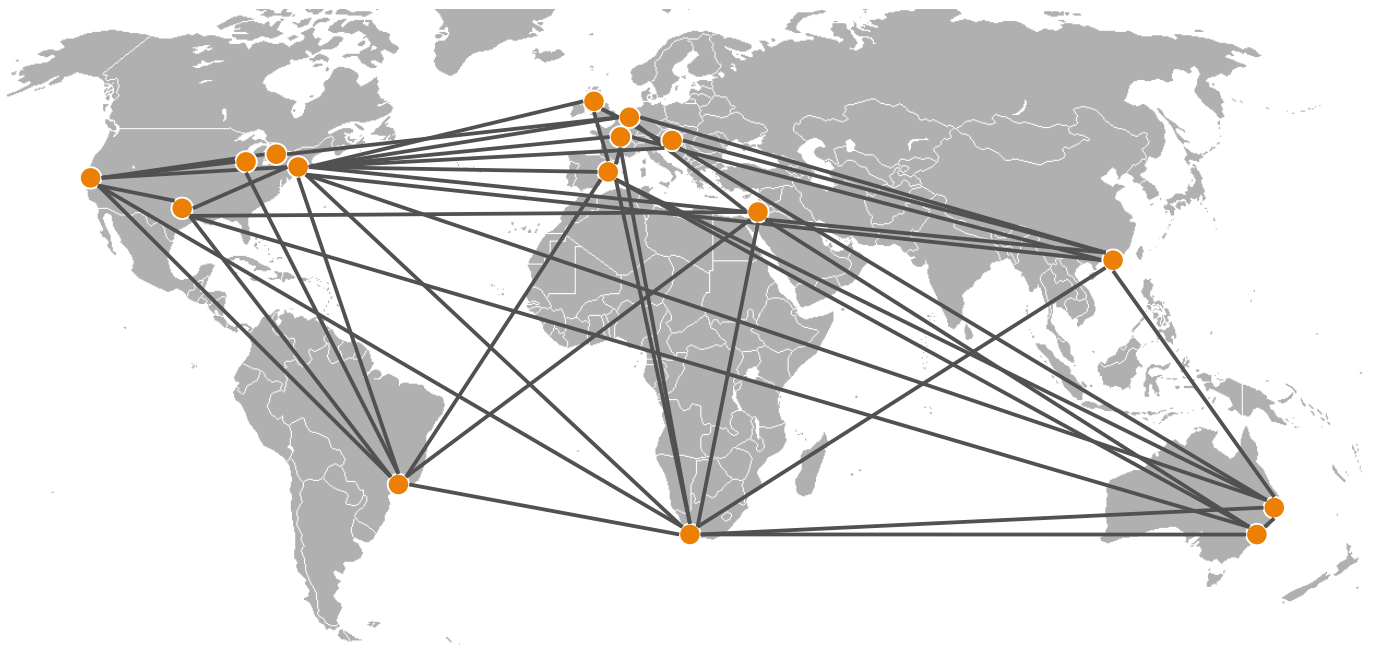


# Cities, COVID-19, and Civic and Business Leadership

Initial Review

April 2020



Paper prepared by  The Business  
Of Cities

This paper is a summary of roundtable discussions and knowledge exchange between business and civic leaders in 15 cities that took place in the week beginning April 6<sup>th</sup> 2020, convened by Mateu Hernández, Chief Executive of Barcelona Global, and Tom Wright, President and CEO of the Regional Plan Association of New York.

This forum was established to share insights about how cities are currently responding to COVID-19, the role of the business community and civic leadership in supporting their city to address the crisis, and the longer term changes that the pandemic may stimulate. Meeting participants agreed that civic engagement is a key aspect for city's prosperity, health, sustainability and fairness and discussed the role of the civic and business sectors in planning, advocacy and coordination to promote a better future for their communities.

This short review paper is also informed by written responses submitted by leaders and representatives in participant cities in advance of the roundtable discussions. It is designed as a summary of perspectives conveyed; none of the topics therein are directly attributable to particular participants.

