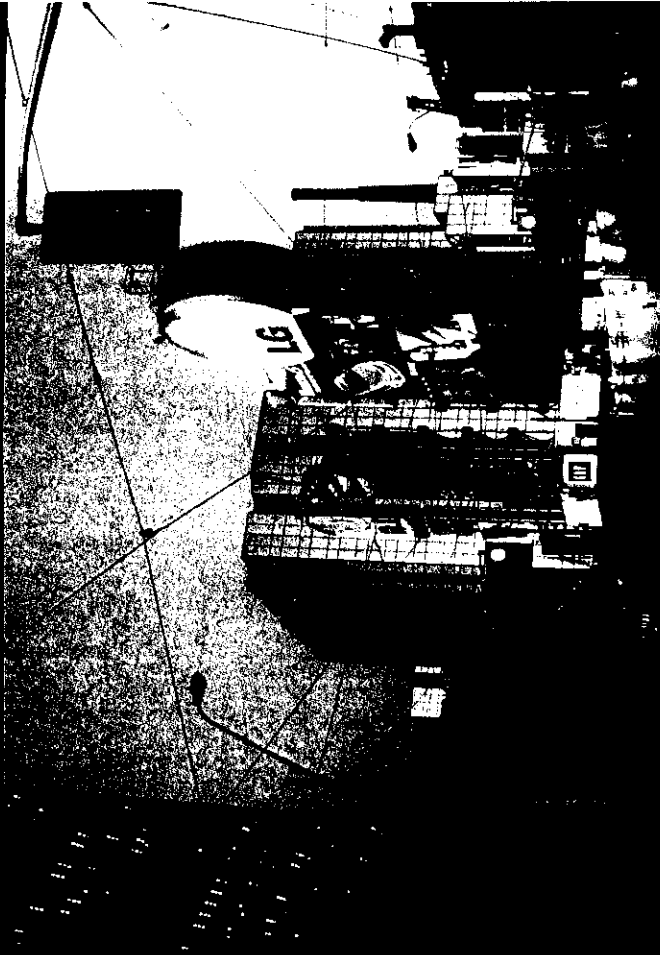


THE GLOBAL CITIES

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ROUTLEDGE



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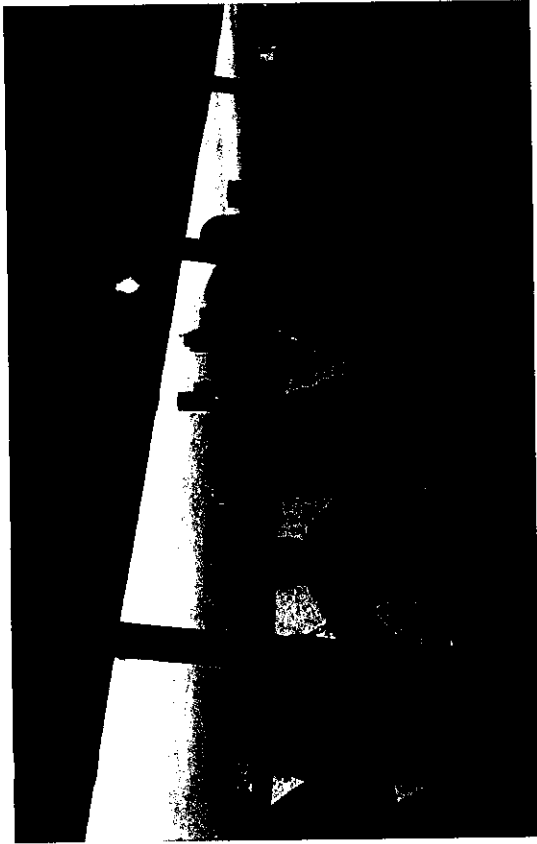


Plate 1 Toronto (Roger Keil)

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It is possible you have been to Troy without recognising the city. The road from the airport is like many others in the world. It has a superhighway and is often blocked. You leave the airport buildings which are like space vessels never finished, you pass the packed carparks, the international hotels, a mile or two of barbed wire, broken fields, the last stray cattle, billboards that advertise cars and Coca-Cola, storage tanks, a cement plant, the first shanty town, several giant depots for big stores, ring-road flyovers, working class flats, a part of an ancient city wall, the old boroughs with trees, crammed shopping streets, new golden office blocks, a number of ancient domes and spires, and finally you arrive at the acropolis of wealth.

(Berger 1990: 170)

A global city – the global city

At some point, most travelers have been on some version of the road into the imagined city of Troy, which British novelist John Berger describes in this opening quotation. We all seem to know this kind of metropolitan region, which appears to exist in one form or another around the globe. This metropolitanized environment is now the place where most of us live. It is an internationalized network of local places that are now increasingly bound together and interdependent, an "archipelago of enclaves" (Hajer and Reijndorp 2001: 53) which most people in the world – including the editors of this Reader – now call their "home."

Our initial approach to the theme of this book is necessarily grounded in our own everyday lives. Both of this book's editors have lived in several major North American and western European global cities – including Amsterdam, Chicago, Frankfurt, Los Angeles, New York and Toronto – and these experiences provide us with a useful starting point for exploring the globalized character of urban life today. Since New York City is featured prominently elsewhere in this book (see Reading 16 by Zukin), let us begin our journey by traveling briefly to Toronto, where the globalization of urbanization has been manifesting itself in striking, if place-specific, ways since the mid-1970s.

Toronto is the city in Canada that most closely resembles the fictional Troy described by John Berger in the passage quoted. The municipality of Toronto is a dense core city of 2.5 million people surrounded by another 2.5 million in sprawling suburbs, exurbs and edge cities. While Toronto is not situated within the top tier of the global urban hierarchy, it does serve as the urban core of a second-tier global financial, cultural and manufacturing region. It thus exemplifies many of the features of global city formation that are examined at length in the contributions to this Reader. Toronto is the economic hub of the province of Ontario, Canada's industrial heartland; it is a basing point for significant transnational corporations and for Canada's financial industries; it hosts the country's largest and busiest airport; and it is a major hub within the highway networks of Canada and the northeastern United States. Additionally, Toronto has also recently become a major site in which a neoliberalizing, market-oriented restructuring of Canadian capitalism has been attempted (Keil 2002; Kipfer and Keil 2002). As Todd (1995) and Sassen (2000) have pointed out, the case of Toronto is particularly interesting because its transformation into a global metropolitan center has occurred relatively recently. Additionally, Toronto

is a noteworthy example of a global city, because it serves as the port of entry, and often as the final destination, for a large segment of Canada's extremely diverse immigrant population. Indeed, some observers have suggested that it contains the most multicultural urban population in the world.

Toronto's character as a "global city" has been forged through the interaction of two basic dimensions of contemporary urban life. On the one hand, processes of economic globalization are expressed in the *verticality* of the downtown central business district, densely packed with highrise office towers, where capitalist command and control functions and global financial industries are centralized. On the other hand, the materialization of these processes in people's everyday lives is expressed in the *horizontal* of the sprawling urban region, an extraordinarily diverse social, cultural and political space in which class, cultural and gender differences are continuously produced, contested and reworked at a neighborhood scale. It is through the collision of these opposed social dynamics – globalizing and localizing; homogenizing and differentiating – that Toronto has been transformed into a globalized city-region, a site of apparently seamless connectivity to world markets, the global urban system, global diasporic networks and global cultural flows.

While Toronto's global connectivity is viewed in an unambiguously positive light by those who are concerned to market the city as a site for transnational capital investment, it also entails certain dangers and vulnerabilities. The latter are illustrated starkly in the outbreak and management of the SARS (Severe Acute Respiratory Syndrome) virus in Toronto during the Spring of 2003. The SARS epidemic eventually killed 44 individuals, made hundreds sick and led to the quarantine of thousands over a four-month period in the Toronto metropolitan region. The spread of the disease was immediately linked to Toronto's role as a hub in international air traffic, in particular due to its web of connections to cities in East Asia, where the virus originated. Indeed, the same channels of transnational connectivity (in this case, transnational air routes) that are intended to facilitate business and financial transactions between Hong Kong and Toronto now became the basis for the transmission of a highly infectious disease. Interestingly, even as the city recovered from the actual SARS epidemic, its status as a globally connected urban center became a topic of intensive debate and public inquiry. When the World Health Organization (WHO) issued an advisory warning against traveling to Toronto, the city's international business relationships (including tourism, conferences and cultural exchanges) were seriously disrupted. Subsequently, the multicultural fabric of this particular "cosmopolis" (Sandercock 1998) was also seriously strained as the disease was characterized, in some quarters, in racist language – for instance, as a "Chinese disease" (Ali and Keil 2006).

As this example illustrates, cities such as Toronto are today tightly embedded within a broad range of global networks – demographic, cultural, economic, ecological, epidemiological – that have major implications for the everyday lives of their inhabitants. These worldwide urban networks are the subject of this volume. In particular, through a broad range of interdisciplinary investigations, the contributions to this Reader are intended to explore the origins, characteristics and consequences of this heightened global connectivity among contemporary urban centers.

Globalized urbanization and the formation of global cities

In 1900, only about 10 per cent of total world population lived in cities. At some point around the turn of the millennium, more than half of the world's population was located in urban settings (see Reading 32 by Luke). Urbanization processes are rapidly accelerating, and extending ever more densely across the earth's surface. Indeed, the combined demographic, economic and sociocultural trend of urbanization has resulted in the formation of a globalized "skeleton of the urban" in a transnational system of spatially concentrated human settlements (Friedmann 2002: 6). This pattern of increasingly globalized urbanization contradicts earlier predictions, in the waning decades of the twentieth century, that the era of urbanization was nearing its end. As Manuel Castells (2004) has observed, many writers during this period predicted that, due to the rise of new informational technologies since the 1980s, cities would disappear, remote work would become more pervasive, activities and people would be dispersed,

and a demographic move back to rural areas would ensue. However, as Castells and several other prominent urbanists (e.g., Sassen 2000) have demonstrated, such predictions have proven to be gravely mistaken. Instead, in most countries, urbanization levels are now higher than ever, with some world regions, such as the Americas and Europe, now becoming more than 60 per cent urban (Castells 2004). The urbanization process is thus being consolidated, intensified and accelerated under contemporary conditions of globalization.

Just as importantly, as many of the contributors to this Reader have observed, the globalization of urbanization during the late twentieth and early twenty-first centuries has entailed the emergence of a new type of city, the *global* or *world* city. In the first instance, these terms refer to a set of global command and control centers that are connected in transnationally networked hierarchies of economic, demographic and sociocultural relationships. To be sure, some participants in debates on contemporary urbanization have questioned the existence of a specific class of global cities that can be positively identified through empirical data (see, for instance, Reading 46 by M.P. Smith and Reading 49 by R.G. Smith). Others have argued for the investigation of "globalizing cities" across the world economy rather than focusing solely on a limited set of leading global centers (see Reading 25 by Shaikin, Reading 26 by Robinson, Reading 27 by Grant and Nijman and Reading 44 by Marcuse). It is evident, however, that a number of major urban centers have emerged in recent decades that increasingly transcend their respective national city systems and have come to articulate localized economic, demographic and sociocultural processes to a broader, globalized configuration of capitalism. Hierarchized, networked or otherwise tightly interconnected, these "world-city nodes" (Friedmann 2002: 9) arguably constitute an important part of the global economic architecture that has been emerging since the worldwide economic recession of the 1970s. They also have a major impact upon people's everyday lives, both within and beyond cities' formal juridical boundaries. These globalizing cities, and the broader processes of globalized urbanization that have produced them, will be examined at length in the contributions to this Reader.

Aims of the Global Cities Reader

It is only relatively recently, since the early 1980s, that urban scholars have begun to explore the question of how global forces and dynamics impact local and regional social spaces. While a number of pioneering scholars, such as Fernand Braudel and Janet Abu-Lughod (see Readings 2 and 4), had previously considered the role of transnational linkages in their historical investigations of urban development, this issue only became a major preoccupation for urban scholars across the social sciences as of the 1980s. During that decade, the contributions of urbanists such as Manuel Castells, John Friedmann, Anthony D. King, Saskia Sassen, Michael Peter Smith, Edward Soja and Michael Timberlake, among others, helped generate widespread interest in the interplay between globalization and urban development under contemporary conditions (for overviews, see Alger 1990; Yech 1999; D.A. Smith 2000; Scott 2001; Taylor 2003; Geffard 2004). The publication of influential volumes such as Michael Timberlake's *Urbanization in the World-Economy* (1985), Michael Peter Smith and Joe R. Feagin's *The Capitalist City* (1987), Saskia Sassen's *The Global City* (1991) and Anthony D. King's *Urbanism, Colonialism and the World-Economy* (1991) consolidated this developing research agenda within urban studies.

During the course of the 1990s, the sustained attention to the "impassable dialectic of local and global" (Lipietz 1993: 16) among world cities researchers generated an extraordinarily creative outpouring of research on cities throughout the world economy. One of the major contributions of world cities research has been to relate the dominant socioeconomic trends within these cities – for instance, industrial restructuring, changing patterns of capital investment, the expansion and spatial concentration of the financial and producer services industries, labor-market segmentation, sociospatial polarization and class and ethnic conflict – to the emergence of a worldwide urban hierarchy and the global economic forces that underlie it. Additionally, scholars of global city formation have introduced innovative studies of, among other topics, urban governance restructuring, the transformation of urban sociospatial form,

the emergence of new forms of urban sociopolitical contestation and the reorganization of global urban hierarchies. In the wake of these extensive, wide-ranging research forays, the concept of the global city is now used throughout the field of urban studies and has animated intense debates on the changing character of urban life in late twentieth and early twenty-first century capitalism. More recently, the publication of major books such as Paul Knox and Peter Taylor's *World Cities in a World-System* (1995), Peter Marcuse and Ronald van Kempen's *Globalizing Cities* (2000), Allen J. Scott's *Global City-Regions: Trends, Theory, Policy* (2001), a fully revised second edition of Sassen's *The Global City* (2002) and Peter Taylor's synthesis, *World City Network* (2003), arguably signals that the "world city hypothesis" initially proposed in the mid-1980s by John Friedmann (1986) has now become one of the most exciting, if also controversial, approaches to the study of the contemporary urban condition.

Against the background of these multifaceted investigations and debates, the present volume is intended to accomplish a number of intertwined goals. First, the Reader provides an overview of the major theoretical and methodological foundations for interdisciplinary research on cities and globalization. Second, the readings present a general survey of the key substantive areas of global cities research and explore some of the core debates and controversies that have emerged from such investigations. Third, although the contributions to the book can necessarily focus upon only a limited selection of empirical case studies, those which have been included are intended to illuminate the divergent national and local pathways through which global city formation is occurring in different zones of the world economy. Fourth, many of the readings explore the multifaceted problems of urban policy, planning and design that are specific to large globalizing city regions, and thereby underscore the manifold ways in which contemporary patterns of urban restructuring are mediated through state institutions, policies and regulatory strategies. Finally, this volume is intended to advance recent approaches to urban studies that emphasize the role of local and transnational agents in the production of urban economic, political and cultural spaces (Keil 1998; M.P. Smith 2001). Thus, while much of global cities research has, quite appropriately, examined the role of large-scale organizations such as transnational corporations (TNCs) and state institutions, many of the contributors to this Reader argue that sociopolitical struggles and grassroots mobilizations likewise figure centrally in the production and transformation of globalized urban spaces.

Given the impressive breadth and depth of this massive, constantly evolving research field, it would be impossible in a single volume to provide a comprehensive survey of all of the relevant perspectives that may be said to fall under the broad rubric of global cities research. Therefore, we have selected readings that, in our judgment, introduce some of the most essential theoretical categories, elaborate new modes of conceptualization, illuminate important empirical trends and/or present particularly provocative political perspectives relating to the process of global city formation. In 1982, in one of the foundational statements of global cities research, John Friedmann and Goetz Wolff (1982: 320; see Reading 6) suggested that "[t]he world city 'approach' is, in the first instance, a methodology, a point of departure, an initial hypothesis. It is a way of asking questions and of bringing footloose facts into relation." While research on cities and globalization has progressed considerably since Friedmann and Wolff's initial intervention, we believe that their methodological orientation remains as salient as ever today. Accordingly, the contributions to this Reader have been chosen not least because they pose extremely incisive, provocative questions regarding the interplay between urban development and global restructuring. As we shall see, their answers to these questions, and their methods for generating such answers, remain quite contentious, and continue to provoke intense debate.

Capitalism, urbanization and the world system

Until the late twentieth century, the dominant Anglo-American approaches to urban studies tended to presuppose that cities were neatly enclosed within national territories and nationalized central place hierarchies (Taylor 2003). As Michael Timberlake (1985) notes,

urbanization processes have typically been studied by social scientists as if they were isolated in time and explicable only in terms of other processes and structures of narrow scope, limited to the boundaries of such areas as nations or regions within nations.

(Timberlake 1985: 3)

Thus, for example, postwar regional development theorists such as Myrdal (1957) and Hirschman (1958) viewed the national economy as the basic container of spatial polarization between core urban growth centers and internal peripheral zones. Concomitantly, urban geographers such as Berry (1961) and Pred (1977) assumed that the national territory was the primary scale upon which rank-size urban hierarchies and city-systems were organized. Indeed, ever-early uses of the term "world city" by writers such as Patrick Geddes (1924) and Peter Hall (1966) likewise expressed this set of assumptions: the cosmopolitan character of world cities was interpreted as an expression of their host states' geopolitical power. The possibility that urban development or the formation of urban hierarchies might be conditioned by supranational or global forces was not systematically explored.

This nationalized vision of the urban process was destabilized as of the late 1960s and early 1970s, with the rise of radical approaches to urban political economy. The seminal contributions of neo-Marxist urbanists such as Henri Lefebvre (1968), Manuel Castells (1972), David Harvey (1973, 1982) and others generated a wealth of new categories and methods through which to analyze the specifically capitalist character of modern urbanization processes. From this perspective, contemporary cities were viewed as spatial materializations of the core social processes associated with the capitalist mode of production, including, in particular, capital accumulation and class struggle. While these new approaches did not explicitly investigate the global parameters for contemporary urbanization (but see Reading 50 by Lefebvre), they did embed cities within a macrogeographical context defined by the ongoing development and restless spatial expansion of the capitalist world economy. In particular, capitalist urbanization was now conceived as an arena, expression and outcome of the fundamental processes of uneven geographical development that rippled continuously across the landscape of state territoriality at all spatial scales, from the global and the national to the regional and the local (Harvey 1982; Massey 1985; N. Smith 1990). In this manner, the so-called "new urban sociology" elaborated an explicitly spatialized and reflexively multiscale understanding of capitalist urbanization. Within this new conceptual framework, the spatial and scalar parameters for urban development could no longer be taken for granted, as if they were pregiven features of the social world. Instead, urbanization was now increasingly viewed as an active moment within the ongoing production and transformation of capitalist sociospatial configurations at multiple geographical scales (Harvey 1989).

Theoretical debates on the interplay between capitalism, urbanization and the production of socio-spatial configurations intensified during the course of the 1970s and early 1980s (Gottidiener 1985; Saunders 1985; Katznelson 1993). Crucially, the new urban sociology was consolidated during a period in which, throughout the order industrialized world, cities and regions were undergoing any number of highly disruptive sociospatial transformations associated with the crisis of North Atlantic Fordism and the consolidation of a new international division of labor dominated by apparently footloose transnational corporations (A. Amin 1994; Dicken 1998). Accordingly, critical urbanists began to deploy many of the categories and methods associated with this newly emergent intellectual tradition in order to decipher the tumultuous processes of urban restructuring that were unfolding around them, particularly in the cities and regions of the industrialized North. Extensive, sophisticated literatures rapidly emerged on key topics such as deindustrialization, the urban land nexus, North/South divides and territorial polarization, regionalism, collective consumption, post-Fordism, local state intervention, the politics of place and urban social movements (for useful overviews, see Dear and Scott 1991; Soja 1989; Dear and Wolch 1991). These multifaceted research initiatives indicated that the sources of contemporary urban transformations could not be understood in purely local, regional or national terms. Rather, the post-1970s restructuring of cities and regions was increasingly interpreted as an expression and outcome of ongoing worldwide economic, political and sociospatial transformations. Thus, for instance, plant closings and

workers' struggles in older industrial cities such as Chicago, Detroit, Liverpool, Dortmund or Milan could not be explained simply in terms of local, regional or even national decisions or developments, but had to be analyzed in relation to broader secular trends within the world economy that were fundamentally reworking the conditions for profitable capital accumulation and redistributing the geographies of industrial production not only in the older capitalist world, but in many formerly peripheral, newly industrializing countries (NICs) as well (Bluestone and Harrison 1982).

