping and the delivery of products to people's doorsteps they are changing even faster than before. It is important planners help think of alternative ways to ensure high streets thrive which could be both innovative and relatively straight-forward. High streets are found in the heart of communities and are usually well connected to public transport, making them an ideal location for mixed use including residential services such as health, education and entertainment.

Toyama City, Japan. Photo credit: tsuda.

Case study: Creating a compact community in Toyama City, Japan

Toyama City has been responding to depopulation within its core by implementing new policies focused on improving transport, encouraging people to relocate along mass transit lines and revitalising the city centre. To encourage city centre living, major improvements have been made including building a light rail system on an underused rail line in addition to creative solutions such as allowing residents and visitors who purchase local flowers to ride the tram free of charge. City leaders hope to discourage sprawl so that residents can easily reach every possible amenity within walking distance. Walkable communities enable the elderly, who are a growing proportion of society, to more easily reach services.

The challenges and opportunities we face

The challenges identified in this paper may be global, but their impacts are often felt locally in our towns and cities. Planners have a critical role in helping communities prepare for and navigate these challenges. In particular, planners can help to create great places to live, work and invest, as the fundamental basis for successful, sustainable economic development in a fast-changing world.

A world experiencing dramatic population growth, resource constraints and rapid technological change	
Factors	**Challenges**
Quality of life	• Globalisation and competition produce a 'race to the bottom' with declining wages and living standards, widening disparities between the very rich and the rest of society. • Population growth and unsustainable economic development increasingly cause shortages of food, water and energy, leading to regional and international tensions over resources. • Low quality of life in cities (for example sprawl, overcrowding, congestion), poverty and social exclusion lead to increasing social tensions and unrest. • Erosion and loss of vital ecosystems impacts human wellbeing through resource scarcity and lack of access to natural areas.
Labour, talent and skills	• Technological advancements lead to increasing unemployment as more jobs are outsourced and automated. • A smaller group of working-age adults support a larger ageing population, leading to higher social costs, slower economic growth and reduced provision and support for older people. • Increasing inequality undermines people's life chances and social mobility, creating a permanent and growing 'underclass'.
Entrepreneurship	• Spatial economic imbalances between cities and regions widen and entrepreneurs are forced to locate in a small number of cities to access investment and recruit talented people, however these cities become increasingly congested and unproductive. • Entrepreneurship declines in developed countries in particular, due to the power of incumbent businesses, slower growth and widespread social inequality.
Connectivity and interactions	• As a result of economic change and rising inequality, towns and cities become increasingly segregated between rich and poor, reducing social interactions between communities. • Cities' infrastructure, including transport and communication connections, is increasingly overwhelmed by population growth, possibly leading to 'two-tier' services separating richer and poorer residents.
Viable communities	• Population change including increased migration puts increasing pressure on housing and public services (schools, healthcare, other infrastructure), causing social tensions over resourcing and access. • Fast-growing places reach resource and environmental limits, resulting in a lack of food, water and energy.

Planners can help to improve quality of life, attract labour talent and skills, provide spaces for entrepreneurship and business growth, and promote community cohesion and interactions. In turn, this can lead to higher productivity and a stronger economy. In these ways, planning can help to unlock the economic potential in places.

increased globalisation and competition, inequality, presents both challenges and opportunities for places.

Factors	Opportunities
Quality of life	• Globalisation and increasing trade and economic development in the developing world gradually reduces severe poverty and spreads economic opportunity, improving wellbeing and creating new consumer markets. • Technological advancements enhance people's quality of life, health and wellbeing, opportunities, and improve productivity, allowing for a reduction in working hours and greater leisure time. • Places increasingly recognise the importance of liveability and quality of life to economic success, and invest in placemaking (including planning) to enhance residents' wellbeing.
Labour, talent and skills	• Nations, regions and places invest more in education, skills and training in response to economic and technological change. • Workers are more mobile than ever within and between nations, spreading ideas, talent and entrepreneurship between regions and nations. • Technological advances create new industries, sectors and job roles, including in creative and knowledge-based industries, and 'green jobs'.
Entrepreneurship	• Economic, social and environmental challenges prompt increased entrepreneurship (including social entrepreneurship), and create new industries and sectors to meet people's needs and respond to resource scarcity (for example care economy, green economy, sharing economy). • Globalisation, competition, more open economies, urabanisation, technological advances and reduced poverty enable greater entrepreneurship and innovation in the developing world in particular.
Connectivity and interactions	• The internet and information technologies continue to connect people in new ways, exchanging ideas and services, and prompting new collaborations. • Places increasingly recognise the economic and social importance of connectivity and interactions, including through planning (transport, accessibility, public spaces, internet connectivity and so on).
Viable communities	• Places actively seek to reduce social inequalities and promote social cohesion, including through planning (housing, infrastructure, accessibility, economic development, public and green spaces and so on).

