Winning From Second
What Geelong Can Learn from International Second Cities

Business-led city associations and collaborative economic development organisations are an increasingly important player in urban development, particularly where cities are facing economic decline and are seeking economic and social reinvigoration or transformation. The Committee for Geelong (CfG) in Australia is one such entity, an “independent, member-based organisation committed to leading and influencing to achieve our strategic objectives for Geelong”. This paper presents the results of a collaborative research effort between the CfG, the UN Global Compact – Cities Programme and the RMIT Centre for Urban Research that sought to draw on the experiences of comparable cities in Europe and the United States of America to guide the transformation of the Geelong economy. The study also endeavoured to support and inform wider Australian government policy thinking on second cities and came at an important juncture for Geelong, as Victoria’s second largest city. The research is based on a study tour of second cities, investigating how comparable international cities have developed into growing, successful cities following the decline of core industrial sectors. The insights of the resultant report provide recommendations for Geelong’s social and economic development and focus on governance frameworks, vision and strategy implementation, approaches to economic development and how diverse economic needs have been addressed within communities. While focusing on Geelong, the findings also underscore the need for greater policy and planning attention to be given to second cities in Australia, with many examples of significant economic and social development resulting from this type of policy focus. Findings have been presented to local, state, federal and international leaders.

Keywords — Geelong; Second Cities.

INTRODUCTION

Geelong is the second largest city in Victoria, Australia, and has been a significant contributor to the state’s development through its port, strong manufacturing centre and a service hub for the state’s south west. However, much like other industrial second cities in developed countries across the world, the rise of service economies and global city networks in recent decades has resulted in the closure of major employment providers in the city (Johnson and Wright, 1994, Ford Australia, 2013). In 2016 the CfG led an international study tour of second cities to draw on insights from cities that have successfully responded to these economic trends, and to provide recommendations for Geelong’s social and economic development. This paper presents an overview of the ‘Winning from Second: What Geelong can learn from International Second Cities’ report, which provides the findings and recommendations from that international study tour. The research project was commissioned by the CfG and developed with the UN Global Compact – Cities Programme and the RMIT...
Geelong, one of Australia’s major cities, has a long and unique economic history. Originally a regional capital and a second-tier city, Geelong became the Victorian Surf Coast and Great Ocean Road, one of Australia’s major tourism regions. Today, it is a regional service hub, which has benefited from trends towards increased consumption of retail goods, health care and education in recent decades.

Although manufacturing employment has declined in Geelong, it was still the sector that provided the third most amount of employment in 2011, after health care and education. By 2011, there were just over 10,000 people employed in manufacturing, representing 13% of the 79,000 people employed within the council area (Australian Bureau of Statistics, 2011). By comparison, in 1971 manufacturing accounted for 37% of total employment in Geelong.

This indicates that Geelong has suffered as a consequence of the freeing up of global markets and decline in manufacturing, which is a similar position to many other second cities in developed economies that have also had to adjust or face decline over recent decades (Dicken, 2011). The cities included in the international study tour were selected because they are successful cities that have responded to the decline or closure of significant industries: Philips light bulb manufacturing in Eindhoven, steel manufacturing in Pittsburgh and Dundee’s shipyards for example.

Geelong today

Unlike some cities with a similar economic history, Geelong has grown in recent decades. The 2011 census indicates that, compared with 1971, it has a 42% larger population and a 67% larger workforce than in 1971, based on the current municipal area. The continued growth of the city — despite manufacturing decline — can be seen as the result of its role as a regional service hub, which has benefited from trends towards increased consumption of retail goods, health care and education in recent decades.

The population of the Greater Geelong local government area increased by 18% in the decade to 2016, to 233,426, with the State Government projecting a population of 296,000 by 2031 (Department of Environment Land Water and Planning, 2016). Much of the employment growth has been in servicing the increased population, in sectors such as Health Care and Social Assistance and Education and Training, as depicted in Figure 1. The growth in Construction employment between 2006 and 2011 is an expected result of the ongoing population growth and the large tracts of residential subdivision on the southern and western fringes of the city.

