

# Strategies for Developing Globally Competitive Regional Economies:

Understanding the role of Creativity, Innovation and  
Entrepreneurship

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# The Issue

- \* ‘Much of the interaction in the global economy takes place through dynamic cities that act as links between the local environment and the rest of the world. At present, Australia’s cities do not appear to be performing the same international or global roles as the leading cities in the Asia-Pacific region. The lack of competitive cities is a short coming that needs to be addressed if Australia and Australian industries are to improve their global position.’
- \* Enright and Perry (2013, p.50)

# Overview

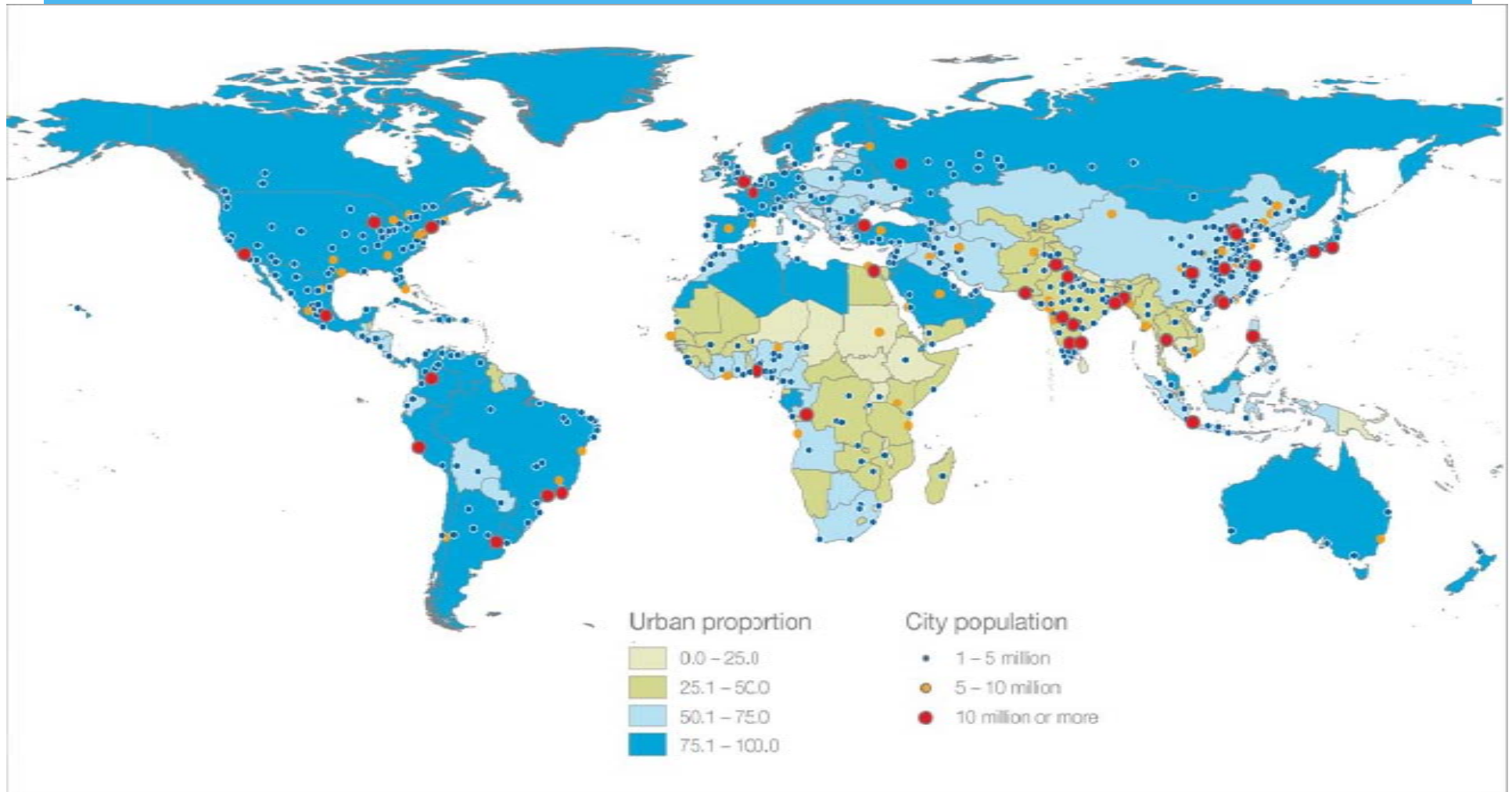
- 1. Regional Economic Development in the Global Economy**
- 2. Mega-regions**
- 3. Australia's East Coast Mega-Region**
- 4. South-East Queensland – An Emerging Mega-Region**
- 5. Strategies for Developing Globally Competitive Mega-Regions**