The roundtable participants were:

- Eugen Antalovsky, Managing Director, Urban Innovation Vienna
- MarySue Barrett, President, Metropolitan Planning Council, Chicago
- Andrew Boraine, Chief Executive, Western Cape Economic Development Partnership, Cape Town
- Nicholas Brooke, Senior Member of the General Committee of the Hong Kong Chamber of Commerce and Chairman of its Real Estate and Infrastructure Committee.
- Miguel Bucalem, Director of USP Cidades, University of São Paulo
- Marcy Burchfield, Vice President, Toronto Region Board of Trade
- Kourtney Garrett, CEO, Downtown Dallas Inc.
- Barton Green, CEO, Committee for Brisbane
- Alicia Jean-Baptiste, CEO, SPUR, San Francisco
- Sharon Landes-Fischer, Acting CEO, Tel Aviv Global
- Paul Lecroart, Senior Urbanist, Institute Paris Region
- Gabriel Metcalf, CEO, Committee for Sydney
- Stuart Patrick CBE, Chief Executive, Glasgow Chamber of Commerce
- Jaana Remes, Partner, McKinsey Global Institute, San Francisco
- Mary Rowe, President and CEO, Canadian Urban Institute, Toronto
- Geerte Udo, CEO, Amsterdam & Partners
- Tom Wright, President and CEO, Regional Plan Association, New York
- Mateu Hernández, CEO, Barcelona Global
- Prof Greg Clark CBE, Global Advisor on Future Cities and New Industries
- Dr Tim Moonen, Managing Director, The Business of Cities

Participants identified several roles for their groups in times of crisis, including:

1. Bringing together key local and global actors to promote specific solutions to local issues.

2. Advocating for a concrete agenda on recovery built on public private partnership and metropolitan collaboration.
3. Identifying and mobilising resources for recovery.
4. An organising vehicle for combined civic and corporate social responsibility activity on a larger scale than is possible when leaders act alone.
5. Following a proactive agenda for recovery based on investment and talent approaches.
6. Building and brokering consensus, and mobilising people, leaders, and resources for a common good.
7. Promoting new initiatives that deploy civic and business know-how to produce both short- and mid-term benefits for ailing local economies.

This paper is organised in three parts to reflect the balance of the discussion and knowledge-sharing between (1) the current character of the impacts and the response in participant cities, (2) the priorities and activities of business and civic leadership in the current phase and transition, and (3) the longer term consequences of COVID-19 on urban economies, business, government, geo-politics and spatial development.

# 1. The current response of cities to the COVID-19 pandemic

COVID-19's impact and response in cities is only in its first cycle. As this global pandemic is developing at different rates in different parts of the world, business and civic leaders are already observing a wide range of scenarios that their cities may face. While they are starting to prepare for the next stages of transition and recovery, they have been mostly focused on the immediate lockdown effects and the crisis response: helping first responders, providing emergency supplies, and communicating with local partners and communities.

Most explain that while cities and higher levels of government originally did not fully anticipate the threat and ensure adequate supply of key equipment, there has been some success in scaling up the delivery of ventilators, securing extra spaces in the city for health and shelter purposes, and ensuring that excess demand for ICU beds could be met through working with neighbours and regions.

## Types and stages of Lockdown

As of April 10<sup>th</sup>, most cities report being in a phase where citizens are locked down and permitted to leave their homes only in limited circumstances (e.g. for exercise, medical appointments, food and supplies).

There is a spectrum of contexts that cities currently find themselves in, spanning at least:

1. The end of the first wave of lockdown after an early and highly organised response, followed by controlled re-opening (e.g. Hong Kong, soon followed by Vienna).
2. Relatively early lockdown in cities such as San Francisco, where an early response has substantially reduced the initial public health impacts.
3. More gradual nudging and uneven lockdown over the last 4 weeks in cities such as London, Paris and New York – with good but not universal social acceptance. Public health impacts have been varied and in many cases are viewed to be peaking or just peaked.
4. 'Smart' lockdowns that less severely curtail city life and rely more on high levels of collective responsibility to maintain social distancing (e.g. Amsterdam, Stockholm)
5. More recent state level lockdowns (eg. Sao Paulo) and more severe national lockdowns, including in Cape Town's case the forbidding of alcohol to reduce incidents of crime and domestic violence.

## Crisis leadership and co-ordination

Leaders reflected on the governance dynamics of the response so far in their cities, noting:

- **Multi-level government decision-making.** In some countries decision-making has centralised upwards, while in others, states and urban local governments have taken the lead. Many participants commented on the coordinated response aligning actions at different levels of government. This includes in more de-centralised nations, where (with some exceptions) federal and state/provincial departments are currently viewed to be working quite

effectively together, even when political affiliations of government are different.

- **Stronger ‘whole metro’ coordination** – especially between local governments, county/regional structures, and other system owners and providers. In some cases city advisers have come together to press government to respond faster and provide more help. In cities like Hong Kong that have had to confront similar challenges (SARS) previously, there is already a comprehensive citywide approach, including a Steering-Committee Command Centre and an expert advisory panel. More recently, whole megaregions in the United States have announced plans to coordinate their re-opening strategies, absent federal coordination or leadership.

