



The **10 TRAITS** *of*
GLOBALLY FLUENT
METRO AREAS

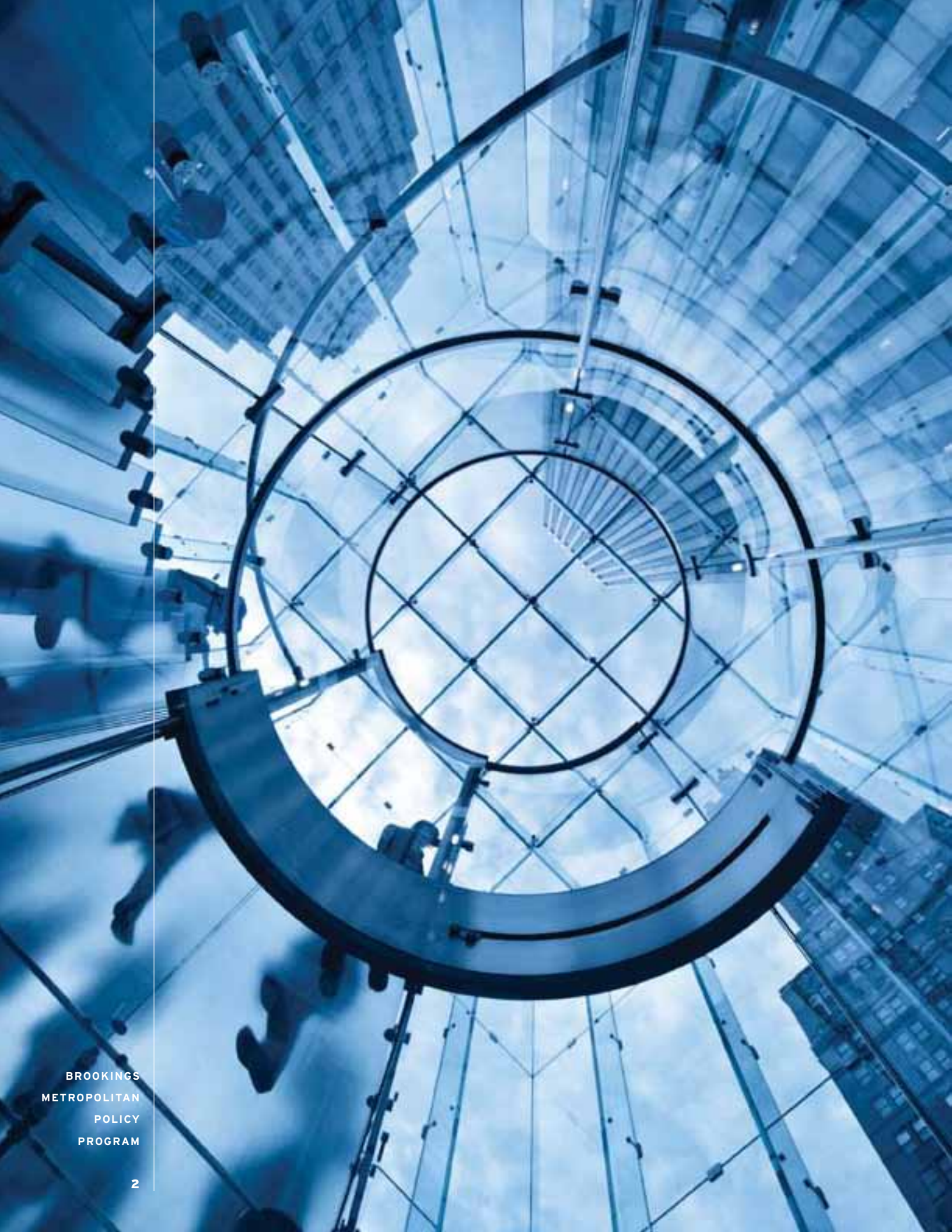
BROOKINGS

The **10 TRAITS** *of* **GLOBALLY FLUENT** **METRO AREAS**

GLOBAL CITIES INITIATIVE
A JOINT PROJECT OF BROOKINGS AND JPMORGAN CHASE

BRAD MCDEARMAN, GREG CLARK, AND JOSEPH PARILLA

THE 10
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Swift global integration, the rapid expansion of a global consumer class, and the rise of urban areas as the engines of global economic growth have ushered in a new era that demands more global engagement from America's city and regional leaders. In an effort to spur and strengthen metropolitan global engagement, this paper presents 10 traits of globally fluent metro areas and their critical relationship to the competitiveness, productivity, and prosperity of cities and regions in the 21st century.

- **Global fluency is the level of global understanding, competence, practice, and reach that a metro area exhibits in an increasingly interconnected world economy.** This fluency facilitates progress toward a desired economic future. A high level of global fluency better enables a city to optimize the benefits of globalization and minimize its challenges. The more globally fluent metro areas and firms become, the better they will be able to influence and control their own destinies, sustain their economic positions, maintain or increase competitiveness, and manage the downsides of globalization.
- **The path to global fluency is, like learning a new language, neither quick nor easy.** It takes favorable macroeconomic conditions, intentional efforts, and smart policies to move a region along a spectrum—from globally aware, to globally oriented, to globally fluent—over the course of decades. Metro areas achieve global fluency by inheriting particular assets and attributes over the long-term and being intentional about attuning them to international markets.
- **Changing global dynamics have created an imperative for all U.S. metro areas to engage globally like never before.** Seventy percent of global GDP growth between now and 2025 will occur in emerging markets—such as Brazil, India, and China—presenting an unprecedented export opportunity for U.S. goods and services. Further, the twin forces of globalization and urbanization have redefined what constitutes a global city. While the pervasive reach of global competition threatens every city's economy, it also provides a platform for many more small and mid-size cities to tap into growth opportunities abroad.
- **Despite the critical role they have in determining their region's global competitiveness, most U.S. metropolitan leaders are not yet prepared to "go global," due in part to their long-term dependence on domestic markets for growth.** Macroeconomic trends and national policies can either bolster or limit how metropolitan leaders can engage globally. However, business, government, and civic leaders shape and impact their regions' global competitiveness by educating their population, building and maintaining infrastructure, conducting research and development, pursuing international trade and investment relationships, and aligning federal, state and local resources to connect businesses to opportunity in international markets. Yet, despite being in a strong position to shape global engagement, U.S. metro areas (and their firms) have had far fewer incentives to internationalize because they have historically been able to realize desired growth from within the comfort of their own borders. As a result, the vast majority of U.S. metropolitan leaders exhibit little preparedness for managing the positive and negative consequences of globalization.

➤ **The 10 traits of globally fluent metro areas provide one framework for metropolitan leaders to gauge their global starting point.** The 10 traits listed below have proven to be particularly strong determinants of a metro area's ability to succeed in global markets, manage the negative consequences of globalization, and better secure its desired economic future. The most successful cities are those that have a long-term outlook and achieve some level of integration between many of the traits.

- ① **Leadership with a Worldview** - Local leadership networks with a global outlook have great potential for impact on the global fluency of a metro area.
- ② **Legacy of Global Orientation** - Due to their location, size, and history, certain cities were naturally oriented toward global interaction at an early stage, giving them a first mover advantage
- ③ **Specializations with Global Reach** - Cities often establish their initial global position through a distinct economic specialization, leveraging it as a platform for diversification.
- ④ **Adaptability to Global Dynamics** - Cities that sustain their market positions are able to adjust to each new cycle of global change.
- ⑤ **Culture of Knowledge and Innovation** - In an increasingly knowledge-driven world, positive development in the global economy requires high levels of human capital to generate new ideas, methods, products, and technologies.
- ⑥ **Opportunity and Appeal to the World** - Metro areas that are appealing, open, and opportunity-rich serve as magnets for attracting people and firms from around the world.
- ⑦ **International Connectivity** - Global relevance requires global reach that efficiently connects people and goods to international markets through well-designed, modern infrastructure.
- ⑧ **Ability to Secure Investment for Strategic Priorities** - Attracting investment from a wide variety of domestic and international sources is decisive in enabling metro areas to effectively pursue new growth strategies.
- ⑨ **Government as Global Enabler** - Federal, state, and local governments have unique and complementary roles to play in enabling firms and metro areas to “go global.”
- ⑩ **Compelling Global Identity** - Cities must establish an appealing global identity and relevance in international markets not only to sell the city, but also to shape and build the region around a common purpose.

Going global is challenging. Macroeconomic forces in the global economy are beyond the control of any given metro area. Nations remain critical to managing regulations, fiscal policy, free trade agreements, and immigration. However, metro areas are home to the productive drivers of the U.S. economy. They are uniquely positioned to achieve the promise of global fluency because they aggregate the productive assets that matter for global competitiveness: skilled workers, advanced technologies, freight infrastructure, capital investment, and relationship networks.

The 10 traits have proven to be particularly strong determinants of a metro area's ability to succeed in global markets, manage the negative consequences of globalization, and better secure its desired economic future.





INTRODUCTION

The San Jose, CA, region does not look or feel like a typical global city. It lacks the recognizable skyline, dense urban neighborhoods, or stock exchanges of New York or Hong Kong. It does not match the world-renowned arts, architecture, and cuisine of London or Paris. There are no pristine beaches or dramatic mountain slopes, such as those that make Miami and the ski resorts near Zurich magnets for the world's rich and famous.

Yet the San Jose region has other, perhaps more meaningful, traits that make it a world leader. Globally respected universities such as Stanford graduate skilled workers, cultivate entrepreneurs, and nurture a culture of knowledge and innovation.¹ The region is home to 14 Fortune 500 headquarters, including the global companies Google, Apple, Facebook, Hewlett Packard, Intel, Cisco, Yahoo, and eBay.² Educational opportunities, good jobs, and an open culture attract

students and innovators from across the world, endowing the San Jose metro area with the country's highest share of foreign-born residents with a college degree.³ The deepest venture capital markets in the world ensure that new ideas and companies receive the start-up financing to be profitable and create jobs.⁴ The goods and services produced in the area reach global markets through nearby Oakland's international seaport and San Jose and San Francisco's

airports. Eighteen percent of San Jose's regional gross domestic product (GDP) derives from exports, the fourth highest share in the nation, injecting wealth into a regional economy that boasts the highest median household income in the country.⁵

There's a multiplier effect here too as San Jose's stable of innovative firms and entrepreneurs attracts even more skilled workers and venture capital, which in turn attract even more firms. Further, the metro area benefits from the collective engagement of business and academic leaders with enlightened world views, many of whom were born and maintain ties abroad. Frequent international travel allows executives to identify emerging markets and adapt to technological advancements—from semiconductors to software to social media—in ways that preserve San Jose's distinct role in the innovation economy. Indeed, San Jose's reputation is so intertwined with technology that the region is better identified by its globally known brand: Silicon Valley.