In opening up their analyses to the global dimensions of urban restructuring, contributors to the new urban sociology also began to draw upon several new approaches to the political economy of capitalism that likewise underscored its intrinsically globalizing dimensions. Foremost among these was the model of "world system analysis" developed by Immanuel Wallerstein (1974, 1980), Samir Amin (1978) and Giovanni Arrighi (1979), which explored the worldwide polarization of economic development, relations of production and living conditions under capitalism among distinct core, semi-peripheral and peripheral zones. Like Braudel before them, who had similarly emphasized large-scale and long-term processes of economic and societal change, world system theorists insisted that capitalism could be understood only on the largest possible spatial scale, that of the world economy, and over a very long temporal period spanning many centuries. World system theorists thus sharply criticized the state-centric and methodologically nationalist assumptions of mainstream social science, arguing instead for an explicitly globalist and *longue durée* understanding of modern capitalism (for an excellent overview, see Wallerstein 1991). The rise of world system theory during the 1970s resonated with a more general resurgence of neo-Marxian approaches to political economy during this period (Lipietz 1987). In the context of diverse studies of transnational corporations, underdevelopment, dependency, class formation, crisis theory and the internationalization of capital, these new approaches to political economy likewise argued for more systematic, reflexive analyses of the global parameters of capitalism both in historical and contemporary contexts (see, for instance, the contributions to radical journals such as *New Left Review* and *Review of Radical Political Economics* during the 1970s and early 1980s; for overviews, see T. Hall 2000; D.A. Smith 2000). Taken together, these diverse literatures on the political economy of global capitalism provided crucial analytical reference points for urbanists concerned, during the late 1970s and early 1980s, to decipher the variegated impacts of large-scale processes of capitalist restructuring upon cities and regions. It was now increasingly recognized, as Timberlake (1985) explains, that

processes such as urbanization can be more fully understood by beginning to examine the many ways in which they articulate with the broader currents of the world-economy that penetrate spatial barriers, transcend limited time boundaries and influence social relations at many different levels.

(Timberlake 1985: 3)

It is against this background that the emergence of global cities research during the 1980s must be understood. For, like the other critical analyses of post-1970s urban restructuring that were being pioneered during this period, world cities theorists built extensively upon the analytical foundations that had been established by neo-Marxist urban political economists, world system theorists and other radical analysts of global capitalism. Their analytical starting point, as David A. Smith (2000: 147–148) notes, was that "cities are located and articulated in a hierarchical global system dominated by the logic of competitive capitalism." Within these broad intellectual parameters, world city theorists developed a distinctive set of methodological strategies, research agendas and interpretive claims, which we are now in a position to consider more closely.

Global city theory and global capitalist restructuring

Although the notion of a world city has a longer historical legacy, it was consolidated as a core concept for urban studies in the early 1980s in the context of attempts to decipher the ongoing, crisis-induced

restructuring of global capitalism. As Peter Taylor (2003: 21) argues, "The world city literature as a cumulative and collective enterprise begins only when the economic restructuring of the world-economy makes the idea of a mosaic of separate urban systems appear anachronistic and frankly irrelevant." Numerous scholars contributed key insights to this emergent research agenda, but the most influential foundational statements were presented by John Friedmann (see Readings 6 and 7) and Saskia Sassen (see Readings 9 and 10). To date, the work of these authors is associated most closely with the global city concept, and is routinely cited in studies of the interplay between globalization and urban development. However, for present purposes, rather than attempting to summarize the contributions of these authors, and those whom they subsequently influenced, we instead present a general interpretation of the major substantive claims that are associated with what has now come to be known as world city theory.

World city theory has been employed extensively in studies of the role of major cities as global financial centers, as headquarters locations for transnational corporations and as agglomerations for advanced producer and financial services industries. While the theory's usefulness in such research has been convincingly demonstrated, we would argue that the central agenda of world city theory is best conceived more broadly, as an attempt to analyze the changing worldwide geographies of capitalism in the late twentieth and early twenty-first centuries. From this point of view, the central project of world cities research is not simply to classify cities according to their role as command and control centers in global capitalism, but rather, as Friedmann (1986: 69; see also Reading 7) has proposed, to analyze the "spatial organization of the new international division of labor." The key feature of this newly emergent configuration of world capitalism is that cities – or, more precisely, large-scale urbanized regions – rather than the territorial economies of national states are its most fundamental geographical units (see also Scott 2001). These urban regions are said to be arranged hierarchically on a global scale according to their differential modes of integration into the world economy (see Reading 5 by Cohen, Reading 6 by Friedmann and Wolf and Reading 7 by Friedmann). Thus, as Friedmann (1995: 21–26) has argued, contemporary cities operate as the "organizing nodes" of world capitalism, as "articulations" of regional, national and global commodity flows, and as "basing points" in the "space of global capital accumulation."

World city theorists have analyzed this shift towards a city-centered configuration of global capitalism with reference to two intertwined politico-economic transformations since the mid-1970s – first, the emergence of a new international division of labor dominated by transnational corporations, and second, the crisis of the Fordist-Keynesian technological-institutional system that prevailed in the older industrialized world throughout the postwar period.

The new international division of labor

The emergence of a new international division of labor (NIDL) since the late 1960s resulted in large measure from the massive expansion in the role of transnational corporations in the production and exchange of commodities on a world scale (Fröbel et al. 1980; Dicken 1998). Whereas the old international division of labor was based upon raw materials production in the periphery and industrial manufacturing in the core, the NIDL has entailed the relocation of manufacturing industries to semi-peripheral and peripheral states in search of inexpensive sources of labor-power. In addition to the deindustrialization of many core industrial cities, this global market for production sites has also entailed an increasing spatial concentration of business services and other administrative-coordination functions within the pre-dominant urban centers of the core. According to world city theorists, these upper-tier cities have become major nodes of decision-making, financial planning and control within globally dispersed commodity chains, and therefore, the central basing points for the worldwide activities of TNCs (see Reading 5 by Cohen; see also Feagin and Smith 1997). This intensified urban concentration of global capital flows has been further enabled through the development of new informational technologies, closely tied to the

agglomeration economies of cities, that accelerate communication and coordination on a global scale (Castells 1989).

Thus, if the latest round of capitalist globalization has enhanced capital's ability to coordinate flows of value through global space, it has also been premised upon the construction of specific urban places within and through which the territorialized technological, institutional and social infrastructure of globalization is secured (see Readings 9 and 10 by Sassen). Therefore, even as the costs of overcoming the friction of distance in the global transfer of information and commodities are pushed ever closer to zero, cities have remained fundamental locational nodes through which global systems of capitalist production and exchange are organized. In this sense, as Sassen (1999, 2000) and Scott (2001) have emphasized, global city theory entails an explicit critique of mainstream conceptions of globalization which presume that territoriality, borders and places are becoming increasingly irrelevant. Against such views, global city theorists have emphasized the enhanced strategic role of urban regions in providing a fixed, place-specific and relatively non-substitutable sociotechnological infrastructure for globalized forms of capital accumulation (see also Storper 1996).

The crisis of North Atlantic Fordism

Contemporary processes of world city formation have also been closely related to the growing obsolescence of the technological, institutional and social foundations of the Fordist regime of accumulation, which is generally said to have been grounded upon mass production, mass consumption, nationally configured Keynesian demand-management arrangements, nationalized frameworks of collective bargaining and redistributive social welfare policies (Agietta 1979; Lipietz 1987; Jessop 1992). The crisis of the Fordist-Keynesian technological-institutional system in the older industrial cities of North America and western Europe during the early 1970s was paralleled by unexpectedly dynamic growth in various so-called new industrial spaces such as Silicon Valley, Los Angeles/Orange County, Baden-Württemberg and the Third Italy, grounded upon decentralized, vertically disintegrated forms of industrial organization embedded within dense transactional networks of subcontracting arrangements and other non-market forms of inter-firm coordination (Scott 1988; Storper 1996). According to Storper and Scott (1989: 24–27), the major sectors associated with these emergent flexible production systems are to be classified in three broad categories: revitalized craft production, high-technology industries, and advanced producer and financial services. The locations and spatial structures of these industries vary extensively, but most are agglomerated within major urban manufacturing regions and – in the case of the advanced financial and producer services – within global cities such as London, New York, Tokyo, Paris, Frankfurt and Los Angeles in which large numbers of TNCs are based.

More recent contributors to the debate on post-Fordist industrial geography have advised a somewhat more cautious analytical perspective that acknowledges the impressive dynamism of flexible production systems while situating them within a global context characterized by continued geoeconomic and geopolitical disorder, pervasive uneven geographical development and neoliberal ideological hegemony (Amin and Thrift 1992; Peck and Tickell 1994). Nevertheless, the rise of global cities in recent decades as key geographical sites for the coordination of global commodity chains is broadly consistent with the proposition that flexible production systems are among the new leading edges of contemporary capitalist development. As Sassen's (1991) research has demonstrated (see also Readings 9 and 10), the propulsive growth industries of global cities are, above all, the producer and financial services sectors that serve the command and control requirements of transnational capital – for instance, banking, accounting, advertising, financial management and consulting, business law, insurance and the like. It is in this sense that capital's attempt to enhance its command and control over space on a global scale hinges upon the place-specific production complexes, technological-institutional systems, agglomeration economies and other externalities that are increasingly localized within global cities.

Taken together, the aforementioned arguments have provided world cities researchers with a methodological basis for analyzing the role of major urban regions in the currently unfolding geographical transformation of world capitalism. As Scott (2001: 4) suggests, global city-regions serve "as territorial platforms for much of the post-Fordist economy that constitutes the dominant leading edge of contemporary capitalist development, and as important staging posts for the operations of multinational corporations." In sum, global cities are:

- basing points for the global operations of TNCs
- production sites and markets for producer and financial services
- articulating nodes within a broader hierarchy of cities stratified according to their differential modes of integration into the world economy
- dominant locational centers within large-scale regional economies or urban fields.

Of course, as several contributors to this Reader explore at length, global cities also perform other functions in various globalized social, political and cultural networks. For instance, as the attack on the World Trade Center on September 11, 2001 showed, the symbolic power of finance capital was only one in a number of globalized vectors of signification that were connected to the ill-fated complex – global cultural flows and diasporic networks among them. Additionally, as Stefan Krätke (Reading 39) has shown with reference to the rise of "media cities," worldwide inter-urban networks have been consolidated in spheres of economic activity that are not directly linked to global financial transactions. Just as crucially, in the cases of Washington DC, Geneva, Brussels, Nairobi and other bureaucratic headquarters of the global diplomatic and non-governmental organization (NGO) communities, we can identify yet another network of global political centers (Gerhard 2003; see also Reading 24 by Simon). Religious centers such as Mecca, Rome and Jerusalem, among many others, constitute yet another such network (Flusty 2004). In some cases, places that ostensibly lack strategic economic assets nonetheless acquire global significance through their role in the worldwide networks of social movement activists. Porto Alegre, Brazil, where the World Social Forum has been based, and Davos, Switzerland, where the World Economic Forum takes place every January, are cases in point (Allahwala and Keil 2005).

And yet, even as we expand and differentiate our mapping of the global urban system through such considerations, it is essential to emphasize that global urban networks represent only one dimension within capitalism's rapidly changing geographical organization. The consolidation of a world urban hierarchy dominated by an archipelago of upper-tier global cities has also produced new geographies of exclusion stretching from the economic "deadlands" of the older industrial core states into the marginalized zones of the developing world and the global periphery that contain almost seven-eighths of world population (Agnew and Corbridge 1994; Friedmann 1995). Thus, even as world city-regions increasingly supersede the territorial economies of national states as the basic geographical building blocks of global capitalism, new patterns of uneven spatial development are proliferating on all spatial scales. The question of how cities and city-regions located outside the heartlands of world capitalism have been affected by contemporary globalization processes has only recently begun to be explored by world city theorists – as well as by critics of this theoretical approach (see the contributions to Part Four of this Reader).

World city formation and the question of agency

Early contributions to global city theory adopted a largely structuralist point of view which emphasized the role of large-scale political-economic transformations and the consolidation of worldwide inter-urban networks. In this context, many scholars argued that globalized urbanization was reducing the capacity of local political actors and state institutions to influence socioeconomic life. For instance, Robert Ross and Kent Trachte (1990; see also Reading 12) identified global city formation with a "relative decline

This task proved extremely difficult, however, as we were generally able to include only about one-fourth of the original material for each of the readings in this book. Thus, we were obliged to cut out significant sections of each reading, including discussions of ongoing debates in world city theory and other relevant academic literatures, various types of historical, contextual and empirical background material, most footnotes and endnotes, a variety of maps, data tables and diagrams, and significant numbers of bibliographic references. In short, this is a book composed not of fully complete articles and chapters, but of carefully edited sections of those texts that are intended to convey the main insights and arguments contained in the original versions. Readers of this book are advised to keep these severe length constraints in mind as they navigate its contents.

Wherever possible, we have consulted the authors to request permission to include their work in this volume, and to ask for their critical feedback on our edited and abridged versions of their texts. We would like to express our deepest gratitude to the contributors for generously permitting us to republish such radically scaled-down versions of their work in this Reader. We are also extremely grateful to them for taking time from their busy schedules to examine our editorial work. We have made every effort to address their concerns and to integrate their suggestions into the final version of each reading. Readers who are inspired by their writings are strongly encouraged to consult the original, full-length publications. We feel reasonably confident, however, that the edited versions published here convey the most central arguments and insights contained in the original texts.

We have organized this book into seven thematic parts, each of which is intended to survey a key set of issues in the literature on globalization and urban development.

- Part One introduces the themes of the volume and includes a number of classic texts on global city formation.
- Part Two contains a number of classic studies of global city formation, focusing on major themes within this emergent literature.
- Part Three examines the applications of global city theory through classic and contemporary case studies of globalizing cities in each of the three major super-regions of the world economy – Europe, North America and East Asia.
- Part Four examines global city formation from the perspective of research on cities located outside of the three global "triads", within the peripheralized zones of the global South.
- Part Five explores some of the political and institutional dimensions of global city formation, as well as various forms of sociopolitical mobilization and contestation that are emerging in globalizing cities.
- Part Six examines global cities as sites of processes of cultural globalization, focusing in particular upon the interplay between globalized urbanization and the formation of global and local cultures, identities, architectural forms and imaginaries.
- Finally, Part Seven examines the refinement and critique of global cities research since the 1990s and surveys some of the major scholarly controversies that have been generated within this field.

Research on the dual problematic of global cities and globalized urbanization continues to proliferate rapidly. Even as this book begins the production process (April 2005), recent issues of major urban studies journals such as *International Journal of Urban and Regional Research* and *Urban Studies* contain new articles that engage with emergent theoretical, methodological and empirical issues in this vibrant research field. And yet, increasingly, research on the cities/globalization problematic is no longer grounded upon a single intellectual paradigm. Instead, such research now encompasses a broad range of analytical perspectives and methodological strategies through which the contemporary global urban condition is being investigated. Meanwhile, worldwide urbanization patterns continue to evolve through the contested, contradictory interaction of diverse global, supranational, national and local political, economic, cultural and environmental forces. We hope that this Reader will inspire others to join ongoing efforts to decipher these evolutionary tendencies, their contradictions, and their manifold implications for cities and urban dwellers around the world. This Reader is intended to provide an intellectual

of the relative autonomy of the state" vis-à-vis capital. For them, the apparent hypermobility of "footloose capital" was subjecting local planners to irresistible "global constraints" and contributing to a systemic decline of urban working-class power (see also Ross et al. 1980).

More recent work, however, has rejected these arguments and explored more systematically the role of local social forces and political struggles in the production of globalized urban spaces. From this point of view, global city formation is indeed a political project of transnational capital, but the global city itself represents an arena and outcome of intense sociopolitical struggles among a broad range of social forces and political-territorial alliances. Diverse local agents, social forces and institutions – including fragments of the internationalized working class, various cultural and territorial communities; and state institutions – actively participate in and shape the process of world city formation (see the contributions to Part Five). Thus, as Smith and Feagin (1987: 17) explain, globalized forms of urbanization must be understood as the long-term outcomes of actions taken by economic and political actors operating within a complex and changing matrix of global and national economic and political forces." In short, local agents act and react to pressures of global restructuring, but they are also active producers of globalization processes (see Reading 46 by M.P. Smith). They are the builders of the global city.

How to use the Global Cities Reader

As the preceding discussion reveals, the parameters of global city theory have been expanded considerably since the consolidation of this approach to urban studies in the 1980s. On the one hand, a broader range of cases of globalized urban development is now being explored (see Part Four). At the same time, new theoretical categories and methodological strategies have been introduced in order to examine the interplay between global, supranational, national, regional and local dynamics within rapidly changing urban spaces. Studies of global cities have also been extended beyond economic issues (such as industrial agglomeration, labor market restructuring and so forth) to investigate a broader range of substantive themes, including sociospatial polarization, institutional restructuring, governance, political ecology, identity formation, sociopolitical mobilization and representation.

This Reader contains a large number of selections that are intended to survey this vast, multifaceted and still evolving literature. It would be impossible in a single volume to provide a full, systematic overview of this sprawling research field. We have chosen the selections from a much larger set of relevant texts, and there are no doubt some omissions and lacunae in our presentation. Our goal here is less to present all of the "greatest hits" within this research field than to introduce readers to its broad contours and to inspire them to explore its nuances more comprehensively. To facilitate this, we have included reference lists at the end of the editorial introductions to each part, which are intended to guide readers to further literature on the topic at hand.

Additionally, readers are strongly encouraged to consult the outstanding website of the GaWC (Globalization and World Cities) research group at Loughborough University, brilliantly organized by a team of urban scholars led by geographers Jonathan Beaverstock and Peter J. Taylor in the UK: <http://www.lboro.ac.uk/gawc/>. This website contains an invaluable selection of bibliographies, research bulletins, project descriptions, data sets and web links related to research on cities and globalization. The GaWC website is updated regularly and will be immensely useful to anyone who is engaged in reading or research on these matters.

We must emphasize that, with the exception of six original contributions (Reading 19 by Schmid, Reading 28 by Buechler, Reading 38 by King, Reading 40 by Lehrer, Reading 42 by Flusty and Reading 44 by Marcuse), all of the other selections in this Reader have been edited quite significantly. This procedure was necessary in order to conform to the rather strict length requirements that inevitably accompany a large, synthetic book of this nature. In constructing abridged versions of these materials, we have made painstaking efforts to preserve the integrity of key arguments and, wherever possible, to include at least some of the rich contextual details and empirical data that are contained in the case studies.

starting point – no more, but also no less – for such inquiries. In critically evaluating the strengths and limitations of the readings included herein, we hope that readers will develop their own perspectives on globalizing cities and city-regions, whether for purposes of critical social-scientific analysis, to facilitate progressive policy development or to promote grassroots political mobilization.

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Global city formation: emergence of a concept and research agenda

INTRODUCTION

In the history of urban sociology in the United States, much of urban-growth theory has been limited to a national level of analysis. From classical-location to uneven-development theories, conceptualization of urban growth has been contained mainly in regional or national frameworks. But in many cases, involvement in the capitalist world-economy has been a source of major urban development. Many major cities grow during certain periods mainly because of a specific function they play in the capital-accumulation circuits of the world-system. That is, some cities grow as the world-system grows because they have specialized in some function of capital accumulation, for example, as producers or as financial markets, and thus fit a specific niche in the world-economy. Taking a world-system perspective as a necessary level of analysis for understanding major urban growth, the discussion in this article elaborates on the concept of urban specialization. It offers case studies of urban growth through a specialization niche, and compares the development of specialization from the standpoint of the three stages of capitalist development (mercantile, industrial, and monopoly) in which the cases are situated.