### **Immediate funding priorities**

Most cities have started to benefit from significant emergency funding injections. These are principally aimed to:

- enable employers to continue to pay staff who have been furloughed or stood down.
- provide emergency cash flow and tax relief for small businesses.
- offer humanitarian aid and food relief, e.g. in Cape Town where much is delivered via food NGOs and a digital food voucher system.
- support temporary shelter, sanitation and food via hotels, dormitories or large metropolitan infrastructures.
- finance mental health and social welfare services.

There have also been examples of:

- Philanthropic funds – such as the COVID-19 Response Fund set up by the Chicago Community Trust and the United Way of Metropolitan Chicago .
- National R&D funds - for projects and research to fight Corona – (e.g. AI, machine learning in Tel Aviv/Israel)

### **Debates**

Participants noted a number of live debates in their city about the nature of the immediate response:

- How to ensure that supplies really reach those in most urgent need. Evidence has emerged that the most severe health and economic impacts are being felt disproportionately in communities that are already most disadvantaged (e.g. informal settlements of Global South cities such as Cape Town, or poor districts in metro Chicago).
- Which initiatives can minimise the impact on small business and retailers. In many cities, there are concerns about whether relief measures are sufficiently broad, targeted or quick to meet critical cash flow needs. In addition, in some cities local governments have strong fiscal disincentives against opting for rates relief.
- How to optimise health treatment and provision across the metropolitan space – in particular the balance between consolidated treatment centres versus more decentralised micro-solutions serving neighbourhoods.
- Whether enough attention is being placed on the transition and long recovery, and the trade-offs it will involve. Implications for individual freedoms, industry prospects, and government use of powers have been adjourned as cities focus on the immediate crisis response.

## 2. The role of the business community and civic leadership

Business and civic institutions have already made a decisive set of contributions to support the immediate health response.

These include:

- Coordinating an industry-wide response in Paris to the production of masks, ventilators, treatments and a future vaccine.
- Established corporates pivoting into different sectors to support recovery, such as the alcohol industry developing hand sanitiser and textile companies and design firms working on 3D printed masks.
- Mobilisation of tech companies to make ventilators in a new way, as in Tel Aviv where firms are deploying solutions from veterinary medicine.
- Disseminating initiatives from the private sector to cope with the emergency.
- Fundraising for hospitals.
- Supporting health and social institutions to care for the homeless, migrants, and the children of front line health staff.
- Fundraising and philanthropy for protective equipment.

**Business and Civic Leadership Organisations are specifically organising in a number of ways:**

1. To connect and galvanise members locally and improve links with partners internationally. Barcelona Global has been very active on both fronts. Many, such as the Toronto Board of Trade, are partnering with the City to engage partners and members and help them understand impacts. There is also a focus, as in Downtown Dallas, on streamlining messaging for maximum effect – e.g. “Stop the spread”.
2. To assemble and disseminate good practices from members to other members and to the wider community, using networking platforms, and engaging with trade partners in cities internationally that are further along the curve.
3. As an intermediary. Business and civic leadership is helping ‘top-down’ government programmes better connect with ‘bottom-up’ community efforts (for example in Cape Town), helping to match resources with needs and to engage frontline workers.
4. To lobby and advocate for more effective policy. Leadership bodies have been arguing independently or participating directly in taskforces in pursuit of:
  - More urgent funding to the self-employed and SMEs (e.g. in Hong Kong)
  - Support for public transport providers to remain open and adequately invested (e.g. New York)
  - To include housing in national/federal stimulus packages (e.g. San Francisco)
  - Optimising the transition stage to ensure businesses are not repeatedly impacted
5. To supply expertise and data – For example Chicago’s Metropolitan Planning Council is working closely with the Civic Consulting Alliance, the Boston

Consulting Group, UChicago's Poverty Lab to support local decision making and aid advocacy for small business and transport.

6. To launch dedicated innovation challenges, competitions, and hackathons to identify high-impact ways to address the crisis – e.g in Tel Aviv and Oslo
7. To start early cross-sector strategic planning for recovery. For example, the Committee for Brisbane has brought together 21 industry associations in the Queensland Response and Recovery Coalition to assemble perspectives on the current and future financial, economic and co-ordination implications. In Vienna, an economic board comprising CEOs from large corporates and research institutions is also preparing what needs to be done to rebuild economy.

