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Competitive Challenges are Not Just Among Nations, but Cities, Too

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In Michael Porter's seminal work "The Competitive Advantage of Nations", the author asserts that a nation's competitiveness depends on the capacity of its industry to innovate and upgrade. Whether by choice or necessity—the latter due to pressure resulting from globalization—sectors, industries and companies (from advanced economies in particular) are responding with improved and efficiently-produced products and services for a growing and more demanding marketplace. As the globalization process continues unabated, emerging markets such as those in Latin America and Asia, are faced with both threats and opportunities as the world economy becomes more integrated. But competitive challenges confront the U.S. as well—and not just from China, Taiwan and South Korea, although brand names like Samsung, LG, and Sony are dominant competitors. The Institute for Management Development's annual competitiveness rankings places the U.S. in 10th place with the top 5 spots occupied by Switzerland, Sweden, Denmark, the Netherlands and Singapore—this despite highly competitive sectors such as technology (including semiconductors), biopharma, machinery and hospitality.

However, although an inordinate amount of attention has been paid to competitiveness among *nations*, not nearly enough has been paid to the competitiveness of *cities*, where domestic competition is far more important and challenging than foreign competition.

Our own competitive assets here are good weather, zero state income tax, and burgeoning industries of tourism/hospitality, real estate and construction, banking and finance, creative industries and international trade, with technology and entrepreneurship as key drivers not to mention two leading STEM-oriented universities (FIU and UM).

Miami ranks 4th among 500 U.S. cities studied for growth, according to SmartAsset, a financial technology firm and #2 in the U.S., behind Tampa but ahead of New York City, Austin and San Francisco as an emerging technology hub according to *Forbes*. The U.S. Census Bureau ranks Florida and Nevada as the top states for new startup formation.

On the other hand, we have a tendency in Miami to write and believe our own press releases and hit the delete key when presented with our liabilities. These include the poor quality of our public schools, workforce and transportation infrastructure, increasingly high rents, and the lack of affordable housing.

Be that as it may, you play the hand you're dealt; and Miami's strong suits far outweigh its weak ones. But competition with other sunbelt locales in Arizona, Texas and North Carolina is ferocious. This is why local economic development agencies are indispensable; for business attraction, retention and expansion do not happen serendipitously.

Fortunately, we have the Beacon Council, our own 37-year-old economic development agency, which along with the Knight Foundation, has made Miami-Dade County an increasingly more attractive, responsive and competitive metropolitan locale.

To cite several notable accomplishments, the Beacon Council projects attracting nearly \$229 million in new capital investment and 13,527 new jobs and nearly three dozen corporate relocations and expansions with a total annual economic impact for Miami-Dade County of nearly \$1 billion. Firms such as Blackstone, Blockchain.com, ACI Worldwide, Payless and Ford Autonomous Vehicles are recent relocations.

With the mayors of both the county and city vigorously promoting economic development, the Beacon Council could benefit significantly in 2022 from additional funding to support both existing and new activities targeting small and medium size firms (especially labor-intensive ones) as well as larger financial support for attracting companies elsewhere in the U.S., Canada, Latin America and Europe to set up shop in Miami-Dade County. With respect to the latter, the Beacon Council should undertake an up-to-date competitor analysis of major cities with whom we vie for both new business and business relocations. In essence: Who should be here and is not, and what will it take to get them here and keep them here?

Related to that is workforce. How best to improve the quality of our workforce at all levels should be high on the agenda; and employers—private, public and non-profit—should have the major say in this endeavor, one where apprenticeships are elevated higher than at present.

Finally, a broad and robust initiative to better inform our community--the Beacon Council's new "Opportunity Miami"—is essential. Harnessing an array of communication products such as newsletters, events, podcasts and an interactive website, this initiative can gauge and engage the public with the goal of finding viable solutions to community-wide challenges while helping forge a sense of community.

No single economic development organization can achieve success for their community single-handedly. It will take public-private partnerships, volunteerism and philanthropy, as well as a shared commitment to serve the under-served as well as the well-off. The Beacon Council is doing its part. We should all do ours.

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