SPECIALIZATION IN THE WORLD-SYSTEM: A THEORETICAL INTRODUCTION

What is urban specialization?

It is perhaps an empirical commonplace to observe that cities tend to specialize in certain types of economic activities. London, for example is known as a financial center, and Detroit is identified with automobile production. In the present discussion, taking a world-system perspective of urban growth, the concept of specialization is developed and advanced from the standpoint of the development of specific cities in the world-economy. Structural dimensions of world capitalism are emphasized: (a) the circuits of capital, (b) the international division of labor, and (c) the spatial organization. These three dimensions are believed to be the basic matrices of socioeco-

nomic development in the world capitalist system. In contrast to the conventional view, the relational aspect of specialization in a world context is emphasized. A city develops specialized economic activity and a corresponding social structure as a consequence of its relationship to other cities and regions in the capitalist world-system. This development may or may not involve the subdivision of old industries. It may involve subdivision of an old industry, but specialization may also occur through the development of a new industry.

THREE SETS OF HISTORICAL CASES

In this section, historical cases of urban specialization in the capitalist world-system are described. The cities are financial and production centers in three historical periods of capitalist development: the mercantile, industrial, and advanced-monopoly periods. The specialized cities are situated in countries that dominated the world-economy at certain periods during its development. The core countries that acquired hegemony in the world-economy were settings where urban specialization intensified, especially since superior productive efficiency substantially undergirded hegemonic status. For the period of Dutch hegemony (1625-1671), the cases of Amsterdam and Leiden are examined; for the period of British hegemony (1815-1873), London and Manchester; and for the period of U.S. hegemony (1945-1967), New York and Houston. For each period, the dominant financial/administrative center was chosen. Leiden and Manchester were dominant industrial cities in the Dutch and British periods of hegemony, respectively. Houston was the dominant industrial-technological center of the developing petrochemical industry during the U.S. period of hegemony.

In the development of the world-system, new stages of capitalism brought new structural conditions of urban specialization. The transitions from mercantile to advanced-monopoly capitalism contained changes in the systemic relations between financial and industrial specialized centers, in the relations between specialized industrial cities and the periphery of the world-economy, and, related to this, in the working-class development of the specialized industrial cities.

Urban Specialization in the World System: A Theoretical Introduction

From Urban Affairs Quarterly (1980)

Nestor Rodriguez and Joe R. Feagin

Editors' introduction

Along with Christopher Chase-Dunn (1985), Michael Timberlake (1985), Fernand Braudel (Reading 2) and Janet Abu-Lughod (Reading, 4), sociologists Joe R. Feagin (Ella McFadden Professor of Liberal Arts at Texas A&M University) and Nestor Rodriguez (Professor and Chair of Sociology at the University of Houston and Co-Director of the Center for Immigration Research) were among the first scholars to examine systematically the process of world city formation in comparative-historical perspective. Their classic study of urban specialization in world cities was published during the mid-1980s, just as a large number of North American and western European urbanists were beginning to grapple more explicitly with the problematic of globalization. Both authors have continued subsequently to make important contributions to the study of globalized urbanization.

Rodriguez and Feagin cast their net widely in this reading to examine three sets of cities, in each case one financial center and one industrial center, situated within the globally hegemonic national state during three different phases of world capitalist development. Through their comparison of Amsterdam-Leiden (during the period of Dutch hegemony), London-Manchester (during the period of British hegemony) and New York-Houston (during the period of US hegemony), the authors explore the key role of "urban specialization" - the spatial concentration of particular types of economic activities within cities - in the dynamics of world city formation. Their major insight is that urban specialization assumes different forms not only within globally hegemonic national economies but also during successive phases of capitalist development. In each case, Feagin and Rodriguez show how advanced economic capacities in a particular sector, be it financial or industrial, serve as an essential foundation for the development and consolidation of global cities. More generally, in investigating the political economies of urbanization from early to late capitalism, they show that urban development patterns cannot be explained adequately in regional and national terms, but must be understood, instead, with reference to cities' positions in worldwide spatial divisions of labor. In this manner, Rodriguez and Feagin criticize mainstream US urban studies, including writers in the Chicago School tradition, for an excessively localist, culturalist orientation that brackets the large-scale political-economic contexts in which urban development unfolds. In addition, through their expert use of thick historical description, the authors also demonstrate how locally powerful corporate elites have managed to transform their private economic assets not only into a basis for local political influence, but also into a means for consolidating and extending their host city's global reach.

THE ERA OF DUTCH HEGEMONY

Amsterdam's financial specialization

Amsterdam developed into an international financial center during the period of Dutch hegemony in the seventeenth century. In the division of labor of the then young capitalist world-system, Amsterdam was a center of manufacturing, shipbuilding, and trading, a place where commodity capital was converted into money capital. But it was foremost a center of finance for business projects throughout the world. Amsterdam's Exchange Bank (established in 1609), Loan Bank (1614), and Bourse (1611) made the city the focal point where money capital was converted into commodity capital and where monies were enlarged through loans and investments abroad. From a town with no special status in the mid-sixteenth century, Amsterdam grew into the "Wall Street" of the world-system in the seventeenth century.

During this growth, the population of this world city quadrupled, from about 50,000 in 1600 to about 200,000 by the end of the century. Amsterdam's specialization in finance, which stimulated the growth of its manufacturing and trading industries, involved the migration of impoverished peasants from northern Holland and craft workers from southern Holland.

From the perspective of the spatial organization of intra-European trade, Amsterdam was ideal. It was situated between the Baltic area countries of Russia, Poland, Sweden, and Denmark and western and southern European areas that depended on the former countries for grain imports. Amsterdam became a capital-circuit microcosm of mercantile capitalism, with "an abundance of ever-ready goods and a great mass of money in constant circulation" (Braudel 1984: 236). This position in the circuit of capital was significant for the financial rise of Amsterdam because the city's bank was originally developed to enable merchants to settle

mutual debts. Trade and finance are thus intimately linked.

The bank of Amsterdam provided security rare in seventeenth-century banking because of the interventionist role of the state. Instead of adhering to mercantilist policies, at an earlier point in time the Dutch state (funded by Amsterdam) created conditions that facilitated private enterprise, such as the free movement of bullion, a system of bills of exchange, and credit functions. In some cases, the Dutch government guaranteed loans made by private financiers. Amsterdam's government enhanced the city's capitalistic environment by promoting the immigration of business entrepreneurs. The municipal council kept the cost of citizenship, required in some businesses, low and found housing and offered other inducements for immigrant master craft workers who agreed to start industries in silk finishing, cloth making, leather gilding, glassblowing, mirror manufacturing, salt refining, or shipbuilding.

Relations between employers and workers in Amsterdam were relatively stable, in part because of social welfare measures (e.g., lodging, hospitalization, and monetary payments for some) funded by private sources and by revenues derived from the sale of confiscated properties of the Roman Catholic church. Finance capitalists in Amsterdam invested in profit-motivated projects that greatly enhanced the development of the capitalist world-system in the seventeenth century. Examples included mining, timber exporting, and the development of sawmills in Sweden; mining, timber exporting, and salt production in Denmark; copper mining in Norway; sulfur exporting and fishing in Iceland; exporting caviar, tea, oil, and wool in Russia; grain exporting in Poland; and lake dredging and canal construction in Italy, France, and England. Amsterdam capitalists invested heavily in the Dutch East and West India companies, which through colonization helped expand the periphery of the world-economy to the West Indies, the Indian Ocean, and the Far East.

Textile specialization in Leiden

The world-trading networks that opened up with the assistance of Amsterdam finance capital stimulated the development of specialized industries in

many areas in Holland. In the period of Dutch hegemony, textile production centered in Leiden. Leiden's cloth production was central to the Dutch economic ascension in the young capitalist world-system. Cloth and draperies became an important resource for the Dutch trade in the Baltic, the Mediterranean, the Levant, Africa, and the West Indies. Textile industrialization made Leiden second only to Amsterdam in population size in the United Provinces.

Within the circuits of capital of seventeenth-century Europe, Leiden was the largest single-industry setting where money capital was converted into commodity capital of greater value. In addition to large-scale manufacturing, its labor structure involved traditional craft (*fabrieken*) production that used capital mainly for the wages of the skilled workers. Many of the *fabrieken* industries produced for a consumer-market niche of new lightweight cloth. Textile specialization made Leiden the largest manufacturing center of the "new draperies" in seventeenth-century Europe. Leiden's textile development benefited from its geographical position at the center of an area of cloth commerce, a confined northern European area where semifinished cloths imported from England were dyed and dressed in Amsterdam, and German linens were bleached and finished in Haarlem.

Leiden's growth as a center of textile specialization involved political and class developments. The urban centers of Holland such as Leiden prospered because they dominated the countryside economically and politically. With large-scale immigration, the Leiden area became a labor-rich environment. But immigration was not the only source of labor. Leiden's labor force was supplemented with child workers, many of whom were imported. Through the use of child and immigrant labor, large manufacturers circumvented the older artisan (guild) mode of production, in which craft workers controlled the scale of operation.

In contrast to the later industrialization, in which factories operated with unorganized work forces with little power, Leiden's industrialism involved *fabrieken* industries, in which artisan guilds still had some control. The cloth guilds in Leiden and in other towns in Holland tried, albeit unsuccessfully, to resist changes in their regulation of work hours, wages, and sizes of work forces. The guilds also refused to accept alien workers.



Plate 3 Amsterdam (Roger Keil)

The second half of the seventeenth century witnessed a sharp decline in Leiden's textile industry. Several factors precipitated this decline: the high wage levels of skilled cloth workers, the loss of markets in Spanish-controlled territories, English mercantile policies that restrained the export of English and Scottish wool, and the relocation of textile production by Dutch capitalists to the low-wage countryside outside Holland, and the growing popularity in Europe of the cheaper calicoes imported from India.

Leiden's textiles helped put the United Provinces (especially Holland) at the top of the spatial hierarchy of the emerging world-system in the seventeenth century. With its relatively advanced industrialization, Leiden became the leading textile area in the spatial organization of the evolving world-economy. The technical superiority of Leiden's textile specialization gave Dutch merchant capitalists an important trading advantage in other core countries and in the semiperipheral and peripheral areas of the Mediterranean, the Levant, Africa, and the West Indies. For a few places in the expanding world-economy, Leiden

also provided textile technology and skilled labor.

THE ERA OF BRITISH HEGEMONY

London's financial specialization

In the period of British hegemony in the world-system (1815-1873), world trade and finance centered on London. The city was a major source of finance capital for the vast British trading network that, in addition to western Europe, included cities in the Baltic area, the West Indies, India, the Far East, and the Americas. Other major markets for major primary commodities, but no city in England or abroad matched London's financial function in the world-economy. Capitalists from across Europe and a few more from the United States traveled to London to obtain funds for a diverse range of enterprises: Foreign national and state government officials from places such as Russia, Holland, Egypt, Massachusetts, Alabama,

and Bolivia journeyed to the banking houses of London for loans, especially for the development of transportation systems.

London bankers funded operations that enhanced transportation in many regions of the world-system. A prime example of this was the financing of railroad construction in western Europe, India, and the Americas. Railroads added to economic growth by cheapening the price of transport, and consequently the cost of producing commodities. Railroads stimulated the development of supporting industries (coal mining, locomotion production); passenger traffic became a business in itself. Investment in railroad construction was an initial event that linked London's financial houses directly to industrialization. Prior to this investment, London's financiers were involved in the growth of industrialism mainly by providing funds for the buying or transportation of industrial commodities.

London developed as a world financial center even before it developed as a national financial center; it speaks for the complexity of regional and world capital circuits that underlie the growth of urban specialization. From the chartering of the Bank of England in 1695 to the end of England's industrial revolution, merchant-bankers were the core of London's financial sector. Throughout the first half of the nineteenth century, English industrial capitalists were not prominent in London's financial establishment.

London's rise to national financial dominance grew out of the problems of small private banks. While in a few cases the new industrial capitalists obtained funding directly from London bankers, in the early years of the Industrial Revolution, the source of money capital for the development of industrial capital was the small private bank. However, an increasing number of country bank failures (311 in the period 1809-1830) prompted Parliament to pass legislation that limited the note-issuing power of these banks, allowed large joint-stock banks in and around London, and permitted the Bank of England to set up branches throughout the country. The Bank Charter Act of 1844 gave exclusive note-issue rights to the Bank of England, giving London the supreme financial position it long enjoyed in the world-economy.

State intervention was critical to the expansion of the capital circuits. The British government's

designation of the Bank of England as its financial source provided an important vitality to London's finance sector. London's growth as the nineteenth-century world financial center was based on the immigration of foreign capitalists who set up offices in the city. The growth of London's merchant-banker sector led to the development of many supportive structures that contributed to making London a large metropolis. Retail stores were set up in London to cater to the upper classes.

But the majority of London's growing population (just under 5 million in 1881) consisted of working-class people. These worked in a variety of service jobs critical to the functioning of the world's financial center and in industries such as flour milling, breweries, iron-muggery, and dock loading. At least 40 per cent of the city's working class lived in poverty. Many of the poor were migrants, mainly laborers from southern England, and Irish and Jewish immigrants.

Cotton specialization in Manchester

To a considerable extent, the rise of industrial capitalism in Britain was facilitated by London's financing of industrial and trade projects in other core countries and in peripheral areas across the world-economy. Areas that used financial capital from London also depended on British manufactured products for their economic development. Thus with the extension of capital circuits in the world-system during the late eighteenth and nineteenth centuries, British industrial cities became "the workshops of the world." Because of world demand, cotton-cloth production led the way in the development of British industrial capitalism. The cotton cities experienced the most dynamic mechanization and urban growth: of these, Manchester was the most developed. Specializing in the production segment of the circulation of capital in the world-system, Manchester underwent a rapid concentration of labor and of buildings, machines, and raw materials that reached the unprecedented scale of a massive factory system.

Manchester's industrial specialization was an important factor in Britain's development as a supplier of half of the world's cotton goods. Cotton products manufactured in Manchester were exported through Liverpool to core countries

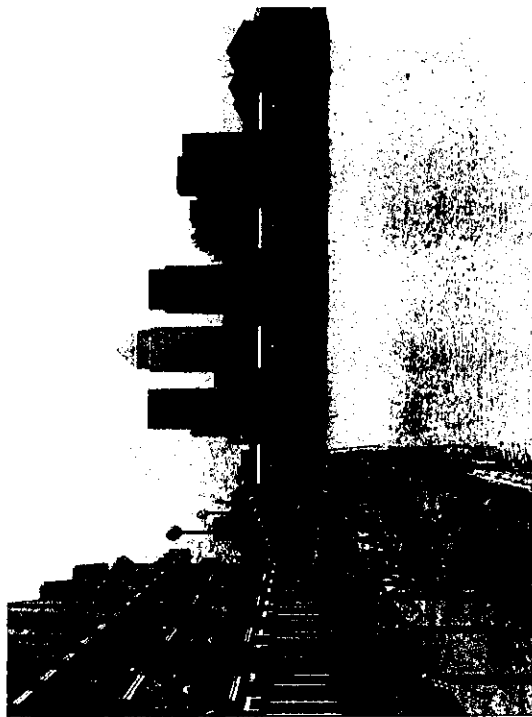


Plate 4 London. (Oja Leiber)



Plate 5 Manchester (Roger Keil)

such as France and Germany, and to areas in the periphery such as Africa and Asia, and especially to Latin America and India.

From a spatial perspective, Manchester specialized as a critical manufacturing node in an urban network – the means by which Britain, as a core area, was related to other core, peripheral, and semiperipheral areas in the world-system. Without these sources of raw cotton and these consumer markets, Manchester could not have achieved its remarkable industrial specialization.

Various political, spatial, environmental, and class factors were related to Manchester's cotton specialization. Manchester's spatial situation was enhanced through the development of transport systems. Two elements in the natural environment of Manchester were resources for the area's industrialization: swift streams and coal. Before steam technology, streams powered the waterwheels of the textile industry. The use of steam engines in the late eighteenth century made coal an important fuel. By the end of the Industrial Revolution in the 1840s, the geographical shape of the Manchester

textile-manufacturing district was substantially determined by the location of adjacent coalfields.

Manchester's specialization involved labor migration as well. While Manchester actually exported labor for rural industrial growth in the early development of industrialization, by the second and third decades of the nineteenth century the city was a destination for many who abandoned the handlooms in small communities and headed for the factories.

The central factor in Manchester's development of textile specialization was a radical change from artisan workers to wage-earning factory workers. Whereas at the beginning of industrial capitalism many British workers owned their tools and controlled their own work, by the mid-nineteenth century many worked for wages in factories. This transformation was not peaceful. Different artisan groups revolted as their trades became deskilled through factory organization. In the new conditions of class relations, women and children were used by British factory owners to displace the skilled workers.

THE ERA OF U.S. HEGEMONY

New York's financial specialization

New York's emergence as the world financial center in the period of U.S. political-economic hegemony (1945–1967) occurred in a setting of dramatic American economic expansion into the world-system. Rapid postwar development, the opening of market outlets in reconstructed western Europe, and investment opportunities in Latin America without competition from European or Japanese investors all helped thrust U.S. capital into a dominant position in the international circuits of capital. In the United States, the centralization of industrial capital was a salient feature throughout the period of hegemony.

Historically, the financial district of New York was "the child of the port." International trade stimulated the financial growth of New York. With the construction of the Erie Canal and other canal systems in Ohio and Pennsylvania, the port of New York took a dramatic leap in international trade. With this dynamic commercial setting, and with the

immigration of impoverished European labor, a large number of industries (garment, chemical, tobacco) located in the city.

By 1900 the New York financial district had evolved into a complex formation of commercial and investment banks, insurance companies, stock markets, and the central offices of large and small firms. Of the 125 insurance firms in Manhattan, foreign-owned fire and marine insurance companies outnumbered any single type of domestic insurance company. With the decline of European capital by the end of World War I, New York financial institutions emerged as one of the world's specialized banking centers. During the 1945–1967 period of U.S. hegemony, the expansion of industrial capital stimulated the growth of financial capital. New York financial capitalists increased in wealth as they provided much external funding to nonfinancial corporations.

The foreign growth rate of U.S. banks has far exceeded their U.S. growth rate. New York banks have even expanded into nonfinancial operations in peripheral countries. New York's financial specialization has been particularly important for



Plate 6 New York City (Roger Keil)

production capital in the Latin American periphery. The city has served as headquarters for many large corporations that do business in the area.

The growth of New York's financial specialization in the world-system during and after the U.S. period of hegemony involved a restructuring of the city's labor demand. Since the 1950s, the city has lost more than 400,000 manufacturing jobs in industries such as clothing, publishing, and electronics. In the 1970 census, workers in service industries outnumbered workers in manufacturing activities for the first time. But the growth of the service sector linked to the financial and corporate headquarters complexes has involved polarized concentrations of highly paid and poorly paid jobs. High-income jobs are associated with the growth of the advanced services (e.g. financial, managerial) and of international corporate headquarters. The expansion of low-income service jobs is associated with the growth of low-skill, dead-end jobs in major service industries and with the increase of business services that cater to the top-level work forces of these industries. The city's 1.5 million Hispanics and large concentrations of Asians and West Indian immigrants - symbolic again of migration in a world-economy - have been an important supply of labor for the low-wage service jobs, as well as for the resurgent sweatshops and industrial homework.

New York's financial capitalists have played a critical role in remaking the face of the city itself. For example, they have sought state aid to provide critical infrastructure in the form of highways, bridges, and even office buildings. The two 110-story World Trade Center towers in Lower Manhattan were the brainchild of the Downtown-Lower Manhattan Association, chaired by David Rockefeller, then head of Chase Manhattan Bank. Designed to house international banks, import and export companies, and world trade organizations, the twin towers involved the razing of older structures and the construction of these megastructures at local government expense (about \$1 billion). Government aid in the form of special utility and street projects has also facilitated numerous private office complexes, such as the Rockefeller Center, with its 21 office towers.

