

# **Understanding secondary cities in Asia: a policy capacity approach**

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# Secondary cities in Asia: Point 1

- SCs will account for a disproportionate *share of urban growth* in developing countries (and Asia in particular)
- The largest cities will become increasingly unlivable and unattractive for business (congestion, pollution, land/labour prices, etc.)
- Connectivity enabled through infrastructure ✈
- Historical trend: agglomeration and urban "primacy" (dominance of a single city in a country's economy colonial legacies of port cities for extraction, etc.)
- Future trend: regional dispersion of economic activity (cities: from specialization to diversification)

# Secondary cities in Asia: Point 2

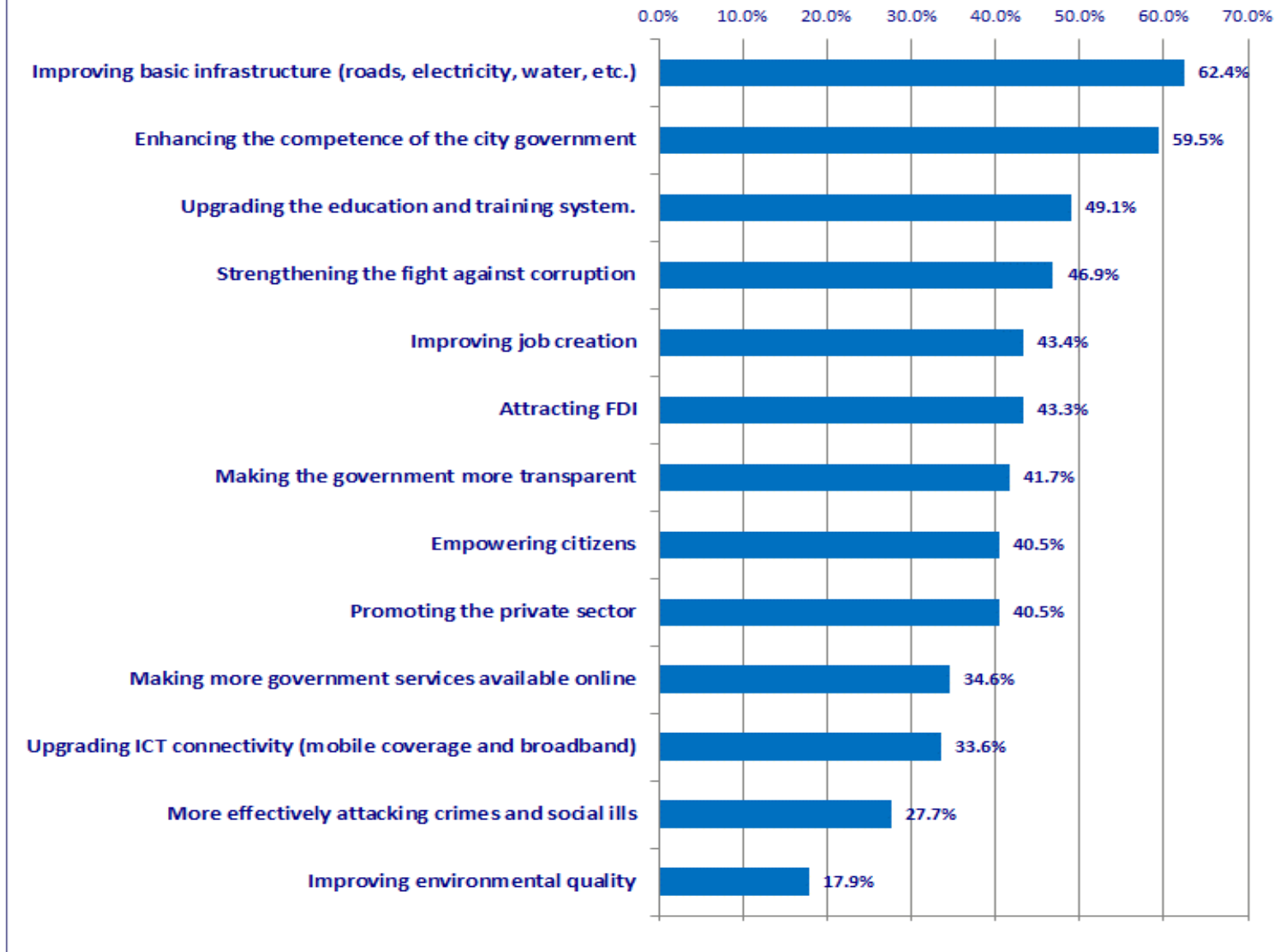
- SCs are *test-beds* for policies (like SEZs)
- Those with enterprising and outward-oriented leadership thirst for regional/global exposure and brand distinction, networks, investment, etc.
- Empirically, they also represent a useful new context for comparative studies about policy experiments
- There are simply more to compare (in within- or cross-country settings) than so-called "primate cities" (which often have distinctions that explain their dominance but also confound comparative approaches)

