ECONSTOR
Make Your Publications Visible.

A Service of

ZBW Leibniz-Informationszentrum Wirtschaft
Leibniz Information Centre for Economics

Poreisz, Veronika; Rámháp, Szabolcs

Conference Paper

Global cities' Competitiveness factors among the Asian countries

54th Congress of the European Regional Science Association: "Regional development & globalisation: Best practices", 26-29 August 2014, St. Petersburg, Russia

Provided in Cooperation with:
European Regional Science Association (ERSA)

Suggested Citation: Poreisz, Veronika; Rámháp, Szabolcs (2014) : Global cities' Competitiveness factors among the Asian countries, 54th Congress of the European Regional Science Association: "Regional development & globalisation: Best practices", 26-29 August 2014, St. Petersburg, Russia, European Regional Science Association (ERSA), Louvain-la-Neuve

This Version is available at:
https://hdl.handle.net/10419/124257

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

WWW.ECONSTOR.EU

Mitglied der Leibniz-Gemeinschaft

Veronika Poreisz[1] – Szabolcs Rámháp[2]

GLOBAL CITIES' COMPETITIVENESS FACTORS AMONG THE ASIAN COUNTRIES

Abstract

This article identifies the factors of competitiveness of global cities, focusing on Asian countries. First, it describes the importance of global cities in the economy, particularly those competiveness factors, which are originated from spatial concentration and can be implemented in the development strategy, or considering the negative externalities, which should be avoided or at least handle them to reach sustainability. In the next phase, we outline the various methodologies that are applied for measuring competitiveness. The third part of the study covers the detailed description of the competitive characteristics of Asian global cities. We focus on the globalization, the economic growth and competitiveness and also mention key factors, like tourism.

Historically cities have always played a determining role in the economy of a country and they do the same in nowadays society. The world population in cities keeps on growing, the metropolis areas have become the centers of innovation and development, therefore their analysis is necessary. Regional economics has been dealing with the question of cities for a long time, which has become an emphasized research field. The focus is on the spatial concentration, their integrated economy, the capital and the information. The economic mainstream, is represented by Krugman, stresses the space as a starting point of thinking. According to their views, the clusterisation of big cities is not only a reason but an output of certain processes, as the spatial concentration of economy has become a thesis by now. In our century, a determining part of the population is townsman where the service sector is dominant. The concentration of consumer – and labor market can be experienced in megacities: the local extern effects generate economic advantages, while the transportation costs shrink. The competition between cities has become fierce: the biggest cities try to attract transnational companies and FDI. A complex analysis of the competitiveness of cities

[1] Ph.D. Student, Széchenyi István University, Doctoral School of Regional-and Economic Sciences, Hungary, 9026 Győr, Egyetem tér 1., poreisz@sze.hu

[2] Ph.D. Student, Széchenyi István University, Doctoral School of Regional-and Economic Sciences, Hungary, 9026 Győr, Egyetem tér 1., ramhap@sze.hu

contributes to the establishment of economic, social and environmental sustainability. The economic relations are mostly ruled by TNCs, the cash flow is concentrated mostly in the biggest cities. As there is a pattern of global cities, the network of cities has divided into two parts: the global cities spatial relations are integrated into the world economy and loose contact with the local and traditional smaller cities in their region. The smaller cities tend to be smaller, they are out of the economic circulation, and they are endangered by depletion. This road leads to social and economic inequality, the differences between the cities in and out of the global network grows dramatically. The goal of our study is to describe the various methodologies applied for measuring competitiveness, and to bring awareness to the challenges of the near-future caused by the developing, emerging Asian cities.

Theoretical background of urban competitiveness

Transnational companies benefit technological, capital and management advantages from global activities in order to maximize their revenues. Globalization process forms the world economy and the international flow of capital and labour force. Beside the disproportion of economic activities there is a trend of centralization of resources among the largest metropolitan areas like New York, London and Tokyo (Shen, 2004). Nowadays, in our globalizing world, networks broadcast information; they are economic centers and providers of cultural designs. The central places and leaders of those networks are the global cities. According to Faragó (2010) in the economically most developed regions, metropolitan cities have integrated even more areas into their city regions and formed the society and economy. Those metropolitan areas are the centers of current globalizing process, they often constitute networks and sustain more intensive contact with each other instead of the physically nearest developing and peripheral settlements (Faragó, 2010). It is necessary to distinguish metropolis and global city because the first merely refers to large number of inhabitants and the second includes global central function and international capital flow node. They have political and cultural word wide effect, developed infrastructure, the business concentrate there and they became important tourism destination (Pál V. – Boros L. 2010).