**Other specific or self-organising civic efforts include:**

- Connecting cities to each other. In Canada, to provide city leaders with more information about what others are doing in response, the Canadian Urban Institute set up [CityWatch/Canada](#) to track how cities are responding, while [CityShare/Canada](#) provides a live database of examples of more than 400 community innovations to fight the crisis.
- Bridging neighbourhoods in divided metros. Cape Town Together (CTT) consists of 9,500 members of a Facebook Group and 80 Community Action Networks (CANs). Many of the networks in affluent and poorer neighbourhoods share data bundles, food, hygiene products, blankets and information. This is also producing significant two-way learning.
- Shifting services and experiences online. Cultural industries have been very proactive in organising free online concerts, theatre, and books access, for example in Paris Region.

### 3. The longer term changes set in motion by COVID-19

Civic and business leadership organisations are segmenting their approach to supporting their cities into distinct phases:

- the lockdown and ‘hibernation’ phase;
- the transition phase where their cities will be partly open, partly closed.
- the economic recovery.
- the renewal phase for the city after the crisis.

All participants recognise that there will be a severe recession and as yet undetermined fiscal impacts as the recent stimulus creates increased indebtedness at all levels of government. They also observe there will a sustained increase in welfare and humanitarian relief to provide the economic and food security required.

In general, there is a widespread perception the gravity and volatility of the present crisis is such that cities are entering an inflection point where new ways of working and operating become obligatory, space may open up for new policy experiments to take hold, and where the expectations that citizens, business, talent, visitors and governments have about cities may fundamentally shift for at least a whole cycle.

Participants are currently assessing and preparing for the future implications across 5 core agendas.

Behaviour	Economy	Built Form	Governance	Reputation
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#### 1. Behaviour change

Participants observe a number of potential medium and long-term shifts in the behaviour of citizens and public institutions.

On the one hand they note concerns that it may be many months if not years until residents feel safe in busy city life – and the daily activities of commuting, occupying workspaces, attending sporting events, or sharing public space. Some expect this to result in demand for a higher standard of experience, hygiene and service, and higher quality local neighbourhood amenities. Others anticipate a shift in norms around personal safety, privacy and the role of technology in service of public health.

On the other hand, many note that the crisis may raise urban citizens’ sense of local community and appreciation of the positives of lower congestion, quieter streets, cleaner air, and more biodiversity. Increased attention towards mental health and wellness may also see more flexible norms emerge between employers and employees.

In cities and political systems that are politically divided and antagonistic, there are also signs that citizens will demand less partisan inter-institutional behaviour – that the relationships of trust, decision sharing and partnership across government and key institutions endure beyond the crisis. Civic and business leaders from Cape Town, Brisbane, Hong Kong and beyond observed the potential for greater dialogue and reconciliation.



## 2. Economy

There is a wide expectation among civic and business leaders in larger cities that host a critical mass of globally traded industries, that the crisis will further digitise the knowledge economy. This is likely to bring an increase in remote and flexible working arrangements in certain sectors, disruption of office space demand in city centres in particular, and increased pressures on digital infrastructure capacity.

In addition, there is a shared view that spending on research and discovery will rise, and favour cities with large existing life sciences research clusters. Some also note that there may be quite significant impacts on innovation hubs that are dependent on openness to immigration/talent to fuel their ecosystem.

Beyond this, there is more uncertainty about

- The impact on supply chains, and whether and which kinds of industrial production and advanced manufacturing may return or 're-shore' to larger metro areas.
- How the acute impacts on the visitor economy will endure, whether the appetite of both business and leisure tourists will be resurgent, and whether this will lead to consolidation in aviation, airports and logistics.
- In what ways cities' arts, culture and nightlife eco-systems will be irreversibly impacted by business closures, consumer demands, and behaviour and transport restrictions.

Many leaders noted that their city's long-term economic strategy and desired sector mix will have to be urgently revisited.

## 3. Built Form

The process of re-urbanisation that has been underway in most large upper-income cities for more than 20 years has highlighted the virtues and advantages of urban density and greater mix and efficiency of land-use.