New York's financial capitalists have even become the overseers of the city government itself. The very institutions that had encouraged the

city to overextend itself financially, the banks holding New York municipal securities, had used the fiscal crisis in the 1970s to force the workers of New York to accept a fiscal austerity plan. Finance capital was, with the aid of corporate executives from utility and airline companies, running the city.

Oil-industrial specialization in Houston

The beginning of the U.S. period of hegemony in the 1940s coincided with an oil-industrial boom in Houston that clearly established the city as the "oil capital of the world." Post-World War II oil specialization in Houston consisted of three parts: the production and refinement of crude oil from nearby oil fields and from peripheral countries, the emergence of a major petrochemical industry, and, accelerating in the 1960s, the distribution of oil technology for the world's oil fields and industries. Since the 1940s this industrial specialization was shaped in part by New York area corporate headquarters and bank complexes; in turn, this specialization stimulated the growth of many support industries in the Houston area, from steel companies to downtown office developers. Because of its development of oil refining, petrochemical, and oil tools production, the Houston area achieved an elevated standing in many respects. By the 1960s and 1970s Houston oil-industrial specialization was so connected to the world-economy that it was not substantially affected by the decline of U.S. economic hegemony in the 1970s.

From the perspective of circuits of capital, Houston's oil-industrial specialization involves different forms and levels of capitalistic interests. Finance capital has been involved. East Coast finance capital periodically has been a critical source of loans for some of the companies that have petrochemical, oil technology, and real estate projects in the area. In addition, British, Canadian, German, Iranian, Mexican, and Saudi Arabian capital invested heavily in the city's real estate sector in the 1970s and 1980s. As a center of oil-industrial specialization in the world-economy, Houston has been the focal point for innovation in the world's oil industry. Specialization has, indeed, characterized this world city.

Consider Houston in the spatial structure of the world-system. Houston's industrial specialization has served as a means by which the United States, as a core area, developed enduring relationships with cities in outlying peripheral areas. In the post-World War II era, the growing Houston economy enhanced the incorporation of oil-rich peripheral regions into a capitalist world-system dominated by the United States. Oil-industrial specialization developed in Houston, and not in some other part of Texas because of nearby oil fields. The proximity of natural resources was very important at the start of Houston's specialization, because a pipeline infrastructure did not exist.

Yet the actions of Houston's business elite to advance the area's oil industry demonstrated that the source of Houston's specialization was shaped by political and boosterism factors as well. The local business elite promoted the economic growth of the Houston area by seeking spatial and governmental financial advantages. In spite of their widely heralded "free enterprise" philosophy, members of Houston's business elite were masters at using governmental aid to accelerate the development of local infrastructure and enterprise.

Workers from rural areas in Texas and surrounding states, from other urban areas, and from peripheral areas in the world-system have supplied Houston with labor. Migrating mainly from the peripheral countries of Mexico, El Salvador, and Guatemala, the area's undocumented Hispanic population numbers about 200,000. During Houston's economic boom in the 1970s and early 1980s, these workers played a critical labor role in construction and real estate development.

THE POLITICAL ECONOMY OF DEVELOPMENT

From the standpoint of the impact on the world-system, the development of urban specialization

represents the development of a global city. This is easier to recognize in cities with financial specialization (e.g., London and New York), where multinational corporations and international banking institutions made decisions concerning economic development throughout the world. But cities with production specialization may also be considered global cities. As the cases of Leiden, Manchester, and Houston demonstrate, such specialized cities have substantial world-level impact, for example, in attracting foreign migrant labor, extending international commerce, and spatially enlarging the periphery in search of raw materials and commodity markets. Thus, for major cities with specialized production, the sources of supply and demand are global.

Though widely used in urban theory since the writing of R.D. McKenzie in 1926, the concept of "specialization" has not received the analysis it requires. Instead of exploring the dimensions and development phases of urban specialization, many analysts have been content to see specialization as an outgrowth of natural-ecological processes that proceed through an invisible-hand type of logic. The analysis presented in this article offers a different view of how specialized activity develops in cities. Far from being a "natural" process, specialization is grounded in the political economy of development. For each case of specialization, the intentional business (class) and political actions that undergird its development can be identified.

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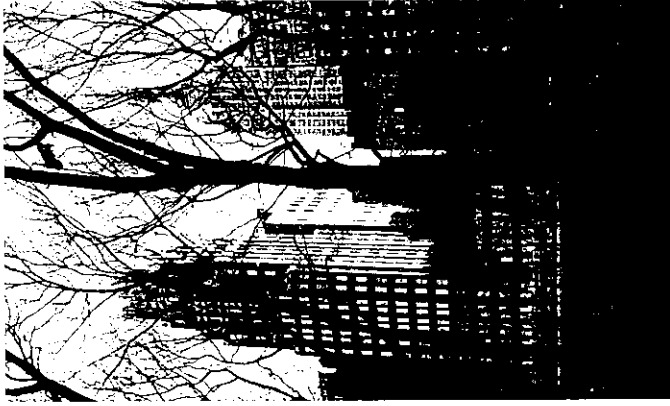


Plate 7 New York City (Roger Kell)

The theme of "global cities" has recently captured the imagination of urbanists, but as I shall argue, much of this exciting literature has been remarkably ahistorical, as if contemporary trends represent a sharp break from the past, if not an entirely new phenomenon. Furthermore, both the general descriptions of "world cities" and the accompanying causal analyses that attribute their commonalities to general forces residing at the highest level of the international economy neglect variations in global cities' responses to these new forces.

Contemporary scholars, trying to define the "global city," imply that it is a relatively new phenomenon that has been generated *de novo* in the present period by the development of an all-encompassing world system – variously termed late capitalism, postindustrialism, the informational age, and so on. Among the hallmarks of this new global city are presumed to be an expansion of the market via the internationalization of commerce, a revolution in the technologies of transport and communications, the extensive transnational movement of capital and labor, a paradoxical decentralization of production to peripheral regions accompanied by a centralization in the core of control over economic activities, and hence the increased importance of business services, particularly evident in the growth of the so-called FIRE economic sector – finance, insurance, and real estate. Accompanying these changes, and often thought to result from them, is a presumed new bifurcation of the class structure within the global city and increased segregation of the poor from the rich.

The value of such insights cannot be denied, but it is questionable whether these phenomena are as recent as is claimed. For example, all of these characteristics, at least in embryo form, had already made their appearance in New York City before the last quarter of the nineteenth century, when that city was clearly recognizable as a "modern" global city. And even though the pace and scale of today's globalized economy – and thus of the global cities that serve as its "command posts" – are faster and vaster, and the mechanisms of integration more thoroughgoing and quickly executed, the seeds from which the present "global city" grew were firmly planted in Manhattan during the middle decades of the nineteenth century. Chicago and Los Angeles eventually (and sequen-

tially) followed that model with time lags of thirty and sixty years, respectively, although they naturally did so in a changed world context and under revised regimes of production, circulation, and consumption, as well as politics.

The relatively recent appearance of these global cities in the United States alerts us to proceed cautiously in comparing global cities without taking into account variations in the depths of their historical heritages. Most megalopolitan agglomerations that today serve as "world" or "global" cities – for example, London, Paris, Amsterdam, Tokyo – developed over many centuries. They thus contain accretions of successive types of settlements that have layered, one upon the other, vastly different patterns of development and reconstruction, until the composite whole becomes difficult to grasp. Not only are their landscapes difficult to "read," but they are not easily

Global City Formation in New York, Chicago and Los Angeles: An Historical Perspective

from *New York, Chicago, Los Angeles:
America's Global Cities (1999)*

Janet Abu-Lughod

Editors' Introduction

Janet Abu-Lughod, Professor Emerita of Sociology at the New School for Social Research in New York City, has been making seminal contributions to the study of urbanization in global perspective since the early 1970s, primarily through her studies of *Third World Urbanization* (Abu-Lughod and Hay 1977) and through a series of classic monographs on urban development in Cairo, Egypt (1971) and Rabat, Morocco (1980). In the late 1980s, Abu-Lughod (1989) completed a landmark historical study that underscored the extent and dynamism of transnational urban systems, based upon dense commercial interdependencies, well before the consolidation of mercantile capitalism in sixteenth-century western Europe. Abu-Lughod's methodology resonates very closely with that of Braudel (see Reading 2) due to its emphasis on the centrality of urban systems to economic life, its adoption of a macrospatial perspective for the analysis of such systems and its focus on the long-term trajectory of historical-geographical change.

Reading 4 is excerpted from the introductory and concluding chapters of Abu-Lughod's most recent book (1999), which examines the divergent patterns of restructuring that have emerged in New York, Chicago and Los Angeles since their origins. Two key points should be kept in mind. First, Abu-Lughod insists on the importance of a long-term historical perspective to the understanding of contemporary patterns of urban development. For Abu-Lughod, therefore, the current round of globalization is not as new and unique as some scholars have claimed. Rather, it represents the latest rupture within the long history of global capitalist urbanization. Second, Abu-Lughod provides a broad geo-historical sketch of urban development in the US, suggesting that the history of each of her three cities can be understood adequately only in relation to broader, national and transnational political-economic trends. Thus, despite her criticisms of certain strands of global cities research, Abu-Lughod's study of "America's global cities" forcefully demonstrates one of its key propositions – namely, that a global political-economic and spatial perspective is required in order to decipher local developmental outcomes.

□

compared with one another, because the national political and cultural contexts in which they developed are so different [...] Even to compare the differential impact of global forces on America's three largest metropolitan centers requires much closer attention to the specific historical and geographic contexts in which they developed over the last century. Such an approach needs to take into consideration: the changing shape of the world system that constitutes the largest context for developments within them; the history of the expansion of the United States over the course of the nineteenth and twentieth centuries, within which the national urban hierarchy developed; and the more detailed histories of these individual urbanized regions that, over time, have generated the physical and social "terrain" onto which the newer global forces are now being inscribed and with which they interact.

Cities as nodes in networks are not a new phenomenon. Indeed, the fact that cities lie at the center of complex networks constitutes their *essential* feature. Throughout world history, certain cities — some of them imperial capitals remarkably large for their times, but a few relatively tiny "city-states" — have served as key nodes through which wider circuits of production, exchange, and culture have been coordinated, at least minimally. But in these earlier manifestations of integration, the territorial reach of even the most extensive "transnational/transimperial" systems was limited to only small fractions of the globe. Entire continents were excluded or were in touch at their peripheries only with the outer fringes of core regions. Nevertheless, urbanization *per se* was, in fact, both a symptom and a consequence of the construction of such regional systems, whose cores exerted dominance over their agricultural hinterlands and/or, via rivers or even the edges of the sea, increased the surplus available to the cities through conquest and/or tribute or through favorable terms of trade with distant points.

The first of these mini-world-systems climaxed toward the beginning of the second millennium B.C.E. when the three river-valley cradles of urbanism — along the Nile, the Tigris-Euphrates, and the Indus Rivers — came in more intimate contact with one another by multiple networks of trade that threaded through deserts, skirted the shores of the eastern Mediterranean and the Arabian Sea, tran-

sited the Red Sea and Arabo-Persian gulfs, and sent out probes to more distant areas in Anatolia, the Iranian plateau, and the zones beyond the Indus River Valley. (Almost contemporaneously, another minisystem was developing in the Yellow River region of China, one that would eventually form linkages with regions south and west of it.)

A second surge in integration began during the Hellenic Age, when Alexander's conquests briefly unified the eastern Mediterranean and reached beyond it — as far as India. This system climaxed during Roman imperial hegemony, when the entire littoral of the Mediterranean Sea became part or a central core that eventually stretched into western Europe as far north as England and reached, via trading circuits, not only the eastern coast of the Indian subcontinent but, indirectly, even China.

Despite a brief hiatus caused by the fragmentation of western Europe (glossed somewhat inaccurately as the "fall of Rome" but more accurately described as the devolution of the so-called Western Roman Empire), the persistence of Eastern Christianity and an Islamic expansion throughout the Mediterranean and Eastern worlds led to the emergence of a third partial world system that extended over an even larger area. This system climaxed in the thirteenth century when very large portions of Europe, Eurasia, the Middle East and North Africa, coastal zones of east Africa, India, Malaysia, and Indonesia, and even China were becoming more interactive — in both commercial and cultural contacts and through military conflicts. The unprecedented unification of Central Asia and China under the Yuan dynasty intensified such interactions. Needless to say, northwestern Europe was then still at the periphery of this system and the New World was not yet connected to it.

Perhaps shaken by a series of pandemics that culminated in the Black Death, whose highest mortalities occurred in zones most tightly integrated into the ongoing world system, there was another hiatus. Within this breathing space, a fourth world system began to be reorganized, admittedly on the basis of the old but expanding rapidly through the so-called Age of Discovery to encompass parts of the New World and eventually other "terra incognita" in the South Pacific and southern Africa. This was the early phase of what

Immanuel Wallerstein has called "the modern world-system," and it constituted the context within which New York first developed, albeit as a subordinate node.

During this period of early modern restructuring, the "balance of power" began to shift away from the Mediterranean and Asia to the increasingly powerful Atlantic sea powers, first Portugal and Spain and then England and the Low Countries (including Holland and Spain, which were then in a common "nation"). In the process, the formerly forbidding Atlantic was added as the third central sea (albeit more treacherous) of the evolving system, joining the Mediterranean and the Indian Ocean-South China Sea, which continued to serve as major pathways of trade, commerce, conquest, and the movement of peoples. But minor European incursions were also being made into the Pacific as well. By the end of the nineteenth century, this system climaxed in classical European colonialism, achieved through the conquest of Africa and portions of Asia. By then, most countries in the Americas had been liberated.

Because throughout these earlier eras transport by water remained considerably cheaper than transport over land, the key points of exchange were, almost without exception, river or sea ports (the exceptions, of course, were oases along desert routes). It is in the context of the modern world-system, then, that the ports along the northeastern seaboard of North America became linked to a European core, and that, eventually, New York solidified its lead in the U.S. subsystem, a lead that, although later challenged by inland and Pacific coast cities, has never really been superseded.

For much of the first centuries of its existence, New York remained a key American link into a world system that focused increasingly on the Atlantic. Throughout the nineteenth century and into the early years of the twentieth, American history reads as the integration and eventual consolidation of a transcontinental subsystem, spreading from east to west. Even when the midcontinent was settled up to the Mississippi, and St. Louis (soon to be overtaken by Chicago) became the hinge for the drive to Manifest Destiny, New York retained and



Plate 8 Chicago (Roger Keil)

indeed strengthened its dominance as a core in its own right. It was, almost from its start, a "global city." Chicago could never have achieved the eminence it did without its prime outlet to the sea, New York.

It is important to recall that the integration of Chicago with the nascent U.S. system to its east and south was initially by water; the historically preferred transportation pathway. In the first quarter of the nineteenth century, decades before the railroad terminals consolidated Chicago's lead as mid-continental nexus, the outlets to the Atlantic coast via the Erie Canal-Great Lakes system, and to the Caribbean Sea via the internal thoroughfare of the Mississippi River were already in place. What the rails did that waterways could not do, however, was link the zones west of the Mississippi to Chicago and from there on to New York. Without these rail linkages, Los Angeles's later growth (at least in the form it took) would have been inconceivable.

It was not until the tiny Mexican settlement of Los Angeles, conquered a bare quarter of a century before, was finally connected to the U.S. network via railroads - at first indirectly through San Francisco in 1875 and then via a direct route a decade later - that its modern growth spurt began. And it was not until the twentieth century, after the formation of America's first "overseas empire" (thanks to territories ceded in the 1898 Spanish-American War), that the Pacific became a true, albeit still a secondary, focus of American geopolitics. Heightened by these strategic interests, the sea circuit from the Pacific to the Caribbean was significantly shortened a dozen or so years later by the construction of the Panama Canal. Thus New York was the point of departure for Manifest Destiny, Chicago was its midwestern switching yard, and Los Angeles ultimately became its terminus.

It would be an error, however, to think in such geographically determined ways. Although an advantageously located site is a *sine qua non* for urban development, the agency of "men" (and they were mostly men in those days), acting politically and economically, has always intervened to favor certain of several otherwise equiprobable locations and to mobilize private and public financing to exaggerate the potential of such favored sites. And changes in technological capac-

Chicago's river reduced the need for portage to the Mississippi. "Nature's metropolis" may have drawn upon a rich agrarian and mineral hinterland, but it was, in the last analysis, the city's skill at centralizing the processing of these raw riches by means of machines and accounting inventions that made it "the metropolis of midcontinent."

The case of Los Angeles is even clearer, because initially the region had neither a water supply sufficient to support a major city nor a natural harbor able to compete with the better-endowed ports at San Francisco to the north or San Diego to the south. Only the political clout of local businessmen, exploiting access to both local and national public funds, secured a continental rail terminus to the area, secured distant water for the municipality's monopoly (assisted by the engineering skills of the compulsively driven genius immigrant Mulholland), and gained the enormous federal subsidies necessary to construct an expensive, artificially enhanced massive port complex.

Unhappily, wars also play their part in creating locational advantages out of potentials. Just as Los Angeles's modern history was born in the 1847 conquest, expanded in the 1898 Spanish-American war, and further consolidated with the construction of the Panama Canal just before World War I, so the city was not decisively catapulted into the first ranks of the American urban system until World War II, when the Pacific arena drew the United States into an irreversible involvement with the "East" (to its west). The Second World War also boosted the economies of New York and Chicago: the former primarily through its ports, from which lend-lease shipments were funneled to Europe, and its expanding shipbuilding and airplane manufacture directed to the European theater; the latter through the burgeoning demand for war *matériel* produced by its heavy Fordist industries.

By then, the world system was moving into the culminating phase of late-modern globalization. The evidence is obvious. One has only to contrast the First World War with the Second. The first had really encompassed only a portion of the European-Atlantic "world." The second signaled that the world system had incorporated the countries of Asia and the Pacific Rim as well. To this day, the postwar period has seen the "reach" of this sys-

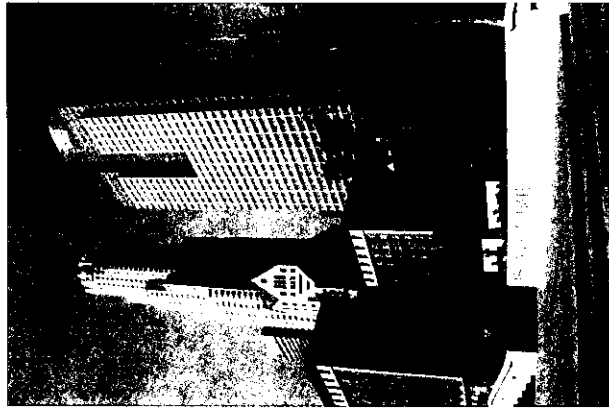


Plate 9 Los Angeles (Roger Keil)

tem often have served to reduce or increase the viability of any natural setting.

Thus New York's port, so favorably endowed by nature, did not expand dramatically until the commercial invention of direct port auctions gave the city's brokers a monopoly over foreign trade, and until the engineering achievement of a through waterway to the Great Lakes made New York the dominant break-in-bulk point in internationally linked trade. And it was the capital accumulation facilitated by sophisticated institutions of insurance, banking, and credit that consolidated New York's lucrative role as broker for the slave-produced cotton crop, in preference to any southern port.

Similarly, both drainage of Chicago's waterlogged site and the clever machinations of land-speculating politicians in attracting rail termini and "hub" functions were essential in consolidating that city's lead over potential competitors, just as the later engineered reversal of the flow of

tem extend to virtually all parts of the globe, including most of Central and South America. Only a few mountainous redoubts, some interior deserts in Africa, Asia, and Australia, and a handful of off-course islands lie temporarily beyond global reach, and their days are numbered.

Weapons of war, produced first in the United States for its own defense, have fueled the remarkable economic prosperity of the Southwest, including Los Angeles, have partially infused the economies of the Northeast and Mid-Atlantic states, including New York's extended region, and have, by their absence, further undermined the economies of the Midwest, including Chicago's. But weapons produced for export have also enhanced the hegemonic position of the United States in the world economy and, through sales to Third World countries and the deployment of forces in subregional conflicts, have reconfigured the shape of the entire world system.