Competitiveness of cities partly came from spatial concentration, cities take advantages from agglomeration due to develop, grow and enhance economic role. One of the key factors of competitiveness is avoiding unfavourable externalities, originated locally. Positive and negative externalities differ by effect on stakeholders, advantages (agglomeration effect, favourable spatial location) or disadvantages (harmful ecological influence and

contamination) are distinguished. Positive externalities are classified in specialization of local suppliers, stabilization of local labour force, technical knowledge spillovers and modern infrastructure. In regional science, the externalities correlate significantly with agglomeration advantages. The definition of agglomeration came from Weber, it means the spatial density of economic activities near to each other. Agglomeration yield means the cost or labour force based on savings and other economic advantages, like synergy (Lengyel – Rechnitzer, 2004). Isard (1956, 1975) classified agglomeration advantages in three main groups:

- Corporate advantages: large sized companies operate in one point due to faster information flow and knowledge transfer. They take advantages from economics of scale.
- Advantages of localization: spatial density of companies in one given industry. It is not correlated with city size, yield is provided by spatial concentration and relationships between companies, effectiveness develops due to specialization, the costs decrease among similar inputs. These advantages are industry specific.
- Advantages of urbanization: more industry can be concentrated spatially and heterogeneous activities can be operated economically effectively. Advantages originate from city size and number of inhabitants, economic activities impact on each other and it all proved cost savings. Disadvantages of urbanization, for example pollution and congestion appear above certain large city size.

Porter (2000) apply other classification, he distinguish static and dynamic agglomeration advantages.

- Static agglomeration advantages, satisfactory number of consumers, adequate size of labour market, special infrastructure and industrial services are appropriate for cost cutting.

- Dynamic agglomeration advantages origin from technical knowledge spillovers. Innovation benefits and R&D cooperation provide opportunities of product differentiation (Lengyel – Rechnitzer, 2004).

We can determine that urbanization is associated with positive and negative externalities. First of all, benefits came from economic of scale and from spatial concentration of economic activities. The labour market became specialized and companies benefit from the increasing basis of customers due to larger number of inhabitants. Concentration of companies in cities can lead to evolving of industrial cluster, the connections among actors can be strength and through the exploitation of innovation and knowledge spillovers not only the competitiveness of companies, but also through the competitiveness of cities, the regional competitiveness can

increase. All of the actors in the market have a common interest in avoiding negative externalities. Reducing harmful environmental impacts, contamination, air and noise pollution depend on so called "green" attitude and government's regulations and actions. Millions of people crowded in a quiet small area, making challenge for leader of the cities and governance especially in issues of infrastructure, public health, public transport. If cities would like to operate as centers of economic growth instead of crime and diseases, they have to construct suitable policies as at city level as well at regional level in order to handle with challenges of high population density (Glaeser, 2012).

Success and ability of capital attraction of global cities depends on effective governance, policies and competitiveness and its maintenance. Companies take advantages from urbanization in four main areas. Cities would like to try them to grab and attract companies (Shen, 2004):

- Resources and its costs: Prices of products are determined mainly of prices of resources, for example the cost of labour force and properties.
- External environmental effects: Quality of physical environment, urban infrastructure and industrial clusters are local specialized external factors for companies and play important role of improving competitiveness of cities.
- Urban governance: It has significant role not only for companies (regularize their operation) but also for cities (image, competiveness) and inhabitants too.
- Politics, government and norms of national level impact on foreign direct investments and commercial agreements.