San Jose's close relationship to San Francisco, historically the more globally connected region, has also been critical to its global emergence. Once distinct and separate metro areas, geographic proximity and industrial complementarities have melded the two regions into a multipolar mega-region that shares workers, research institutions, and natural amenities.

Each of these characteristics comes together to define San Jose's global success. As the world continues to globalize and urbanize at a rapid pace, certain metro areas, such as San Jose, have a proven ability to adjust to, and even thrive within, this reality better than others. These cities exhibit high levels of *global fluency* that allow them to more successfully engage and compete in international markets.

This paper presents 10 traits of globally fluent metro areas and clarifies why global fluency is critical to the competitiveness, productivity, and prosperity of cities and regions in the twenty-first century. Changing global dynamics, the promise of new market opportunities abroad, and lasting pain of the economic downturn have created a stark reminder for America's federal, state, and metro area leaders that they must

WHAT IS A METRO AREA?

This report uses the terms *city*, *metropolitan (metro) area*, *urban area* and *region* interchangeably to describe a collection of jurisdictions that together form a unified local labor market and are often defined statistically by the commuting patterns of its residents between home and work.

become more globally fluent if they are to successfully manage the positive and negative consequences of globalization.

Building on a growing body of work by the Brookings Institution on metropolitan trade and investment, this paper is designed to help cities of all sizes understand the key attributes that are driving certain cities toward greater success in global markets. With such an understanding, local leaders can better evaluate their metro areas to identify current starting points and position their local markets for long-term economic growth.

Going global is challenging. Macroeconomic forces in the global economy are beyond the control of any given metro area. The roles of nations remain critical to managing regulations, fiscal policy, free trade agreements, and immigration. However, metro areas are home to the productive drivers of the U.S. economy. They are uniquely positioned to achieve the promise of global fluency because they aggregate the productive assets that matter for global competitiveness: skilled workers, advanced technologies, freight infrastructure, capital investment, and relationship networks. Further, U.S. metro areas are increasingly advocating nationally for vital priorities as the federal government scales back investments in areas critical to economic competitiveness.



I. WHAT IS GLOBAL FLUENCY AND WHY IS IT SO CRITICAL NOW?

Global fluency is the level of global understanding, competence, practice, and reach a metro area exhibits in an increasingly interconnected world economy. This fluency facilitates progress toward a desired economic future. A high level of global fluency better enables a city to optimize the benefits of globalization and minimize its challenges.

This concept contends that metro areas become more able to achieve economic progress beyond their own borders, both through the assets, characteristics and situation they inherit, and through more intentional leadership, coordination, and engagement. Global fluency is not a finite state a city achieves, but an evolving process that requires local market actors to constantly monitor and adapt to changing global economic forces.

STAGES OF GLOBAL FLUENCY

The path to globalization is much like learning a language in that one becomes more fluent the longer one speaks it. Further, if one is raised in a family that speaks a foreign language, then fluency and interaction with foreign cultures is likely to come more easily. Metro areas today, in similar ways, exhibit unique starting points and distinct levels of global competence based on history, intent, and interaction in the global market. They fall into one of three broad stages of global fluency:

1. Globally Aware: As with learning a language, these metro areas can often read the global market with some level of proficiency, but they are unable to speak or listen fluently. All metro areas are touched by the global economy. However, not every one creates a broad or unified effort to embrace the global market and enact local change, or to view the metro area primarily within a global context. Most locals view their community within a domestic context and are only marginally aware of how the dynamics of the global market affect them. Only certain play-

ers, because they are engaged with it daily, recognize that the region is part of the global economy. The majority of U.S. metro areas are currently in this stage.

2. Globally Oriented: These metro areas have developed conversational proficiency and are more engaged in the global economy, but they are not yet fluent. A broad set of local business, government, university, and non-profit organizations is connected to global markets. They increasingly tend to evaluate and express their potential success, and the success of the metro area, using a global vocabulary and through a lens of the global economy. Metropolitan leaders take steps to understand their distinctive starting point in the global economy on key metrics such as exports, foreign direct investment, freight flows, and high-skilled immigrants. They use this information to determine assets, deficiencies, and international partners. These areas embrace changing local demographics, ethnic diversity, innovation, tourism, and global trade and investment patterns. Globally oriented metro areas are more engaged and intentional about the global economy, but they have yet to acquire full and instinctive proficiency in the global vernacular. A growing number of U.S. metro areas are either in or are entering this stage.

- 3. Globally Fluent:** At this stage, metro areas exhibit a true fluency of communication in and with the global economy. They are experienced enough to know that the competition is intense and persistent, the global market is constantly evolving, and that global relations involve routine practice, repetition, and adjustment. The metro area and its key actors view all subjects and relationships in a global context. For instance, recruiting talent from, or selling products to, Mumbai is just as viable as Chicago. An established local culture of interaction and creative collaboration exists between firms, sectors, civil society, and government. Leaders continuously seek to increase global reach, visibility, and penetration by learning and applying innovative practices and networking with leaders from other international cities and metropolitan areas. Only a small number of U.S. metro areas are in this stage, led by New York.

Metro areas demonstrate different levels of global fluency at a given time. Those that strive to understand their unique, current starting points are better poised to engage appropriately going forward.

GLOBAL FLUENCY DERIVES FROM INHERITED CHARACTERISTICS AND INTENTIONAL ACTIONS

A critical finding of the research for this paper is that global fluency is about characteristics and benefits accumulated over multiple business cycles. This accumulation ultimately translates into intentional participation in international markets. In other words, today's intentional efforts will become tomorrow's inherited features.

Metro areas tend to embrace international opportunities in waves and cycles, often based on the geopolitical events, important industries, and transportation and communication technologies that defined an era. Further, the period during which a metro area first became intentional about becoming a global city positively influences the overall level of global fluency it exhibits today. Those cities that first became intentional more than 100 years ago, such as London, New York, Vienna, and Hamburg, tend to be the most globally fluent. Another wave of cities, including Singapore, Toronto, and Munich, were driven to become more intentional by unique circumstances and opportunities after World War II. The most recent cycle has occurred during the past 25 years, when cities such as Barcelona, Chicago, Seattle, Sydney, and Tel Aviv became more intentional about their global prospects. Those efforts continue to propel them to the front of the pack today.

Global fluency is not only an imperative for traditional "global cities," but is now essential for all places.

NEW DYNAMICS IN THE TWENTY-FIRST CENTURY

Entry points to the global economy have changed from historic trade routes and old port cities to new markets in finance, information, and technology. Disruptive changes in technology and transportation ensure that no inherited advantage is everlasting, but they also present new pathways into globalization for an increasing number of metro areas. Hamburg and London became active participants in international trade through ancient and medieval trade routes, such that cross-border trade and investment became a part of the DNA of these cities, which continues unabated. Meanwhile, increased travel, technology, communications, and improved infrastructure have minimized the barriers to entry, opening up doors for many more metro areas, such as Colombo, Minneapolis-St. Paul, and Shenzhen, to enter the global market.

Three key dynamics today are raising the importance of global fluency:

- **Greater global integration** presents both opportunities and threats. Improved technology, infrastructure, and connectivity has allowed multinational firms and small and medium-sized enterprises (SMEs) to take advantage of opportunities through international trade, which has tripled as a share of global output since 1950.⁶ Trade's growing importance in the American economy has not been without its consequences, as U.S. firms have moved some parts of their operations overseas to take advantage of lower transportation costs and cheaper labor abroad.⁷
- **Rapid expansion of a global middle class** of consumers in emerging markets has shifted the geography of future economic growth opportunities to beyond the United States and Europe. Today, emerging markets constitute 36 percent of global GDP. However, 70 percent of global GDP growth between now and 2025 will occur in emerging markets, such as Brazil, India, and China.⁸ At the end of that period, annual consumption in emerging markets is projected to reach \$30 trillion, an unprecedented export opportunity for U.S. goods and services.⁹

- **Rapid urbanization** is a byproduct of both global integration and the rise of the global middle class in emerging markets. As a result, the majority of global economic activity, innovation, interaction, and growth is concentrating in the world's rising cities and metropolitan areas. In 2012, the top 300 metropolitan areas accounted for 19 percent of the world's population, but nearly one-half (48 percent) of global GDP.¹⁰

Owing in part to these three trends, global fluency is not only an imperative for traditional "global cities," but is now essential for all places. The twin forces of globalization and urbanization have redefined what constitutes a global city. Peter Marcuse and Ronald van Kempen use the term "globalizing cities" to underscore that nearly "all cities are touched by the process of globalization," and lower barriers to entry mean that many more small and mid-size cities, in particular, will be able to successfully compete and establish a global identity.¹¹



II. THE PROMISE OF GLOBAL FLUENCY FOR METRO AREAS

Taking part in global markets is no longer a choice for metropolitan leaders. City and regional leaders can either seize the opportunities afforded by the global dynamics mentioned in the previous section or risk falling victim to the downsides of globalization. As this section outlines, global fluency as a concept helps metro areas optimize the benefits of global engagement while minimizing the associated costs.



SEIZING THE BENEFITS OF GLOBAL ENGAGEMENT

The more globally fluent metro areas and firms become, the better they will be able to influence and control their own destinies, sustain their economic positions, and maintain or increase competitiveness. These outcomes are possible because engaged players are more aware of, and prepared for, the forces at work on a global scale that could affect their performance in a rapidly evolving economy. They grasp and act on the need to continuously innovate and monitor their target markets (by segment and geography) to better manage and withstand up and down economic cycles.

A rise in the global fluency of a given metro area should result, over time, in an associated rise in its ability to:

- export more products and services to international markets;
- attract more foreign investment from international firms, investors, and institutions;
- draw more international visitors and students;
- boost human capital by attracting migrants of all skill levels; and
- play an active role in international networks that foster shared innovation, research, and ideas.

To do this, a region must build a recognized brand outside its own country, remain competitive, and generate a new and diverse array of job opportunities. These metro areas are more multilingual, cosmopolitan, and connected to global, rather than just national, economies. They celebrate multinational, multi-faith, and multi-ethnic festivals, and they attract global cultural exhibits, arts, shows, and tours.

These globally fluent metro areas focus on being internationally competitive and growing their base of jobs and investment opportunities. They do this through coordinated regional efforts. They also understand and embrace the role of imports, which provide

lower-cost supplies for local firms, make more goods affordable and available to local residents, and often serve as an early signal of the potential to attract investment from the foreign entity.