History does not end with globalization. The present fates of the urbanized regions of New York, Chicago, and Los Angeles are linked to a changing geography of power, and thus, ultimately, to the shape of the larger system. Reflecting the Janus-like position of the contemporary United States as both an Atlantic and a Pacific power, and the increased integration of North America with the Caribbean and the Latin American continent, the three seacoasts of the United States have become even more important magnets for people, both through internal migration and external immigration. In recent decades the population of the United States has continued to decant toward those coasts, not only in the conventional directions of east and west but southward as well. The rapid rise of gateway Miami almost to world-class status is certainly linked to the growing importance of the Caribbean and "our neighbors to the south," as that zone of influence is increasingly integrated with the American core, if only, it sometimes seems, by illegal traffic in drugs. Chicago's tragedy is that it is not in these growth zones.

Technological advances have continued the age-old process of disengaging decisions from actions on the ground, with the ironic effect of facilitating the dispersal of production and people while increasingly centralizing what many analysts now refer to as "command functions." We saw this at earlier moments: the substitution of

the commerce in "chits" in New York for the "real" midwestern wheat that remained in place in Chicago's silos; the removal of factories to the outskirts of cities at the same time company headquarters expanded in city centers, where telephones and later computers could monitor production farther afield and even abroad; the diffusion of stock ownership at the same time professional managers concentrated their hold over important decision making.

To some extent, these processes continue, but the scales at which they now operate often disengage or camouflage any clear lines between causes and effects, between those who command and those who labor, as capital and labor move with increasing freedom beyond not only the metropolitan boundaries but national borders as well. This disengagement means that healthy growth in command functions is not incompatible with dire desititution in those parts of the system (whether highly localized, at the national level, or at the global level) that are "out of the loop." Such marginalized zones can now be found in Manchester and Sheffield, England, in downtown Detroit, in the South and West Side ghettos of Chicago, in South-Central Los Angeles, in Bangladesh, and in many parts of the African continent.

History does not end, nor do changes in the world system cease. As sites to satisfy the world's burgeoning demand for consumer goods and services relocate to Asia, the hierarchy of global cities is being reconfigured and many new centers are being added. China, the location of some of the world's oldest and largest cities, may be reclaiming her status as one of the cores of the evolving "fifth iteration" of this world system. This changing context will inevitably have an impact on the global cities of the West, but we can only guess at the role political and technological developments may play in this process.

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The New International Division of Labor, Multinational Corporations and Urban Hierarchy

Tom M. Dear and A.L. Scott (eds), *Urbanization and Urban Planning in Capitalist Societies (1981)*

Robert B. Cohen

Editors' Introduction

Robert B. Cohen is currently a Fellow with the Economic Strategy Institute in Washington, DC and President of Cohen Communications Group in New York City, a consulting firm. Based on Cohen's dissertation research in the Department of Economics at the New School for Social Research, this reading was originally published in an influential collection of radical urban planning texts in 1981; it was subsequently cited quite widely in the burgeoning field of global cities research. Even though many of its methodological strategies and empirical data have now been superseded (see, for instance, Reading 11 by Beaverstock, Smith and Taylor), Cohen's text provided an innovative, insightful starting point for subsequent work in this new field of inquiry. It is thus widely recognized as a foundational contribution to the study of the global urban hierarchy.

Drawing upon Stephen Hynes's (1979) pioneering work on the global relationships of multinational corporations, Cohen's original insight was to recognize the linkages between the organizational structures of major capitalist firms and the changing configuration of the global urban system. On this basis, Cohen proposed a radically new understanding of city systems, grounded in extensive data on the changing locational patterns of multinational corporations, as being global rather than national webs of articulation. Cohen's discovery of this new, truly global dimension of urbanization under the new international division of labor (NIDL) represented a genuine intellectual revolution for urban scholars, who now had at their disposal a number of new methodological tools and data sources through which to investigate the political economy of urban development on a world scale.

Cohen's text quickly became a standard intellectual reference point within the nascent field of global urban studies. Not all of the author's detailed predictions regarding the future development of the global urban system came to pass. For instance, there is little concern today with the Eurodollar market. Also, transnational corporate expansion did not occur in a linear fashion since the mid-1980s, as Enron-scale meltdowns, the dotcom disaster and the Asian crisis have shown. Nonetheless, Cohen's efforts to map the new global urban order remain highly salient today, not least because he presciently anticipated the large- and small-scale contradictions that have been associated with contemporary patterns of global urban restructuring. On one hand, Cohen observed that the new urban hierarchy was entrenching rather

than loosening existing global power relations and North-South inequalities. On the other hand, Cohen usefully emphasized that, even within the core globalizing cities of the United States, class-based social polarization was intensifying as the process of globalization unfolded. In this manner, Cohen anticipated some of the major debates regarding social inequality in global cities that were subsequently to unfold (see, for instance, Reading 12 by Ross and Trachte, Reading 13 by Fainstein and Reading 47 by Samers).

THE EMERGENCE OF GLOBAL CITIES

Changes in the corporation and in the structure of the advanced corporate services have led to the emergence of a series of global cities which serve as international centers for business decision-making and corporate strategy formulation. In a broader sense, these places have emerged as cities for the coordination and control of the new international division of labor (NIDL). If one examines available data on international and domestic activities for the Fortune 500 firms and for a number of advanced services, it is apparent that only a few cities in the United States are vastly more important as centers of international business and corporate services than as centers of national business. Firms headquartered in New York account for 40 per cent of foreign sales of Fortune 500 companies, compared to 30 per cent of all sales of Fortune 500 firms. Banks in New York and San Francisco have 54 and 18 per cent of foreign bank deposits in US banks, compared to 31 and 13 per cent of total US bank deposits. This concentration of international corporate decision-making and corporate services in a few US cities is tied to the emergence of the NIDL, the ensuing need for changes in corporate strategy and structure, and the transformation of the advanced corporate services. These changes and the increased centralization of corporate-linked functions have changed the dimensions of urban hierarchy in the United States.

The movement of US corporations overseas had several important impacts on the institutional structure of large US cities. International decision-making by major firms was largely concentrated in two cities, which were major centers of corporate headquarters and finance: New York and San Francisco. This trend was supported by major banks from these cities which developed an elaborate network of subsidiaries to service the foreign

operations of major corporations. As a result, cities which had been important centers of business in an earlier, more national-oriented phase of the economy began to lose economic stature to these global cities because their firms were not as internationally oriented as others. Jobs related to international operations did not develop as extensively in places like Cleveland, St. Louis and Boston, as they did in New York and San Francisco. While the centralization of international activities in a few cities may be reversed somewhat in the future, as more US firms develop foreign operations, this trend will probably continue. This is especially true, since once firms lose time to their competitors on the international scene, it is often regained only with great difficulty.

In conjunction with the growth of international corporate activity, advanced corporate services, including banks, law firms, accounting firms and management consulting firms, expanded their international skills and their overseas operations. Yet, these, too, grew in but a few urban centers and thus drew even those firms with international operations which were headquartered in regional or national centers of business to more international centers. Thus, just as few banks with international expertise were located outside of New York, San Francisco or Chicago, few law firms with international competence were centered outside of Washington, Los Angeles or New York. Washington became especially significant as a center for international law because of the contacts which firms there had developed with the US State Department and with foreign governments. New York emerged as perhaps the single most important center of international accounting expertise in the nation, since even some of the largest accounting firms headquartered outside of the city do much of their international work there.

To quantify the present status of different US cities as centers of international business, I have

Table 1 The urban distribution of Fortune 400 firms' total sales and foreign sales in 1974 - Selected SMSAs

SMSA	Fortune firms (1)	Percentage of total sales (2)	Percentage of foreign sales* (3)	Multinational index (3) ÷ (2)
New York	107	30.3	40.5	1.34
Los Angeles	21	4.6	3.8	0.83
Chicago	48	7.3	4.6	0.83
Philadelphia	15	1.6	1.0	0.77
Detroit	12	9.1	8.8	0.97
San Francisco	12	3.2	5.4	1.69

Sources: *Fortune Magazine* (May 1973), corporate annual reports, *Wall Street Transcript*, and Securities and Exchange Commission prospectuses.

Note: *The foreign sales data were compiled for 321 of the largest firms. Data for the other, mostly smaller, firms were not available.

constructed a "multinational index" for cities (see Table 1). This index compares the percentage share of a city's Fortune 500 firms in total foreign sales to their percentage share of total sales. For instance, in the New York Standard Metropolitan Statistical Area (SMSA), Fortune 500 firms account for 40.5 per cent of all foreign sales by Fortune firms, and 30.3 per cent of total sales by Fortune firms. Dividing the first percentage by the second one gives us a multinational index of 1.34. Where most of the corporations domiciled in a city have extensive international operations, the city's score on the multinational index will be almost 1.0 or higher. This defines international cities. Those metropolitan areas with some firms having international subsidiaries score between 0.7 and 0.9, a lower score, and I have defined these as national cities. Finally, where there is little evidence that the firms in a city have any share of foreign corporate sales relative to their share of total sales, I define them as regional cities.

This index permits the assessment of a city's relative strength as a center of international business in relation to its strength as a center of national business. The index defines "business strength" at three different levels based not on absolute share of foreign sales or total sales of the Fortune 500 firms, or on the size and industrial structure of a city's firms, but on the relative share of international business compared to all business of those firms headquartered in a city.

What is remarkable about the results obtained by using this index is that several large cities which we usually think of as "national" centers turn out to be very weak as centers of international business. San Francisco, New York, Houston, Boston, Pittsburgh, Seattle, Rochester, Akron and Detroit are strong centers of international business based upon this index. But Chicago, St. Louis, Cleveland, Dallas and Milwaukee are merely "regional" centers. They are cities with few businesses that have extensive international operations. Most other large cities are "national" with corporations having somewhat smaller relative shares of foreign sales compared to total sales for the Fortune 500. I would argue that merely examining the foreign and total sales of corporations headquartered in a city is not sufficient to gauge its importance as a center of international business. One has to know if the city is a strong center of international banking and strategic corporate services. Only a place with a wide range of international business institutions can be truly called a world city.

Thus, I devised a similar "multinational banking index" which compares the share of all foreign bank deposits of the top 300 banks held by banks in one city to their share of all domestic deposits held by the same banks. Using this index, several of the strong "international" corporate centers drop to a "national" or "regional" classification. Pittsburgh and Boston only rank as "national" banking centers, and Houston, Seattle and Detroit

are "regional" banking centers. Rochester and Akron do not even rank as regional centers. On the other hand, Chicago and Dallas move up to positions as global cities with international centers of banking, along with New York and San Francisco. Most of the other large cities - Los Angeles, Philadelphia, St. Louis, Atlanta, Cleveland, Minneapolis - are only "regional" banking centers.

From these two indices it is clear that only two places achieve classification as global cities for both corporate and banking business: New York and San Francisco. Chicago and Houston may be moving to "international" status, but the former has relatively few internationally oriented corporations while the latter has few banks with sizeable international operations.

THE EMERGING WORLD URBAN HIERARCHY

Industrial restructuring and urban hierarchy

Changes in the international "competitiveness" of a number of world industries have been a major factor in the reshaping of urban hierarchy throughout the world. The restructuring of industry on an international scale (movements of plants from developed to "developing" areas both within and between nations, closing of "noncompetitive" plants in older, industrialized centers, and the technological improvement of industry to increase productivity) have all contributed to major shifts in employment and trade, with the greatest impacts being felt in both the urban centers of developed nations and the larger cities of developing countries.

What forces are behind this restructuring? The desire by multinational corporations to seek new markets and more profitable ways to organize production on a world scale (Hymer 1979), national policies by developed nations to strengthen the future international competitive position of selected industries, and national policies on the part of developing nations to stimulate the growth of export sectors, largely by attracting subsidiaries of multinational corporations. These strategies of multinationals and policies of governments have resulted in a situation where the profitability of

strategies" to enable the future expansion and adjustment of their economies to progress more successfully than their rivals, but how well the private goals of companies and the public goals of governments will be integrated remains to be seen.

THE UNITED STATES' URBAN HIERARCHY

Centers of corporate headquarters and corporate services

As illustrated in the previous section, only a few centers now stand out as places where key international functions are agglomerated in the United States. This contrasts sharply with the more regional hierarchy of national corporate functions, which is readily apparent from an examination of the location of Fortune 500 corporate headquarters. In the latter list, a number of regional centers stand out as important centers of headquarters.

In the 1950s, the "metropolis and region" structure of the United States, which was fairly well established by 1913, was a rather accurate reflection of urban hierarchy. Each regional metropolis was an important center of corporate services. Cleveland, for example, had a large number of corporate law firms to complement its important group of corporations. Major accounting firms were headquartered in New York, Chicago and Cleveland. Important regional banks could be found in nearly all of the centers of corporate head offices. By 1974, although the "metropolis and region" network of corporate head offices and corporate services had expanded (see Table 2), international business functions had become much more significant than before.

Thus, an analysis of the urban hierarchy in the US must take these new and often more complex functions into account. If this is done, we find that an extremely limited number of cities act as world centers of business and corporate services. It should also be noted that as the top level cities, primarily New York and San Francisco, emerged as key international centers, even the international activities of firms headquartered outside these cities were increasingly linked to financial institutions and corporate services located within them.

Table 2. Urban centers with more than ten Fortune 500 corporate headquarters

Fortune 500 Headquarters 1957		Fortune 500 Headquarters 1974	
New York	144	New York	107
Chicago	54	Chicago	48
Pittsburgh	24	Los Angeles	21
Philadelphia	21	Cleveland	17
Detroit	17	Pittsburgh	15
Cleveland	16	Philadelphia	15
Los Angeles	14	Detroit	12
San Francisco	13	San Francisco	12
St. Louis	13	Minneapolis	10
		St. Louis	10
		Milwaukee	10

The emerging division of labor in the US and contradictions in the urban hierarchy

The new structure of urban hierarchy in the US is one dominated by two main international centers for corporate control and coordination. While nine or more regional corporate metropolises remain important as corporate centers (see Table 2), they appear to have decreased in importance if international corporate services are taken into account. In addition, with the evident centralization of the more sophisticated corporate services in just a few regional centers, places like Cleveland and St. Louis which have seen numerous blue-collar jobs leave the metropolitan area have not had a growing service sector to cushion part of the economic decline.

Indeed, the growing importance of some cities, even regional cities, as corporate centers reflects a number of contradictory forces in US urban development. First, certain places, by becoming centers of corporate operations and services, present less opportunities for blue-collar jobs and job mobility than they have traditionally done, and also risk not only losing their middle class, but also "marginalizing" the lower class which has traditionally found job mobility extremely difficult.

Second, as corporations and the rest of the business community realize the significant role played by certain metropolises, there is more likelihood that they will shift from a laissez-faire attitude to urban

economic development to more active support of planned urban development. But if such planning focuses primarily upon corporate-linked activities it also risks alienating the middle and lower classes. Third, the relative loss of power by national and regional cities may lead them to become the hinterland of new world metropolises. This would lead such cities to follow a pattern of development similar to the dependency relationship which has occurred between Canada and the US or what Kari Levitt has called "branch plant development" (Levitt 1971).

To examine uneven development within the labor forces of different types of cities, I have, following Avertit, quantified the differences between employment in the core and peripheral industries of these cities (Avertit 1970). Core industries were defined by factor analysis and were characterized by high concentration ratios, large establishment size, high rates of unionization, capital intensity, few black workers and high male educational attainment. My analysis showed that the more important a city was as a national or regional center, the greater the share of its employment in dynamic, core industries. But once a city became a global city with a multinational index score of 1.0 or more, it lost employment in the core industries. These results indicate that international administrative centers, like New York and San Francisco, may be qualitatively different from more national centers of corporate activities. In part, the difference may reflect higher prices for rents and services which result from the pronounced agglomeration of corporate and corporate-related activities in these centers. On the other hand, it may also reflect the fact that since the Second World War, such centers have grown largely by attracting a specialized range of activities, following a pattern that may have begun, as in the case of New York, as early as the 1900s.

THE NEW HIERARCHY OF WORLD CITIES

The new world cities

The new hierarchy of world cities has a number of parallels with the changing hierarchy of US cities. For both groups, the rise of international corporate activities and of international corporate services has

made a significant difference in the pattern of urban hierarchy. To examine the world hierarchy of cities of the 1950s and early 1960s, we can rely upon the world cities selected by Peter Hall. These included the traditional large national centers of business and government: London, Paris, Amsterdam-Rotterdam, the Rhine-Ruhr complex, Tokyo and Moscow. These places were certainly important for their concentrations of finance and corporate services, for as Hall pointed out, they attracted corporate-related jobs, "for every producer of goods, more and more people are needed at office desks to achieve good design, to finance and plan production, to sell the goods, to promote efficient nationwide and worldwide distribution" (Hall 1971: 9).

As the 1970s began, multinational business and international finance began to play a more dominant role in Europe and Asia. Traditional national centers which lacked concentrations of international corporations and banks declined in importance. If one had to assess the structure of urban hierarchy outside the US using the same approach which has been employed in studying the US urban hierarchy of corporate functions, a different group of cities might be called "world cities" than those selected by Hall. According to Table 3, corporate head offices of non-US multinational corporations are most highly concentrated in London and Tokyo. Only London, Frankfurt and Zurich have gained enhanced stature because they are centers of the Eurodollar market.

Table 3 Main locations of corporate headquarters, 198 largest non-US corporations, 1978

Metropolitan area	Number of headquarters
Tokyo	30
London	28
Osaka	13
Paris	12
Rhine-Ruhr	10.5 ^a
Randstad Holland	3.5 ^a

Source: United Nations *Transnational Corporations in World Development: A Re-examination*, Appendix IV, and *Jane's Major Companies of Europe* (1976).

Note: ^aWhen a firm has headquarters in two places, each locality is given 0.5 offices.

Thus, New York, Tokyo and London are predominant as world centers of corporations and finance. Osaka, the Rhine-Ruhr, Chicago, Paris, Frankfurt and Zurich are second-level world cities as far as international corporate activities are concerned. There is at least anecdotal evidence that with the emergence of Frankfurt as a major international financial center, corporate service activities began to concentrate in the city.

The world hierarchy of cities and its contradictions

The new urban hierarchy of corporate head office activities outside the US also reflects a new division of labor between centers of corporate control and coordination and more "national-oriented" urban places (Paloix 1975). The Amsterdam-Rotterdam and Rhine-Ruhr agglomerations and Paris, cited by Hall as world cities, are much less a part of the international system of corporate and financial activities than are the international financial centers in Europe. It is difficult to assess how the more "national-oriented" European centers should be compared to financial centers, such as Singapore, Panama, Hong Kong and the Bahamas. But if we examine these latter centers as places for corporate decision-making, it is apparent that they serve primarily as centers for moving and mobilizing financial resources, rather than as centers of control.

As international boundaries become blurred by the increasingly global nature of corporations, numerous contradictions will arise within the world hierarchy of cities. First, there will be contradictions that will arise because private institutions, particularly large multinational corporations and banks, are able to undermine or contravene established government policy. This contributes to the erosion of the position of certain traditional centers of government policy where corporate head offices or major financial institutions are not present in large numbers. Second, shifts in the importance of the Eurodollar market will probably create conflicts between new centers of finance and older, more national ones.

The NIDL will have a particularly strong impact on cities in the developing nations, particularly on those in the newly-industrializing coun-

tries, or NICs. Because multinational corporations, aided by international banks, will probably accelerate the establishment of foreign subsidiaries in these nations over the next decade with the assistance and support of governments that view industrialization as a "redemptive mystique" (Johnson 1970), the perpetual crisis of cities in developing nations will almost certainly be exacerbated. In sum, the future of the city in developing nations must also be analyzed in relation to international and national development. Certain forces will certainly continue to exacerbate the flow of people into the cities, such as the international sourcing of raw materials and the use of land for more export-related (largely agricultural) activities. In addition, the need for entrepreneurial and technical skills, information from personal contacts, and the resolution of problems through extrajudicial procedures will contribute to the continued agglomeration of corporate manufacturing activities in the major cities of developing nations. Yet what results from the pattern of development described here is an increasingly dualistic society, with the cities of developing nations being characterized by extremely high unemployment among relatively more educated, largely male, urban immigrants, who are usually sixteen to forty-five years of age. The social and political turmoil which can result from the pursuit of such policies, even if they now result in profits for multinational companies and higher GNP per capita in developing nations, will certainly have a severe impact upon both the developed and developing nations in the 1980s and 1990s.

