Competitiveness of cities/regions

“...competitiveness [of a country] depends on the capacity of its industries to innovate and upgrade”

(Michael Porter)

The key question is not “who wins?”
but “what capacities allow a city to renew itself?”

Competitive advantage

- The resources and competencies are...
  - valuable in enabling actors to exploit opportunities and neutralize threats
  - rare among the present or potential competitors
  - costly to imitate
  - without close strategic substitutes

Soft factors
- Networks, human skills, etc.

Hard factors
- Roads, airports, telecommunication infra, etc.

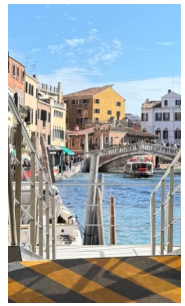
What makes a city competitive?

Competitiveness emerges from a system of mutually reinforcing assets and capabilities.

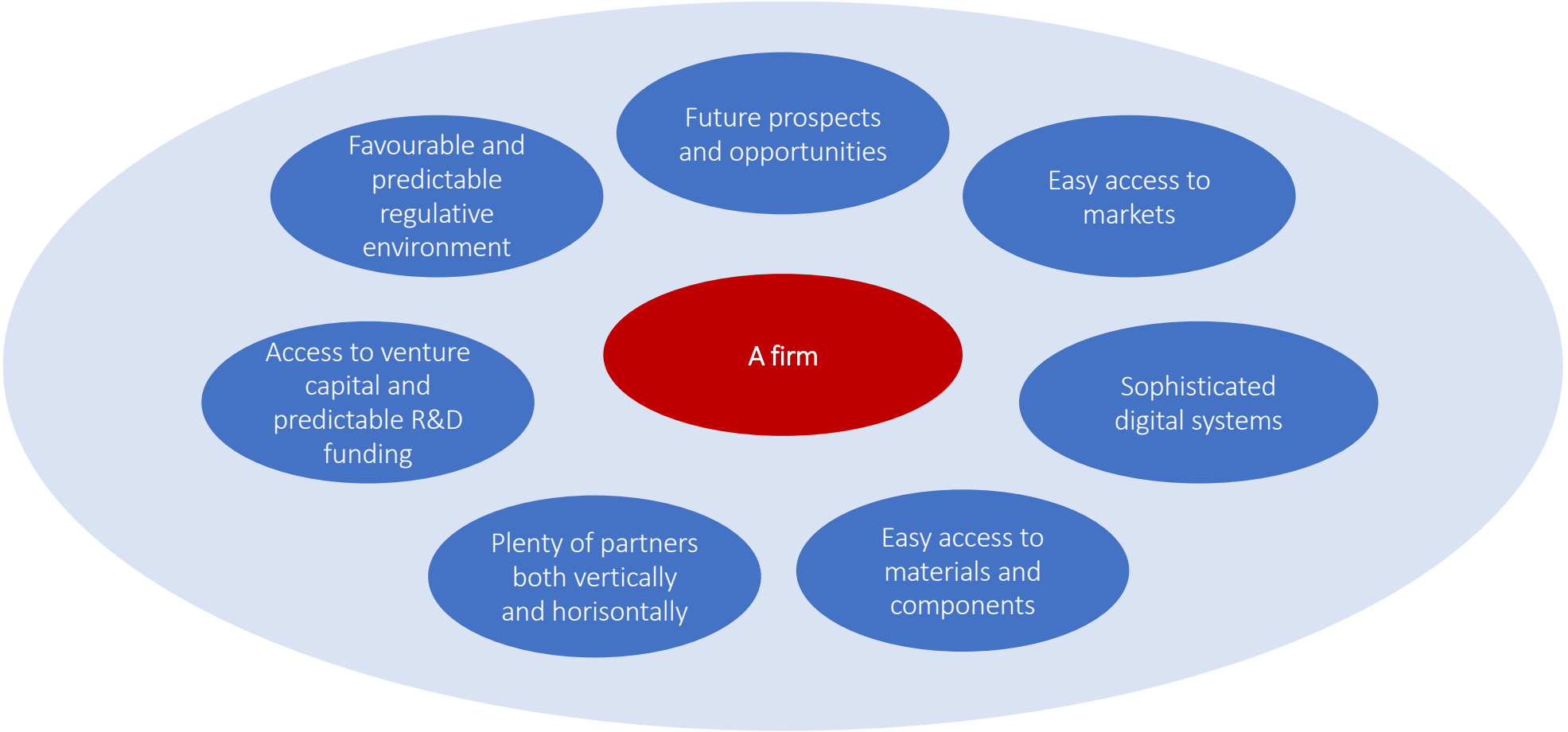
Productive economy	Specialisations, entrepreneurial dynamism and the capacity of existing firms to upgrade and diversify.
Talent & innovation	Skills, universities, research, learning networks and the attraction and retention of people.
Urban platform	Accessible land, housing, mobility, digital systems and reliable public services.
Institutions & agency	Strategic coordination, governance quality and the ability to mobilise public, private and civic actors.







