
Can Cities Innovate?



By Philippe Bouvier , Managing Partner, Urban Value Creation Consulting (PhD, INSEAD GEMBA '14D)

City management today is happening in silos, and urban growth needs are no longer being supported.

“Innovate or stagnate”, that’s how Sheikh Mohammed bin Rashid Al Maktoum, Ruler of Dubai and Vice President and Prime Minister of the United Arab Emirates (UAE) motivated his government to launch the year 2015. This challenge is typical for today’s cities. Innovation is fundamental to solving today’s complex business and social problems. But such innovation can only happen where start-ups and entrepreneurs have the infrastructure and resources to be disruptive, which is why urban environments have to be innovative too.

Demographic, environmental, economic, political, and socio-cultural changes demand that cities be managed more efficiently and sustainably. Cities are increasingly competing to attract talent and investments. They want to host the Olympic Games, or the World Cup. They want to build world class universities. They want to catch the attention of international companies. They are building their own brands to attract new businesses, residents and visitors.

ICT innovation started coming into city management in the 1970s with broadband communication. “Digital cities” were created and created many jobs in European and American cities. In the early 2000s, new urban ICT infrastructure provided anyone access to information at any time, from anywhere and on any device. Because of their regional challenges cities have embraced different strategies and branding such as “Intelligent City” in Malaysia, “Economic City” in Saudi Arabia, “Ubiquitous City” in South Korea, “Ecologic City” in China, “Smart City” in Europe as well as “World City” in different places around the world like New York, London or Paris.

In Europe, “Smart City” initiatives are considered a useful vehicle for cities to achieve their European 2020 targets in areas including environment, employment, innovation, education and poverty reduction. South Korea has defined “Ubiquitous cities” where communications and technology are at the foundation. Prime Minister Modi announced in 2013 that India will need **500 new cities** in the next two decades. Spread over 3 high-speed internet corridors, they will pave the way for a new country with a high growth potential. In China more than 1000 new “Ecologic cities” are expected to be created and the upgrade of 170 of the highest growth cities is planned in the next 10 to 20 years.

City-sized challenges

But as more people continue to migrate to urban areas, cities are coming under more scrutiny from their inhabitants on the services they provide. Quality of living has become a key indicator of attractiveness.

Energy, healthcare and utilities are put under ever more stress, often resulting in inefficient, yet highly interdependent public services. An incident in the utility network could impact the transportation network, which could then impact the environment of the city and have an ultimate effect on the healthcare system.

Cities are struggling to keep up with urbanisation because they’re being managed in “silos”. There is little or no coordination between the city departments regulating transportation, water, energy and security.

It is also worth noting that until very recently there was no adequate technology to allow for integrated city management, Siloed cities have also proved difficult to change, with public servants often hogging power and positions at the expense of collaboration.

Cities need a new type of urban management supporting more cooperation and co-ordination between departments, leveraging the latest ICT innovations (“smart” technology), and aligning incentives between departments to achieve a shared goal for the future of the sustainable city.

There is one

So is there at least one city that is innovating? Yes, Singapore, which is the only city to have launched a programme to reinvent its management and to break silos.

Singapore is working on a Smart Nation 2025 strategy in order to combine policy, people and technology, and boost all aspects to enhance the national capabilities. From infrastructure, industry and talent, to governance, Singapore’s government has noticed the limits of silos. Its ambition is to “aggregate information from various government agencies, and at the same time, facilitate the [sharing of information among different agencies](#)”. In October 2014, Singapore started an innovative analysis in order to develop a “Smart Nation” that would take the shape of a unified platform between all the government departments. Prime Minister [Lee Hsien Loong](#) [said](#) that this will “make our (Singapore’s) economy more productive, our lives better, and our society more responsive to our people’s needs and aspirations”.

Systemic management

The systemic management of the whole city is more efficient than the sum of the managements of its departments. Even if each department has done its best, it can still achieve a better service if it gets more information from all departments, if it collaborates with them, if it co-ordinates its operations with them. The benefit is for “the city as a whole”.

Philippe Bouvier, Managing Partner, [Urban Value Creation Consulting](#), located in Dubai, which aims to improve the management of urban services in brownfield and greenfield cities. Philippe has a PhD with Honors from Paris 7 University and an Executive MBA from INSEAD Singapore. His PhD is in urban studies (urbanism and city management) and the title of his thesis is “From segmented management in modern cities to systemic governance in sustainable cities”.

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