MANAGING THE DOWNSIDES OF GLOBAL ENGAGEMENT

In addition to growing exports and attracting investment, global fluency allows cities and metropolitan areas to understand and prepare for the potential downsides of globalization. Although all metro areas are affected by globalization, not all metro areas have been able to manage it well. The global roles of cities are constantly changing as advances in transportation shift the geography of production, technological advances modify the importance of sectors and industries, and new workers with new skills come online. Indeed, global fluency is not a static state; it can be lost as well as gained. Industrial decline in U.S. metro areas such as Buffalo, Chicago, and Milwaukee exemplify the challenges wrought by globalization.¹²

Beyond such challenges, however, global fluency also helps metro areas better manage the unintended consequences of global success. Some metro areas have found that the growing presence of multinational firms has stifled the growth of local enterprises.¹³ Others have identified the inflationary impacts of foreign earned income on their housing, jobs, and consumer markets. A rise in the foreign-born population in a nation or region is not always welcomed. During economic downturns, when competition for jobs is most intense, residents can turn against immigration. Some metro areas have experienced a “**two speed metro**,” in which the globally oriented activity creates returns that sharply separate those who participate from those who do not.¹⁴

For all of these reasons, it is essential that becoming globally fluent involve a strong focus on managing the process. That means paying attention to skills and education systems, housing and transportation, development and spatial planning, and supply chains and local services. Doing so better ensures that increased globalization does not come with unintended consequences.

The United States has become simultaneously a highly global and highly insular nation.

Therefore, effective metropolitan governance is critical to successful globalization. Governance must address the challenges to housing and labor markets, public services, and land uses that new global links may bring. Governance must be strong enough to strike deals with international firms and investors that secure local benefits. It also means that the process of competing for more global opportunities must be the subject of constructive public debate.

ARE U.S. METRO AREAS PREPARED TO "GO GLOBAL"?

U.S. metropolitan areas are outliers in global fluency. They engage with the global economy differently from their international counterparts because they reside within such a robust domestic market. The United States has been the largest economy in the world since 1871.¹⁵ In 2011, the United States composed only 5 percent of world population but generated 19 percent of global GDP (at purchasing power parity rates).¹⁶

Firms and people from throughout the world are drawn to U.S. cities because they hold opportunities for jobs and growth. Its wealthy and open markets make the United States a magnet for international firms and immigrants, resulting in its position as one of the world's most innovative, productive, and diverse nations. The United States is also home to a significant number of the world's largest multinational firms and brands, which are deeply immersed in global relations, trade, and investment. And America's base of immigrants, a group that is more likely to form cross-border networks and start new businesses, remains a unique advantage that continually globalizes the country's economy, demographics, and culture.¹⁷

More than one million immigrants on average are admitted annually for permanent residence in the United States, and one-fifth of the world's immigrants live in U.S. communities.¹⁸

Indeed, its position as the world's leading economic, political, and military power keeps the United States highly engaged with nations in all corners of the globe. From this perspective, the United States is perhaps the most global nation in the world.

The sheer size and productivity of the American economy has created an inherited, path dependent focus on the domestic market (see sidebar). U.S. metro areas (and their firms) have far fewer incentives to internationalize because they are able to grow from within the comfort of their own borders. The Great Recession and anemic post-recession employment and GDP growth, however, have challenged this assumption.

PATH DEPENDENCE

Can the United States and its metro areas and firms successfully pivot to where markets are now and will be in the future?

As part of a recent Brookings Institution initiative to help greater Los Angeles (LA) develop an export plan, we asked a wide variety of local leaders in trade and investment whether LA is a global city. They said that LA was a global city in terms of its assets and the world coming to it, but not in terms of LA going out into the world. This response represents a certain *path dependence*—decisions that are limited by what one has done in the past even when those circumstances are no longer relevant—that keeps U.S. firms and metro areas on a historic, insular road to economic growth.

In the twentieth century, the United States succeeded by focusing on its domestic economy, and it was one of the strongest growth markets in the world. No doubt, the country has benefited from its global role as a major promoter of free but fair trade, open markets, and trade agreements. However, as Asia has looked outward, the United States and its regional markets looked inward, asking the world to come to it. Going forward, America will succeed only by building a strong presence in the growing markets of this new global order.

The global familiarity that defines large U.S. firms does not extend to the rest of the country. The majority of U.S. firms in the Metropolitan Export Initiative that Brookings conducted stated that they choose not to export because of “fear of the unknown” or “comfort with the domestic market.”¹⁹ Only 1 percent of American firms sell a product or service outside U.S. borders.²⁰ This represents a major missed opportunity in a nation that is increasingly characterized by SMEs and services firms. It also represents a significant competitive threat, given that global firms from other nations will eventually move into the U.S. market to compete with firms domestically. The broader U.S. population also has low global engagement. In 2012, only 36 percent of Americans held a valid passport compared with 67 percent in Canada.²¹ In this regard, the United States is arguably one of the world’s more inward-looking nations.

This paradox—that **the United States has become simultaneously a highly global and highly insular nation**—also contributes to the fact that the majority of U.S. metropolitan leaders are ill prepared to manage the positive and negative consequences of globalization. This is not for lack of agency. Business,

government, and civic leaders shape their regions’ global competitiveness by educating their population, building and maintaining infrastructure, and conducting research and development. Metropolitan areas and local players have the networks and connections to business that enable them to influence the local culture and increase the pipeline of local firms engaged in global trade and investment activity. They are also uniquely positioned to align federal, state, and local efforts to identify and serve businesses and connect them to opportunity in international markets.²²

However, metro areas are not leveraging this potential, and instead are often relegating international relations to their state and federal governments to manage. Local economic development efforts remain focused nearly exclusively on attracting domestic business to the exclusion of other critical factors related to economic growth. They lack a clear vision or strategy for global engagement, particularly in trade.²³ Although many places pursue foreign direct investment (FDI), these efforts are not typically strategic or well coordinated.



Only 2 percent of U.S. incremental job growth from 1990 to 2008 came from tradable sectors.

Further, federal efforts and results are not where they should be. U.S. federal programs and resources dedicated to trade and investment fall well short of peer nations, one reason why few SMEs are looking beyond U.S. borders.²⁴ The nation is also saddled by a lack of true and effective national immigration and foreign visitor policies. At the same time, many states have cut funding and eliminated international programs.²⁵ In summary, global trade, investment, and engagement are not a priority of the United States and its states and metro areas. As a result, the U.S. economy is suffering and is not well prepared for the future. Only 2 percent of U.S. incremental job growth from 1990 to 2008 came from tradable sectors, with the nation highly dependent on government, health care, and debt-fueled consumption for its growth.²⁶

However, encouraging signs are emerging that an awakening is taking place among a core set of federal, state, and metro area leaders, starting with more

integrated, aligned, and better resourced trade and investment efforts. These signs include:

- The federal government has placed renewed focus on global trade and investment through the National Export Initiative (NEI) and SelectUSA, the nation's foreign direct investment promotion arm.
- States, such as Washington, Pennsylvania, Florida, and Minnesota, have reinforced their commitments to global trade and investment, while many others are recognizing the need to become much more intentional and strategic about exports and foreign direct investment. Although from 2005 to 2010, most states reduced the amount of resources and funding dedicated to trade promotion, many are now revisiting how to boost their engagement.²⁷ For example, California completely eliminated its state trade office in 2003 but is now in the process of recommitting to international trade, exemplified by the recent opening of an office in Shanghai.²⁸
- A handful of forward thinking metro areas, such as Seattle and Denver, have more fully incorporated international relations into their regional economic development efforts. Further, more than a dozen U.S. metro areas, including Atlanta, Charleston (SC), Chicago, Columbus (OH), Des Moines (IA), Los Angeles, Louisville/Lexington, Minneapolis-St. Paul, Portland (OR), San Antonio, San Diego, Syracuse, and Tampa Bay, have committed to greater global engagement, starting with metro area export plans. These regions are also acting on federal, state, and local partnerships in pursuing their objectives.

REPORT METHODOLOGY

This project was led by a Brookings Institution team based in Washington and London. The methodology for developing and evaluating the 10 traits is outlined below. During critical stages of the research, the team consulted an international advisory board of seven experts from academia and the private sector. For a list of these individuals, see the Acknowledgments section.

- **Developing the Traits:** The research team developed a preliminary list of 10 traits of global fluency through a three-step process: 1) a review of relevant research on cities in the global economy,²⁹ 2) an examination of global cities' rankings and indices to understand potential traits,³⁰ and 3) guidance and advice from the advisory board.
- **Evaluating the Traits:** After developing a hypothesized list of traits, the research team tested their validity by preparing case studies on 42 metropolitan areas (15 U.S. and 27 international). The team chose a diverse set of metropolitan regions by size and geography and gave preference to regions with an existing research base. Each case study documents a metropolitan area's recent global performance (measured by global indices and other data) and unpacks the underlying determinants of that performance. The advisory board recommended this qualitative approach given the limited data available to consistently measure global fluency across an international sample of metropolitan areas. The selection of case studies is not presumed to be a ranking or top division of globally fluent metro areas, nor a representative sample of all cities. For each case study, the team interviewed at least one or two local experts to confirm findings, provide additional input, and react to the initial, hypothesized set of 10 traits.

The research team analyzed 42 regions for their global traits and performance. They are: Bangalore, Barcelona, Bilbao, Boston, Brisbane, Busan, Cape Town, Chicago, Colombo, Denver, Greenville, Hamburg, Helsinki, Istanbul, London, Los Angeles, Mexico City, Miami, Milan, Minneapolis-St. Paul, Moscow, Munich, Nairobi, Nanjing, New York, Omaha, Oslo, San Antonio, San Francisco, San Jose, São Paulo, Seattle, Shenzhen, Singapore, Sydney, Tel Aviv, Tokyo, Toronto, Vienna, Washington, D.C., Wichita, and Zurich. The case studies and case study reviewers are available here: [Brookings.edu/globalmetrotraits](https://www.brookings.edu/globalmetrotraits).



III. TEN TRAITS OF GLOBALLY FLUENT METRO AREAS

This section discusses the traits of metro areas that are capitalizing on global fluency. The case studies, literature review, and interviews with local experts and leaders in dozens of U.S. and world cities conducted for this project have allowed for this set of traits to be isolated, resulting in the 10 traits of globally fluent metro areas. These traits have proved to be strong determinants of a metro area's ability to succeed in global markets, manage the negative consequences of globalization, and better secure a desired economic future.

Metro area actors can use the traits to assess how well their local markets and systems measure up and determine which combination of traits represents the most realistic and compelling local opportunity and pathway.