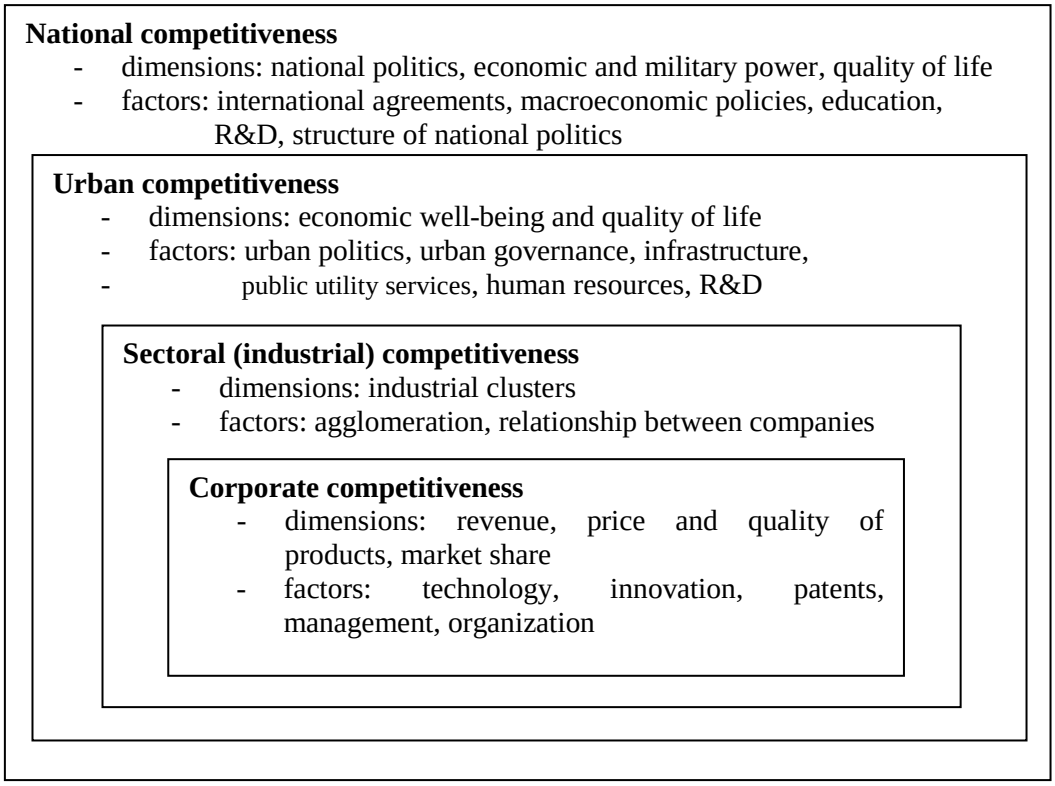
According to Porter (2000) and Hungarian researchers (Lengyel – Rechnitzer, 2004), spatial concentration provide advantages in several levels, national, regional and urban one and can lead to evolving industrial clusters.

Theoretical background of investigating competitiveness is wide ranged; lot of studies researched this topic. The purpose of this paper is to present some previous researches and results without attempting to be comprehensive. According to Kresl (1995) the determined factors of competitiveness of cities are as follows: high qualified labour force and high salaries, sustainability in production, attractive product, and economic growth tend to whole employment and cities have to define their future activities and enhance the position in hierarchy. He said competitiveness based on two main components, economic (production and infrastructure) and strategic determinant (policies, institute designs).

Jensen – Butler (1997) presented that the competitiveness of cities depends on their rank in national and international hierarchy, the infrastructure of public services (transport,

communication service, electricity service, water service and sewage-disposal), the efficiency of local governance, the level of R&D activities, education and are influenced significantly by human resources. Shen (2004) summarized the determinant factors and dimensions of competitiveness on different spatial levels, like national, urban, sectoral and corporate one.

Figure 1. Factors and dimensions of competitiveness on different spatial levels



Source: Shen (2004) p. 24

The four spatial levels (Figure 1) connect strongly with each other, the larger levels, like national level, includes smaller ones. In addition, Shen ascertained that in some cases the company's need of competitiveness is in contrast to the interest of nations or the city. For example, the decrease of salaries or moderate of prescription enhance the competitiveness of a company, although it reduces the citizen's quality of life or well-being (Shen, 2004). In this situation, governance has an important regulative role in order to avoid negative externalities affected on inhabitants. It is necessary to take into consideration the equilibrium of aims and interests because on the one hand competitiveness of cities can be improved with attracting companies and on the other hand disagreement can come about citizens and companies, though quality of inhabitants life is a factor of enhancing competitiveness. Researchers have used wide range of measuring methods to investigate urban competitiveness. The

classifications of indicators usually based on distinguish economical and social factors (Szirmai, 2009), in addition the discrimination of environmental factors is frequent (So – Shen, 2004) and several studies focus on a special topic like measuring innovation skills (Grosz – Rechnitzer, 2009).

Table 1. Indicator system for measuring urban competitiveness

Main indicators	Indicators
Economic competitiveness	Growth of urban economic capacity
	Economic performance
	Economic structure
Social competitiveness	Urban development
	Education and training
	Social safety
	Quality of life
	Efficiency of governance
Environmental competitiveness	Waste management
	Environmental factors

Source: So – Shen (2004) p. 75.

For investigating urban competitiveness researchers should not ignore spatial levels (national, regional, urban and corporate) and should try to choose indicators from wide range (economic, social and cultural) in order to get a whole picture of the city. Indicators used for measuring competitiveness of global cities are suitable for measuring competitiveness of smaller settlements or vice versa considering for ranking in global hierarchy. This study agrees with Faragó (2010, 436): "Some settlements' and regions' status quo, level and development, during the historical evolving achieved, not exactly predestinates but determines their future opportunities." Global cities are worth to compare with each other, however, comparing cities at national or regional level is a frequent used method. In this case, more likely the largest cities (mainly the capital city) will be on the top of ranking lists. Therefore, we can say those cities are outstanding of their national city structure and network.