# Context of Regional Development

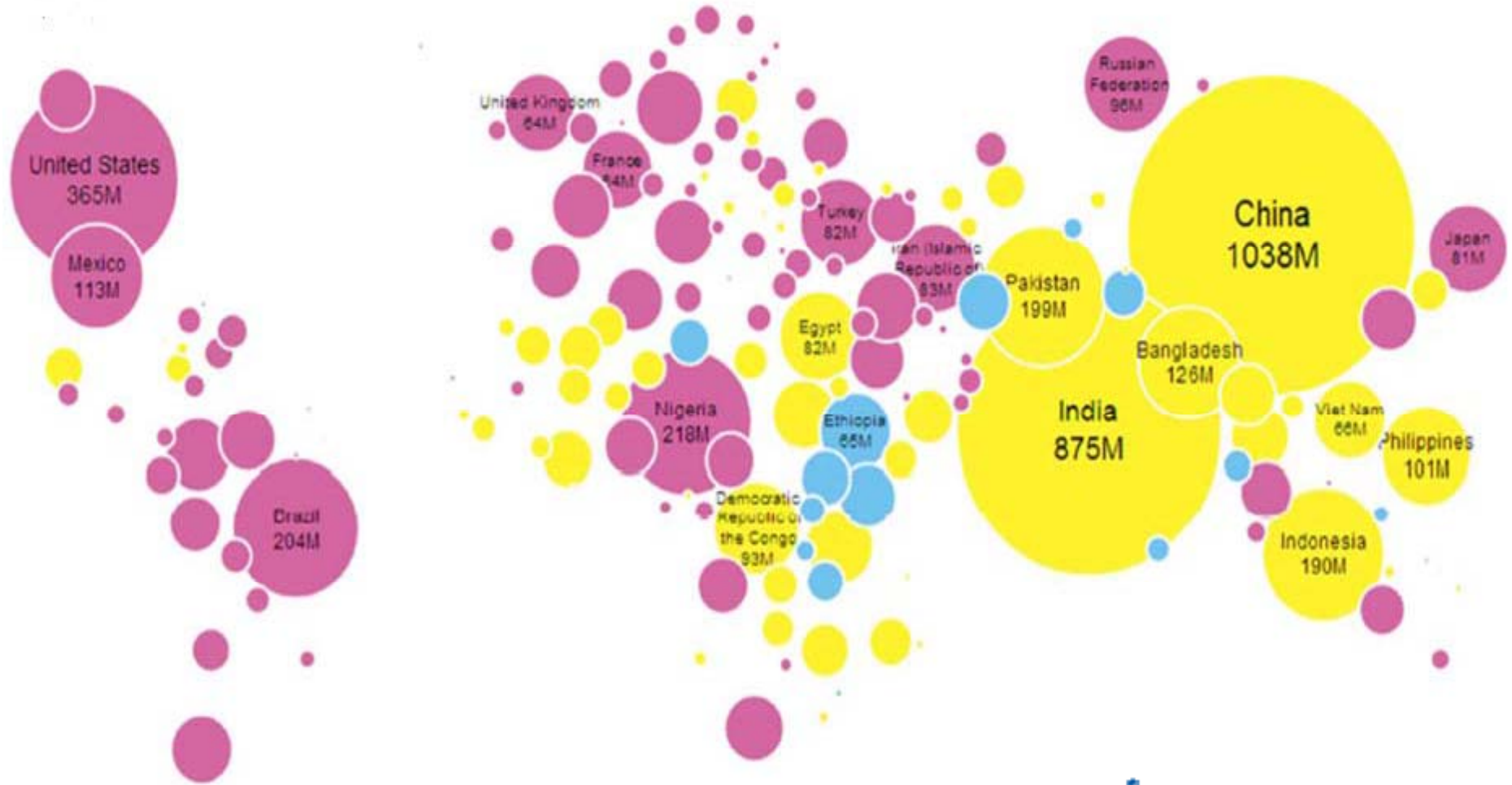
- \* This presentation addresses three research questions:
- \* **1. How cities and their surrounding geographic regions engage and link with the global economy?**
- \* **2. How do cities / regions attract globally connected entrepreneurs who have the capability to operationalize opportunities from innovations in products, services, processes to locate in a city / region?**
- \* **3. How do cities / regions differentiate themselves in terms of economic, social, political and natural environments to generate a sustainable competitive advantage in the global economy?**