The 10 traits are:

- 1 **Leadership with a Worldview** Local leadership networks with a global outlook arguably have the greatest potential for impact on the global fluency of a metro area.
- 2 **Legacy of Global Orientation** Owing to their location, size, and history, certain cities are oriented toward global interaction at an early stage, giving them a “first mover” advantage.
- 3 **Specializations with Global Reach** Cities often establish their initial global position through a distinct economic specialization, leveraging it as a platform for diversification.
- 4 **Adaptability to Global Dynamics** Cities that sustain their market positions are able to adjust to each new cycle of global change.
- 5 **Culture of Knowledge and Innovation** In an increasingly knowledge-driven world, positive development in the global economy requires high levels of human capital to generate new ideas, methods, products, and technologies.
- 6 **Opportunity and Appeal to the World** Metro areas that are appealing, open, and opportunity-rich serve as magnets to people and firms from around the world.
- 7 **International Connectivity** Global relevance requires global reach that efficiently connects people and goods to international markets through well-designed, modern infrastructure.

- 8 **Ability to Secure Investment for Strategic Priorities** Attracting investment from a wide variety of domestic and international sources is decisive in enabling metro areas to effectively pursue new growth strategies.
- 9 **Government as Global Enabler** Federal, state, and local governments have unique and complementary roles to play in enabling firms and metro areas to “go global.”
- 10 **Compelling Global Identity** Cities must establish an appealing global identity and relevance in international markets not only to sell the city, but also to shape and build the region around a common purpose.

There is a rationale to the order of these traits. The list begins with *Leadership with a Worldview* because having a worldview enables regional leaders to be intentional in evaluating and leveraging all other traits. The list ends with *Compelling Global Identity* because this trait encompasses how the region packages and presents the combined group of traits on a global scale. Traits 2-9 represent a logical flow of how cities typically enter and establish their global positions, starting with the “first mover” advantage of those that were globally oriented early in their histories. The listing also reveals how the traits pair off with each other, such as Traits 3 (specializations) and 4 (adaptability); Traits 5 (innovation) and 6 (opportunity and appeal); and Traits 7 (connectivity) and 8 (securing investment).



TRAIT 1

Leadership with a
Worldview

TRAIT 2

Legacy of Global
Orientation

TRAIT 3

Specializations with
Global Reach

TRAIT 4

Adaptability to Global
Dynamics

TRAIT 5

Culture of Knowledge
and Innovation

TRAIT 6

Opportunity and
Appeal to the World

TRAIT 7

International
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This paper does not provide a ranking, index, or grouping of metro areas by stage or category. Global cities rankings serve a purpose and are readily available from a wide variety of sources, using very different methods and data. Instead, this guide is designed to make the reader think about how to get on a path toward a desired future, provide insight into the underlying attributes to global success, and allow each metro area to determine its unique starting point and potential. Ultimately, there are different pathways to global fluency, and each metro area must explore them on its own, using the examples of other metro areas as a guide.

Some of the 10 traits are relevant not only to global fluency, but to fundamental economic development competitiveness and success. That point is not at odds with the intent of this paper. Metro areas that exhibit these traits on a local scale are more likely to realize success on a global scale. What is important is that actors view each of these fundamentals through a global lens in order to be more fully prepared to compete on a worldwide scale.

A few key observations should be kept in mind when considering the 10 traits:

- The most successful cities are those that achieve some level of **integration across several of the traits** (that is, they are not overly dependent on one or two traits) and excel in one or more core traits. Few, if any, cities excel in all 10 traits.
- The **relative strength of each trait evolves over time** based on competition in the global market and the foresight of local actors. Cities can lose their edge if they are complacent.
- Metro areas can **inherit strengths** related to certain traits during one era and be more **intentional** during the next. Today's successful intentional efforts become part of the metro area's inherited traits.

- Global fluency is about **long-term thinking**. It bears repeating that global fluency is the sum of accumulated characteristics and benefits over multiple business cycles.
- To compete internationally, metro leaders must embrace the **interplay of global with local**. Going global is not just about selling in international markets. It is also about ensuring that the local markets can successfully operate on a global scale. Cities must pursue economic expansion through greater global trade and engagement; leverage established industry cluster strengths; and strive for a seamless exchange of goods, services, people, ideas and capital. But they must also, perhaps more importantly, build local strengths. Sound local governance and a commitment and capacity to leverage strengths are critical to a metro area's ability to nimbly adapt to the ever-changing dynamics of the global economy.

These cross-cutting themes reveal that global engagement strategies will differ on the basis of economic, political, and geographic factors that distinguish regions from one another. However, all metro areas share an initial step on the path to global fluency: evaluating the strengths and weaknesses that together define their global position. The following set of traits represents one resource to begin that process.





TRAIT
1

**LEADERSHIP WITH A
WORLDVIEW**

A metro area is not one actor. It is made up of a diverse array of players representing business, government, nonprofit, and academic sectors that sometimes interact and sometimes do not. Most leaders in these sectors are content to operate within the status quo, managing everyday issues to realize incremental improvement and achieve annual targets. However, during each generation, certain leaders or networks of leaders in select cities have surfaced to drive a new vision for the future. Their new innovation or push for change is so compelling that it ultimately changes the way others in the region view the world and their position in it. It is when these local networks of leaders come together around a common metro vision that lasting change takes hold.

Local leadership networks with a worldview, a long-term vision, and a focus on regional coordination have the greatest potential for building their city's global fluency. These networks leverage strong local traits to best position a metro region for sustained success. These leaders understand their own region's legacy of global orientation, have a vision for how to succeed in the global economy over the long term, and have a plan to extend the metro area's existing economic networks to embrace new opportunities. These leaders are able to mobilize different levels of government around a common proposition and better ensure that key decisions about regional priorities, strategies, and investments are evaluated through a global lens. They foster internal collaboration and public-private alliances so that all are intentionally related to the shared economic future of the regional market. The leadership networks open up new doors for local firms overseas and build global networks for the long term. However, they view global markets as relational, not

only one-way. Strong leaders can rise from any sector. However, change is most likely when a network of leaders, led or coordinated by purposeful local governments, a chamber of commerce, regional economic development partnership, or business association, embraces a shared vision.

These traits are not set in stone. While one generation of regional leadership may aggressively pursue international markets, the next may be content to manage inherited traits. At some point, a strong mayor may break with the path and set a new course, reinvigorating the effort. However, a resilient local leadership network committed to global fluency that can endure beyond the tenure of individuals will best ensure a sustained international effort. The hallmark of external orientation and greater global fluency is when organizations outside government continue to extend global reach long-term.

For example, the Denver region's global profile has been buoyed for decades by the efforts of Metro Denver, the regional economic development organization, to expand the number of direct international flights, attract foreign companies, and strengthen local export sectors. Further, each major U.S. metro area has leaders who, through the affairs of their own enterprises, are highly engaged internationally. An opportunity lies in identifying and convening these individual leaders who can see the bigger picture, and cementing a lasting leadership network around a broader global vision for the region.

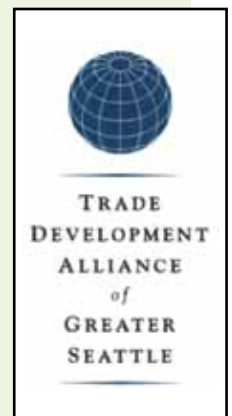
All metro areas share an initial step on the path to global fluency: evaluating the strengths and weaknesses that together define their global position.

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In the late 1980s, a core group of local leaders in Seattle realized that only a few U.S. cities were destined to be truly global players. The city was still reeling from a deep recession, and the leaders were determined to become one of those global players by ensuring the city leveraged its aerospace industry, an emerging technology sector, its Pacific Coast location, and the legacy of trade and exchange. However, until 1990, greater Seattle was a highly fragmented metropolitan region. When the new port director, Zeger Van Asch van Wijck, expressed concern to the Seattle Chamber of Commerce president, George Duff, about being left in the dark about a visit from an official from Singapore, they both were spurred to found the Trade Development Alliance of Greater Seattle (TDA) in 1991.

At the time, there was no U.S. precedent for what the TDA was trying to create. Its new chief executive, Bill Stafford, was assigned to develop and institutionalize the TDA as the regional Chamber's global business arm. Its goal was to better coordinate Seattle's international activities and to promote the region in international markets. Stafford, a former deputy mayor, was hired not because of his immense international experience, but because of his local relationships, political savvy, and skill in pulling regional leaders together around a common purpose.

Stafford saw the need to develop more internationally sophisticated local leadership. The members of the first board represented a true cross-section of the community, and membership grew rapidly to reflect the broad diversity of the region. Stafford's early focus was on developing a marketing kit to promote the virtues of the Seattle area. He also prioritized supporting companies, managing visitors and delegations to Seattle from overseas, and linking small business with foreign delegations. The TDA also sought to position Seattle as an emerging global player by proposing the region as the venue for early trade talks around the nascent North American Free Trade Act, a sales pitch that proved successful. The hallmark of the TDA is the annual outbound trade missions and intercity visits, co-sponsored with the Seattle Chamber. These visits helped pioneer the concept of visiting U.S. cities to examine best practices and learn from peers. These trips open both the "minds and eyes" of Seattle's leaders to how their city relates to other parts of the world.³¹



To view other examples supporting this trait, see the case studies for Barcelona, Denver, Hamburg, San Antonio, Singapore, and Zurich.

This sidebar draws heavily from an internal report of the Trade Development Alliance, "Trading Up" (2011) and email correspondence and conversations between Brad McDearman, Fellow at the Brookings Institution, and Sam Kaplan, President of the Trade Development Alliance.

TRAIT
2

**LEGACY OF GLOBAL
ORIENTATION**

Those cities whose location, size, and history naturally oriented them toward global engagement and interaction at an early stage often attain a “first mover” advantage that propels them to the front of the pack. Aspects of global culture and identity were long ago ingrained in the local psyche of these cities, and this continues to shape how they view and approach the world today. In these locales, natural geography (natural resources, a strategic position on an ancient trade route, location on a foreign border, or a coastal location), political geography (seat of government), the economy (a role as an early center for commerce or specialization), immigration (people drawn to opportunity or fleeing religious conflict), or simply a convergence of circumstances, came together to form a city’s unique legacy and global inclination.³²

Cities that were able to embed these international flows of goods, people and capital productively and remain free of political turbulence over successive cycles of globalization have tended to achieve stronger positions and returns. This has fostered a more automatic orientation toward global markets and provided these cities with the advantage of shaping many of the most critical rules of the current global game.

However, past prominence does not guarantee continued success. Cities as diverse as Detroit, Manchester, and Rome were highly globalized at one point, but for a variety of reasons, they were unable to sustain their positions. At the same time, cities are proving that it is never too late to take advantage of changing dynamics. Munich, Singapore, and Toronto (see sidebar) responded aggressively to a convergence of unique circumstances after World War II, positioning themselves as the next tier of rising global cities. These cities continue to build on this legacy and have an advantage over those cities just now beginning to globalize.