Competitiveness of Asian cities

Asian-pacific region have been again in the middle of global attention, in addition cities have had an important role in facilitate the transition. Most of the cities with more than 10 million inhabitants are located in this region including Tokyo and Mumbai. Asian global cities are remarkable not only by their population but also by their economic power. Tokyo, Hong-Kong and Singapore are financially the most significant cities in the region and the largest international companies' headquarters are located there. Asian global cities have been

growing in enormous pace, beside the high level of natural birth rate the emigration from rural to urban regions explains the high level and density of urban population. There are three main factors which have led to transition: globalization and foreign investments, urbanization connected to rural emigration and decentralization. Social polarization, urban conflicts, rapid growth, lack of livability, contamination of environment and diseases comes together with transition and make challenges. Foreign direct investments are key factors of globalization and contribute to improve competitiveness. Asian developing cities have taken advantages of globalizations benefits in order to enhance economic and political power. Agencies and international organizations have had an important role in supporting development, beside governmental resources, the World Bank and the Asian Development Bank have helped to accomplish infrastructural investments. Other key factor of competitiveness is the urban governance, the leaders of Asian cities seems to be entrepreneurial. They make efforts and are proactive in advertising the city in order to improve competitiveness and attract companies. Hosting an international event is a popular way to increase competitiveness. For instance, Sydney, Seoul and Peking have shown that urban infrastructure and city marketing could be improved by hosting Olympic Games (Shiuh-Shen Chien, 2011).

Benchmarking is the most popular method of research institutes and professionals to investigate cities' competitiveness. There are a wide range of indexes and ranking methods for comparing cities to each other. Florida (2012) compared in a paper of "The Atlantic" journal the most important indexes of ranking global cities.

Table 2: Ranks of global cities

Rank	Global Economic Power Index (Martin Prosperity Institute)	Global City Competiveness Index (The Economist)	Global Cities Index (AT Kearney)	Global Financial Centers Index	Global City GDP 2025 (McKinsey Global Institute	Summary of Ranks
1.	*Tokyo*	New York	New York	London	New York	New York
2.	New York	London	London	New York	*Tokyo*	London
3.	London	*Singapore*	Paris	*Hong Kong*	*Shanghai*	*Tokyo*
4.	Chicago	Paris	*Tokyo*	*Singapore*	London	Paris, *Hong Kong*
5.	Paris	*Hong Kong*	*Hong Kong*	*Tokyo*	*Beijing*	
6.	Boston	*Tokyo*	Los Angeles	Zurich	Los Angeles	Chicago
7.	*Hong Kong*	Zurich	Chicago	Chicago	Paris	*Singapore*
8.	*Osaka*	Washington DC.	*Seoul*	*Shanghai*	Chicago	*Shanghai*
9.	Washington DC.	Chicago	Brussels	*Seoul*	Rhine-Ruhr	Los Angeles
10.	*Seoul*	Boston	Washington DC.	Toronto	*Shenzen*	Zurich