FUTURE TRENDS IN THE NIDL AND URBAN HIERARCHY

A number of changes will probably occur over the next decade which will restructure the NIDL. These changes may have significant impact on both corporations and nation-states. They will both create more formidable problems for corporate managers by making the international economy more complex and more competitive, by eroding the traditional industrial structure of developed nations further, and by causing sweeping changes in the employment structure of developing nations. These changes may be categorized into two groups: changes in corporate and

financial institutions, and changes in developing nations. In the first group, the probable changes include: (i) a rapid expansion of the international activities of both US and non-US medium-sized corporations, including corporations from developing nations; (ii) a shift of the center of the Eurodollar market from London to New York; (iii) a continued growth in the dependency of US and foreign corporations on advanced corporate services; and (iv) a rapid growth of foreign investment in the United States. These changes would place further pressures upon management to become global in perspective, to increase its control over operations, to plan over longer time horizons, and to develop more flexible strategies.

The second group of changes would also increase pressures on corporations and financial institutions. They would probably include: (i) the rapid emergence of newly-industrializing nations as centers of production and as domiciles for new competitors for multinational firms; (ii) the assertion of power by OPEC-like commodity cartels for copper, aluminum, certain foodstuffs and other basic commodities; (iii) the erosion or enhancement of the power of OPEC by the development of current non-OPEC centers of oil reserves, Mexico being the prime example; (iv) a rapid growth of the debt burden of poorer developing nations, making them more vulnerable to potentially-disruptive economic transformations due to foreign investment and less able to purchase foreign goods; and (v) a

growing political instability among the more developed of the developing nations.

These trends, since they place more pressure on corporations and financial institutions in developed nations, will probably tend to further concentrate corporate and financial decision-making in present world centers, drawing decision-making activities away from national or regional centers. This would exacerbate uneven urban development in developed nations, particularly since the continued movement of productive activities overseas would further erode urban blue-collar jobs.

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"World City Formation: An Agenda for Research and Action" from *International Journal of Urban and Regional Research* (1982)

John Friedmann and Goetz Wolff

Editors' introduction

John Friedmann is one of the pioneering urbanists of the late twentieth century. Many of Friedmann's most important contributions to urban and regional studies were produced during his nearly three decades on the faculty of the Program for Urban Planning in the Graduate School of Architecture and Planning at UCLA, which he helped found in the late 1960s and where he is now Professor Emeritus. Friedmann is also currently Honorary Professor in the School of Community and Regional Planning at the University of British Columbia. International recognition for his scholarship includes honorary doctorates from the Catholic University of Chile and the University of Dortmund. Friedmann's publication record includes 14 individually authored books, 11 co-edited books, and 150 chapters, articles, and reviews. Friedmann is currently involved in research on urbanization processes with special reference to China.

Goetz Wolff, who was a PhD student at UCLA when this article was written, is an independent researcher, teacher and consultant in Los Angeles. He also serves as Lecturer in UCLA's Urban Planning Department. His research and teaching interests center on industrial change and regional economic development issues, with particular reference to the Southern California region.

Friedmann and Wolff's study of world city formation was published in 1982 in a new radical journal of urban sociology, the *International Journal of Urban and Regional Research*, and became an instant classic: it kickstarted an impressive outburst of research on this topic, including many of the contributions to this Reader. Building upon a broad range of intellectual sources – including radical international political economy, world systems theory, Marxian urban studies, urban systems theory and radical community studies – Friedmann and Wolff's "agenda for research and action" represented a genuinely original synthesis. Reminiscent of previous arguments by Jane Jacobs (1984), Friedmann and Wolff viewed cities rather than national economies as the motors of contemporary capitalist development. World cities, they argued, represented a new breed of global command and control centers within the new international division of labor (IDL) associated with post-1970s capitalism. These cities, moreover, concentrated many of the contradictions and inequalities of the IDL, inside their own boundaries: they had to be viewed, simultaneously, as spaces of hope and as spaces of gloom, that is, as sites in which "citadel" and "ghetto" existed in uneasy proximity.

It was by no means accidental that Friedmann and Wolff wrote this article during a period in which Los Angeles was becoming what some would hyperbolically describe as the "capital" of the 21st

century" (Scott and Soja 1996). Indeed, Los Angeles in the 1980s provided an ideal backdrop for the development of global city theory. For, as Goetz Wolff showed in another influential paper written in the early 1980s with Edward Soja and Rebecca Morales (Soja et al. 1983), Los Angeles exemplified many of the dramatic economic changes that were unfolding in the United States during that decade, as the Fordist industrial structure of the post-World War II years was increasingly replaced by an internationalized, more flexible and less stable regime of accumulation. More generally, many patterns of urban restructuring that would subsequently unfold in cities throughout the older industrialized world were already strikingly evident in the Southern California metropolis during the late 1970s and early 1980s (see Keil 1998; see also Reading 21 by Soja).

II

I Our paper concerns the spatial articulation of the emerging world system of production and markets through a global network of cities. Specifically, it is about the principal urban regions in this network, dominant in the hierarchy, in which most of the world's active capital is concentrated. As cities go, they are large in size, typically ranging from five to fifteen million inhabitants, and they are expanding rapidly. In space, they may extend outward by as much as 60 miles from an original center. These vast, highly urbanized – and urbanizing – regions play a vital part in the great capitalist undertaking to organize the world for the efficient extraction of surplus. Our basic argument is that the character of the urbanizing processes – economic, social, and spatial – which define life in these "cities" reflect, to a considerable extent, the mode of their integration into the world economy.

We propose, then, a new look at cities from the perspective of the world economic system-in-formation. The processes we will describe lead to new problem configurations. The central issue is the control of urban life. Whose interests will be served: those of the resident populations or of transnational corporations, or of the nation states that provide the political setting for world urbanization? Planners are directly engaged on this contested terrain. They are called upon to clarify the issues and to help in searching for solutions. Obviously, they will have to gain a solid, comprehensive understanding of the forces at work. And they will have to rethink their basic practices, since what is happening in world cities is in large measure brought about by forces that lie beyond the normal range of political – and policy – con-

To label them world cities is a matter of convenience. In each and every instance, their specific role must be determined through empirical research. Only this much we can say: their determining characteristic is not their size of population. This is more properly regarded as a consequence of their economic and political role. A more fundamental question is in what specific ways these urban regions are becoming integrated with the global system of economic relations. Two aspects need to be considered:

1. The form and strength of the city's integration (e.g. to what extent it serves as a headquarters location for transnational corporations; the extent to which it has become a safe place for the investment of "surplus" capital, as in real estate; its importance as a producer of commodities for the world market; its role as an ideological center; or its relative strength as a world market).
2. The spatial dominance assigned by capital to the city (e.g. whether its financial and/or market control is primarily global in scope, or whether it is less than global, extending over a multinational region of the world, or articulating a national economy with the world system). These criteria of world system integration must be viewed in a dynamic, historical perspective. Urban roles in the world system are not permanently fixed. Functions change; the strength of the relationship changes; spatial dominance changes. Indeed, the very concept of a world economy articulated through urban structures is as old as the ancient empires. Rome was perhaps the first great imperial city. One may think of Venice in its Golden Age, or of nineteenth-century London. While recognizing this historical continuity, we would still argue that the present situation is substantially different. What then is new?

First, we must consider the truly global nature of the world economy. Even imperial London, ruling over an empire "where the sun never sets," controlled only portions of the world. The present transnational system of space economy, on the other hand, is in principle unlimited. It is best understood as a spatial system which has its own internal structure of dominance/subdominance.

Following Immanuel Wallerstein, we may label its three major regional components as core, semi-periphery, and periphery. Core areas include those older, already industrialized and possibly "post-industrial" regions that contain the vast majority of corporate headquarters and continue to be the major markets for world production (northwest Europe, North America, Australia, Japan). The semi-periphery includes rapidly industrializing areas whose economies are still dependent on core-region capital and technical knowledge. They play a significant role in extending markets into the world periphery. Mexico, Brazil, Spain, Egypt, Singapore, Taiwan, and the Republic of Korea would be examples of semi-peripheral regions. And the world periphery comprises what is left of market economies. Predominantly agrarian, the people of the world periphery are poor, technologically backward, and politically weak.

This analytical scheme must be deftly handled. It is a first approximation to a deeper understanding of world city structure. Above all, it is an historical classification. Over the span of one or two generations, a country may change its position as it moves from periphery to semi-peripheral status (ROK, Spain, Brazil), from semi-periphery to core (Japan), and even perhaps back from core region status to the semi-periphery (Great Britain), or the ultimate decline into peripheral obscurity (Lebanon, Iran). What makes this typology attractive is the assumption that cities, situated in any of the three world regions, will tend to have significant features in common. As the movement of particular countries through the three-level hierarchy suggests, these features do not in any sense determine economic and other outcomes. They do, however, point to conditions that significantly influence a city's growth and the quality of urban life.

The world economy is thus no longer defined by the imperial reach of a Rome, a Venice, or even a London, but by a linked set of markets and production units organized and controlled by transnational capital. World cities are a material manifestation of this control, and they occur exclusively in core and semi-peripheral regions where they serve as banking and financial centers, administrative headquarters, centers of ideological control, and so forth. Without them, the world-spanning system of economic relations would be unthinkable.

This conception of the world city as an instrument for the control of production and market organization implies that the world economy, spatially articulated through world cities, is dialectically related to the national economies of the countries in which these cities are situated. *It posits an inherent contradiction between the interests of transnational capital and those of particular nation states that have their own historical trajectory.* World cities are asked to play a dual role. Essential to making the world safe for capital, they also articulate given national economies, with the world system. As such, they have considerable salience for national policy makers who must respond to political imperatives that are only coincidentally convergent with the interests of the transnationals. World cities lie at the junction between the world economy and the territorial nation state.

Finally, the global economy is superimposed upon an international system of states. Nation states have their own political fears and ambitions. They form alliances, and they exact tribute. They must protect their frontiers against actual and potential enemies. Wishing to ensure their continuing power in the assembly of nations, or even to enlarge their power, they must provide for a continuing flow of raw materials and food supplies.

On the other hand, although transnational capital desires maximum freedom from state intervention in the movements of finance capital, information, and commodities, it is vitally interested in having the state assume as large a part as possible of the costs of production, including the reproduction of the labor force and the maintenance of "law and order." It is clear, therefore, that they would benefit from a strategy to prevent a possible collusion among nation states directed against themselves. Being essential to both transnational capital and national political interests, world cities may become bargaining counters in the ensuing struggles.

They are therefore also major arenas for political conflict. How these conflicts are resolved will shape the future of the world economy. Because many diverging interests are involved, it is a multifaceted struggle. There is, of course, the classical instance of the struggle between capital and labor. This remains. In addition, there is now a struggle between transnational capital and the national identifying its functional role in the articulation of

We proceed under the assumption that both "windows" — to use David Harvey's felicitous image — contribute to the needed understanding of the global order. The contradictions inherent in the capitalist economy and the basic struggle which results from the domination of labor by capital are the major forces which account for both the spatial and temporal irregularities of the world economy. A city's mode of integration with the global economy cannot simply be understood by identifying its functional role in the articulation of

the system. Rather, we suggest that the driving forces of competition, the need for accumulation, and the challenges posed by political struggle make the intersection of world economy/world city a point of intense conflict and dynamic change. World city integration is not a mechanical process; it involves many interconnected changes that leave few aspects of its life untouched and create the arenas for concerted action.

IV

The world city today is in transition, which is to say it is in movement. Perhaps it has always been like this. Equilibrium is not part of the experience of large cities. Structural instability manifests itself in a variety of ways: dramatic changes in the distribution of employment, the polarization of class divisions, physical expansion and decaying, older areas, political conflict. We shall have a quick look at all of these to render more specific how the formation of the world cities is affecting the quality of their life experience.

World cities are the control centers of the global economy. Their status, of course, is evolving in the measure that given regions are integrated in a dominant role with the world system. And like the golden cities of ancient empires, they draw into themselves the wealth of the world that is ruled by them. They become the major points for the accumulation of capital and "all that money can buy." They are luxurious, splendid cities whose very splendor obscures the poverty on which their wealth is based. The juxtaposition is not merely spatial; it is a functional relation, rich and poor define each other.

It is not a new story, and yet its particular features are new. As we attempt to describe the changes that occur as urban regions strive for world city status several things must be borne in mind. The characteristics we are describing are merely tendencies, not final destinations. Particular cities will exhibit particular features. Still, the account we give of conditions prevailing in urban regions as they become world cities may be regarded as the best current hypothesis. In every instance, we have tried to relate it back to specific aspects of integration with global economy. Not only are world cities in themselves not uniform, there

is no definite cut-off point with other cities that belong to the same system but are not so tightly integrated with the global economy have only a national/subnational span of control, or are integrated primarily on a basis of dependency. In a way, the world economy is everywhere, and many of the features we will describe may be found in cities other than those we are discussing here.

The world city "approach" is, in the first instance, a methodology, a point of departure, an initial hypothesis. It is a way of asking questions and of bringing foot loose facts into relation. We do not have an all-embracing theory of world city formation.

Economic restructuring

A primary fact about emerging world cities is the impact which the incipient shifts in the structure of their employment will have on the economy and on the social composition of their population. The dynamism of the world city economy results chiefly from the growth of a primary cluster of high-level business services which employ a large number of professionals — the transnational elite — and ancillary staffs of clerical personnel. The activities are those which are coming to define the chief economic functions of the world city: *management, banking and finance, legal services, accounting, technical consulting, telecommunications and computing, international transportation, research, and higher education.*

A secondary cluster of employment, also in rapid ascendancy, may be defined as essentially serving the first. Its demand is largely derived, and it employs proportionately a much smaller number of professionals: *real estate, construction activities, hotel services, restaurants, luxury shopping, entertainment, private police and domestic services.* A more varied mix than the primary cluster, its fortunes are closely tied to it. Although most jobs in this cluster are permanent and reasonably well-paid, this is not true for domestic services which is the most vulnerable employment sector and the most exploited.

A tertiary cluster of service employment centers on *international tourism.* To a considerable extent, this overlaps with the secondary cluster (hotels, restaurants, luxury shopping, entertainment), and

like that cluster, it is tied to the performance of the world economy.

The growth of the first three clusters is taking place at the expense of *manufacturing* employment. Although a large cluster, its numbers are gradually declining as a proportion of all employment. Some industry serves the specialized needs of local markets, while other sectors—in Los Angeles, for example, electronics and garment industries—are choosing world city locations because of the large influx of cheap labor which helps to keep the average cost of wages down. The future of manufacturing employment in the world city is not bright, however. The next two decades will see the rapid automation and robotization of many jobs. While factories will still be producing and earning large and perhaps even rising profits, they will be largely devoid of working people.

Government services constitute a fifth cluster. They are concerned with the maintenance and reproduction of the world city, as well as the provision of certain items of collective consumption: the planning and regulation of urban land use and expansion; the provision of public housing, basic utilities, and transportation services; the maintenance of public order; education; business regulation; urban parks; sanitation; and public welfare for the destitute.

Because of the uniqueness and scale of world cities, and because they are often considered national showcases, the government sector tends to be larger here than elsewhere. And because it is a political and, for the most part, technically backward sector, with uncertain criteria of adequate performance, it tends to be bloated, employing large numbers of people at relatively low levels of productivity and wages. Moreover, because the world city extends over many political jurisdictions that are contiguous with each other, there is much overlap and redundancy in employment. During periods of depression, government will often be the employer of last resort. Its internal rhythm tends to be counter-cyclical.

A sixth and, at least in some cities, numerically the largest cluster, embraces the "informal," "floating," or "street" economy which ranges from the casual services of day laborers and shoeshine boys to fruit vendors, glaziers, rug dealers, and modest artisans. Frequently an extension of the household economy, most informal activities require little or

no overhead (though they do require start-up capital). They demand long hours, and the returns are low and uncertain. They offer no security to those who work in them. New arrivals to the city often find their first job in the informal sector, and many of them stay there. When times are bad, some makeshift income earning opportunities can always be found in the informal sector for people who are temporarily unemployed. Although informal sector work may be a choice between independence and security for some, for many more it is the only way to survive in the city. The cluster of informal activities takes up the slack in the "formal" economy, and thus despite its marginal character, it tends to be tolerated by the state.

Some informal activities are not as "unorganized" or "casual" as they might appear. Perhaps increasingly, small businesses are subcontracted by large, frequently multinational corporations who in this way are able to lower their costs of operation. Informal businesses are usually beyond the reach of government regulation. They don't pay minimum wages and their labor is often self-exploited. Much of it is done by women and children.

But essentially the informal sector exists because of the large influx of people into the world city from other cities and from the countryside, people who are attracted to the world city as to a honey pot. They don't all find legitimate employment. A significant number drift into illicit occupations which perhaps more than elsewhere appear to thrive in the large city: thieves, pickpockets, swindlers, pimps, prostitutes, drug peddlers, black marketeers... the list can be extended with endless refinements.

Finally, there is the undefined category of those without a steady income: the full-time unemployed, who depend on family and public charity for support. Excepting women, who manage their households but are not paid for this, and therefore do not appear in the official statistics; their numbers are surprisingly small in the order of 5-10 per cent of the labor force.

Social restructuring

The primary social fact about world city formation is the polarization of its social class divisions. Transnational elites are the dominant class in the

world city, and the city is arranged to cater to their lifestyles and occupational necessities. It is a cosmopolitan world that surrounds them, corresponding to their own high energy, rootlessness, and affluence. Members of this class are predominantly males between the ages of 30 and 50. Because of their importance to the city, they are a class well served.

The contrast with the third (or so) of the population who make up the permanent underclass of the world city could scarcely be more striking. The underclass are the victims of a system that holds out little hope to them in the periphery from which they came but also fails them in the very nerve centers of the world economy where they are queuing for a job. They crowd along the edges of the primary economy—the "formal" sector—or settle in its interstices, barely tolerated, yet providing personal services to the ruling class, doing the dirty work of the city. The ruling class and its dependent middle sectors enjoy permanent employment, a steady income, and complete legality; they do not have to justify their existence. For all practical purposes, they are *the* city. The underclass lives at its sufferance.

Many, though not all, of the underclass are of different ethnic origin than the ruling strata; often, they have a different skin color as well, or speak a different dialect or language. These immigrant workers give to many world cities a distinctly "third world" aspect: Puerto Ricans and Haitians in New York, Mexicans in Los Angeles and San Francisco, barefoot Indians in Mexico City, "nordestinos" in São Paulo, Jamaicans in London, Algerians in Paris. Turks in Frankfurt, Malays in Singapore.

There is a city that serves this underclass, as suited to their own condition if not their preferences and needs, as is the city of the "upper circuit." Physically separated from and many times larger than the citadel of the ruling class, it is the ghetto of the poor. Both cities live under the constant threat of violence: the upper city is guarded by private security forces, while the lower city is the double victim of its own incipient violence and of police repression. The typical world city situation is thus for both the crime rate and police expenditures to rise.

Racism reinforces class contradictions, and a good deal of ethnic and racial hostility is found within the working class itself. Under conditions of tight labor markets, "foreign" workers, whether undocumented or not, frequently occasion racist outbursts, as "national" workers (particularly among the underclass) struggle to preserve their limited terrain for livelihood. Street gangs of different ethnic origin, and the pitched battles between them, especially in the United States, are a major manifestation of this violence.

Yet racial conflict is only one facet of the general increase in violence that is brought on by class polarization. Terrorism, kidnapping, street demonstrations, and rioting are other common forms. There is an undeniable fascination with violence among residents in the world city which is picked up and amplified by the popular media.