# Major Cities 2025 – UN Projections

## 2012



# Urban Population 2050 - UNESCO



# Location of Top 600 Cities, MGI (2012)

Region	Number of Cities
China	250
South Asia	36
Southeast Asia	24
North Asia	21
USA and Canada	88
Central and South America	57
Eastern Europe and Central Asia	37
Western Europe	42
Middle East and Africa	39
Australasia	6

# Mega-Regions

- \* Mega-regions are macro structures of integrated cities and their surrounding hinterlands.
- \* Florida, Gulden and Mellander (2007) identified 40 mega-regions in the world where there was annual economic output great than US\$100 billion using light-based emissions visible from space to estimate economic activity for the mega-region.
- \* ‘As the distribution of economic activity has gone global, the city-system has also become global – meaning that cities compete now on a global terrain. Urban mega-regions are coming to relate to the global economy in much the same way that metropolitan regions relate to national economies.’ Florida et al 2007p.4.



# Mega-Regions and Innovation

- \* ‘Mega-regions are by definition places that claim large populations, large markets, significant economic capacity, substantial innovative ability and highly skilled talent.’ Florida et al, 2007, p.7
- \* **Global Economic Contribution of Mega-Regions** (Florida 2007, p.15)

	Top 10	Top 20	Top 40
% of Global population	6.5 %	10.0%	17.7%
% Global Economic Activity	42.8%	56.6%	66.0%
% Global Patents	56.6%	76.0%	85.6%
% Global Scientific Citations	55.6%	76.5%	88.3%

# Florida et al's Conclusion

- \* 'Mega-regions are a considerable economic force ... They are home to less than 18% of the world's population, yet, they are responsible for 66% of global economic activity and about 85% of technological and scientific innovation.
- \* Our research suggests that geography and location matter a great deal to economic development. While it has been commonplace to argue that advances in transport and communication technology have allowed the world to become "flat" the reality is that both economic activity and innovation remain greatly concentrated.' Florida et al 2007, p.22

# Mega-Regions in Australia

- \* Planning for future economic growth in Australia should be centred around mega-regions comprising well networked cities with a bioregional appreciation of landscapes and ecological environments.
- \* A mega-region is best understood as a large scale hybridization of culture and nature, whereby the ecosystem provides the lineaments of settlement, where productive landscapes are responsibly cultivated and renewable energy is harvested.' Weller and Bolleter (2013, p.156)

## Australia's East Coast Mega-Region

*Made in Australia*, ©

Richard Weller and  
Julian Bolleter 2013,  
p.184

*“All the white light of the  
radiant mega-region is  
ultimately nothing  
without the dark matter  
of the ecosystem” (p.157*

A satellite-style map of Australia's East Coast, showing a dense network of roads and cities. The map is overlaid with a grid of white lines, representing a proposed high-speed rail and broadband network. The text is overlaid on the map in a white box.