As COVID-19 exposes some of the contagion risks of urban concentration, civic and business leaders note that there will be an ongoing need for cities to manage dense flows of people, and accommodate safe forms of interaction, while public risk aversion to certain behaviours may grow. This may result in a number of likely disruptions to the design and use of space, including:

- How housing will be designed in the future to optimise for social distancing, and whether the appetite for co-living and dense apartment blocks will rise as previously expected.
- How streets will be designed to safely separate users, potentially the resulting space mix more in favour of bikes and pedestrians.
- A shift in assessments about what is 'highest and best use' in metropolitan cores, and a redesign of transactional or tourist-dependent central areas in favour of more convivial or health-conscious civic uses

The scenarios depend substantially on the length and the severity of the crisis, and the success cities have in scaling systems of testing, screening and ultimately

vaccine, and the ongoing resilience and inventiveness cities can demonstrate to minimise the impacts. Meanwhile, participants are debating the possibility that there may be a reversal of some patterns of urbanisation, and for population sorting in city centres and inner cities, with some higher income populations moving 'out' and younger and more 'risk hungry' populations moving in.

#### **4. Governance and Reform**

Business and civic leaders operate in cities with very distinct governance contexts; from highly centralised (Tel Aviv) to strongly federalised (Brisbane); from fairly co-ordinated (Amsterdam) to highly un-coordinated (Toronto) metropolises. In each city these leaders observe particular imperatives for reform to optimise the institutional framework, and equip the city with the ability to prepare, invest and respond to future crises.

Most roundtable participants discern a paradigm shift whereby change is becoming seen as both necessary *and* possible. Most agreed that the current crisis may increase political will for public spending on public goods, and create more appetite to debate broader structural issues such as access to healthcare, the social safety net, racial disparity, gaps between the employed and those in the 'gig economy', systemic interventions to address climate change, and the appropriate ownership of critical infrastructure. Some observed that such reform agendas may raise popular demand for more consensus-oriented and scientifically informed political leadership.

Urgent consideration of the following governance imperatives was expressed:

1. Public sector governance and regulatory reform to make it more responsive and agile to exponential need, when both predictable 'white swan' and unpredictable 'black swan' events occur.
2. Accelerated devolution of powers, responsibilities and finance to local or metropolitan levels in order to optimise long-term resilience.
3. Well orchestrated, collaborative and demand-led economic strategies, that take into account (i) the essential role of metropolitan cities in national economies, (ii) the full spectrum of technology disruptions on industries, and (iii) the need for complementary tools and approaches to pursue growth, inclusion and resilience.

These imperatives will require new civic and business leadership approaches and tactics to engage with all level of governments and the wider public.

#### **5. City reputation**

How well different nations, regions and cities are perceived to handle the different stages of the pandemic and transition has become subject to unprecedented scrutiny. Participants note that cities may become more judged by business, investors and talent on the competence and success of their crisis management.

More broadly, the roundtable echoed concerns about the collective reputation and narrative of cities in the next cycle. The risks associated with density, proximity, public transport and global exchange are currently more widely asserted than the

benefits (economic, social, environmental). This places a collective challenge for cities and their civic and business advocates to emphatically communicate:

- the essential role of cities in the next cycle.
- the link between urban economies and national economic success.
- the role that urban innovation eco-systems play in producing and financing the next cycle of discoveries.
- the need for reinvestment in city systems such as mobility, real estate, health, energy, utilities and leisure.

### **Other potential longer-term impacts**

Alongside these questions, participants are also curious to observe other potential impacts such as:

- The relationship articulated between planetary health and human health, how much resilience grows as a driver of investment and consumer sentiment, and the appetite for combined policies and approaches towards health, climate and biodiversity.
- How the eventual scale of COVID-19 in low-income nations will impact on global trade, immigration and travel. Whether the ultimate imbalance in outcomes between richer and poorer nations will drive new dialogue on the priorities of globalisation and development finance – or simply widen the gap between haves and have nots.
- Increased efforts to protect, insure and certify healthy individuals and products, to facilitate movement within and between cities. This may have significant impacts on talent mobility, business confidence and creditworthiness.
- The possible rise of ‘retail as a service’ and impacts on local economies, land use and travel patterns.
- Possible acceleration of alternative modes of transport, including electric vehicles, low emissions scooters and bicycles, and other innovations.

### **Next steps**

These roundtable discussions underscored the high level of appetite business and civic leadership organisations have for knowledge sharing, and desire to be alert to what is and is not working for different cities at different stages of the pandemic response, transition and recovery.

If circumstances support it and if it proves useful to the members of the group, Mateu Hernández of Barcelona Global, and Tom Wright of the Regional Plan Association of New York, will convene further dialogue as COVID-19 and its effects continue to play out in the summer of 2020.

This is an open network which others may join by writing to Mateu and Tom to let them know of their interest. The network is currently in contact with the Chief Executives of Mumbai First, ProBogotá, Oslo Business Region, and Stockholm Chamber of Commerce, and institutional leaders in Delhi, Tokyo and Washington D.C., and looks forward to welcoming other participants in due course.