Yet for all the turmoil, world city conflicts are not a sign of an impending revolution. A good deal of the violence occurs within the working class itself and is a measure of its internal divisions. The world city is in any event immune to revolutionary action. Lacking a political center, it can only be rendered irrelevant—at the present time a rather unlikely occurrence.

Confronted with violence, the nation state responds in coin. Given the severity of its fiscal constraints, in the face of constantly rising costs, it resorts to the simplest, least imaginative alternative: the application of brute force. The response is acceptable to the new ruling class who generally prefer administrative to political solutions. But police repression can at best contain class violence; it cannot eliminate or significantly reduce it. Violence is here to stay.

Physical restructuring

Over the next generation, world cities can be expected to grow to unprecedented size. By the end of the century, the typical world city will have ten million people or more. Much of the increase will have come from migration. Obviously, a population that rivals that of a medium sized country by today's standards can no longer be considered a city in the traditional sense. It is an urbanized region, or an "urban field." In the case of Los Angeles, for example, the pertinent economic region has been defined as having a radius of about 60 miles (roughly 80 minutes commuting at

normal speeds); it represents the life space for more than half the population of California.

The urban field is essentially an economic concept. Although it does not respond to the traditional political concept of the city as *civitas*, it imposes its own logic on the vestiges of the political city which struggles to survive in this highly charged, volatile materialization of capitalist energy. The urban field is expanding, more rapidly in most cases than even the increase in population, but it is expanding unequally, regardless of whether one applies functional, social, or economic criteria. Underlying its kaleidoscopic spatial form is the ever-shifting topography of land values which quickly and efficiently excludes all potential users who are unable to meet the price of a given parcel of land. Of course, this method does not at all correspond to any social need, least of all to the need of what Joan Nelson (1979) has called "access to power."

The concentration of activities and wealth on a world city scale imposes extraordinary strains on the natural resources on which the continued viability of the world city depends. To feed its voracious appetite for water and energy (which tends to grow at multiples of the increases in population), the city must reach further and further afield, sometimes for hundreds of miles, across mountains and deserts and even national boundaries. As it does so, it comes inevitably into conflict with competing interests and jurisdictions.

At the same time, and considering alone sheer volume, the world city faces enormous problems of waste management. Pollution at levels of concentration dangerous to human health pose a constant and growing threat. Huge areas must be set aside for low-intensity uses of the land, such as airports, water-treatment facilities, solid waste disposal, agriculture and dairying, and urban mass recreation.

This enormously varied complex of activities must be knitted together through high-speed transport devices and linked to the outside world through a system of international transport terminals and telecommunications capable of serving the entire region. And of course it must have a basic infrastructure of utilities that serves the housing and industrial needs of the city. At a scale of 10 or 20 million people each, and an area of several hundred square miles, these common basic needs

of the world city can be satisfied only with the considered application of high technology. But high technology renders the city more vulnerable; the growing reliance on ever more sophisticated methods may be counterproductive in the end. Its costs will escalate even as the quality of its services deteriorates.

In its internal spatial structure, the world city may be divided, as we suggested in the preceding section, into the "citadel" and the "ghetto." Its geography is typically one of inequality and class domination. The citadel serves the specific needs of the transnational elites and their immediate retinues who rule the city's economic life; the ghetto is adapted to the circumstances of the permanent underclass. With its towers of steel and glass and its fanciful shopping malls, the Citadel is the city's most vulnerable symbol. Its smooth surfaces suggest the sleek impersonality of money power. Its interior spaces are ample, elegant, and plush. In appropriately secluded spaces, the transnational elites have built their residences and playgrounds; country clubs and bridle paths and private beaches.

The overcrowded ghettos exist in the far shadows of the Citadel, where it is further divided into racial and ethnic enclaves; some areas are shanty towns. None are well provided with public services; garbage does not get collected, only the police in their squad cars are visibly in evidence. In many places, ghetto residents are allowed outside their zones only during working hours; their appearance in the Citadel after dark creates a small panic. With its dozens of apartheid Sowetos, South Africa is perhaps the extreme case of a country whose elites are gripped in fear of their underclass, but political manifestations of this fear are found to a degree in nearly all world cities. Not long ago, the papers in Los Angeles were filled with horror stories of "marauders" sallying forth from the black ghetto to the Citadel on the West Side to rob, rape and kill. They called it "predatory crime." The implication was clear: at night, ghetto residents belong to the ghettos. There, isolated like a virus, they can harm only themselves.

Political conflict

Every restructuring implies conflict. And when conflict occurs in the public domain, it concerns the

distribution of costs and benefits, and who shall gain advantage for the next round of the struggle. Focused on the world city, political conflict is multidimensional, it is also at the heart of the matter, as if all the world's lines of force came together here, and the contradictions in the self expansion of capital are magnified on a scale commensurate with that of the world city itself. In the absence of counter-forces, complex feedback loops tend to destabilize the system, and localized conflicts may suddenly erupt into a worldwide crisis.

The emergence of world cities sets processes into motion that restructure people's life spaces and the economic space that intersects with them. Economic space obeys the logic of capital: it is profit-motivated and individualized. Life spaces are territorial: they are the areas that people occupy, in which their dreams are made, their lives unfold. They are thus the areas they really care about. For the dominant actors in economic space, life space is nothing but a hindrance, an irrational residue of a more primitive existence. Yet it can neither be denied nor circumvented. Every economic space overlaps with an existing life space, and without this, economic enterprise would perish. On the other hand, for people who are collectively the sovereign in their respective life spaces, the space of economic logic is the basis for their physical survival.

It is thus very clear that a restructuring of these two kinds of space is bound to generate deep conflicts. In practice, because so many cross currents bear down on them, the reasons for conflicts are often hard to isolate. Conflicts persist; they have a history and a future, they interconnect in place, and the system of world cities ensures their transmittal from continent to continent. Though it may not be very enlightening, it might be more accurate to speak of them as a form of social turbulence.

There are the conflicts over livelihood, as the restructuring of economic space draws jobs away from one place to resurrect them in another, or as entirely new kinds of job are suddenly ascendant for which older workers are not qualified. There are racial and ethnic conflicts, as workers battle over access to the few good jobs there are, and even over jobs that are less desirable but relatively more abundant. There are struggles between world city and the national periphery over the political auto-

nomy of peripheral regions, as the periphery sees its collective life chances systematically denied by the imperial interests of world city cores. There are conflicts over the spaces within the city, as people seek access to housing they can afford, defend their neighborhoods from the intrusion of capitalist logic, or merely struggle for turf to enjoy the freedom of following lifeways of their own. There are the political campaigns launched by concerned citizens to protect and enhance the quality of their lives as they perceive it: in struggles for the environment, against nuclear power, for child care centers, for the access of handicapped workers in public facilities . . . struggles and campaigns which are incapable of being separated from the peculiar setting of world cities. Or there are the bitter and tenacious struggles of poor people, workers who belong to one class fraction or another, for greater access to the conditions for social power: the right to organize, to demonstrate, to call to account, to gain control over the conditions of their work, to keep their bodies healthy, to educate their children and themselves to higher incomes, to sources of the means for livelihood.

All these struggles are occurring simultaneously. They are centered on the restructuring process and in the contradictions that arise from the interfacing of economic and life spaces. As such, they reveal to the astute observer the true forces at work in the world city and the actual distribution of power. Also, of course, they determine the ultimate outcomes we observe . . . not only the outcomes of the particular struggles being waged, but of the form and direction which world city development will take. For outcomes are not predetermined. Broad tendencies may be irreversible in the medium term, such as the integration of the world economic system under the aegis of transnational capital. But within the historical tendency, there are always opportunities for action. It is precisely at the searing points of political conflict that opportunities arise for a concerted effort to change the course of history.

Conflict between life space and economic space poses new questions for the state. More than ever, the state is faced with multiple contradictions and difficult choices. Some would say that the state itself is threatened by the dramatic appearance of transnational power. On the world periphery, the choice may be the relatively simple

one between complete dependency (with all that this implies in terms of uneven development) and stone age survival. In the semi-periphery, which has already chosen a dependent development path, the problems of choice are more complex. More highly articulated than in the periphery, the state reflects within its own structure many of the conflicts within civil society and the economy, as class fraction is pitted against class fraction, territory against class, working class against capital, and citizens against the state, and as these conflicts come together in successive waves of "turbulence" in the world city, the state is merely one more actor, trying to safeguard its own specific interests.

One such interest is the political integration of its territory. Semi-peripheral states are especially concerned with regional inequalities, focal points of regional revolt, regional resources development, and rural land reform. In countries such as Mexico and Brazil, regional issues have been major concerns of state action, and civil wars have been fought over them.

Regional questions recede in the territorially more integrated countries of the world core area. Here the more important conflicts tend to be between national and transnational fractions of capital, and the state becomes a major "arena" for the conduct of this struggle. Much of it is over specific legislation and the budget allocation. In all this turmoil, a major loser is the local state. Small, isolated without financial power, and encapsulated

within the world economy, it is barely able to provide for even the minimal services its population needs. And yet, instead of seeking alliances with neighboring cities and organized labor, it leaves the real decisions to the higher powers on which it is itself dependent, or to the quasi-independent authorities created by state charter that manage the infrastructure of global capital-system-wide facilities such as ports, airports, rapid transit, water supply, communications, and electric power.

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"The World City Hypothesis" Development and Change (1986)

John Friedmann

Editors' Introduction

In 1986, buoyed by the positive reception and creative appropriation of his earlier ideas on world city formation, John Friedmann rearticulated his initial, somewhat speculative ideas into a sharply focused set of analytical propositions on what he now termed "the world city hypothesis." While Friedmann's taxonomy has been subjected to considerable critique and reformulation, at the time of its initial publication it created a powerful hermeneutic device with which researchers could examine the consequences of globalized urbanization in a broad range of geographic contexts. The world city hypothesis was further consolidated, in the wake of Friedmann's 1986 article, as an essential tool of radical urban critique and, in some cases, social and political action. The following contribution is thus most usefully read directly alongside Reading 6 from Friedmann and Wolff's classic article. Reading 7 extends and clarifies the core contentions of global cities research, develops a number of more concrete empirical claims, and even ventures an initial mapping of the emergent world urban system.



Manuel Castells (1972) and David Harvey (1973) revolutionized the study of urbanization and initiated a period of exciting and fruitful scholarship. Only in recent years, however, has the study of cities been directly connected to the world economy. This new approach sharpened insights into processes of urban change; it also offered a needed spatial perspective of an economy which seems increasingly oblivious to national boundaries. My purpose here is to state, as succinctly as I can, the main theses that link urbanization processes to global economic forces. The world city hypothesis, as I shall call these loosely joined statements, is primarily intended as a framework for research. It is neither a theory nor a universal generalization about cities, but a starting point for political enquiry. We

would, in fact, expect to find significant differences among those cities that have become the "basing points" for global capital. We would expect cities to differ among themselves according to not only the mode of their integration with the global economy, but also their own historical, national policies, and cultural influences. The economic variable, however, is likely to be decisive for all attempts at explanation.

The world city hypothesis is about the spatial organization of the new international division of labor. As such, it concerns the contradictory relations between production in the era of global management and the political determination of territorial interests. It helps us to understand what happens in the major global cities of the world economy and

what much political conflict in these cities is about. Although it cannot predict the outcomes of these struggles, it does suggest their common origins in the global system of market relations.

There are seven interrelated theses in all. As they are stated, I shall follow with a comment in which they are explained, or examples are given, or further questions are posed.

1. *The form and extent of a city's integration with the world economy, and the functions assigned to the city in the new spatial division of labor, will be decisive for any structural changes occurring within it.* Let us examine each of the key terms in this thesis.

(a) *City.* Reference is to an economic definition. A city in these terms is a spatially integrated economic and social system at a given location or metropolitan region. For administrative or political purposes the region may be divided into smaller units which underlie, as a political or administrative space, the economic space of the region.

(b) *Integration with the world capitalist system.* Reference is to the specific forms, intensity, and duration of the relations that link the urban economy into the global system of markets for capital, labor and commodities.

(c) *Functions assigned to it in the new spatial division of labor.* The standard definition of the world capitalist system is that it corresponds to a single (spatial) division of labor (Wallerstein 1984). Within this division, different localities - national, regional, and urban subsystems - perform specialized roles. Focusing only on metropolitan economies, some carry out headquarter functions, others serve primarily as a financial center, and still others have as their main function the articulation of regional and/or national economies with the global system. The most important cities, however, such as New York, may carry out all of these functions simultaneously.

(d) *Structural changes occurring within it.* Contemporary urban change is for the most part a process of adaptation to changes that are externally induced. More specifically, changes in metropolitan function, the structure of metropolitan labor markets, and the physical form of cities can be explained with reference to a world-wide process that affects: the direction and volume of transnational capital flows; the spatial division of the functions of finance, management and production or, more generally, between production

and control and the employment structure of economic base activities.

These economic influences are, in turn, modified by certain endogenous conditions. Among these the most important are: first, the "spatial patterns of historical accumulation" (King 1984); second, national policies, whose aim is to protect the national economic subsystem from outside competition through partial closure to immigration, commodity imports, and the operation of international capital; and third, certain social conditions, such as apartheid in South Africa, which exert a major influence on urban process and structure.

2. *Key cities throughout the world are used by global capital as "basing points" in the spatial organization and articulation of production and markets.* The resulting linkages make it possible to arrange world cities into a complex spatial hierarchy. Several taxonomies of world cities have been attempted, most notably by Cohen (1981; see Reading 5). In Figure 1, a different approach to world city distribution is attempted. Because the data to verify it are still lacking, the present effort is meant chiefly as a means to visualize a possible rank ordering of major cities, based on the presumed nature of their integration with the world economy.

The complete spatial distribution suggests a distinctively linear character of the world city system which connects along an East-West axis, three distinct subsystems: an Asian subsystem centered on the Tokyo-Singapore axis, with Singapore playing a subsidiary role as regional metropolis in South-East Asia; an American subsystem based on the primary core cities of New York, Chicago and Los Angeles, linked to Toronto in the North and to Mexico City and Caracas in the South, thus bringing Canada, Central America, and the small Caribbean nations into the American orbit; and a West European subsystem focused on London, Paris, and the Rhine valley axis from Randstad and Holland to Zurich. The southern hemisphere is linked into this subsystem via Johannesburg and São Paulo.

3. *The global control functions of world cities are directly reflected in the structure and dynamics of their production sectors and employment.* The driving force of world city growth is found in a small number of rapidly expanding sectors. Major importance attaches to corporate headquarters,

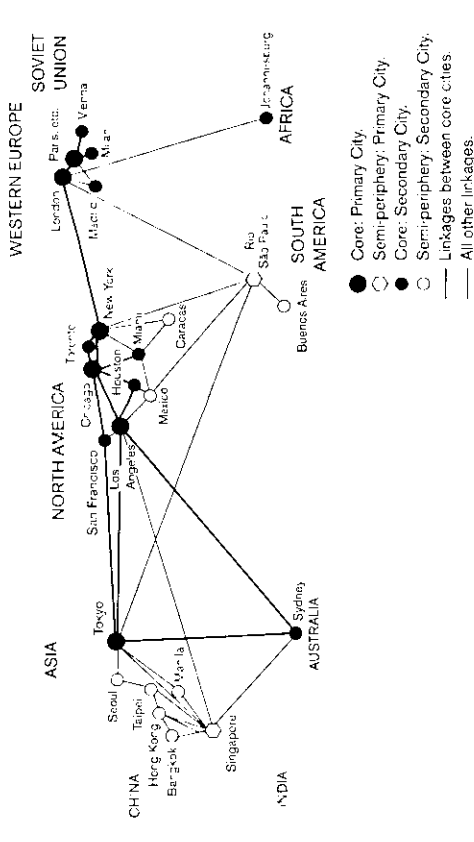


Figure 1. The hierarchy of the world cities

international finance, global transport and communications, and high level business services, such as advertising, accounting, insurance, and legal. An important ancillary function of world cities is ideological penetration and control. New York and Los Angeles, London and Paris, and to a lesser degree Tokyo, are centers for the production and dissemination of information, news, entertainment and other cultural artefacts.

In terms of occupations, world cities are characterized by a dichotomized labor force: on the one hand, a high percentage of professionals specialized in control functions and, on the other, a vast army of low-skilled workers engaged in manufacturing, personal services, and the hotel, tourist, and entertainment industries that cater to the privileged classes for whose sake the world city primarily exists (Sassen-Koob 1984).

In the semi-periphery, with its rapidly multiplying rural population, large numbers of unskilled workers migrate to world city locations in their respective countries in search of livelihood. Because the "modern" sector is incapable of absorbing more than a small fraction of this human mass, a large "informal" sector of microscopic survival activities has evolved.

4. *World cities are major sites for the concentration and accumulation of international capital.* Although this

statement would seem to be axiomatic there are significant exceptions. In core countries, the major atypical case is Tokyo. Although a major control center for Japanese multinational capital, Japanese business practices and government policy have so far been successful in preventing foreign capital from making major investments in the city.

5. *World cities are points of destination for large numbers of both domestic and/or international migrants.* Two kinds of migrants can be distinguished: international and inter-regional. Both contribute to the growth of primary core cities, but in the semi-periphery world cities grow chiefly from inter-regional migration.

In one form or another, all countries of the capitalist core have attempted to curb immigration from abroad. Japan and Singapore have the most restrictive legislation and, for all practical purposes, prohibit permanent immigration. Western European countries have experimented with tightly controlled "guest-worker" programs. They, too, are jealous of their boundaries. And traditional immigrant countries, such as Canada and Australia, are attempting to limit the influx of migrants to workers possessing professional and other skills who are in high demand. Few if any countries have been as open to immigration from abroad as the USA, where both legal and illegal immigrants abound.

6. *World city formation brings into focus the major contradictions of industrial capitalism - among them spatial and class polarization.* Spatial polarization occurs at three scales. The first is global and is expressed by the widening gulf in wealth, income, and power between peripheral economies as a whole and a handful of rich countries at the heart of the capitalist world. The second scale is regional and is especially pertinent in the semi-periphery. In core countries regional income gradients are relatively smooth, and the difference between high and low income regions is rarely greater than 1:3. The corresponding ratio in the semi-periphery, however, is more likely to be 1:10.

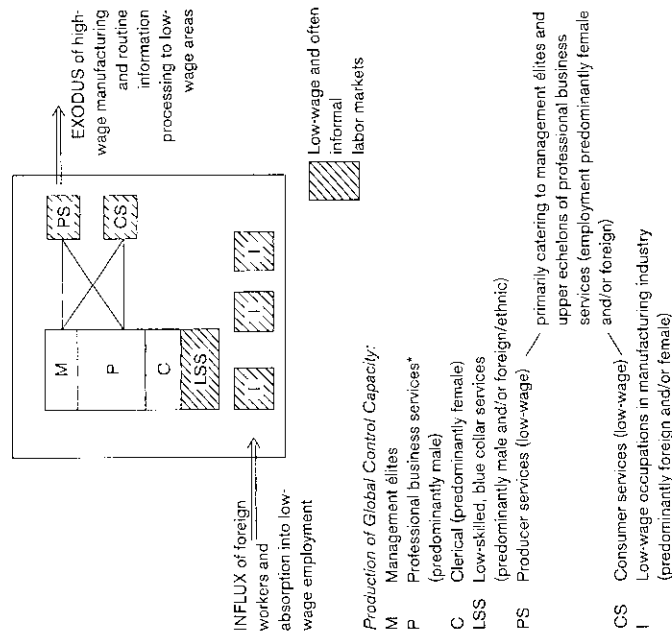


Figure 2. World city restructuring in core countries

* Many professional business services engage increasingly in international trade serving their clients, the transnational corporations, both at home and abroad. They include accounting, advertising, banking, communications, computer services, health services, insurance, leasing, legal services, shipping and air transport, and tourism. In 1981, US service exports equalled 50 per cent of merchandise exports and were still rising (see Sassen-Koob 1984).