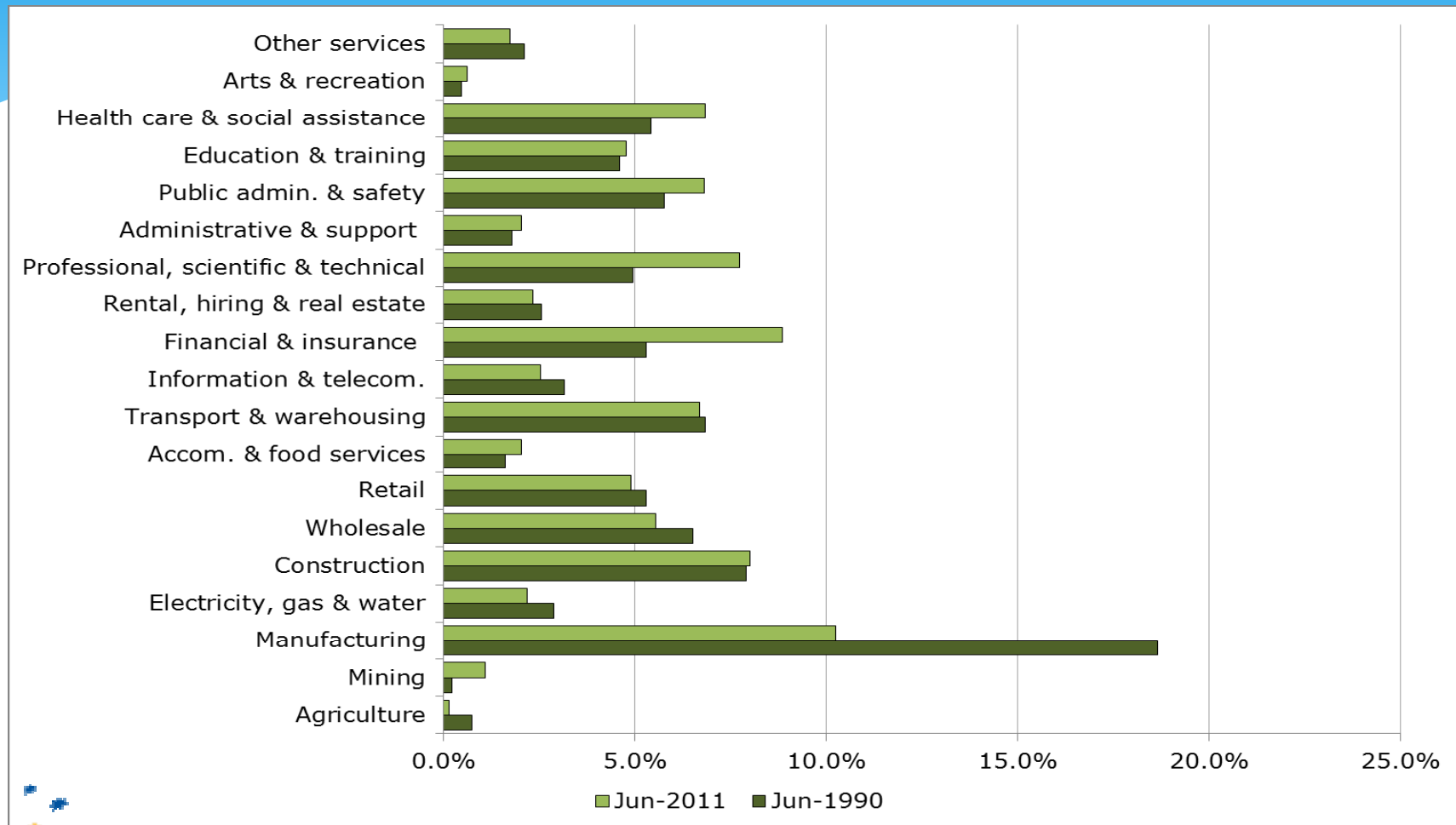
New settlements, developed in association with decentralised employment and connected with high-speed rail and broadband telecommunications, would enable Australia's growing population to literally leapfrog the pitfalls of the megacity and stretch out into megaregions.