The sheer size of a city’s economy (gross metropolitan product) can also serve as both an indicator of historic global orientation and a driver of increasing global fluency. Quintessential world cities such as



London, New York, and Tokyo continue to solidify their global positions as investment, immigrants, and new transit connections are increasingly drawn in. Further, a long-held position as a nation’s largest and most important business or political center tends to propel cities to global recognition and fluency, such as with Buenos Aires, Mexico City, and Moscow. This is particularly apparent in emerging markets. The regional economies of Johannesburg and Nashville are quite similar in size, but the former’s position as the largest city within South Africa affords it a much more prominent global image. However, a shift of growth from mega-cities to second-tier cities, as well as new market, communication, and transportation dynamics, offer fresh opportunities and greater ease of entry into the global economy for a larger and wider variety of metro areas.

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as Global Enabler**TRAIT 10**Compelling Global
Identity**CASE EXAMPLE: TORONTO**

Toronto was propelled into the international arena in the postwar era (1945) owing to a convergence of unintended but advantageous geographical and geopolitical factors. Proximity to booming markets along the U.S. East Coast guaranteed rapid growth in manufacturing output. Meanwhile Commonwealth trade links brought rewards during the political destabilizations of World War II, African and Asian decolonization, and later upheaval in the Middle East.³³ Canada's security advantages and the commercial legacy of British imperialism rendered Toronto an attractive place for business. For a brief time, more people per capita were immigrating to Canada than the United States. Entrepreneurial and investor immigrant communities were attracted to Toronto by the dense local market, mature trade links, and existing pockets of diversity. The comparatively smooth accommodation of immigrants led American commentators to describe Toronto as "the city that worked."³⁴

Politics also played a role in Toronto's emergence as Canada's unrivaled business center. Secessionist fears among the Anglophone business community in Quebec prompted the relocation of financial and corporate assets from Montreal to Toronto.³⁵ This move was opportune, given the subsequent focus on finance in the global economy, the rapid investment in natural resource industries, and the emergence of creative and cultural sectors whose anchor institutions had also assembled in the city.

To view other examples supporting this trait, see the case studies for Cape Town, Istanbul, London, Los Angeles, Nairobi, New York, and Vienna.

**TRAIT 3
SPECIALIZATIONS
WITH GLOBAL REACH**

Specialization, or focus on a unique expertise, is what drives new companies to early success in competitive markets. Entrepreneurial, young companies often make a splash in the market by introducing a new product or innovation. A larger firm is best able to maintain and improve its market position by continuing to build on its core specialization and by creating multiple specializations and mixes that enable the firm to diversify and move effectively through each cycle of change. To be "world beating," a firm must provide a high-quality good or service that creates demand in markets throughout the globe.

The same logic holds true for globally fluent cities. The most internationally recognized and experienced cities initially established their global positions by leveraging a distinct niche. Many smaller metro areas have more

recently entered global markets primarily through the lens of their specialization. This could include specialization by industry cluster, headquarters or institutional operations, technology, business environment, natural resources, location, or even workforce.

London and New York today possess the full breadth of assets associated with the most global cities. However, both cities are distinguished by their roles as top global financial and cultural capitals. At the same time, the relatively small city of Zurich has established itself globally by providing an inimitable financial services climate. In the United States, metro areas have established their initial global presence through such diverse specializations as information technology in Silicon Valley, education and innovation in Boston, medical technologies and a cluster of Fortune 500 headquarters in Minneapolis-St. Paul, sustainability in Portland, aerospace in Wichita, and foreign direct investment in Greenville-Spartanburg (see sidebar).

These specializations serve as anchors during the early stages of global engagement but should not be viewed as endpoints. They are better viewed as a means to initially engage in global markets in order to create a more diversified (through new specializations and markets) and sustainable metro area over the longer term. Metro areas, like firms, must proceed with caution. Mario Polèse argues that “no location advantage is eternal, no matter how seemingly indestructible...the more highly specialized an urban

economy is, the more vulnerable it is, no matter how hip or high-tech the city’s star industry.”³⁶ In an era of rapid change, new technologies and more intense global competition can undermine a city’s economy in short order. A healthy balance of specialization, diversification, and adaptability (Trait 4) is critical to long-term global fluency. In turn, the more globally fluent a metro area becomes, the more prepared it is to sustainably preserve and expand its specializations.

GREENVILLE-SPARTANBURG



Greenville-Spartanburg is not a global region in the traditional sense. It receives few international tourists, has a relatively small share of immigrants, and is not a headquarters for any Fortune 500 firms. Yet, Greenville-Spartanburg receives more foreign direct investment, per capita, than any other region in the United States.³⁷ The region’s distinct foreign direct investment focus derives from a targeted strategy to attract and retain foreign firms that markets the region’s low labor costs, its state’s right-to-work laws, state-subsidized worker training programs, close access to an international port and airport, and its location in the high-growth corridor along Interstate 85 between Atlanta and Charlotte.

These fundamentals, coupled with a legacy of German textile manufacturers and machinists, helped the region successfully land BMW’s first manufacturing facility outside Germany in 1992, effectively placing Greenville on the global radar. Fierce competition from 250 localities forced local and state government to provide BMW with a controversial \$150 million subsidy package.³⁸ Since then, BMW has created close to 7,000 jobs and invested \$5 billion locally, but questions remain about the long-term impact of the public package on state finances.³⁹ Michelin, General Electric, and Lockheed Martin all operate large facilities in the region as well, making Greenville-Spartanburg an established hub for advanced industry.

Once firms have located in the region, universities have been nimble enough to meet their workforce needs. To supply BMW with high-skilled labor, Clemson University and the city of Greenville opened an International Center for Automotive Research, a state-of-the-art industrial-scale lab and education facility that emphasizes technical training to succeed in the increasingly technologically advanced field of automotive manufacturing.⁴⁰

Success begets success. In a rare reversal between the United States and China, Chinese companies such as the label designer Yungcheng have built production facilities in the region.⁴¹ Further, many of these international firms now export from Greenville-Spartanburg to regions around the world. The Upstate SC Alliance, a public-private organization that represents the region’s 10 counties, bolsters this success by using its stable of foreign firms to market the region’s assets to ensure Greenville-Spartanburg continues to attract foreign investment.⁴²

To view other examples supporting this trait, please see the case studies for: Boston, Helsinki, Minneapolis-Saint Paul, Munich, Nanjing, San Jose, Wichita

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TRAIT 4
**ADAPTABILITY TO
GLOBAL DYNAMICS**

Cities that sustain their levels of global fluency and economic success over time exhibit a critical ability to adjust to each new generation or cycle of change. These cities are nimble, responsive, competitive, and capable of reinventing themselves over short time periods. They manage (and often embrace) rather than resist inevitable change, believing their ability to adapt and evolve will keep them at the forefront of the global economy. In certain regions, adaptability is part of the culture, better enabling succeeding generations to rise up to tackle new challenges and identify new opportunities.

The most agile cities develop and embrace multiple specialties, attract newcomers with diverse perspectives, and are home to a robust ecosystem of small, medium, and large firms, making them more diversified and not overly dependent on the success of any one institution or cluster. New York's role as a financial capital served as a core specialization (Trait 3) that positioned it as one of the world's top global cities.⁴³ It has solidified its position by diversifying and specializing in information technology, media, accounting, management consulting, and other business services. Washington, D.C.'s birth as the nation's capital ultimately led to specializations beyond government, such as in information technology, life sciences, and tourism.⁴⁴ These cities are more adaptable (and arguably less vulnerable) today because they are evolving to be less dependent than they once were on their core specialties.

Cities that are highly successful during one period of economic globalization, however, risk becoming complacent. They often fail to fully grasp global dynamics and innovations that threaten their market position because they have become comfortable with current models for success. Milan has proven unable to maintain its global stature and economic position due to decline in its fashion industry.⁴⁵ Detroit, with its heavy dependence on one industry, has experienced decades of decline owing to its inability to diversify and more readily adapt to competitive threats from international automakers.⁴⁶ On the other hand, the city-state of Singapore (see sidebar) relies almost solely on foreign trade and investment to maintain its economy and must constantly adapt to global dynamics. Singapore is agile and resilient by necessity.

U.S. metro areas and firms have also proved quite agile over time. Demographer William Frey has said, "What's constant in this country is its ability to adapt."⁴⁷ This is arguably due to the country's free and open national market and the diversity, entrepreneurial spirit, and innovation inherent in the private sector. The twenty-first century challenge for the United States, its metro areas, and its firms is to embrace the *need* to adapt to the rapidly changing and globalizing world economy. Although the U.S. market has proved stable and comfortable for domestic firms, most global growth is projected to occur outside the United States going forward. Emerging global forces will increasingly alter the competitive landscape both at home and abroad.

SINGAPORE



Singapore's undersized domestic market and strategic trading location sets the basic framework for the city-state's tactical and adaptive approach to globalization. Since gaining independence in 1965 in a context of regional uncertainty and obsolete infrastructure, it has attained pre-eminence as a manufacturing center, a global services node, a tourism destination, a regional headquarters location, and now a science and technology hub. It has done this with successive realignment during periods of global economic instability. Its global fluency hinged first on a disciplined phase of labor-intensive industrialization matched by competitive investment incentives.⁴⁸ More recently it has leveraged a more skilled and global labor force and guaranteed a comfortable and ever more cosmopolitan quality of life.



Singapore's agility stems from the capacity of the ruling People's Action Party (PAP) to gain popular consent for the internationalization of the population and a foreign business presence. The PAP has consistently communicated maxims of economic survival and strategic adaptation to more global values and practices. This has created the political space to oversee new immigration policies to stimulate labor market adjustments. The semi-autonomous Economic Development Board has enjoyed a wide remit to approve loans to newly preferred types of foreign firms, while the Ministry of

Education has been able to initiate fast changes at all levels of education to meet changing skill demands.⁴⁹ The PAP's political success and legitimacy have allowed it to pursue globalization with a focus purely on policy merits rather than internal political battles.⁵⁰

Singapore's export model was tested once again by the global financial crisis. Leaders once more demonstrated nimbleness in guiding investment toward technological research, commodities trading, logistics and media.

To view other examples supporting this trait, see the case studies for Hamburg, San Jose, San Francisco, and Seattle.