Creating economically successful places

Increased global competition means that places will be increasingly competing with one another for talent, skills and investment. Our economic future depends on creating successful places, defined as economically vibrant places where people have a high quality of life and business flourishes, and which take account of the needs of present and future generations.

How we respond to the challenges and trends set out in this paper requires long-term thinking and is not just a matter for economists or policy-makers. Alongside other professions, planners have a critical role in creating and sustaining successful places – places that are able to attract people and investment that will be crucial to the healthy economies that meet people's needs. As the global economy shifts more quickly than it did in the past, it will become increasingly important for planners to respond quickly to evolving social and environmental as well as economic challenges as part of their responsibility to create successful places.

Rotterdam, pictured, is one of the cities that form part of the Randstad, a conurbation in The Netherlands. This region consists of the four largest Dutch cities (Amsterdam, Rotterdam, The Hague and Utrecht) and the surrounding areas. With a population of more than seven million people it is one of the largest conurbations in Europe. These closely linked agglomerations are situated around the 'green heart' of the country, which provides the region with space for rest, recreation and agriculture. This combination of business, residential areas and recreation makes the Randstad an attractive region in which to live and to locate businesses. Each of the Randstad's cities have a specialisation, including Rotterdam in freight logistics, The Hague in international law, Utrecht in education and research, and Amsterdam in professional and creative business and tourism.[90] Various formal and informal means of cooperation help to ensure coordinated spatial planning for housing, transport, economic development and environmental sustainability. As the need for space grows it will become even more important to work cooperatively as decision-makers look to secure future economic success of the area, including urban intensification and improved transport connections connecting the four cities. Photo credit: Frans Schouwenburg.

Better use and coordination of intelligence and information

One of the major challenges and opportunities for the future will be the proliferation of data, including about places. Planners, policy- and decision-makers will need to make better use of information and intelligence, including the ways in which the systems that comprise successful places interact and operate in coordination.

Place level

A better understanding of local markets and the use of timely relevant information can enable planners and others to respond to current circumstances and future scenarios. Just as the flows of people and traffic can be monitored to identify changes in behaviour and identify areas for intervention, we can also monitor people's and business's economic behaviours to inform local economic development, as part of a better understanding of local markets. As cities are increasingly at the forefront of economic growth, more reliable city-wide measurements of income, output and other metrics are needed.[91] Data will also enable cities, people and businesses to operate more sustainably by using renewable energy when it is most plentiful (and therefore cheapest) via smart grid technology.

Information and data should also be exploited to enable the public to be more involved in planning their community at the neighbourhood level and beyond. The United Nations among other organisations has recommended that governments do more to encourage the participation of citizens in smart, inclusive and equitable growth.[92] In most countries there remains a huge potential for so-called 'e-planning'.

E-planning can include finding new ways to engage a wider section of the population through the creative and imaginative use of technology. It is rarely sufficient just to make information available online, however; planners, local government and developers can often do more to make these planning resources and strategies easier to understand and more engaging. This should include mobile technologies; to date, businesses such as Google, City Maps, Uber and others have taken better advantage of the way in which people use smart phones than have most city authorities (for example, in developing integrated apps allowing people to plan, book and pay for travel).[93]

There are however increasing examples of cities using data in important ways. In Leeds in the UK, planners have been using open data hosted by Leeds Data Mill, shared by individuals and organisations, to prevent building on flood plains.[94] The data is available for anyone to use, including programmers and developers, to generate insights into the city. The creators hope to share their experiences and work with other cities to help them create their own Data Mills that can be used to plan cities more effectively.