# South-East Queensland Mega-Region

- \* South-East Queensland (SEQ) mega-region comprises three main cities:

City	Population	Regional GDP AUD	Percentage of Queensland GDP
Brisbane	2,100,000	\$135 billion	44.7%
Gold Coast	700,000	\$28 billion	9.3%
Sunshine Coast	322,000	\$13 billion	4.3%
<b>Total</b>	<b>3,122,000</b>	<b>\$176 billion</b>	<b>58.3%</b>

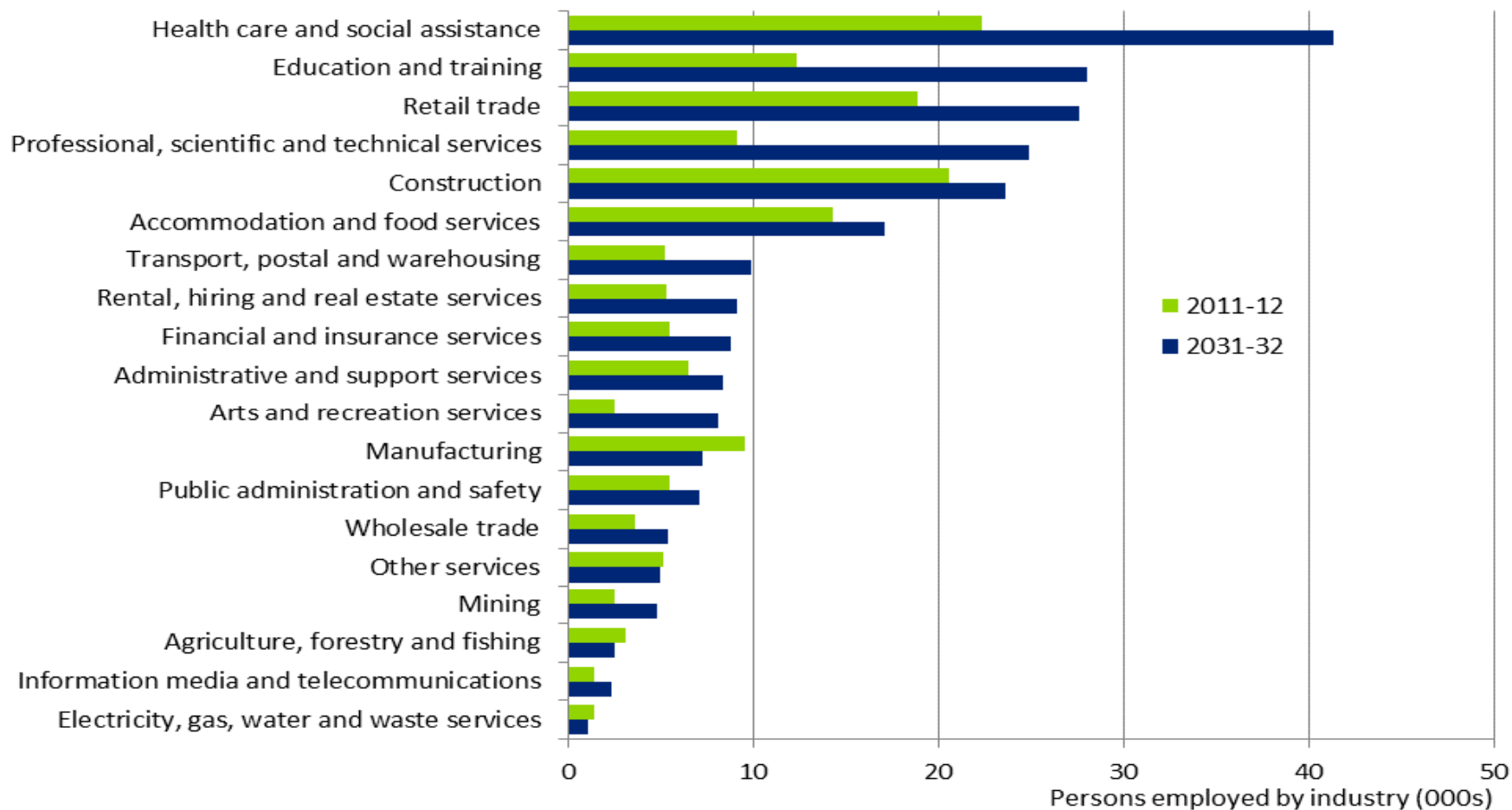
# Brisbane's Industry Structure



# Gold Coast City Economy

- \* Key industry clusters – education, health and medical services, information and communication technology, marine, creative and film industries, sports and tourism
- \* Employment profile – retail trade (13.9%), construction (12.4%), accommodation and food services (10.4%), manufacturing (9.4%), health care and social assistance (9.3), education and training (6.4%), professional scientific and technical services (5.7%)

# Sunshine Coast Industry Structure





# Innovation Policy

- \* Government innovation policy in Australia has historically emphasised the role of universities in stimulating regional economies in two main areas:
  - \* Establishment of new technology / scientific based industries
  - \* Application of research to business process re-engineering
- \* Additional benefits of innovative universities:
  - \* Enhanced regional cultural and social amenity
  - \* Sustainable ecological and environmental solutions
  - \* Improved governance and public policy development

# Entrepreneurship

- \* Development of policies that facilitate the ease of starting new businesses
- \* University and industry programs that focus on the development of entrepreneurial skills and capabilities
- \* Growth of the venture capital industry and other forms of capital raising to support entrepreneurs and high growth industries
- \* Integrate industry, government and professional associations supporting business such as Chambers of Commerce, Tourism Boards, Special Industry Associations, Industry Advisory and Professional Associations, Local Government, University Advisory Boards and Regional Development Australia and related committees

# Transition to Globalization

Current Economy	Globally Linked Economy
Narrow domestic population industry base	High value export oriented industry base
Predominately SME business base	Mix of large and small business
Lifestyle business culture	Growth oriented business culture