Even though manufacturing employment has declined in Geelong, it was still the sector that provided the third most amount of employment in 2011, down from second in 2006. The other major sectors of employment — Health Care and Social Assistance, Retail Trade and Education and Training — are generally considered non-tradeable, circulating incomes within the region. Manufacturing is the classic example of a city’s economic base, the section of the economy that draws...
than 11,000, with over 5,000 of these commuting to central Melbourne suburbs (Australian Bureau of Statistics, 2006, Australian Bureau of Statistics, 2011). The increase in commuting is linked to improvements to the rail services and freeway, increasing inner city house prices, changing housing preferences and the increasing concentration of well paid employment in Melbourne.

There has also been continued investment in Geelong, which underscores the increasing appeal of the city as a residential location. The redevelopment of the waterfront was completed in 2001, which established connections between the water and the city’s central retail and business district. Three social insurance agencies have also relocated to the centre of Geelong, providing the basis for a cluster and centre of excellence in this sector: the Transport Accident Commission and WorkSafe state agencies, and the Federal Government’s National Disability Insurance Agency head office. The State Government is funding the redevelopment of Simonds Stadium, home of the Geelong Football Club. Also, the redevelopment of the city’s cultural precinct is underway: including the redeveloped library and heritage centre, with plans in place for the performing arts centre and gallery.

Geelong has continued to grow at a time when many second cities have declined, for example in the U.S. “six of the largest 16 cities in 1950 – Buffalo, Cleveland, Detroit, New Orleans, Pittsburgh and St. Louis – have lost more than half of their population since that year” (Glaeser, 2011). It is of note that two of these cities – Cleveland and Pittsburgh – were included in the study. While these two cities have lost significant proportions of their population, they have maintained a degree of prosperity through developing niche economic hubs: Cleveland through health care and related research and Pittsburgh by instigating a long-term greening of the city, including clean air and water acts and an urban redevelopment program. For Geelong, a city characterised by its automotive sector and intertwined football club for much of the 20th century, the processes of redefinition and sustainable prosperity undertaken by cities such as Cleveland and Pittsburgh provide the basis for its own transformation.

The eight cities included in the study tour have undergone similar economic transformations to Geelong and, although they are comparable in their blend of infrastructure and population size, it is also important to understand the particular differences between Geelong, and Australia, and these cities and their countries. An important aspect is the governance structures and development policies of each city. The three-tier system of government in Australia is different from the European examples with two-tiers, indicating the latter may have greater autonomy. Also, in the European Union, there has been a particular focus on the development of second cities to address spatial disadvantage and divergent economic fortunes outside of the major cities (Parkinson et al., 2012). In addition, European cities are usually located in intensively urbanised regions, as is the case of Eindhoven, located extremely close to the capital Amsterdam, but also Rotterdam, Antwerp, Düsseldorf and Brussels. The American cities are usually further from major cities, but all have considerable settlements close by. Geelong however, is part of a strongly monocentric region, centred on Melbourne and without any other settlements having a large impact on it.

Even though each of the cities was unique in its thriving industry sectors, policy prescriptions and governance, and the paths to economic transformation were different, many aspects of successful economic transformations were repeatedly raised across the interviews with city respondents. These recurring themes include:

- Centralised economic development agencies;
- Supporting innovation and entrepreneurs;

2 Based on metropolitan LGAs (available on request).
• Prioritising of industry sectors based on the inherent strengths of the city;
• Differentiation from other secondary and major cities, as a place to live and invest as well as in the priority industry sectors; and,
• Making the city a good place to live through waterfront developments, arts and culture, food, and revitalising city centres.

A recurring finding was the importance of a unified and strategic approach to the development of the city, which endures beyond political cycles. Dundee, Pittsburgh and Eindhoven are clear examples of the significance of this unified process. The benefits of Dundee’s strategic vision was reinforced by the development of the Dundee Partnership, which was established in 1991, and comprises the City Council, the public sector, third sector3 associations, self-help groups and community groups, social enterprises, mutuals and co-operatives. This holistic vision for Dundee was established to confirm the new administration’s agenda to progress existing plans whilst incorporating minor variations, the approach evolved with a focus on partnerships and how to maximise assets.