Somewhat similarly, the £24 million Glasgow Future Cities Demonstrator programme is collecting data that will be used by policy-makers to inform future strategies and investment decisions. This public and private sector collaboration is enabling information to be more freely available, to be used to respond to challenges such as active travel, energy efficiency and social transport.[95]

In New York, NYC Open Data publishes more than 1,100 datasets, but the quality and completeness of the data varies. The Center for Urban Science and Progress (CUSP), based in the city, hopes to refine the most important datasets in addition to making them more accessible to the general public. CUSP argues that our ability to collect and analyse information now enables us to move "beyond today's imperfect and often anecdotal understanding of cities to enable better operations, better planning, and better policy."[96] This can support better governance, participation and innovation. CUSP suggests that high-functioning cities need three core types of data: infrastructure (maintenance, traffic flows, balancing electrical grid); environment (pollution, noise); and people (location, health, economic activities).

National level

Planning needs to take place across functional economic areas in order to fully realise the growth potential of places and to make maximum use of limited resources. People and businesses rarely operate within the confines of artificial lines drawn on a map, and neither will the major economic challenges we face in the next century. 'Larger than local' or strategic planning is important to address challenges that operate across administrative boundaries. Greater incentives should exist between local authorities to work collaboratively across borders to plan strategically. Better cooperation between central government departments is needed to avoid working in separate 'policy silos', which leads to unnecessary delay and lack of coordination. Cooperation across boundaries, departments and teams enables better, more coordinated decision-making, leading to more successful places.

To help with planning and coordinating across different areas, national policies should be represented spatially including via flexible, open platforms which are available to anyone, as advocated for by the RTPI's *Map for England* project.[97] The same open source data can be used by private enterprise to enhance existing applications or develop further innovations.

Governance and decision-making is considered further in the *Planning Horizons* paper on *Making Better Decisions for Places* (November 2014).

Rethinking institutions

The scale at which these economic challenges and trends need to be addressed will vary depending on the political and cultural context, but in many countries some institutional change will be necessary to enable bodies to respond to these fast-moving developments more effectively. Institutions must anticipate future challenges and opportunities, including through longer-term thinking and scenario planning.

Place level

A range of different scenario planning methods can be used to better understand how to respond to an uncertain future. In the UK, the Government Office for Science's Foresight programme investigates the long-term challenges facing the UK by working with experts in academia and practice to consider a range of different scenarios relating to a particular challenge; for example, the Foresight Living in the City project explored four different scenarios for city living in the twenty-first century.[98] These types of exercises can also be used at a local level as part of strategic planning, to assess different possibilities and prepare for different potential scenarios.

Local leaders, whether locally elected mayors, chief executives, city managers or chief planning officers, can often develop and implement more forward-looking strategies and policies in advance of national governments, which are sometimes slow to react to the changing needs of places. Commentators such as Benjamin Barber have recommended that city mayors are given greater opportunities to solve today's most pressing problems.[99] On a global scale, Richard Florida has advocated for an UN-like organisation for city mayors, which would enable them to work with one another and innovate together on major challenges such as climate change.[100] For example, the C40 Cities is a network of the world's largest cities committed to addressing climate change, through which city leaders are able to share their experiences with each other.[101]

The ultimate success of places comes down to establishing a strong vision and the capacity to implement decisions. In many countries, resources in many city and town planning departments remain under pressure, meaning it is critical local leaders and planners develop creative ideas to adequately resource these visioning exercises and to build on an area's competitive advantage. This may involve a closer working relationship with the community and investors, who may also want and expect some continuation of policies across changes in leadership so that visions can be implemented fully.

Local strategies and policies such as education and environmental sustainability should be better coordinated with planning. Too often, separate teams within local governments work within silos, with a lack of effective coordination with colleagues on issues that are interlinked, such as transport and housing. Because of their potential role in integrating different sectoral decisions, when planners are involved in contributing to visions for places and broader strategies it is more likely that these decisions can contribute to more economically successful places overall.

National level

In the 2014 report *Nations and Wealth of Our Cities*, two of the UK's leading experts in cities policy, the Rt Hon Greg Clark MP, Minister for Cities, and Greg Clark, a global cities advisor,

document the emergence of a new phase in global cities policy. They encourage national governments to implement a strategic approach to urban areas that they call 'the systems of cities', providing a platform for success but at the same time leaving more decisions to local places.[102]

The interaction and coordination between different levels of government will become increasingly important in a competitive world. Nations need to establish an overriding strategy to enable places to respond to current and future challenges, whether that means having a flexible immigration policy depending on the labour needs of a particular city or assisting in rebalancing the national economy. National governments can assist with putting in place the means to gather spatial intelligence and implement spatial thinking at a national level. More power and resources can be devolved to local and regional levels, but it is critical that governance exists at a larger level to ensure adequate spatial cohesion resulting from different policies.