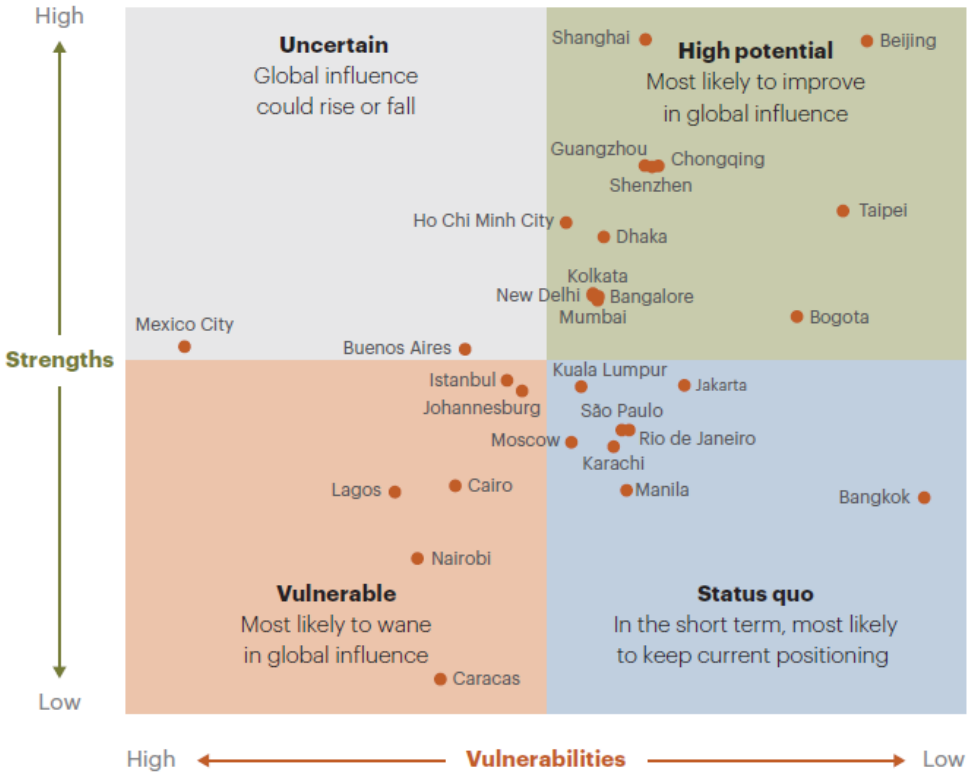
Source: Florida, R. 2012

The *Global Economic Power Index* of Martin Prosperity Institute uses economic input, number of patents and the performance of financial sector to calculate competitiveness. According to this index, an Asian city, Tokyo is on the top and three additional are in top 10. The Economists *Global City Competiveness Index* includes 31 indicators inter alia indexes of economic performance, human resources, social and cultural traits and environmental issues. They top 10 includes three Asian cities (Tokyo, Hong Kong and Seoul). AT Kearney's *Global Cities Index* investigates business activity, human resources, information flow, culture and politics to rank cities. They measure business activity with number global companies' headquarters, number of largest service providers' organizations, value of financial market, number of international conferences and the volume of trade at ports and airports. Business activity factor is 30 % of the dimensions. Human resources index, 30 % from total too, includes the number of not in the city born people, quality of universities, number of international education institutions, number of international students and the rate of higher educated inhabitants. Information share factor focuses on information flow and communication and run to 15 % of total. It includes the number of TV Channels connections, use of internet, number of international communication companies, volume of censure and number of internet subscribers. Cultural experience factor presents 15 % of the whole index and consists of number of main sport events, museums, art programs, gastro programs, international tourists and amount of twin-city connections. Political factor shows with 10 % the number of consultants, main political structure, connections between international organizations and local institutes' international relations and number of political conferences (AT Kearney 2012). From Asian cities Tokyo, Hong Kong and Seoul reached top 10 last time. The Global Financial Centres Index investigates the power of financial and bank sector, they are mentioned in top 10 Shanghai and Singapore beside the Hong Kong, Tokyo and Seoul triad. McKinsey's *Global City GDP 2025* index measures the future output of cities for 2025 and ranks by GDP. Peking and the dynamical developing Shenzen reached their top 10. We can see from the summary column that New York has the highest position following by London and in the third place is an Asian City, Tokyo. Table 2 shows the rising importance of Asian global cities (Florida, 2012).

Developing cities, as economic and social integration, have received an opportunity to further growth and acquire economic power. Taking advantages from communication and benefits of developing information technologies, beside the increase of labour force and mobility of capital, several cities have a chance to reach the top, though some moderate competitive cities may drop behind. AT Kearney's *Emerging Cities Outlook* study

investigates developing, ambitious cities. The study focuses on two main factors, strengths and vulnerability and includes lot of Asian cities. Strengths factor consists of GDP growth rate, growth rate of middle class, infrastructural investments and economic and business developments. The vulnerability factor includes the increase of pollution, the decline of stability, growth of corruption and declension of health care.

Table 2: Classifying of emerging cities



Sourse: AT Kearney 2012 Global Cities Index and Emerging Cities Outlook, p 6.

Table 2 shows the classifying of emerging cities among strengths and vulnerability dimensions. They identified four groups:

- Vulnerable: High rate of vulnerability, low level of strength index. Their global importance will more likely decrease. The mentioned Asian city is Istanbul, but it produce more moderate than lower level in the indexes so it does not belong clearly to lagging cities.
- Status quo: Low vulnerability and low level of strength. They will more likely keep their positions. Asian city, Bangkok highlights with salient low level of vulnerability. Other Asian cities in this group are Kuala Lumpur, Karachi, Moscow and Manila.
- Uncertain: High level of vulnerability and strength. It is hard to deicide this cities developing ways. No Asian cities are mentioned.