# Secondary cities in Asia: Point 3

SCs face the challenge of *limited capacity* in two ways:

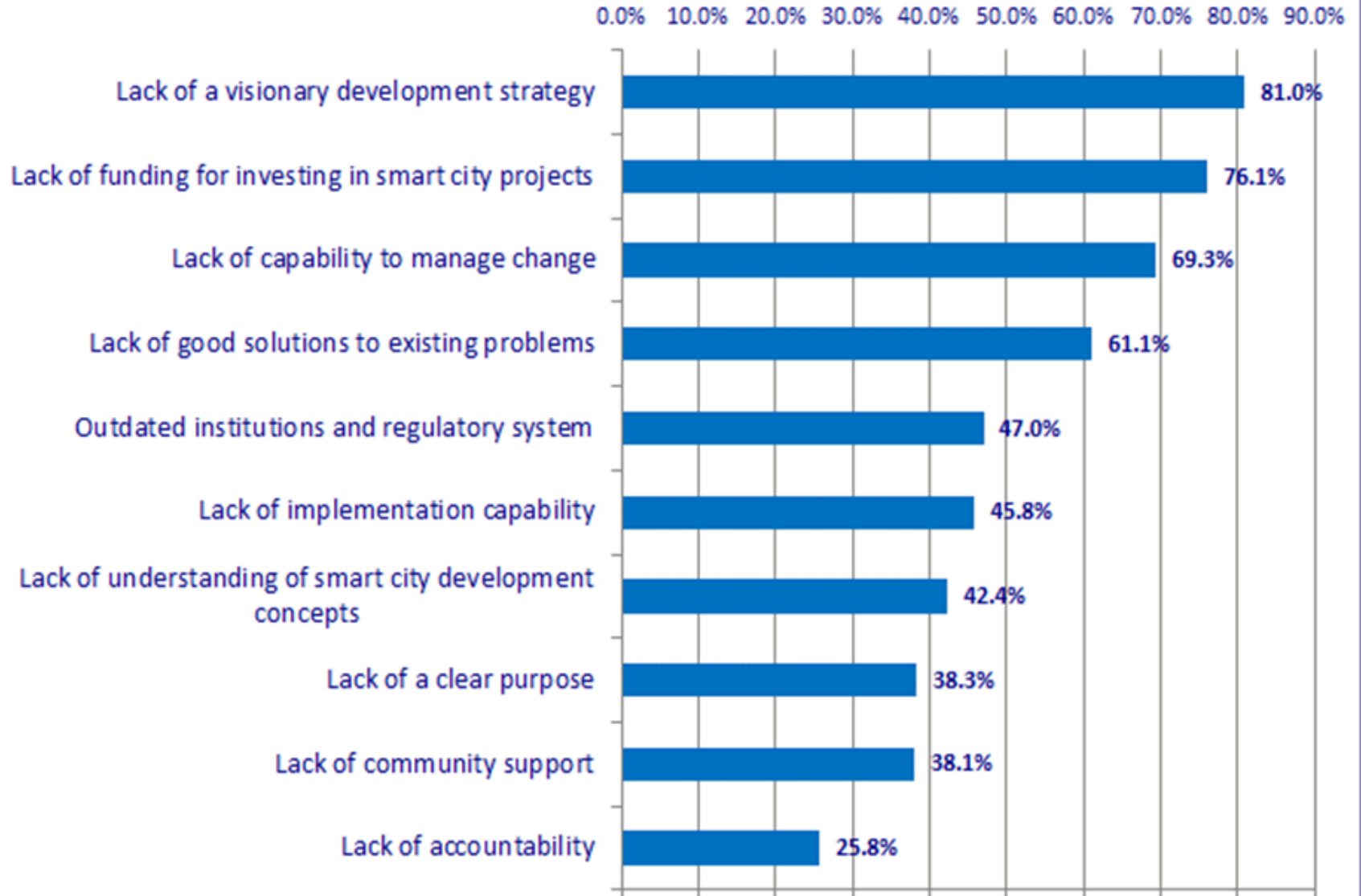
- Infrastructure
  - Demand for space and services outstrips the capacity of local governments to maintain supply
  - Rapid growth (particularly on the fringes) tests the effectiveness and responsiveness of basic services
- Governance
  - SCs may not have the expertise to understand their own rapid growth or to plan accordingly (econ., social, env.)
  - Devolutionary reforms → increased local autonomy
  - Increasing gaps among SCs in performance
  - Some find the right formulae, others dither in local political stalemate, corruption, etc.

