

# **The Role of Economic Development Strategies in Raising the Competitiveness of European Cities**

**Ruxandra Irina POPESCU**  
**Academy of Economic Studies, Bucharest**

**Abstract:** More than 80 percent of Europe's population lives in urban areas, therefore the issue of urban development should be approached in the context of cities as economic engines, under permanent demand and change.

In order to face the increased dynamics and inter-connections of their vicinities, cities and urban regions have to improve their competitive position and facilitate the long term development of economic, social and environmental factors. Urban areas also have to use efficiently the competitive requirements and sources of urban competitiveness.

One requirement for reaching the development objectives is the existence of a clear vision supported by local and regional economic development strategies. At this stage, local administration must have a clear idea of the urban functions to be fulfilled and of their supporting factors. After identifying these functions, it needs to develop ways of exploring their potential in a strategic, integrated and efficient approach.

The development strategy of a city, in competition environment needs to elucidate aspects regarding the main objectives of the urban policy; the concept of the city; urban products, urban and regional marketing, SWOT analysis and the analysis of the competition, cooperation and social support, organizational structure and business philosophy, communication.

This paper has a two part architecture:

- In the first part of this article we have presented some examples of successfully applied strategies in the 80's and the 90`s by Western European cities.
- In the second part, we sketched a series of aspects concerning strategies and policies used in Central and Eastern Europe, referring to those successfully implemented in the large urban areas in Russia, Hungary and Poland. We must specify that central and east European urban centers are trying to grow by applying strategies/policies that have as main objective creating business centers, development and support for the Small and Medium Sized Companies, diminishing bureaucracy, reorientation of the economic base, designing open spaces, improvement of infrastructure, catching the attention of foreign investors. All these depend on the policies and the support of the central government. From the previous experience of the central and east European cities we have gathered a few lessons that we have incorporated in this study.

In the end of this article we talked about the aspects that central and Eastern Europe managers should take in consideration if they wish for their cities to grow after the western model. These suggestions regard the improving the relations between the

private and public sector, development and training of human resources, expansion of business centers, enriching urban economy and designing an urban management system that should have four components: finance, environment, infrastructure and land management.