- High Potential: High level of strength with low level of vulnerability. They will more likely enhance their global importance. There is a significant highlight of Peking with the best scores. Shanghai is ranked on the top in strengths factor, in addition Taipei and Bogota have low vulnerability factor. Chinese cities Chongquing, Guangzhou, Shenzen are mentioned with similar scores in high potentials. Indian cities Kolkota, New Delhi and Mumbai make a cluster with similar values.

Chinese cities become even more powerful due to expanding economy, increase of middle class and infrastructural developments. Chinese cities will more likely reach the top of the Global Cities Index and their largest challenge is the contamination. Rate of economic potential is high in Indian cities too, they present balanced values at strengths and vulnerability, although their ranks are below of chines cities'. In the future they will probably increase the ranks on benchmarking lists but at moderate level (AT Kearney, 2012).

Hu, R. – Blakely, E. J. – Zhou, Y. (2013) compared Sydney and Melbourne Australian cities to other global cities by their competitiveness. They investigated economic and other factors to measure the global status of Australian cities because literature more frequent focuses on American, European and Asian global cities. Firstly, they created in the research from theoretical review the model of urban competitiveness, consisted of 6 main indicators, each included three additional sub-indicators. They measured not only business environment but also government, sustainability, livability, connections and culture too.

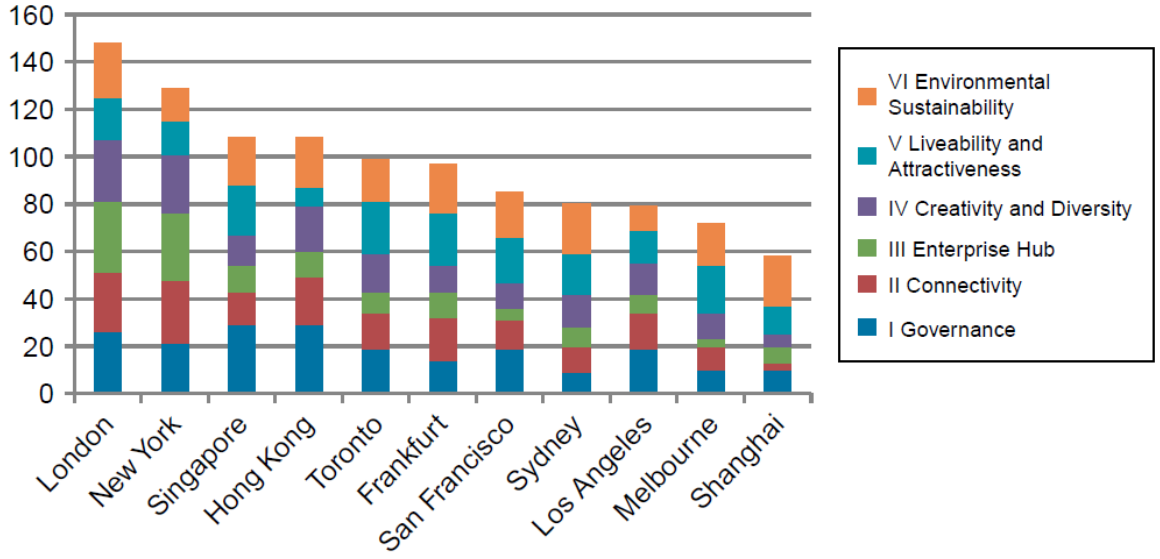
Table 3: The model of urban competitiveness

Urban competitiveness	
Governance	Entrepreneur friendly government
	Structure
	Governmental innovation
Environmental sustainability	Air quality
	Energy consumption
	Number of cars
Enterprise Hub	Global service providers
	Cashflow
	Culture as industry
Connectivity and Diversity	Physical connectivity
	Virtual connectivity
	Tube system
Creativity	Innovation capacity
	World-class universities
	Cosmopolitism
Livability and attractiveness	Cost of living
	Health care
	International tourists

Sourse: Hu, R. – Blakely, E. J. – Zhou, Y. (2013)

In the study they assigned 9 additional cities to involve to the benchmarking by the following points of view: leader global cities (London, New York), representative global cities from North-America and Europe (Toronto, Frankfurt), competitor pacific global cities (San Francisco, Los Angeles, Hong Kong, Singapore and Shanghai). After data collections they standardized the design, the highest levels went to mark 10 and the lowest were marked by value 1. The intermediate cities were scaled by their ranks in order to ensure comparativeness in the process.

Figure 3: Comparing Sydney and Melbourne to competitors



Forrás: *Hu, R. – Blakely, E. J. – Zhou, Y. 2013. p. 9.*

Table 3 shows results of benchmarking. Sydney and Melbourne reached similar values most of the dimensions and are located in the second half of the cities. Melbourne overtook just Shanghai, the top ranks of London and New York are not surprising results. On the third place are Singapore and Shanghai with similar values. This fact confirms other studies because those cities are the most important and developed in the world. Australian cities have to develop their indexes in entrepreneurial factor and governance factor. Those two dimensions are strongly correlated with each other, suitable governance is needed to improve urban competitiveness, promote the region and attract foreign direct investments.