## Top Priorities for Smart City Development: Entire Sample



Vu, M.K. and Hartley, Kris. (2017). "Promoting Smart Cities in Developing Countries: Policy Insights from Vietnam," *Telecommunications Policy*.

## Major Obstacles to Smart City Development: Entire Sample



Vu, M.K. and Hartley, Kris. (2017). "Promoting Smart Cities in Developing Countries: Policy Insights from Vietnam," *Telecommunications Policy*.

# Implications for urban governance

- Operational management is given more attention than institutional development
  - Why? Investments are (.....) than reforms
    - Easier to make
    - Cheaper
    - Faster
    - More visible and measurable
    - Less disruptive to the status-quo
- Managing for now (stock price approach) vs. managing for the future
- How can we study governance capacity?

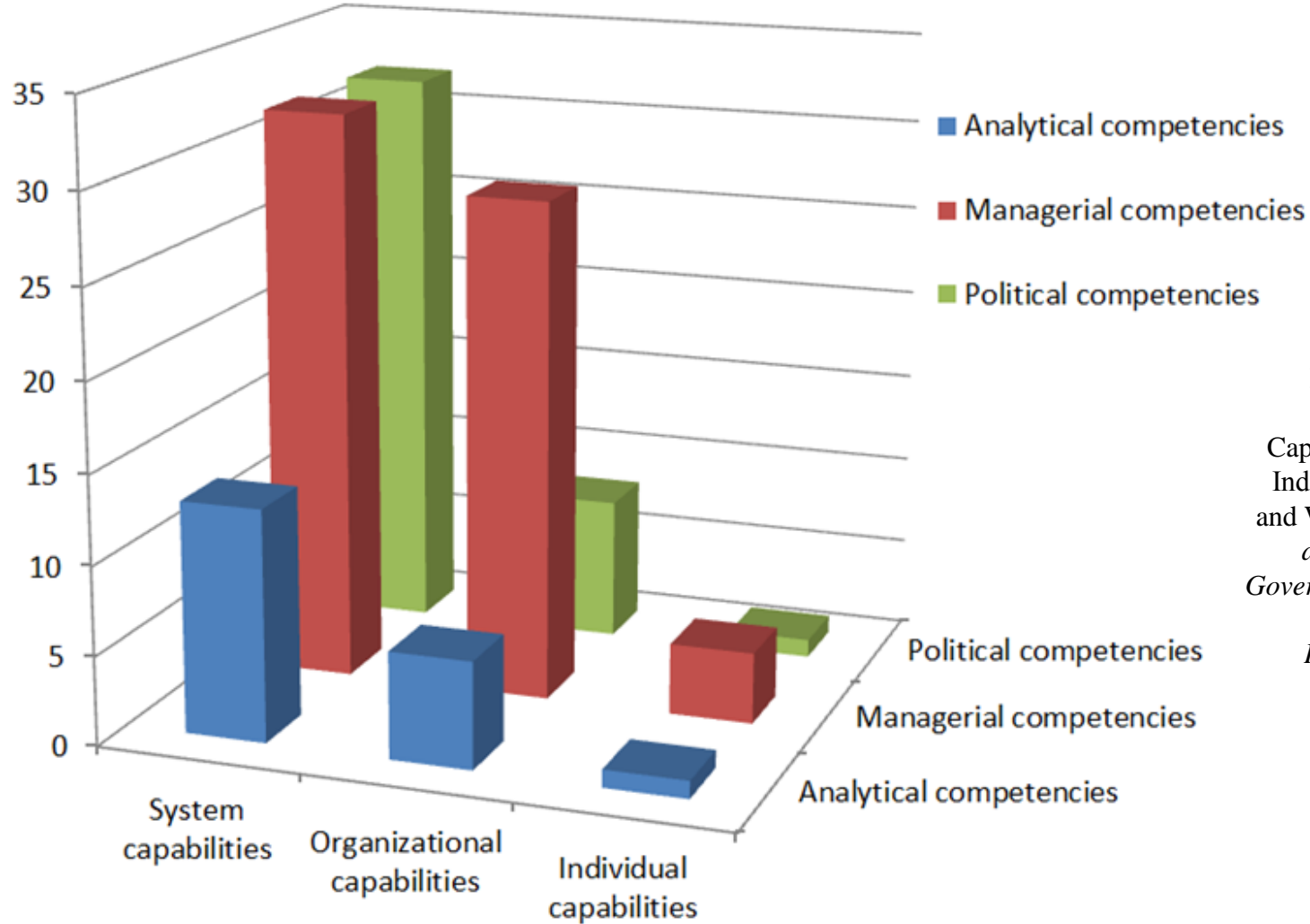
Resource Level Skill Dimension	INDIVIDUAL CAPABILITIES	ORGANIZATIONAL CAPABILITIES	SYSTEM CAPABILITIES
Analytical Competences	<u>Policy Analytical Capacity</u> <i>Knowledge of policy substance and analytical techniques and communication skills at the individual level</i>	<b>Organizational Information Capacities</b> Storing and Disseminating Information on client need; service utilization; Budgeting, Human Resource management. E-services.	<b>Knowledge System Capacity</b> Presence of high quality educational and training institutions and opportunities for knowledge generation, mobilization and use.
Managerial Competences	<b>Managerial Expertise Capacity</b> strategic management, leadership, communication, negotiation and conflict resolution, financial management and budgeting	<b>Administrative Resource Capacity</b> Funding, staffing, levels of Intra- and inter-agency communication, consultation, and coordination.	<b>Accountability and Responsibility System Capacity</b> Presence of rule of law and transparent adjudicative and career systems