Regional competitive advantage from a firm perspective (Ormala 2019)



Competitiveness is being redefined

The agenda is shifting from narrow policies towards adaptive and sustainable urban/regional capacity



From		To
Cost advantages	→	Distinctive capabilities
Flagship projects	→	Connected portfolios
Mobile investment	→	Embedded ecosystems
Growth alone	→	Sustainability + inclusion
Efficiency	→	Strategic adaptation
City boundaries	→	Functional networks

Competitive advantage increasingly depends on the capacity to recombine assets under changing conditions.

OECD (2025), Place-Based Policies for the Future; World Bank (2026), Competitive and Livable Cities.

STRATEGIC IMPLICATION

Build the capacity to renew

A city strategy should connect diagnosis, choice, mobilisation and learning rather than assemble disconnected projects.

DIAGNOSE

Identify bottlenecks, distinctive assets and external dependencies.

FOCUS

Choose a limited number of opportunity domains where a city/region can be credible.

MOBILISE

Align firms, universities, government and communities around investable portfolios.

LEARN

Track outcomes, adapt interventions and withdraw from projects that do not build capacity.






WIRED
FEBRUARY 2004 HELP WANTED
Kiss Your Cubicle Good-Bye
THE NEW FACE OF THE SILICON AGE
Tech jobs are fleeing to India faster than ever. You got a problem with that?

2004

’A Flowing World’