Another example is Pittsburgh’s Allegheny Conference on Community Development, which has provided a unified development body for the city since 1944. This civic-interested business leadership model goes beyond networking between the business community, it consolidates strong private sector leadership with commitment from public sector partners to identify and leverage the city’s world-class assets. Unity and co-operation in economic development seems particularly important given the time required to achieve transformation, as demonstrated by Pittsburgh’s long process to be recognised as a leading green economy, which was initiated in the 1970s.

Eindhoven’s Brainport Development is also a remarkable example of an agency focused on developing integrated mechanisms and solutions for city development. Working under the multi helix model, this regional development agency brings together government, industry, the community and research institutions to foster development in the city and its surrounding region. Brainport Development has a crucial role in connecting all partners and embedding their collaboration model on trust. It acts as the foundation for open innovation and growth, even though there may be differing opinions amongst the leadership. In Eindhoven, the link between industry development, research and education, has been key to the city’s renewal and consequently the regional development agency works in close collaboration with Small and Medium Enterprises (SMEs), which have been pivotal for the Research and Development (R&D) sector that defines the region, since 19% of Dutch R&D investment is originated in the region.

The support and nurturing of new and innovative businesses, particularly SMEs has been highlighted as a vehicle to enhance the economic viability of the study cities. In Richmond the Chamber of Commerce, Chamber RVA, is focused on supporting start-up companies and in recent years has been able to attract younger tertiary educated workers. Chamber RVA developed a yearly competition that awards prize money and a mentorship program where small businesses can obtain support and advice with marketing or accounting. Similarly, the city of Sheffield noted the importance of scaling up existing businesses. SME’s are the core of Sheffield’s economy, since the city does not have large scale enterprises. The SME supply chain economy has been valuable for Sheffield, due to its ability to diversify away from declining sectors, proving to be agile and resilient as the literature would suggest (Duranton and Puga, 2000, Dissart, 2003).

For cities such as Cleveland and Dundee, the development of specialised corridors or investment in industry specialisations has also been an important aspect for their positive transformation. Cleveland has become internationally recognised for its successful Health Tech Corridor, which thrived through specialisation in cancer research, cardiac care and general healthcare. This Health Tech Corridor is the direct result of investment in an area that the city identified as a key economic driver, and resources were subsequently put in place to ensure that Cleveland was able to capture the new businesses being created within these knowledge clusters. These sectors are Cleveland’s new exports; they generate investments to support R&D and are one reason why people are attracted to the city for the use of these services. The two universities in Dundee have been key for the development of the city’s knowledge-based economy. Dundee University specialises in medical research and life sciences, and Abertay University specialises in creative industries, with particular emphasis in the computer gaming industry. The prestige and collaboration with these universities contributes to these sectors, and has played an important role in the international recognition of Dundee, which has received the title of UNESCO’s City of Design in 2014. It has also been pivotal in the socio-economic dynamic of the city and attracting new residents. This is further enhanced by the universities’ focus on working in these sectors, considered post-industrial critical areas for the economic development of Dundee and closely linked to the national state of affairs.

In Dundee, the city’s effort to invest in a particular and distinctive identity has also been beneficial. The Victoria and Albert (V&A) Museum board decided to establish their first museum outside of London in Dundee. Part of the rationale for this decision was the city’s flourishing cultural environment and that the museum could have more impact in Dundee than in major cities such as Edinburgh or Glasgow. This decision was the result of a clear articulation of the advantages of a second city like Dundee, in which the visibility of a cultural centre can be enhanced, as well as the lower real estate costs, less congestion and alluring environments. The unique vision for Dundee and the development of initiatives that incentivised community participation around a particular goal, such as bringing the V&A Museum to the city or enabling the involvement of the population in the strategic design for the city created a stronger sense of identity within Dundee’s residents.

Although Bristol does not have a single ‘theme’, like Dundee or Cleveland, the creation of new jobs in the city has been underpinned by innovation and R&D. Nowadays, Bristol is characterised as being quite strong in the digital innovation sector, being named the UK’s leading smart city outside of London.