Local market consumption focus	Demand driven economy focused on national and global markets
Lifestyle tourism identity	Recognised competitive investment location
Concentration on low value adding employment	Focus on high value employment options
Low retention and attraction rates for skilled workers	High retention and attraction rates for talented and skilled workers
Low community participation in economic development	High community engagement in economic development

# Research Question 1

- \* **How cities and their surrounding geographic regions engage and link with the global economy?**
  - \* Adopt policies that support regional / international market development and export programs
  - \* Develop capabilities for managers to capitalise on export ready businesses and suppliers
  - \* Grow networks to expand trade and investment opportunities
  - \* Apply global competitiveness performance indicators in government assistance programs
  - \* Build special relationships, such as Sister City linkages , driven by industry

# Research Question 2

- \* **How do cities attract globally connected entrepreneurs who have the capability to operationalize opportunities from innovations in products, services, processes to locate in a city / region?**
  - \* Create and maintain an outstanding business culture within the city – a ‘can do’ culture
  - \* Ensure high and improving measures of liveability are achieved within the city through environmental and sustainability measures
  - \* Ensure strategic investment in educational, human capital and creative industries
  - \* Build excellence in health facilities and health enablers such as sport and recreational facilities

# Research Question 3

- \* **How do cities differentiate themselves in terms of economic, social, political and natural environments to generate sustainable competitive advantage in the global economy?**
  - \* Create and market an image based on unique natural, cultural and architectural images
  - \* Develop high quality globally ranked universities that are hubs for innovation, entrepreneurship and creativity
  - \* Build global tourism industries that are recognised for high quality experiences and sustainable industry practices
  - \* Adapt and innovate in response to developments in technology, social norms and cultural developments

# Questions