The MasterCard's Global Destination Cities Index investigates and ranks the largest tourism destinations by international overnight stays. Bangkok has led the list since 2010. Tourists spent 15.98 million overnight stays, this value is by 200 000 more than London in the second place. Visitors spent almost 14 million overnight stays, on the fourth place is Singapore with the amount of 11.75 million and overtook a little New York (11.52 million

overnight stays). Tourists stayed in Istanbul and Dubai almost 10 million overnight followed by 9.2 million Kuala Lumpur and by 8.72 million Hong Kong. Seoul, Shanghai, Tokyo, Taipei and Riyadh are represented in the top 20. The quality and frequency of flights to Middle- and East Asian cities increase, the number of air connections grows faster than in America. This fact is proved, 12 Asian destinations are in the top 20 in 2013 (Hedrick-Wong – Choog, 2013).

Innovation Cities Index investigates the innovation potential of metropolises, have been calculated in every year since 2007.

Table 4: Innovation Cities Index

	2010	**2011**	**2012/13**
1	Hong Kong	*Hong Kong*	*Hong Kong*
2	Melbourne	*Melbourne*	*Melbourne*
3	Tokyo	*Sydney*	*Sydney*
4	Kyoto	Tokyo	*Seoul*
5	Shanghai	*Shanghai*	Tokyo
6	Seoul	*Singapore*	Shanghai
7	Sydney	Seoul	Singapore
8	Singapore	Kyoto	*Kyoto*
9	Wellington	*Osaka*	*Osaka*
10	Auckland	*Peking*	*Peking*
11	Fukoaka	Wellington	*Kuala Lumpur*
12	Peking	Fukuoka	*Shenzhen*
13	Kobe	*Kuala Lumpur*	*Kobe*
14	Osaka	Auckland	*Brisbane*
15	Kuala Lumpur	Kobe	Auckland
16	Mumbai	*Shenzen*	*Taipei*
17	Adelaine	*Taipei*	*Bangkok*
18	Bangalore	*Bangkok*	*Mumbai*
19	Delhi	Adelaide	Fukuoka
20	Shenzen	Mumbai	Wellington

Source: Innovation Cities Program http://www.innovation-cities.com

From 2010 to nowadays Hong Kong has been stayed on the first place on the list followed by Melbourne. This index proves that Australian cities are in the top 20, they are not less developed that other global cities in factor innovation potential. In table 3 italic styled highlight of cities shows which could maintain or improve the rank compared to the previous year. The top have remained steady, Japanese cities have stabilized their strong position. The innovation potential of Kuala Lumpur, Shenzen, Taipei and Bangkok sharply increase.

As conclusion, we can say that there are wide range of indexes to measure urban competitiveness, the approaches differs from tourism and innovation potential to complex indexes. Beside the most powerful global cities, London, New York and Tokyo emerge the economic and social importance of Asian cities. It is a compelling question to ascertain what

strengths, potentials or vulnerabilities have those cities in order to avoid negative externalities.

Sustainable development requires solutions for three main challenges. Firstly, they have to face in negative externalities from high level urbanization caused, for instance overpopulation, low living standard, unemployment, crowded transportation and contamination. Asian-pacific cities have acquired a significant amount of capital and income, those resources would be able to support sustainability and liveability. The second main challenge originates from disagreements based on historical habits and ethnical diversity. The third large challenge is the environment. Floods have become more frequent because of the emerging sea level effect of climate change. Natural disasters can seriously damage the cities with high population density. Poverty is more likely endangered by infectious diseases due to the lack of clear water. Suitable activities and preventions would be necessary to reduce negative urban externalities and moderate environmental and health risks (Shiuh-Shen Chien, 2011).

Conclusion

Metropolises are the engine of economy as a result of globalisation process, they are in networks with each other instead of smaller settlements in their regions. Advantages and disadvantages are suitable described with positive or negative externalities. If a global city would like to enhance the competitiveness, it tries to take advantages from agglomeration in order to attract companies. Harmful externalities for example congestion or contamination are problems waiting for a solution. Social and economic well-being is a main challenge of urban governance, suitable policies and programs can improve the regional competitiveness. This study reviewed the economic importance of spatial concentration, theoretical background of competitiveness and wide range of indicators for measuring and ranking cities. The most frequently used method is benchmarking. Researchers evaluate cities with different indicators in order to create a list by the reached values. There are several simple indicators focused on one or two dimensions (for instance innovation, overnight stays and amount of GDP) although many studies use complex indicators for measuring competitiveness, built-up economic, social and environmental factors in order to ranking cities.

