

# Many hats

*Conversations that matter for non-executive directors*

## ***Building places of the future with Rosabeth Moss Kanter***

*Many of the biggest problems facing society today can be solved by cities, according to Harvard management professor Rosabeth Moss Kanter.*

*Energy crisis? Cities are more energy efficient and sustainable than low-density areas. Food security? Vertical farms can produce food reliably, sustainably and close to where it's consumed. Innovation? High density and connectivity mean cities are hotbeds of collaboration and creativity.*

*But to work their magic, cities need the right infrastructure. All too often, however, infrastructure is something to play politics with, rather than do something about. As a result, rather than transforming our lives, cities are creating traffic congestion, air pollution, long commutes and lost productivity.*

*Professor Kanter spoke with an audience of non-executive directors across Australia about the infrastructure challenges facing US cities and how we can apply those lessons here.*

*She argues there needs to be greater use of digital technologies, governments need to collaborate more with private enterprise, and we need to put citizens' interests at the centre of city and infrastructure planning and policy.*

*It all adds up to a new vision for cities, where local leaders shape initiatives with multi-stakeholder coalitions, and ambitious companies partner with governments to tackle projects that serve the public good, create jobs, and improve quality of life while providing healthy sources of investment.*

*Here's a snapshot of the discussion between Rosabeth and non-executive directors.*

### ***Q. Why has the US had difficulty getting the private sector to invest in infrastructure when it's seen as being traditionally pro-capitalist?***

There's not an easy answer – it's a tangled issue. Some of it has to do with how we finance infrastructure, particularly airports; compared to some other countries, the infrastructure finance industry in the US is not that big. And because it means getting involved with government, particularly the Federal Government, companies have been somewhat reluctant to invest. Another reason is the fact that rail transport has been neglected for much of the second half of the last century. But with the right political vision and the right business leadership, it certainly is possible to grow infrastructure investment in this country.

## ***Solving problems through cities***

*Energy crisis?  
Cities are more energy efficient and sustainable than low-density areas.*

*Food security?  
Vertical farms can produce food reliably, sustainably and close to where it's consumed.*

*Innovation?  
High density and connectivity mean cities are hotbeds of collaboration and creativity.*



### ***Q. What about the disparity between the haves and the have-nots? How can we make sure that everyone has access to infrastructure?***

Again, there's no simple answer, but we can look to other countries for inspiration. In Singapore, for example, they have a policy of creating mixed-use housing. But it's important to tackle things in a manageable way. Start with regions that have the will and power to deliver infrastructure in a way that's fair. You need to look at many different places for many different solutions and then apply them as you can.

### ***Q. In Queensland, there are concerns about the equity of investing in cities when regional areas are in need of good infrastructure too. How do you resolve that?***

This is essentially a leadership issue. In the US, the problem has been that people don't have a shared vision. Tensions between the city and the country are not new, but the fact is that they both benefit from each other: cities send tax revenue to regions, while regions provide resources and services. What's missing is a vision about how the two are connected – culturally, economically and physically. We want vibrant cities, and we want vibrant regions.

### ***Q. How can we incorporate better education into the new vision for cities?***

Infrastructure must be thought of as a human issue that touches on all aspects of our lives, including schools. The fact is that most kids that grow up in cities want to stay there. And if their schooling encounters the life of the city, then they are often better for it. Why couldn't we integrate schools and high-density living spaces? Why not have a school on the 19th floor of a new apartment building, for example?

### ***Q: What are your thoughts about driverless cars?***

First up, we need to be broadening the conversation: what about driverless trains? I think driverless cars are a great idea, but I don't think it will happen as fast as some people are expecting it to. I suspect the technical issue can be ironed out sooner than the time it will take for people to adjust to the idea of them. Sensors are a really important part of the puzzle, and not just in the cars but in roads and other infrastructure too. Using mobile phones and sensors can provide much greater interconnectivity between people and transport systems.

### ***Q: How do you change our people's love affair with cars?***

It's not just about trying to get rid of cars but finding ways to make them share infrastructure with other users, such as bikes, pedestrians and buses. It certainly is possible; take Denver, Colorado, for example. Once, about 95% of the population came into the city by car. But since it invested in rail links and renovated its downtown rail area, a significant number of workers now arrive by train.

### ***Q: Who are your infrastructure 'heroes'?***

There aren't enough! Historically, Abraham Lincoln, who got the transcontinental railroad built during the Civil War. More recently, Elon Musk has put forward some interesting ideas, such as the Hyperloop transport system. But it will take more than one or two individuals. I think there's a huge role for business to step up and engage much more. Infrastructure is an area that's never fully public and never fully private, so for it to work, both sides need to collaborate.

## ***Many hats***

For more information on issues relevant to Boards in Australia please contact Peter van Dongen,

Managing Partner – Board relationships, [peter.van.dongen@pwc.com](mailto:peter.van.dongen@pwc.com)  <https://au.linkedin.com/in/peterwvandongen>

© 2017 PricewaterhouseCoopers. All rights reserved.

PwC refers to the Australian member firm, and may sometimes refer to the PwC network.

Each member firm is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.

Liability limited by a scheme approved under Professional Standards Legislation