Nations also need to coordinate with their neighbours. For example, there is a growing amount of cross-border cooperation between Northern Ireland and Ireland, recognising their economies are linked and dependent upon one another, including the All Island Local Authority Programme where chief executives and county managers from both sides of the border work with one another.[103] The Irish Central Border Area Network (ICBAN) has also driven a Regional Strategic Framework (RSF) up to 2027 which is intended to make substantive contributions to the island's economy.[104]

This forum develops relationships to manage issues affecting the entire island such as planning, community development and social inclusion; a planning sub-group meets to discuss spatial challenges and opportunities.

In terms of global challenges, future international efforts may require binding agreements that can be more readily enforced. The UN has worked to tackle issues such as climate change, aiming for an agreement in 2015 and sustainable development through Rio+20 (the UN Conference on Sustainable Development which took place in Rio de Janeiro in June 2012), but more can be done. The RTPI has called for spatially-informed 'sustainable urbanisation' to be included as a post-2015 United Nations Sustainable Development Goal (SDG).[105]

Europe 2020, the European Union's 10-year growth strategy, aims to create the conditions for 'smart, sustainable, and inclusive growth' across the region, setting five targets including 75 per cent employment for 24-64 year-olds and three per cent investment of GDP in research and development.[106] The EU has also begun to consider the right territorial approach to securing growth in a competitive world, for instance investing in global cities or focusing on less-developed areas.[107] This type of international approach will be increasingly needed in a fast-changing world.

The capabilities of leaders and planners

Strong leadership is needed to anticipate key trends and respond to them to create an environment that is more hospitable to creating successful places, not only among national and local political leaders, but also among professionals including planners.

Place level

An important function of planning is recognising and understanding current economic trends and future opportunities. Research published by the RTPI on *The Value of Planning* encourages planners to recognise their roles as 'market actors' involved in framing local development markets.[108] This requires a greater consideration of planners' capacity and confidence in shaping markets and adding value to development activity.

To this end, more can be done to ensure that Continued Professional Development (CPD) for city and town planners and other professions is relevant and robust enough to respond to the kinds of economic trends and challenges set out in this paper. The RTPI is working through its accreditation process and training to enhance the 'economic literacy' of professional planners, recognising there must be a better understanding of the inter-relationship between planning and the economy. More broadly, local leaders also require a better understanding of the relationship between places, space and long-term economic success – for example, understanding the implications of a lack of affordable housing for those providing vital services to a city such as teachers, nurses and other key workers.

Leadership also involves building on a particular area's competitive advantage, even at times taking an informed bet on future trends if there is not an apparent competitive advantage to build on. Leaders sometimes struggle to look beyond the short-term, due to political cycles and pressures or even a lack of information and capability. Planners can help political leaders to identify a competitive advantage for places, given their knowledge of local areas and how they relate to the surrounding area, but also offer a long-term view, considering the impact of decisions made today on future generations.[109]

National level

It is imperative that policy- and decision-makers develop an improved ability to consider the spatial consequences of their decisions. This is about appreciating and anticipating how different policies and decisions interact over different pieces of land and incorporating this intelligence into decision-making, as called for in the *Planning Horizons* paper on *Thinking Spatially*.[110]

In particular, there is a growing need for national governments to adopt a spatial approach to fostering economic development, including developing frameworks which enable places to succeed. To create more economically and socially successful places, policy- and decision-makers need to work with planners and communities to:

- set a broad national vision which identifies areas with different potential, taking into account a wide range of economic factors such as those considered in this paper;
- encourage places at the neighbourhood, local and regional level to work cooperatively with one another, by offering adequate resources and incentives to do so, to enable strategic planning to take place across functional economic areas;
- try to avoid operating within departmental silos, which often lead to inefficiencies and missed economic opportunities.

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PLANNING Horizons

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Planners have a critical role to play in response to all of these issues. Just as the challenges of a hundred years ago spurred the development of planning as a professional discipline and as a field of study, so the challenges we face over the next hundred years will demand new contributions from the profession and beyond.

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