Asian cities enhance their global importance in politics, economy and society. Australian big cites, Indian metropolises and other emerging Asian cities for instance the dynamic developing Shenzen or the finance center Singapore have increased their

development level to traditional global cities like Tokyo or Hong Kong. Chinese cities are growing rapidly, so it is important to deal with this region in researches. The centrum of global economy is not a constant point, it is continuous formed by economic and political forces and Asian cities seem to be become even more important in our globalising world.

References

AT Kearney (2012*): 2012 Global Cities Index and Emerging Cities Outlook*

Enyedi, Gy. (1996): *Regionális folyamatok Magyarországon az átmenet időszakában.* Hilscher Rezső Szociálpolitikai Egyesület, Embertelepülésrégió sorozat, Budapest.

Enyedi, Gy. (2012): *Városi világ*, Akadémiai Kiadó, Budapest

Faragó, L. (2010): Területi koncentráció és jelentőségükből vesztő perifériákIn: Barta Gy. – Beluszky P. – Földi Zs. – Kovács K. (szerk*): Területi kutatások csomópontjai*, MTA-RKK, Pécs

Florida, R. (2012): What Is the Word's Most Economically Powerful City? *The Atlantic*, 2012. 05. 08., http://www.theatlantic.com/business/archive/2012/05/what-is-the-worlds-most-economically-powerful-city/256841/, downloaded at 05. 01. 2014.

Glaeser, E. L. (2012): The Challenge of Urban Policy. *Journal of Policy Analysis and Management*. 31./1. 111-122

Grosz A.– Rechnitzer J. (2005): *Régiók és Nagyvárosok Innovációs Potenciálja Magyarországon*, Magyar Tudományos Akadémia Regionális Kutatások Központja, Pécs-Győr

Hedrick-Wong, Y. – Choog, D. (2013): *MasterCard Global Destination Cities Index*. MasterCard Wordwide Insights.

Hu, R. – Blakely, E. J. – Zhou, Y. (2013): Benchmarking the Competitiveness of Australian Global Cities: Sydney and Melbourne int he Global Context. *Urban Policy and Research*. 31./ 4. 435-452.

Innovation Cities Index (2013): *Innovation Cities Program.* http://www.innovation-cities.com

Isard, W. (1956): *Location and Space Economy*, MIT Press, Cambridge

Isard, W. (1975): *Intruduciton to Regional Science*. Prentice-Hall, Inc. Englewood Cliffs, New Jersey.

Jensen-Butler, C. (1997): Competition between cities, urban performance and the role of urban policy: a theroretical framework. In: Jensen-Butler, C. – Shachar, A. – Weesep, J. (szerk.): *European Cities in Competition,* Aldershot, Avebury, 3-42.

Kresl, P. (1995): The determinants of urban competitiveness. In: Kresl, P. – Gappert, G. (ed). *North American Cities and the Global Economy: Challenges and Opportunities,* Sage Publications, London, 45-68.

Krugman, P. (1991): *Geography and Trade*. MIT Press, Cambridge.

Lengyel I. – Mozsár F. (2002): A külső gazdasági hatások (externáliák) térbelisége, *Tér és Társadalom*, XVI. / 2. 1-20.

Lengyel I. – Rechnitzer J. (2004): *Regionális gazdaságtan*, Dialóg-Campus, Budapest-Pécs

Pál V. – Boros L. (2010): A globális gazdaság ágazati és területi jellemzői. In: Mészáros R. et. al. (ed.): A globális gazdaság földrajzi dimenziói, Akadémiai Kiadó, Budapest, 123-168.

Porter, M. E. (2000a): Location, Competition, and Economic Development. *Economic Development Quaterly*, No. 1. 15-34.

Shen, J. (2004): Urban competitiveness and urban governance in the globalizing word, *Asian Geographer*, 23. / 1-2., 19-36.

Shiuh-Shen Chien (2011): Globalization, decentralization, the experience of Asian Pacific cities. In: Pike, A. – Rodríguez-Pose, A. – Tomaney, J. (ed.): *Handbook of Local and Regional Development*, Routledge, Oxon, 496-506.

So, M. – Shen, J. (2004): Measuring urban competitveness in China, Asian Geogr-apher, 23./1-2. 71-91.

Szirmai V. (ed.) (2009): *A várostérségi versenyképesség társadalmi tényezői*, Dialóg Campus, Budapest-Pécs