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TRAIT 5 CULTURE OF KNOWLEDGE AND INNOVATION

Firms, cities, and nations must constantly innovate to grow in the global economy by generating new ideas, methods, products, and technologies. Because people remain the most important ingredient in an economy dominated by knowledge, the most successful regions will typically be those with the highest levels of human capital.⁵¹

Cities can increase their stock of human capital in three ways. First, they can educate their homegrown population. Investments in pre-K thru 12 education, universities, and community colleges and technical schools remain the foundation for building human capital in regional economies. Universal access to high-quality education and training can also ease the income polarization that challenges many global cities by ensuring a larger swath of the workforce has the skills needed to contribute to regional industries. The education ecosystem can also create a more culturally aware and globally prepared population. For instance, former Chicago Mayor Richard M. Daley, who first applied the term *global fluency* to cities, instituted “languages of the future” programs, including Chinese and Arabic, in the city’s schools in an explicit attempt to boost the region’s global fluency.⁵²

Second, metro areas can attract new workers from external markets through immigration and international students. This strategy requires an open and attractive climate and economic opportunities for migrants (Trait 6). In the case of the San Jose metro area, the influx of skilled immigrants to satisfy demand in the regional labor market has partly alleviated concerns about the local school system’s ability to build a pipeline of skilled labor, although the reliance on immigrants has also spurred new reforms and investments in local education. San Jose’s continued ability to attract talent reveals the tendency for highly educated individuals to gravitate to highly educated regions, while the opposite occurs in less educated regions, or what the economist Enrico Moretti has called the “Great Divergence” among American metro areas.⁵³

Third, regions can sustain the economic benefits of human capital by retaining their talent. Although regions may educate homegrown and foreign-born populations, they do not always retain them. Well-educated individuals are more likely to move than others, and other regions frequently accrue the economic benefits of these workers.⁵⁴ Undoubtedly, migration between regions and countries is critical; the free movement of people facilitates economic growth by matching the right workers with the right jobs and spreading information and ideas to new places.⁵⁵ Although some “brain drain” is natural, there are strategies to retain talent: investing in key assets (good schools, sound infrastructure, and quality of life amenities, etc.), maintaining a strong alignment of workers to employers, and creating an inviting and open culture.

However, higher levels of education alone do not magically expand a region’s economy. Productive growth occurs when metro areas can properly train workers in the skills that are in demand and effectively match such talent with the right jobs.⁵⁶ For instance, Boston transcends the “college town” label and maintains its perch as one of the largest and most productive U.S. metropolitan economies because it also specializes in the types of jobs that demand well-educated graduates, such as legal services, finance, biotechnology, and medical technology.⁵⁷

Discovering and commercializing technological and scientific innovations typically demand more than just human capital. They require advanced research and development. Because R&D is complicated and expensive, a single firm or institution cannot always achieve large-scale breakthroughs alone. A persistent hindrance to developing a culture of knowledge and innovation is the frequent separation between the research institutions and universities creating knowledge and the firms involved in using new information to create and commercialize new products and services. Local, inter-regional, and even international collaboration between universities, research institutions and labs, and private firms is critical (see sidebar).

TEL AVIV



Despite its distance from core markets, Tel Aviv has gradually emerged as a unique ecosystem for innovation and the commercialization of ideas. City leaders first openly endorsed the benefits of commerce and entrepreneurial capitalism a century ago, encouraging a can-do spirit into successive generations of middle-class immigrants. The initially unplanned concentration of skills and capital later proved capable of resisting national population dispersal strategies from the 1950s forward.

Business networks between venture capital firms and start-up companies flourished in the postwar period, not the least because of an inherited cultural and political propensity among Tel Aviv's high-tech community to minimize hierarchy and gamble on opportunities. Moreover, the urgent demand for military IT solutions resulted in a large proportion of the urban population acquiring high-tech skills and improvisational acumen from their time in the military. Tel Aviv entrepreneurs frequently moved their headquarters to the United States and yet were confident to leave research and development responsibilities to Tel Aviv branches because of the accumulated skill base; a robust 37 percent of Tel Aviv's population was college educated in 2008, placing the region among the most highly educated in the world.⁵⁸



After a period of neglect and depopulation, the city's entrepreneurial and commercial class mobilized in the 1980s to urge government leaders to launch new postindustrial infrastructure initiatives.⁵⁹ These were intended to attract multinational companies and accompanying knowledge-rich workers to supplement existing skills in finance, optics, communication, information systems, medicine, and software.⁶⁰ Tel Aviv's technology cluster now has a distinctively supportive early-stage investor arrangement; local leaders such as internet pioneer Jossi Vardi have created a culture of mentor-novice knowledge exchange.

The city's knowledge assets have been effectively positioned under Ron Huldai's mayoral stewardship since 1998. Municipal and national governments have promoted a suite of initiatives under the "Tel Aviv Global City" banner to enhance the visibility and voice of new foreign communities, and to expand the international student population.⁶¹ Leaders' active support of pluralism, lifestyle tolerance, and scientific achievement, alongside readily available business finance, have addressed the twin needs of early-stage firms as well as transnational operators, and fostered a vibrant atmosphere attractive to new creative industries.⁶²

To view other examples supporting this trait, see the case studies for Boston, Helsinki, Oslo, San Jose, San Francisco, and Seattle.

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TRAIT 6 OPPORTUNITY AND APPEAL TO THE WORLD

Metro areas that are open and opportunity-rich often serve as magnets to attract global investment, new businesses, skilled workers, entrepreneurs, immigrants, foreign students, tourists, and/or business travelers from around the world. These markets offer compelling economic prospects for families and firms, strong and predictable business climates, attractive settings, unique cultural assets and experiences, inviting and accepting attitudes and lifestyles, and/or respect for religious and personal freedoms and diversity. In return, immigrants spread information about areas in the United States through their family and business networks that tend to reinforce the global appeal.

New York's position as one of the world's great beacons of opportunity and openness began through its early role as the main entry point for immigrants seeking a new life. In Los Angeles, more than 35 percent of the population is foreign born, more than 100 languages are spoken, and the University of Southern California draws the largest number of international students of any U.S. university.⁶³ People and firms are drawn to the region from around the world to access Southern California's economic opportunity, Pacific Coast location, culture of innovation, mild Mediterranean climate, entertainment, diversity, and accepting lifestyle.

Opportunity and appeal evolve over time in cities organically and intentionally. Geographer Jan Nijman finds that Miami's global fluency is the result of many unplanned occurrences and uncontrollable forces, including "the cross-cultural affinities of Miami's ethnically hybrid workforce, many of whom originated elsewhere."⁶⁴ Former Mayor Richard M. Daley was highly intentional in cultivating a business and living environment that would strengthen Chicago's position as a global city. From Mayor Daley to current Mayor Rahm Emanuel, this has involved creating attractive public spaces, a focus on sustainability, and a comprehensive approach to welcoming and integrating foreign-born residents.

These metro area traits, however, are highly influenced by the level of appeal and openness in the larger nation. A nation (and state) and its associated government and culture create many of the rules, regulations, parameters, and societal norms that set the stage for how attractive and alluring its subregions are to a global audience (see Trait 9). Despite an incoherent national immigration policy, the United States, with its powerful domestic market, risk-taking environment, free and capitalist society, and relatively open and transparent government, has historically provided one of the most attractive national platforms in the world. This foundation has allowed each U.S. metro area the opportunity to rise up relatively unimpeded and present its case to global markets.

In contrast, many international cities and their respective countries lack a high level of openness. This limits the true depth of a city's global fluency. South Korea is very outward focused and is home to perhaps the world's best trade and investment promotion agency (KOTRA). However, Seoul is not known as a city where foreigners can easily assimilate; as of 2008 only 1 percent of its population was foreign-born.⁶⁵ Cape Town is just now emerging to pursue its global potential by pooling regional resources, having been limited for decades by South Africa's apartheid policies.

However, the relatively strong advantage the United States has held is slowly slipping away as more nations are seizing economic opportunities. At the same time, the United States faces struggles related to immigration, national security, and government debt. This leveling of the playing field provides more metro areas from around the globe with an opportunity to distinguish themselves, bolstered and less constrained by their national governments.

WASHINGTON, D.C.



Greater Washington, D.C., serves as a magnet to people, firms, and visitors from around the world for multiple reasons. Its global influence, networks, relationships, and connections are a strong draw, as is the concentration of people and institutions that think globally and are welcoming to diversity. It offers a visible and effective base for foreign firms and organizations looking to boost their overall U.S. presence. It offers attractive cultural options and high quality of life. The region has leveraged its role as the government headquarters of the United States into an expanded role as a well-rounded, economically vibrant global city.



Global reach, a consistently strong economy, career opportunities, an environment conducive to innovation, and openness have combined to make the region one of the leading global draws for highly educated, creative, and diverse domestic and immigrant populations.⁶⁶ While the metro area is the most highly educated in the United States, with more than 46 percent of the region's residents holding a bachelor's degree, it is attracting growing numbers of immigrants at all skill levels.⁶⁷ The foreign-born population in 2010 was 22 percent of the total population, up from just 11 percent in 1990. More than 20 percent of the region's residents speak a language other than English at home.⁶⁸ The Indian population alone, for example, has grown nine-fold since 1980, to 40,000. They have been drawn by education and

unique employment opportunities, particularly in the IT sector.⁶⁹ This growing immigrant base bolsters the region's global fluency through a positive feedback loop that defines the economic power of cultural and ethnic diversity. Foreign entrants increase greater Washington's competitiveness by filling gaps in the regional labor market, they strengthen its global connectivity by grounding their international personal and business networks in the metro area, and they attract other immigrants by improving the region's diversity, openness, and economic opportunity.

A growing number of companies and entrepreneurs feel the pull of greater Washington. The region serves as the home to more than 15 Fortune 500 headquarters and 1,000 foreign-owned companies.⁷⁰ Volkswagen of America and Siemens recently joined domestic newcomers Northrop Grumman, SAIC, CSC, and Hilton Hotels in moving headquarters to the region.⁷¹ These firms are now located nearer their large federal government clients and have convenient access to global decisionmakers from around the world who frequently visit Washington. They (and the city's immigrants) have ready access to international markets through Dulles Airport, which now serves more than 5 million international passengers annually, up from 1.4 in 1990. It ranks as one of the largest and fastest growing international airports in the United States.⁷²

To view other examples supporting this trait, see the case studies for Barcelona, Chicago, London, Los Angeles, Miami, New York, San Francisco, San Jose, Sydney, and Toronto.

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**TRAIT 7
INTERNATIONAL
CONNECTIVITY**

Global success requires global reach. Connectivity remains critical in a modern economy where competitive advantage is in part determined by the effective point-to-point movement of goods and people within and between regions. Firms rely on both local transportation systems and global freight infrastructure (airports, ports, rail, and road networks) to take their products to the international marketplace in the most cost-effective manner possible. Metro areas such as Hamburg, Los Angeles, or Miami leverage their infrastructure not only to minimize transportation costs for firms, but also to expand their economies and create jobs through their distinct specializations (Trait 3) in warehousing, transportation, and logistics.

