THE NEW LOCALISM

@Bruce_Katz
#NewLocalism
Everything has changed
Convergence of global and local

STRUCTURAL EFFECT
A common global system of rules and norms is diminishing the role of nation-states, while enabling sub-national units to express more autonomy.

LEVELING EFFECT
Economic advantages between places are leveling out as a result of technology, capital access, and the diffusion of production.

SPATIAL EFFECT
The global economy is increasingly an urban economy and dominant urban regions comprise the most dynamic parts of the economy of their nations.
Power is shifting: downward from national governments to cities and communities; horizontally from the public sector to networks of public, private and civic actors; and globally along circuits of capital, trade, and innovation.

This new locus of power—this new localism—is emerging by necessity to solve the grand challenges characteristic of modern societies: economic competitiveness, social inclusion and opportunity; a renewed public life; the challenge of diversity; and the imperative of environmental sustainability.
NEW LOCALISM

A governing philosophy and practice for the 21st century.
NEW LOCALISM

Solving hard problems means working in cities.
We need a new set of norms and tools.

- **Growth models** that are innovative, inclusive, and sustainable.
- **Governance structures** that are multi-sectoral and entrepreneurial.
- **Financial tools** that enable cities to raise local revenue and benefit from growth.
Who is inventing the new norms of growth, governance and finance?
Pittsburgh, PA
Pittsburgh 1973
Automation
Advanced Robotics
Autonomous Vehicles
3D Printing
Genomics
The New York Times

No Driver? Bring It On. How Pittsburgh Became Uber’s Testing Ground

By TERRA KERSHAR  SEP 15, 2015

PITTSBURGH -- Any day now, Uber will introduce a fleet of self-driving cars in Pittsburgh, making this former steel town the world’s first city to let any passenger hail an autonomous vehicle.

So with the world watching, what has the city of 300,000 done to prepare for Uber’s unprecedented test? The answer is not much.

There have been no public service announcements or demonstrations of the technology. Except for the mayor and one police official, no other top city leader has seen a self-driving Uber vehicle operate up close.

Whitaker—the fiercely ambitious former marine building a nascent robotics program at Pittsburgh’s Carnegie Mellon University that would become the world’s best—was about to test out the ungainly, joy-stick-guided contraption he had designed with a $1.5 million grant to plumb the deadly terra incognita of the basement in Unit 2, the reactor that had partially melted down four years earlier, neatly setting off a nuclear disaster. He’d built the device over six months with a group of 20-
Lessons from Pittsburgh

“A city must think like a system and act like an entrepreneur.”

- Matthew Taylor, RSA
Lessons from Pittsburgh

“BRAINBELT” DEVELOPMENT
Cities must strengthen multisectoral collaborations and make their innovations visible to the world.

HISTORIC LEGACY
A city must build on its past strengths rather than discarding them.

PHILANTHROPIC INVESTMENT
Investments must be a part of broader political, business, civic, and university alliances.
"[In the 70s] Downtown Indianapolis had become so desolate that men with shotguns hunted pigeons on Sundays among empty buildings and along a trash strewn canal."

- Washington Post, obituary of former Mayor Bill Hudnut, December 20 2016
From Basketball to Biotech: A Governance Process
The Indiana Future Fund
$73 million

The Indiana Seed Fund
$12 million

The Indiana Biosciences Research Institute
$150 million
Lessons from Indianapolis

“Be an ecosystem rather than an ego-system.”

- Chris Cabaldon, Mayor of West Sacramento
Lessons from Indianapolis

**MECHANICS OF COLLABORATION**

Leaders meet to decide rather than meet to discuss. Formal structures can enable collaboration.

**MULTIPLE GEOGRAPHIC LEVELS**

Governance networks can operate at the regional, metropolitan, city, greater downtown, and district levels.

**ORGANIZE PRIVATE AND CIVIC WEALTH**

Dedicate new capital and investments toward innovation and placemaking.
Copenhagen, Denmark
Population: 600,000+ in the municipality, 2 million+ in the metro area

Global leader in sustainability

Nearly 50% bike to work or school

Decentralized governance
Over 60% of spending is by local governments
Mid 1980s

17.5% unemployment

$750 million annual budget deficit

An historic alliance was formed in the early 90s: leaders from two political parties sought to develop idle land, regenerate the city, and finance new infrastructure through a publicly-owned, privately managed corporation.
Reclaiming Public Wealth

THE PREDECESSOR COMPANIES

Ørestad Development Corporation
Port of Copenhagen Ltd.

OWNERS

The State of Denmark
The City of Copenhagen

MERGED COMPANY

CPH City & Port Development Corporation
Reclaiming Public Wealth
Reclaiming Public Wealth

Complete metro system, with in-progress city circle metro line
Lessons from Copenhagen

“We are not here for a quick fix: We are here for the long haul.”

- Jens Kramer Mikkelsen, CEO, Copenhagen City & Port Development
Lessons from Copenhagen

TRANSPARENCY

Public ownership should be made apparent. Cities must know what they own as well as what they owe.

MERGED PUBLIC ENTITIES

Public assets should be aligned and merged so their value can be leveraged for public good.

PUBLIC/PRIVATE MANAGEMENT MODEL

Hybrid institutions can combine the efficiency of market discipline with the benefits of public direction and legitimacy.
Towards a nation of problem solvers
For every Pittsburgh, there are dozens of cities subsidizing consumption rather than investing in innovation.
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For every Indianapolis, there are hundreds of cities where collaboration is informal, unstructured and underfunded.
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For every Copenhagen, there are thousands of cities leaving the value of their public wealth on the table.
WHAT’S YOUR EDGE?
Identify your place in the new economy.

WHO’S IN CHARGE?
Define the leaders who make up your network.

WHERE’S YOUR POWER?
Audit and stress-test your local institutions.
For New Localism to thrive, we need to get serious about building a **new class of city and metropolitan leaders** and establishing new institutions in our communities that enable leaders to flourish. We have no other choice.