

# ICED Evidence Library

## Digital opportunity in cities: Time to leapfrog

Tags: Economic Growth, Programme Design, Digital, Urban, Infrastructure

**Developing countries cannot view the digital transition as a luxury, but as a necessity if cities and countries wish to be a part of the new global economy.** To support this transition governments, donors and the private sector each have a role to play, and key actions for each stakeholder group are set out in the ICED report 'Urbanisation in a digital world'. In addition to stakeholder-focused recommendations for donors, policy makers and investors, a step change in how cities approach digital innovation is needed. This will require collaborative innovation and the following four recommendations were viewed by authors as key to unlocking a future of continuous innovation at city-level.

**For further context and information please consult the [full report](#), and accompanying papers available on the [ICED website](#) or contact the ICED Facility at [connect@icedfacility.org](mailto:connect@icedfacility.org).**

### Embracing an exponential future

**Recommendation 1: The Future City Department:** As we have seen, the future looks different for each urban environment from Los Angeles to Dar Es Salaam as cities prioritise their own challenges and solutions from its citizens and private sector. The integration of knowledge and innovation throughout government departments is not the task of each department on its own. A mayor-level Innovation Unit supports the integration and pace that is needed for these multiple futures as they are emerging. This supporting unit would address all three urban agendas – digital economy, smart infrastructure and citizen engagement. It would provide a place for the private sector to approach the city and be directed to appropriate departments, it could champion accelerating innovation approaches that may faster tackle complex challenges, and set out goals around adult education or voluntary agreements with the private sector that can then be supported in addition to day to day service delivery and operations. It could liaise with national and regional governments to tackle the issues beyond what a city alone can manage. It could provide crucial strategy and training programmes or other priorities identified as specific initiatives or actions by the city.

**Recommendation 2: Cross-government strategies for a new regulatory wave of change:** Cities do not only need technical or infrastructure strategies, their governance and regulatory bodies may need to fundamentally rethink building capacity not only at national but at city level to manage the urban transitions of a digital age. This governance approach will need to include relationships with regional and national legislatures, the private sector and national level regulators. The governance strategy should be the work of the city itself, supported by stakeholders, otherwise it will not have the political buy-in or relevance required for delivery. The innovation unit of the city could coordinate this.

**Recommendation 3: The Future Readiness Index: Connectivity, Market Creation, Equality & Productivity:** How much better are cities getting at growing the digital economies, new smart infrastructure and digital governance solutions that are needed to ensure the best outcomes from connectivity? A new way to measuring the way urban agglomerations is increasing the demand for connectivity aligned with development goals. This would enable comparison, knowledge sharing and benchmarking of city strategies, in how they respond to potential 'disruptive' solutions and their proactive strategies to absorb and adapt services alongside new technologies and capabilities to improve the lives of citizens, particularly the urban poor.

**Recommendation 4: From Workforce to Futureforce:** A major component of creating the ability to transition is an entirely new way to think about work, labour and marketplace interactions or 'digital economies'. Already many of the highly skilled workers globally are in cities or in high tech centres, manufacturing sites, labs and financial centres. Missing out on the billions of citizens already in – or rapidly moving to – urban environments where they can more rapidly access the global economy leaves us far short of the skills we need to tackle 21<sup>st</sup> century challenges. And though oversimplified, the danger exists that a rise in youth unemployment also increases other crime or unrest. City governments have a small direct role to play in employing people who work for government, but could create the incentives for sectoral diversity,

job creation and opportunity brought by the private sector or other partners. However, these workers need technical, cognitive and soft skills. A series of initiatives supported by donors to educate not just youth but adults toward this future would resonate with challenges the G20 are facing, not only the lowest income countries.