Beyond moving goods, metropolitan economies must connect people. A recent Brookings Institution report found that international aviation connectivity delivers real benefits to metropolitan economies by empowering face-to-face interaction between businesses and decisionmakers.⁷³ Hubs such as Washington, globally connected through the fast-growing Dulles International Airport, are examples of how global connections can help national capitals join top networking and decision-making centers. When transportation barriers prevent in-person meetings, metro areas can cement international links digitally.⁷⁴

Indeed, mobile technologies have revolutionized communication and learning in parts of the developing world. People-to-people connections also serve as a foundation for international migration, with the corresponding impacts migrants have on urban economies.⁷⁵

Regions must also address issues of local accessibility. The competitiveness of a regional economy hinges on its ability to effectively connect its people and physical assets to their best use. This depends not only on the level of investment and geographic coverage of local infrastructure, including roads, rail, public transportation, and bike and walking paths, but also the spatial arrangement of households, businesses, and amenities in relation to that infrastructure, or what economic developers call “spatial efficiency.” Beyond minimizing transportation and communication costs, clustering economic activity near multimodal infrastructure points can also facilitate interaction, knowledge spillovers, and innovation.⁷⁶



CHICAGO



For centuries, connectivity has contributed to Chicago's global fluency and has allowed it to become America's most internationally significant non-coastal region. Ever since a group of local leaders effectively positioned the city as a hub for both national canal and railroad links in the nineteenth century, the region has served as a key center for transportation and trade. Chicago has more highways entering the region than any U.S. city.⁷⁷ As an intersection for six of the country's seven largest railroads, it remains a key, if congested, node in the North American rail network.⁷⁸ The region's airports, anchored by the O'Hare and Midway International Airports, moved more than 7 million international passengers in 2011, the fifth highest in the country.⁷⁹ These air connections have real economic benefit. They solidify Chicago's position as a globally accessible business hub and allow millions of visitors access to the city's well-regarded art, architecture, food, music, theater, and sports, which together contributed to the region's \$5.6 billion in tourism exports in 2010, Chicago's third largest export industry.⁸⁰



Recent mayoral administrations have acted to solidify and enhance the region's existing infrastructure advantages. In 2005, Mayor Richard M. Daley initiated an ambitious \$6.6 billion modernization plan to reduce delays and increase traffic at O'Hare. Current mayor Rahm Emanuel has bolstered this plan with an additional \$1.4 billion as part of his 2012 infrastructure plan.⁸¹ Physical connectivity also enables Chicago to be a destination for workers and families. Currently, 18 percent of the region's population is foreign-born, compared with 13 percent nationally.⁸²

Chicago's global performance also depends on how well the region's transportation system can move goods and people locally. Here, like many U.S. regions, greater Chicago's performance is more mixed. The city boasts one of the more comprehensive public transit systems in the country. But the region struggles in connecting workers to jobs. Nearly 80 percent of the metropolitan area's working-aged residents lives near a transit stop (the average among top 100 U.S. metro areas is 69 percent), but only 24 percent of the region's jobs are reachable via transit in under 90 minutes, well below the 100-metro area average of 30 percent.⁸³ Decades of sprawl have pushed two-thirds of jobs beyond 10 miles of downtown; the second highest percentage among the top 100 U.S. metro areas.⁸⁴ These challenges have been acknowledged by the region's leadership, which has recently stressed additional transit investments as well as alternative forms of travel, including bike lanes and car-sharing programs.

To view other examples supporting this trait, see the case studies for Barcelona, Hamburg, Los Angeles, Miami, New York, and Singapore.

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TRAIT
8
**ABILITY TO SECURE
INVESTMENT FOR
STRATEGIC PRIORITIES**

The success of a metro area in the global economy is highly dependent on its ability to attract investment for local priorities. It must be able to assemble deals from a wide variety of public and private sources.

Investment is not just a means to create assets. It is fundamentally how metro areas adjust to new requirements and opportunities. Whether it is new infrastructure, groundbreaking research capability, better quality of life amenities, or increased housing supply, investment is the tool that enables metro areas to grow and change, and to achieve a better international orientation. For example, a network of regional and state leaders is making three key investments in the Miami region's port infrastructure to prepare for the widening of the Panama Canal. A new Bay Tunnel, a deep dredge project, and the Intermodal Rail Reconstruction Project exemplify how subnational leaders are financing transformative infrastructure that blends multiple public and private funding sources.⁸⁵

Today, much more investment capital in metro areas comes from global sources, and it is allocated through international competitive processes that weigh different locations and asset classes against one another.⁸⁶ This means that globally oriented metro areas have a better chance of attracting capital because they can align with the needs of both public and private investors through their value added development strategies, compelling identity (Trait 10), and focused leadership (Trait 1). Metro areas that have a long-term path to success have a basis for attracting external investment partners.

Attracting investors also requires that local leadership pay deliberate attention to how investment is facilitated and managed. The investments begin with three main conditions that are synchronized and sequenced through strategic planning and sound project management:

A public finance system of taxes, transfers, levies, charges, and loans that delivers enough investment to cover core public goods, services, and assets and also creates an effective structure of incentives and opportunity for private sector co-investment.

Solid opportunities for global **commercial and institutional capital providers** to find ready investments, organized in ways that make appraisal simple and provide both a stable and dynamic environment for asset performance.

Dynamic markets, ease of access, and a solid platform for business success that draws **corporations and small- and medium-sized enterprises (SME)** to the metro area.

Being an "investment ready" region means being able to leverage public finances, capital allocations, and corporate location decision-making to create a positive cycle of capital flow. In a climate in which sovereign wealth funds, foreign pension funds, and other foreign investing vehicles have trillions in capital to invest, it means deliberately preparing and packaging investment opportunities so they are easy to appraise. It also means promoting both the potential internal and external rates of return, and the area's commitment to enabling investments to succeed.⁸⁷ Indeed, a recent trade mission to China led by California Governor Jerry Brown targeted institutional investors to finance, among other priorities, large infrastructure projects.⁸⁸

BRISBANE



In the 1990s, Brisbane faced challenges in attracting investment, given a lack of financial services and a limited culture of partnership with the private sector. However, its local city council is a strong example of a consolidated (single tier) metropolitan council with a budget that exceeded \$1 billion. In recent years, the council has used its financial capacity to facilitate economic development and urban renewal, and ultimately to reverse an under-par investment record.⁸⁹

The council has led a wide range of joint ventures, sponsored business conventions and sporting events, and convinced the Queensland state government to prioritize Brisbane for transport infrastructure funds, including for the Legacy Way toll road.⁹⁰ An ambitious TransApex transportation plan has drawn on public and private investment and has dramatically lowered congestion in a growing region. Public-private partnerships have delivered the \$3 billion Clem7 toll tunnel project, and the \$5 billion Airport Link toll road.

Brisbane has also overcome weak coordination in organizing incentives for SMEs and global firms and has committed to offering a resilient business environment and a reliable fiscal regime.⁹¹ A city council subsidiary, Brisbane Marketing, successfully links local partners to international networks of digital, gastronomy, and logistics firms, while an Ambassadors program maximizes expatriate investment connections. A

2012 Economic Development Plan incorporates a thorough outreach agenda to Chinese, Japanese, and Malaysian resource firms amid an ongoing commodities boom, which will trigger new, diversified investments.

To view other examples supporting this trait, see the case studies for Bangalore, Chicago, Istanbul, Miami, Moscow, and Shenzhen.



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GOVERNMENT AS GLOBAL ENABLER

Federal, state, and local governments have unique and complementary roles to play in enabling firms and metro areas to “go global.” Governments are needed to provide visible leadership and on-the-ground advocacy on behalf of U.S. business in foreign markets. They are also needed to correct market failures that limit opportunities for certain sectors and populations. Mayors, governors, ambassadors, and presidents have a unique capacity to open doors for business delegations in overseas markets. The aggressive, cohesive, and well-resourced trade and investment programs of China, Germany, Japan, and Korea, for example, prove indispensable in opening doors globally for their respective firms and cities.⁹²

At the metro level, strong local mayors can be critical to the global fluency and engagement of a region. Through their positions as the top locally elected officials, mayors can convene key local leaders around critical topics. They can exert influence by supporting vital initiatives, making them more likely to take root. Further, top locally elected officials have unique and collective power to advocate nationally for policies that impact cities and metro areas. They can help national governments be greater enablers of global competitiveness.

State and federal governments set the tone and platform for how globally engaged or fluent a given metro area can aspire to be by establishing the level of transparency, security, dependability, and predictability. These governments play certain roles related to global success that the private sector cannot, such as establishing the tax climate, implementing regulations, crafting immigration policies, investing in necessary resources and infrastructure, and (at the federal level) signing free trade agreements. They also provide export finance guarantees and credit to support large foreign sales that private banks cannot or will not take on alone. Finally, they can support SMEs whose global reach would otherwise be limited. This implies that for metro areas to maximize potential in international markets, they must win a high level of

support, engagement, and investment from national and state governments.

In certain cases, the outsized influence of national governments can even shape the productive platform and specializations (Trait 3) of a region, as in national capitals such as Washington, D.C., and military hubs such as San Antonio and San Diego. Further, the public sector plays a role in addressing the downsides of globalization by investing in education, crafting a fair tax system, and assisting in the retraining of workers in industries dislocated by global competition.

State and federal governments in the United States do not often partner with each other on global issues, nor do they provide adequate resources for or give priority to globalization. They rarely understand the unique specializations and potential of their metro areas in relation to global success. Conversely, the private sector does not well understand the government’s key role in globalization. Instead of encouraging elected officials to engage globally (which is understood as critical in countries around the world), local business and media in the United States often chastise elected officials for taking “overseas junkets.”⁹³ Given this reaction, it is imperative that elected officials have a plan for global trade, investment, and interaction and better clarify the benefits and critical nature of these trips.

Cities within state and national governments that “get it” have a significant advantage. U.S. metro areas have an advantage related to the relatively appealing and open platform set by the government, but they are held back by confusing policies and underfunded, uncoordinated trade and investment efforts. When federal, state, and local agendas are aligned, and distinct roles are clarified, the opportunities for global success are dramatically increased.