Political Competences	<b>Political Acumen Capacity</b> Understanding of the needs and positions of different stakeholders; judgement of political feasibility; Communication skills	<b>Organizational Political Capacity</b> Effective Civil Service bargain. Politicians' support for the agency programmes and projects. Levels of Inter-organisational trust and communication	<b>Political-Economic System Capacity</b> Presence of Public Legitimacy and Trust; Adequate fiscal system to fund programs and projects; Access to information

Howlett, M., 2015. Policy analytical capacity: The supply and demand for policy analysis in government. *Policy and Society*, 34(3-4), pp.173-182.



# Composite tabulation of policy capacity

World Bank WGI; Bertelsmann Transformation Index; KPMG Change Readiness Index; Global Innovation Policy Index ; Sustainable Governance Indicators



Hartley, Kris and Zhang, J. (2017). "Measuring Policy Capacity Through Governance Indices." In Howlett, Ramesh, and Wu (Eds.), *Policy Capacity and Governance: Assessing Governmental Competences and Capabilities in Theory and Practice*. London: Palgrave Macmillan, pp. 67-97.

# A capacity model for secondary cities

	Individual	Organization	System
Analytical	HR policies; improved education and training; up-skilling of current staff; recruiting talent to the “hinterland”	Appropriating resources for technology systems; “smart city” initiatives	Knowledge industry linkages: universities, research institutes, global organizations
Managerial	Cultivation of leaders through early identification and promotion	Connections and networks among utilities and agencies	Institutional reform; rule of law; elimination of corruption
Political			More clout with central governments (consolidation and metropolitanization)