The focus on creating a specific identity has proven central for Richmond’s growth. In this case it was promoted by the Richmond, Virginia logo: RVA. Through the creation of logo, which was made accessible for everyone to use, a grassroots engagement was boosted and drove the acceptance and embracement of the RVA logo within the community. By addressing a branding gap, related to the lack of a professional sports team in the city, RVA became the brand for the region used in merchandising and adopted by major organisations that have used it within their own logos. For example, the Greater Richmond Chamber of Commerce changed its name to Chamber RVA. While the development of the shared logo was important, it was largely a successful venture for Richmond because it was widely adopted. This aspect again illustrates the importance of unified actions in fostering city development.

Coordinating urban development with economic development has proven to be a contributing factor for the transformation of several second cities. This reflects popular economic development theories of recent decades, particularly Florida’s Rise of the Creative Class (2004) Clark’s The City as an Entertainment Machine (2003) and Consumer City by Glaeser et al. (2001). While these theories have been met with some criticism (Peck, 2005, Storper and Scott, 2009, Storper, 2013, Peck, 2016), the cities included in the study tour see improved amenity and lifestyle as integral to their success. This includes specific revitalisation of city centres and waterfronts, and the development of arts, culture and sport. In addition to the example of the V&A Museum in Dundee, an Institute for Contemporary Art is soon to be complete in Richmond, which is expected to be a significant attractor for the city. Cleveland, a city extremely connected to sport, experienced a rebirth in the 1990s after the construction of the baseball stadium. Civic leaders, philanthropists and the community came together for the development of this project, which led to a new era of redevelopment in Cleveland. The redevelopment of waterfronts to provide appealing and liveable spaces for their inhabitants have occurred in most of the cities included in the study, as well as Geelong. Liverpool focused on its maritime heritage, redeveloping the city’s docks and revitalising

3 According to the UK’s National Audit Office, “Third sector organisations” is term used to described the range of organisations that are neither public sector nor private sector. It includes voluntary and community organisations (both registered charities and other organisations such as associations, self-help groups and community groups), social enterprises, mutuals and co-operatives.” - https://www.nao.org.uk
its waterfront to create a tourism hub that became an important economic driver and job creator. In Pittsburgh, the redevelopment of the city’s waterfront was pivotal for the improvement of green spaces and allowing a connection between the city and its river. It was also crucial for a larger scale environmental enhancement of the city, initiated by the introduction of the Clean Air and Clean Water Acts, that have enabled the development of public infrastructure, such as parks, bike trails and walkways, that are clear magnets for ‘millennials’.

CONCLUSION

While focused on assisting the transformation of Geelong as the industries that were significant in the city’s 20th century growth depart, the study tour provided important insights for the ongoing development of the many post-industrial and second cities in similar circumstances. In particular, co-ordinated approaches to economic development and goal development can be successfully implemented by cities. The focus on amenity and lifestyle also differentiates second cities from the major metropolitan areas, which are becoming increasingly unaffordable and congested (UN-Habitat, 2016).

The ‘Winning from Second: What Geelong can learn from International Second Cities’ report also presents recommendations that draw on the important factors in the transformation of comparable cities in Europe and the USA, while reflecting the unique circumstances of Geelong. Industry mapping and opportunity identification and a co-ordinated approach to economic development were the essential groundwork supporting recommendations for transforming the Geelong economy. In addition to identifying the industry sectors for prioritisation and support within the city, these recommendations provide the basis for the medium term recommendations for rebranding and developing clear arguments for public and private investment. The ongoing recommendations, to support start-ups and scale-ups, innovation and entrepreneurship, and continuing the investment in Geelon’s appeal as a city to live in, reflect the evidence gathered in the international study tour that have been important in other second cities.

Finally, the report’s overarching recommendation for Geelong to advocate for a second city policy with Federal and State governments, as well as for continuing public investment in the city, is also important in other jurisdictions. In Europe, policies for the development of second cities have been more prominent, as a way to reduce the divergence in economic fortunes on the continent and associated social disparities. In Australia, whilst regular references to regional cities – such as those included in City Deals within the 2018 Smart City Plan (Department of the Prime Minister and Cabinet, 2016) - may indicate an interest by the Federal Government in cities outside of capital cities. However, Australia does not have a national plan for either second cities or regional cities. Concerns regarding the rapid population growth of cities from the major metropolitan areas, which are becoming increasingly unaffordable and congested (UN-Habitat, 2016).

REFERENCES

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