CASE EXAMPLE: MUNICH

For more than half a century, Munich has gained from assertive leadership at the regional and state levels. The Bavarian government has a stable relationship with Munich, which is conducive to strategic planning and long-term service delivery. Bavaria has long recognized the role of spatial management and infrastructure stewardship in the region's innovation capacity and has duly overseen a steady upgrade of rail, road, and air services during the past four decades.⁹⁴ Groundbreaking infrastructure projects and strategies have been implemented with a confidence that accompanying political mechanisms will be effective and efficient.⁹⁵ Since the early 1990s' challenges of reunification, state government has spearheaded an imaginative 20-year innovation strategy, drawing on the strength of public research and public-private commercial networks. Government shareholdings, for example, have been leveraged to accelerate entrepreneurial agendas such as "The Future Bavaria Initiative" and a series of cluster programs, which together are strengthening Munich's presence as a cutting-edge scientific and clean technology center.

Munich has also benefited from favorable frameworks and priorities at the federal level. As early as the 1960s, the federal government recognized the clustering taking place in automotive and aerospace manufacturing. It moved to support technology development by directing federal research agency locations and considerable military technology investment to the region. Influential regional politicians, such as Franz Josef Strauss and Hans-Jochen Vogel, became highly effective national lobbyists for federal investment in Munich's science industries, universities, and urban renewal. Amid recent state-level funding shortages, national high-tech R&D strategies have provided crucial financial awards to the city's biotechnology sector, while feed-in tariff laws have stimulated demand for green energy products, of which Munich is a key provider.⁹⁶ Meanwhile, the federal planning system has incorporated a clear delegation of land-use powers, which fosters a strategic approach toward land (especially brownfields) that has met the needs of different company sizes. Further, Munich benefits from Germany's robust and highly regarded global trade and investment arm, which is considered a world leader in opening doors for firms in overseas markets and attracting foreign direct investment.



To view other examples supporting this trait, see the case studies for Brisbane, Hamburg, San Antonio, Seattle, and Washington, D.C.

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TRAIT 10 **COMPELLING GLOBAL IDENTITY**

The most globally fluent metro areas demonstrate a combination of appealing identity, high standards and reputation, and global relevance in specific markets. Establishing and managing a compelling brand image in global markets not only helps sell the city, it also shapes and builds the city. It provides city leaders with the glue that can join people and institutions in a common spirit and purpose. Cities must manage change, adjust to dynamic trends, and shape their futures; however, without an enduring city identity, this is much harder to do, and the outcome is less effective.

Increased globalization and global engagement require that metro areas are clearer, and more self-aware, about who they are and what they intend to be. Globalization opens up opportunities for metro areas, but it also exposes weaknesses and doubts. Identity provides confidence; it helps cities make decisions about priorities.

Identity also provides metro areas with a means to act coherently across different markets where opportunities are contested through international competition. These include attracting residents, visitors, students, investors, corporate and institutional locations, capital investment, facilities, and events and conventions. The most globally fluent metro areas attract more than their share of these contested opportunities. They are places that leverage the interaction between different opportunities, recognizing that international students can become trading entrepreneurs, convention attendees may well decide to relocate, or tourists may also be investors. Successful metro areas leverage a coherent identity across these markets. They do not have one

play for tourists and another for investors, residents, students, or institutions.

Global identity is not just about having a slogan, logo, or marketing and sales strategy. These may be useful, but not all globally successful metro areas have or need them. Equally, identity is not just about tourism and visitor economy, or attracting new populations, although most globally successful metro areas do these things well. Identity is about integrating the set of assets, ideas, values, opportunities, and aspirations that a metro area has and the effectiveness of its communication.

Successful identity-building always has catalysts. Barcelona Football Club is reputed to be the best soccer team in the world, the Bolshoi Ballet is first in class, the Empire State Building is a global icon, and

the BBC is a world renowned media institution. It is not simply the presence of these assets in Barcelona, Moscow, New York, and London that helps each metro area succeed. They succeed based on the ability to use these inspirational organizations and icons to distill and project a deeper sense of identity and values by collective association with the organizations that they host.

Establishing and managing a compelling brand image in global markets not only helps sell the city, it also shapes and builds the city.

CASE EXAMPLE: BARCELONA

The program of economic and political modernization overseen by Barcelona's leaders since the early 1980s has combined in novel ways with a distinctive, pre-existing identity and architecture to produce a highly creative and stylish image to the world.

Under visionary Mayor Pasqual Maragall, Barcelona deliberately and effectively communicated its global orientation and ambition, distinctive Catalan culture and style, and its cosmopolitan openness, and invigorated this character with high-quality urban and waterfront design.⁹⁷ City leaders embraced the scale of Olympic preparation in 1992 to mobilize public and private stakeholders for urban revitalization and new forms of place-making. The technical and political elite endorsed the role that art, architecture, design, and sport could play in capturing the imaginations of local and international audiences.

The consolidation of a unique brand has been a key tool for converting Barcelona's aesthetic exhilaration—embodied by Barcelona Football Club—into business dynamism. Despite continued economic and fiscal challenges, the freshness of its entrepreneurial leadership has translated into an ethos of learning from others, and into bold investment in “next cycle” sectors such as mobile technology and electric vehicles. It also informs Barcelona's new ambition to become a capital of the Mediterranean, with a global inspiration for smart urban design and progressive technologies.⁹⁸



To view other examples supporting this trait, see the case studies for London, New York, San Jose, Singapore, and Sydney.

27.17	38.72	0	20.83
38.70	28.93	287	21.31
28.92	21.96	5	31.65
21.95	29.47	272	4.51
29.46	488.19	3	43
488.07	117.02	9	78
117.00	20.84	370	4
20.83	21.32	126	6
21.31	31.66	69	95.76
31.65	34.52	19	3
4.51	33.44	32	35.87
43	29.82	10	95.72
78	21.37	3	
4	35.87	17	
6	95.76	3	

CONCLUSION

Swift global integration, the rapid expansion of a global consumer class, and the rise of urban regions as the engines of global economic growth have ushered in a new era. The global economy no longer revolves around a handful of dominant states and their national urban centers. Nor does it only offer success to cities with established wealth, strategic location, or access to material resources. Instead, wealth and prosperity are increasingly determined by access to more distributable assets: people, knowledge, and technology.

These fundamental shifts have certainly challenged the United States with greater global competition, but they also offer the prospect for all U.S. metropolitan areas to engage with markets abroad. Aware of the enormous untapped opportunities offered through trade and global engagement, many metropolitan leaders are now ready to take steps to improve their region's global fluency, defined here as the level of global understanding, competence, practice, and reach that a metro area exhibits and that facilitates progress toward its desired economic future.

A review of 42 U.S. and international cities has revealed that the path to global fluency is, like learning a new language, neither quick nor easy. It takes intentional efforts and policies that move the region along a spectrum, from globally aware to globally oriented to globally fluent over the course of decades. Strategies will differ depending on the economic, political, and geographic factors that distinguish regions from one another. However, all metro areas

share the initial step on the path to global fluency: evaluate the strengths and weaknesses that together define their global position.

In this spirit, this paper presents one potential framework for self-evaluation. Unlike other global city analyses, it does not rank a select group of regions. Rather, it is designed to help leaders in metro areas of all sizes to better understand the key traits that drive performance in the global marketplace and provide clear examples of those traits in practice at the metropolitan scale. In doing so, it endeavors to help metropolitan areas use global trade and engagement to increase jobs, build wealth, and sustain prosperity.

BROOKINGS TOOLS AND RESOURCES TO BOOST METROPOLITAN GLOBAL FLUENCY

This paper summarizes a list of 10 characteristics that contribute to a region's "global fluency." It is the latest in a line of research from the Brookings Metropolitan Policy Program that provides regional leaders with the tools and information to understand their distinct global position, including both interactive data surveys, framing papers, and resource guides.

METROPOLITAN CASE STUDIES

Case studies of 42 U.S. and international metropolitan areas are available in an online supplement to this report. Each case study documents a metropolitan area's recent global performance (measured by global indices and other data sources) and unpacks the underlying determinants of that performance. Cases are available here: brookings.edu/globalmetrotraits.

SURVEYS AND INTERACTIVE DATA

The Metropolitan Policy Program's recent and forthcoming research helps leaders in the top 100 U.S. metropolitan areas better understand their distinct global position (most papers include data for the top 100 U.S. metro areas, as well as metro area profiles). These publications include:

- ***Export Nation 2012: How U.S. Metropolitan Areas Are Driving National Growth***
- ***Locating American Manufacturing: Trends in the Geography of Production***
- **State of Metropolitan America Indicator Map** (includes international migration)
- ***The Search for Skills: Demand for H-1B Immigrant Workers in U.S. Metropolitan Areas***
- ***Global Gateways: International Aviation in Metropolitan America***
- ***Patenting Prosperity: Invention and Economic Performance in the United States and its Metropolitan Areas***
- ***The Hidden STEM Economy***
- ***Freight Flows*** (forthcoming, 2013)
- ***Foreign Direct Investment*** (forthcoming, 2013)
- ***Remittances*** (forthcoming, 2013)

GUIDES AND FRAMING PAPERS

In addition to data, the Metropolitan Policy Program has released a series of guides and framing reports to help give metropolitan leaders the ideas and tools to boost exports and trade. These include:

- **Ten Steps to Delivering a Successful Metro Export Plan**- www.brookings.edu/research/papers/2012/08/metro-exports-guide
- **Metropolitan Trade** - www.brookings.edu/research/papers/2012/11/26-metro-trade

CATALYTIC PROJECTS

The data surveys and framing guides mentioned above are part of two broader catalytic projects aimed at helping regional leaders in the United States and abroad “go global.” They are:

- The **Global Cities Initiative**, a five-year joint project of Brookings and JPMorgan Chase that aims to help leaders in U.S. metropolitan areas reorient their economies toward greater engagement in world markets. www.brookings.edu/about/projects/global-cities

The **Metropolitan Export Initiative (MEI)**, a ground-up collaborative effort to help regional civic, business, and political leaders—with their states—create and implement customized Metropolitan Export Plans (MEPs). www.brookings.edu/metro/mei

NEXT STEPS

Later in 2013, the Brookings Metropolitan Policy Program plans to release a companion piece to this report designed to more directly assist metro areas in assessing their local market’s starting point for global fluency. This guide will likely include brief text and a framework, including qualitative concepts, questions to consider, and links to related data sources. These will support regions in researching and evaluating their current positions and performance for each trait. Links to additional measures and evaluation tools will be added to the online guide as metro areas share their related experiences, making it a living, relevant document. It is important to stress that many of the potential measures provided will relate to cultural, behavioral, and other change that can only be evaluated locally, through an honest self-assessment.

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FOR MORE INFORMATION

Brad McDearman
Fellow
Metropolitan Policy Program at Brookings
bmcdearman@brookings.edu

Greg Clark
Nonresident Senior Fellow
Metropolitan Policy Program at Brookings
gregclark@citiesandregions.com

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