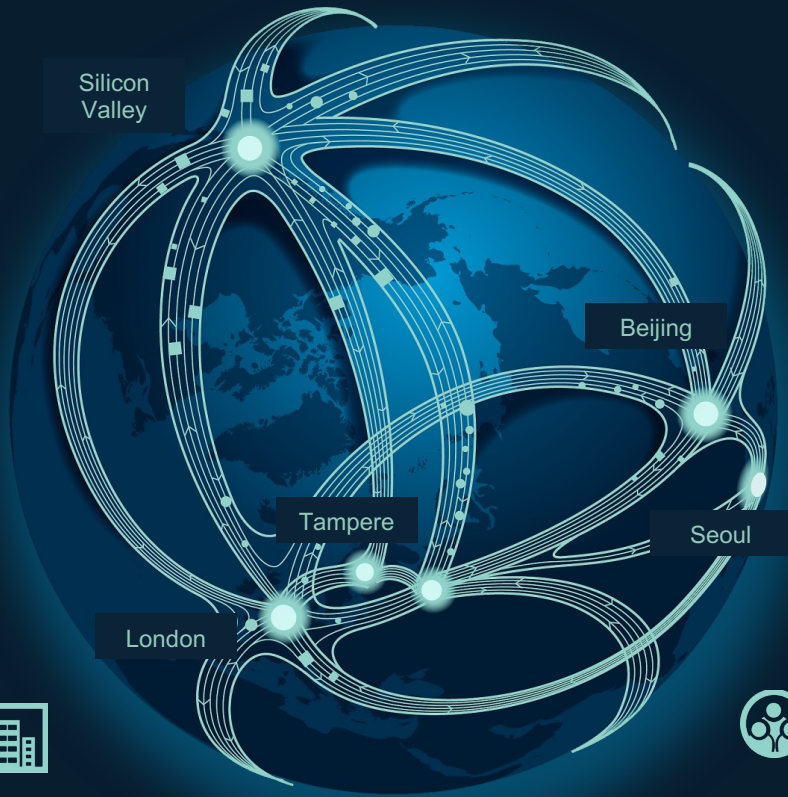
FLOWS IN FLESH

EXPERTS

STUDENTS

TOURISTS

FIRMS AND THEIR FUNCTIONS



VIRTUAL FLOWS

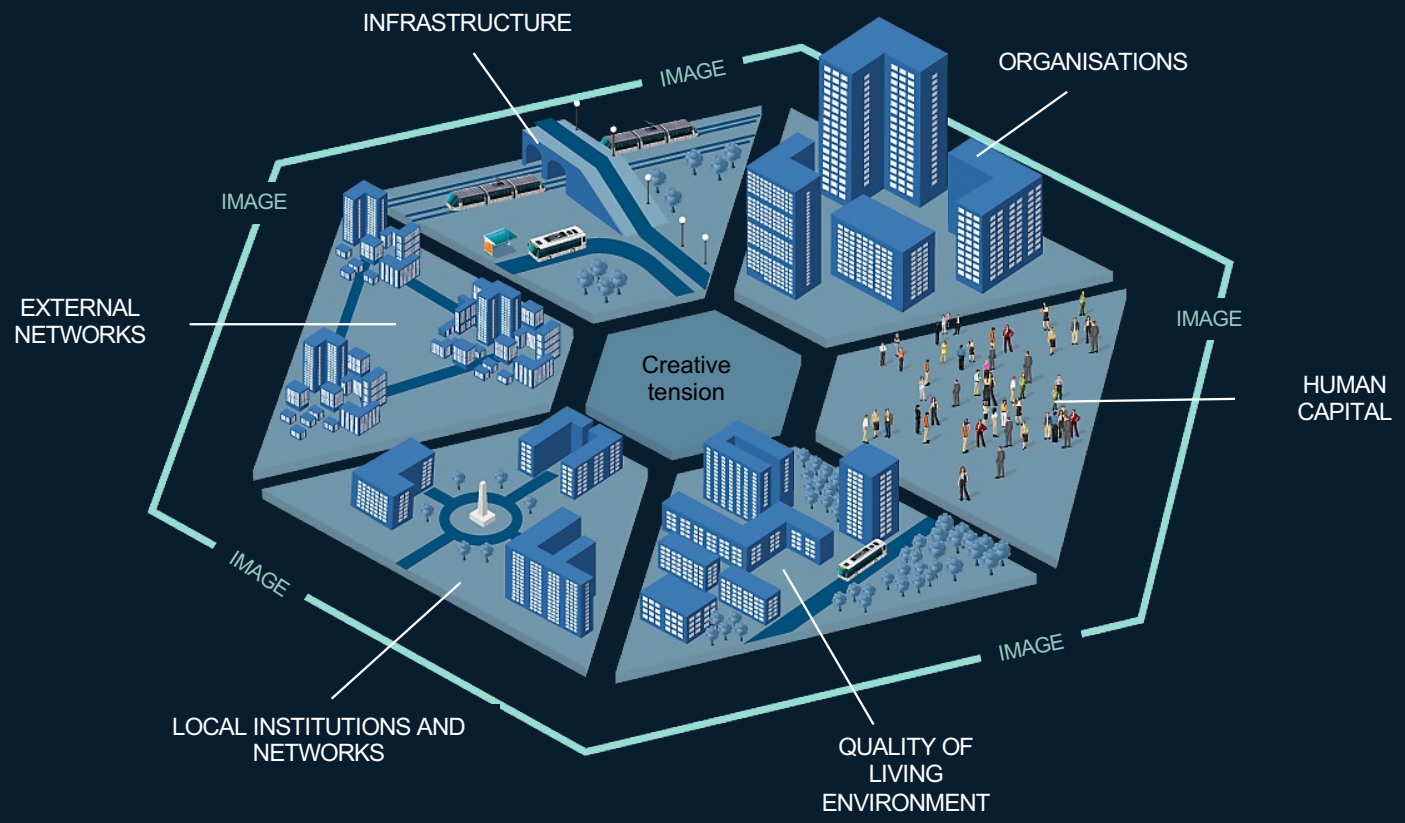
CAPITAL

TECHNOLOGICAL AND BUSINESS INFORMATION

CULTURAL CONTENTS

Basic elements of urban competitiveness

(Linnamaa & Sotarauta 2001)



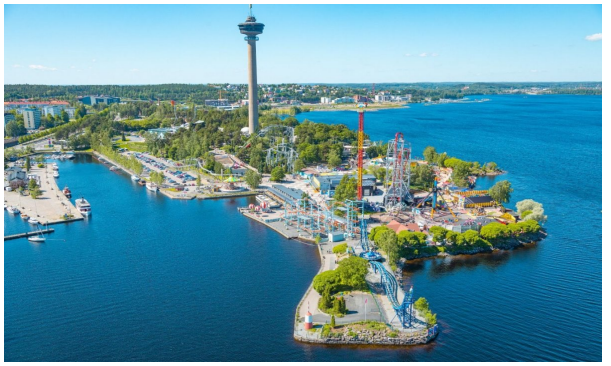
Main industries in Tampere

- Technology (appr. 7,8 mrd)
  - Sandvik Mining, Nokia Solutions and Networks, Valmet Technologies, Garcotech Finland (also software and imaging)
- Wholesale (appr. 8 mrd.)
  - Tamro, Santen, F9 Distribution, etc.
- Business Services (appr. 4,6 mrd)
  - Pohjola Insurance, Adecco Finland, Ramboll Finland, etc.
- Forest-based (appr. 2,6 mrd)
  - UPM, Metsä Tissue, Metsä Board, etc.
- Chemicals, rubber, plastics (appr. 2 mrd)
  - Nokian Tyres, Molok, Kiilto, etc.
- Experience economy (appr. 2,0 mrd.)
  - Amusement Park, YLE Mediapolis, Nokia Arena, theatres, Tampere Hall, etc.









(Source: https://pirkanmaantalous.fi)

Case Tampere - History

Founded in 1779 – as a free city (a special economic zone)

- Slow start but foreign capital and entrepreneurs made the difference

- The charter granted several special privileges (Gustaf III)
  - Mostly lowered taxation but also liberation from guild regulations
  - Not much small enterprises but growth by big industry (late 19th century)

- Russia occupied Finland in 1809
  - Finland became a Grand Duchy of Russia with the Swedish legislation and other institutions
  - Alexander I reinforced the privileges of the city of Tampere (freedom of enterprise)





Trivia

- Tampere and Finlayson among the first to have electric light in Europex (1882)
  - Carl Nottbeck - the son of the factory owner - worked as an engineer in Edison's laboratories in New York.
- Lenin and Stalin met for the first time at the Russian Social Democratic Labour Party's conference in Tampere worker's hall
- The textile industry emerged as part of an international cotton empire, led from Liverpool.