The basic structural reason for social polarization in world cities must be looked for in the evolution of jobs, which is itself a result of the increasing capital intensity of production. In the semi-periphery most rural immigrants find accommodation in low-level service jobs, small industry, and the "informal" sector. In core countries the process is more complex. Given the downward pressure on wages resulting from large-scale immigration of foreign (including undocumented) workers, the number of low-paid, chiefly non-unionized jobs rises rapidly in three sectors: personal and consumer services (domestics, boutiques, restaurants, and entertainment); low-wage manufacturing (electronics, garments, and prepared foods); and the dynamic sectors of finance and business services which comprise from one-quarter to one-third of all world city jobs and also give employment in many low-wage categories.

7. *World city growth generates social costs at rates that tend to exceed the fiscal capacity of the state.* The rapid influx of poor workers into world cities - be it from abroad or from within the country - generates massive needs for social reproduction, among them housing, education, health, transportation, and welfare. These needs are increasingly arrayed against other needs that arise from transnational capital for economic infrastructure and from the dominant elites for their own social reproduction.

In this competitive struggle the poor, and especially the new immigrant populations, tend to lose out. State budgets reflect the general balance of political power. Not only are corporations

exempt from taxes; they are generously subsidized in a variety of other ways as well. At the same time the social classes that feed at the trough of the transnational economy insist, and usually insist successfully, on the priority of their own substantial claims for urban amenities and services. The overall result is a steady state of fiscal and social crisis in which the burden of capitalist accumulation is systematically shifted to the politically weakest, most disorganized sectors of the population. Their capacity for pressing their rightful claims against the corporations and the state is further contained by the ubiquitous forces of police repression.

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of globalization, the central role of cities within a globalizing world system, the restructuring of local labor markets and sociospatial arrangements within global cities, the problem of social polarization within global cities, and the emergence of new forms of sociopolitical contestation within strategic urban spaces.

Cities and Communities in the Global Economy from American Behavioral Science (1980)

Saskia Sassen

Editors' Introduction

Saskia Sassen is currently the Ralph Lewis Professor of Sociology at the University of Chicago and Centennial Visiting Professor in the Department of Sociology at the London School of Economics. She previously taught in the Urban Planning Department at Columbia University. Sassen is arguably the single most influential and widely cited contemporary analyst of global city formation, primarily due to the massive international impact of her path-breaking book, *The Global City: New York, London, Tokyo* (1991; republished in a revised edition in 2002). Prior to her work on *The Global City*, Sassen had written a research monograph exploring the interplay between new forms of foreign direct investment and changing patterns of labor migration (Sassen 1988). In the penultimate chapter of that work, Sassen examined the transformation of urban labor markets in major US global city-regions in conjunction with the increasing centralization of transnational capitalist management capacities (Sassen 1988: 126-170). Subsequently, Sassen decided to explore more systematically the restructuring of economic systems and sociospatial configurations in cities that had come to serve as global command and control centers for transnational corporations. Sassen's innovative inquiry into these issues culminated in her book, *The Global City*, which continues, well over a decade after its original publication, to provoke intensive discussion and debate across the social sciences.

In contrast to early contributors to global cities research (see, for instance, Reading 5 by Cohen), Sassen did not define global city economies simply with reference to the presence of transnational corporate headquarters locations. Instead, she emphasized, the specificity and dynamism of global cities stems from the broad cluster of advanced producer and financial services industries – including law, banking, accounting, advertising, insurance and consulting – that cater to the distinctive organizational and informational needs of global firms. One of the most original, enduring contributions of *The Global City* was to explore the surprisingly analogous patterns of industrial restructuring that were unfolding in three otherwise quite different urban economies – New York, London and Tokyo – due to their increasing specialization in these sectors. More controversially, Sassen postulated that new patterns of social and spatial inequality were crystallizing within global city economies due to the polarization of local labor markets among highly paid corporate elites and a large mass of poor people working in low paid, menial and insecure service jobs (for variations on this proposition, see Reading 7 by Friedmann and Reading 12 by Ross and Trachte; for a critique, see Reading 13 by Fainstein).

Reading 9 is derived from a 1996 article that summarizes some of the major arguments developed in Sassen's research during the preceding decade. Her analysis focuses, in particular, upon the following issues, each of which will be explored in greater detail in subsequent readings: the conceptualization

This is a period of massive changes for cities and communities. Economic globalization and the ascendance of information technologies are reconfiguring the spatial organization of the economy, with often devastating consequences for cities and communities. Many politicians and analysts appear convinced that these forces have rendered localities powerless to address their own situation. Substantial transitions or discontinuities such as these call for the development of new categories for analysis, new lines of theorization, and perhaps some new political and economic practices as well. I posit that the urban level and the community level need to be incorporated in the analysis of economic globalization and the study of new information technologies. This requires going beyond mainstream notions about the impact of globalization and the spread of information technologies for localities – that is, the relative powerlessness of localities confronted with hyper-mobile capital. This powerlessness is only one part of the story. In my reading of the evidence, a focus on cities and communities allows for a more concrete analysis of globalization, and in that regard we can think of cities and communities as strategic sites for an examination of global processes and major politico-economic processes.

Introducing cities and communities in an analysis of economic globalization allows us to reconceptualize processes of economic globalization as concrete economic complexes situated in specific places. Such a focus decomposes the national economy into a variety of subnational components, some profoundly articulated with the global economy, and others not. It allows us to see the multiplicity of economies and work cultures in which the global information economy is embedded. It also allows us to recover the concrete, localized processes through which globalization exists, and to argue, for example, that the multiculturalism evident in large cities is as much a part of globalization as is international finance.

Why does it matter to recover the local or, more generally, the specific place setting in analyses of the global economy? Mainstream accounts have the effect of evicting cities, communities, and workers from the story of today's advanced economy, and hence we need corrective action to resurrect these elements. Insofar as an economic analysis focused on cities and communities recovers the broad array of jobs and work cultures that are part of the global economy – though typically not marked as such – one can examine the possibility of a new politics of traditionally disadvantaged actors, a new politics that operates in this new transnational economic geography, whether the actors are factory workers in export processing zones or cleaners on Wall Street.

PLACE AND WORK PROCESS IN THE GLOBAL INFORMATION ECONOMY

The mainstream account about economic globalization found in media and policy circles, as well as in much economic analysis, emphasizes hyper-mobility, global communications, and the gradual neutralization of place and distance. There is a tendency in that account to take the existence of a global economic system as a given, to see it as a function of the power of transnational corporations and global communications. But the capabilities for global operation, coordination, and control contained in the new information technologies and in the power of transnational corporations are not the same as the actual work of coordination and control. By focusing on the actual work of running global businesses, we add a neglected dimension to the familiar issue of the power of large corporations and the broad reach of the new technologies. The emphasis shifts to the practices that constitute what we call economic globalization and global control, the work of producing and reproducing the organization and

management of a global production system for manufacturing and a global marketplace for finance, both under conditions of economic concentration in ownership and control.

For instance, as multinational firms establish more and more operations overseas, their central management, coordination, and servicing functions multiply and become increasingly complex as they need to negotiate different national legal, accounting, and management systems. Thus, in the early 1990s, U.S. firms had about 19,000 affiliates worldwide, as did German and Japanese firms. The sheer number of dispersed factories and service outlets that are part of a firm's integrated operation creates massive new needs for central coordination and servicing. Finance and advanced corporate services are industries producing the organizational commodities necessary for the implementation and management of global economic systems. Cities are preferred sites for the production of these services, particularly the most innovative and speculative internationalized service sectors.

A focus on corporate practices draws the categories of place and work process into the analysis of economic globalization. These are two categories easily overlooked in accounts centered on the hypermobility of capital and the power of transnational. Developing categories such as "place" and "production process" does not negate the importance of hypermobility and power. Rather, it brings to the fore the fact that many of the resources necessary for global economic activities are not hypermobile and are, indeed, deeply embedded in place, notably places such as global cities and export processing zones, and that many of the communities that may appear as unrelated to global processes, such as the South Bronx in New York City or the town of Plainfield in Massachusetts, are actually part of such processes. Further, global processes are structured by local constraints, including the composition of the workforce, work cultures, and prevailing political cultures and processes.

Moreover, by emphasizing the fact that global processes are at least partly embedded in national territories, such a focus introduces new variables in current conceptions about economic globalization and the shrinking regulatory role of the state. That is to say, the space economy for major new

transnational economic processes diverges in significant ways from the global/national duality presupposed in much analysis of the global economy. The duality of national versus global focal suggests two mutually exclusive spaces — where one begins the other ends, what one gains the other loses. One of the main purposes in this chapter is to suggest that this conceptualization is fundamentally incorrect, that the global materializes by necessity in specific places and institutional arrangements — a good number of which (if not most) are located in national territories and in identifiable localities. National and local governments play an important role in the implementation of global economic systems, a role that can assume different forms depending on socio-economic development levels, political culture, and mode of articulation with global processes.

What this discussion signals is that economic globalization contains both a dynamic of dispersal and a dynamic of centralization, a condition that is only now beginning to receive recognition (Abu-Lughod 1995; Castells 1989; Friedmann 1995). The massive trends toward the spatial dispersal of economic activities at the metropolitan, national, and global level, which we associate with globalization, have contributed to a demand for new forms of territorial centralization of top-level management and control operations. The expansion of central functions results from the continuing concentration in control, ownership, and profit appropriation that characterizes the current economic system. National and global markets, as well as globally integrated organizations, require central places where the work of globalization gets done. Further, information industries require a vast physical infrastructure containing strategic nodes with hyperconcentration of facilities; we need to distinguish between the capacity for global transmission/communication and the material conditions that make this interchange of information possible. Finally, even the most advanced information industries have a production process that is at least partly place-bound because of the combination of resources it requires even when the outputs are hypermobile.

One of the central concerns of my work has been to view cities as production sites for the leading information industries of our time and to recover the infrastructure of activities, firms, and jobs that

is necessary to run the advanced corporate economy. These industries are typically conceptualized in terms of the hypermobility of their outputs and the high levels of expertise of their professionals rather than in terms of the work process involved and the requisite infrastructure of facilities and nonexpert jobs that are also part of these industries. A detailed analysis of service-based urban economies shows that there is considerable articulation of firms, sectors, and workers who may appear as though they have little connection to an urban economy dominated by finance and specialized services but in fact fulfill a series of functions that are an integral part of that economy. They do so, however, under conditions of sharp social, earnings, and (often) racial/ethnic segmentation. Our cities and communities reflect these patterns. Recapturing the geography of places involved in globalization allows us to recapture knowledge of people, workers, communities, and, more specifically, the many different work cultures, besides the corporate culture involved in the work of globalization. The global city can be seen as one strategic research site for the study of these processes.

The implantation of global processes and markets in major cities has meant that the internationalized sector of the economy has expanded sharply and has imposed a new set of criteria for valuing or pricing various economic activities and outcomes. This development has had devastating effects on large sectors of the urban economy and has been felt unevenly in urban communities. It is not simply a quantitative transformation; we see here the elements for a new economic regime (see, generally, Fainstein 1993; Knox and Taylor 1995; Sassen 1994).

The ascendance of the specialized services-led economy, particularly the new finance and services complex, engenders what may be regarded as a new economic regime because although this sector may account for only a fraction of the economy of a city, it imposes itself on that larger economy. One of these pressures is toward polarization, as is the case with the possibility for superprofits in finance, which contributes to the devalorization of manufacturing and low value-added services insofar as these sectors cannot generate the superprofits typical in much financial activity.

The super-profit-making capacity of many of the leading industries is embedded in a complex combination of new trends: (a) technologies that make possible the hypermobility of capital at a global scale and the deregulation of multiple markets that allows for implementing that hypermobility;

THE GLOBAL CITY: A NEXUS FOR NEW POLITICO-ECONOMIC ALIGNMENTS

In the day-to-day work of the leading services complex dominated by finance, a large share of the jobs involved are low paid and manual, many held by women and immigrants. Although these types of workers and jobs are never represented as part of the global economy, they are in fact an essential part of the multifaceted infrastructure of jobs involved in running and implementing the global economic system — including its most advanced sectors, such as international finance. The top end of the corporate economy — the corporate towers that project engineering expertise, precision, "techné" — is far easier to mark as necessary for an advanced economic system than are truckers and other industrial service workers, even though these are a necessary ingredient as well.

We see here at work a dynamic of valorization that has sharply increased the gap between the devalorized and the valorized (indeed, overvalorized) sectors of the economy. There is a

(b) financial inventions such as securitization that liquify hitherto unliquid capital and allow it to circulate and hence make additional profits; and (c) the growing demand for services in all industries, along with the increasing complexity and specialization of many of these inputs, which has contributed to their valorization as illustrated in the unusually high salary increases beginning in the 1980s for top-level professionals and CEOs. Globalization further adds to the complexity of these services, their strategic character, their glamour, and therewith to their overvalorization. The presence of a critical mass of firms with extremely high profit-making capabilities leads to the bidding up the prices of commercial space, industrial services, and other business needs, and thereby makes survival for firms with moderate profit-making capabilities increasingly precarious. And although the latter are essential to the operation of the urban economy and for the daily needs of residents, their economic viability is threatened in a situation where finance and specialized services can earn superprofits. High prices and profit levels in the internationalized sector and its ancillary activities, such as top-of-the-line restaurants and hotels, make it increasingly difficult for other sectors to compete for space and investments. Many of these other sectors have experienced considerable downgrading and/or displacement: for example, the replacement of neighborhood shops tailored to local needs by upscale boutiques and restaurants catering to new high-income urban elites is now a common urban occurrence.

Inequality in the profit-making capabilities of different sectors of the economy has always existed. But what we see happening today takes place on another order of magnitude and is engendering massive distortions in the operations of various markets, from housing to labor. For instance, the polarization among firms and households and in the spatial organization of the economy contribute, in my reading, toward the informalization of a growing array of economic activities in advanced urban economies. When firms with low or modest profit-making capacities experience an ongoing if not increasing demand for their goods and services from households and other firms in a context where a significant sector of the economy makes superprofits,

they often cannot compete even though there is an effective demand for what they produce. Operating informally is often one of the few ways in which such firms can survive; illustrations are the use of spaces not zoned for commercial or manufacturing activities, such as basements in residential areas, or space that is not up to code in terms of health, fire, and other such standards. Similarly, new firms in low-profit industries entering a strong market for their goods and services may only be able to do so informally. Another option for firms with limited profit-making capabilities is to subcontract part of their work to informal operations.

The recomposition of the sources of growth and of profit making entailed in these transformations also contributes to a reorganization of some components of social reproduction or consumption. Although the middle strata still constitute the majority, the conditions that contributed to their expansion and politico-economic power in the postwar decades – the centrality of mass production and mass consumption in economic growth and profit realization – have been displaced by new sources of growth.

The rapid growth of industries with strong concentrations of high- and low-income jobs has assumed distinct forms in the consumption structure, which in turn has produced a feedback effect on the organization of work and the types of jobs being created. The expansion of the high-income workforce in conjunction with the emergence of new cultural forms has led to a process of high-income gentrification that ultimately rests on the availability of a vast supply of low-wage workers.

In good part, the consumption needs of the low-income population in large cities are met by manufacturing and retail establishments that are small, rely on family labor, and often fall below minimum safety and health standards. Cheap, locally produced sweatshop garments, for example, can compete with low-cost Asian imports. A growing range of products and services, from low-cost furniture made in basements to "gypsy cabs" and family day care, is available to meet the demand for the growing low-income population. There are numerous instances of how the increased inequality in earnings reshapes the consumption structure and how this in turn has feedback effects on the

organization of work, both in the formal and in the informal economy. In the case of New York City, we see the creation of a special taxi line that services only the financial district and the increase of gypsy cabs in low-income neighborhoods not serviced by regular cabs; the increase in highly customized woodwork in gentrified areas and low-cost self-help rehabilitation in poor neighborhoods; the increase of home workers and sweatshops making either very expensive designer items for boutiques or very cheap products.

One way of conceptualizing informalization in advanced urban economies today is to posit it as the systemic equivalent of what we call deregulation when it happens at the top of the economy. Both the deregulation of a growing number of leading information industries and the informalization of a growing number of sectors with low profit-making capacities can be conceptualized as adjustments under conditions where new economic developments and old regulations enter in growing tension.

WHOSE CITY IS IT?

One way of thinking about the political implications of these developments is in terms of the formation of new claims on cities. Among the major new actors making claims are foreign firms who have been increasingly entitled to do business through progressive deregulation of national economies, as well as the large numbers of international businesspeople. These are among the new city users. They have profoundly marked the urban landscape, and their claim to the city is not contested, even though the costs and benefits to cities have barely been examined.

The new city users have made an often immense claim on the city and have reconstituted strategic spaces of the city in their image: their is a claim rarely made problematic. The new city of city users is a fragile one whose survival and successes are centered on an economy of high profits, advanced technologies, intensified exchanges, speculation, and innovation.

On the one hand, this raises a question of what the city is for international businesspeople and international firms; it is a city whose space consists

of airports, top-level business districts, top-of-the-line hotels and restaurants, a sort of urban glamour zone. On the other hand, there is the difficult task of establishing whether a city that functions as an international business center does in fact recover the costs involved in being such a center. The costs involved in maintaining a state-of-the-art business district, and all it requires, from advanced communications facilities to top-level security (and "world-class culture") have not been adequately estimated.

Perhaps at the other extreme of conventional representations are those who use urban political violence to make their claims on the city, claims that lack the de facto legitimacy enjoyed by the new "city users." These are claims made by actors struggling for recognition and entitlement, claiming their rights to the city. These claims have, of course, a long history: every new epoch brings specific conditions to the manner in which the claims are made. The growing weight of "delinquency" (e.g., smashing cars and shopwindows; robbing and burning stores) in some of these uprisings over the last decade in major cities of the developed and third world is perhaps an indication of the sharpened inequality being witnessed in the process of economic globalization. The distance, as seen and as lived, between the urban glamour zone and the urban war zone has become enormous. The extreme transparency and high public visibility of this difference is likely to contribute to further brutalization of the conflict. The apparent indifference and visible greed of the new elites versus the hopelessness and rage of the poor are quite manifest in such things as rap music and the behavior of skinheads.

Large cities around the world are the terrain where a multiplicity of globalization processes assume concrete, localized forms. These localized forms are, in good part, what globalization is about. If we consider, further, that large cities also concentrate a growing share of disadvantaged populations – immigrants in Europe and in the United States, African Americans and Latinos in the megacities of the developing world – then we can see that cities have become a strategic terrain for a whole series of conflicts and contradictions (see Body-Gendrot 1993; King 1996).

CONCLUSION

A focus on place allows us to capture some of the new spatial configurations and place-specific characteristics that economic globalization produces and by which it is in turn shaped. Processes of economic globalization are thereby reconstituted as concrete production complexes situated in specific places containing a multiplicity of activities. This has the effect of adding to the common focus on the power of large corporations over governments and economies, a focus on the range of activities and organizational arrangements necessary for the implementation and maintenance of a global network of factories, service operations, and markets. These are all processes only partly encompassed by the activities of transnational corporations and global markets.

Focusing on cities and communities allows us to specify a geography of strategic places at the global scale as well as to specify the microgeographies and politics unfolding within these places. This in turn allows us to foreground the new class formations and power alignments emerging from the new forms of capital mobility and the new technologies through which production and work are organized.

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Meeting Cities on Global Cities

from *Environment and Urbanization* (2002)

Saskia Sassen

Editors' introduction

We now consider a more recent contribution by Saskia Sassen. Building upon her work in *The Global City*, Sassen here develops a more sustained analysis of specialized service industries and advanced digital technologies within global city economies. First, she reiterates her central contention that global city economies contain a broad complex of specialized service industries that enable transnational corporations to coordinate production, investment and finance on a world scale. For Sassen, therefore, the worldwide geographical dispersion of production is linked intrinsically to an increasing centralization of key command and control capacities within the agglomeration economies of global cities. Whereas she previously focused her research upon core cities such as New York, London and Tokyo, Sassen now argues that these trends are becoming increasingly visible in many cities located in developing countries as well (see also Sassen 2002). Second, Sassen explores one of the most perplexing paradoxes of contemporary global urbanization – namely, the consolidation of a small number of strategically dominant global financial centers even as the proliferation of new informational technologies would appear to render such places obsolete. Sassen elaborates a multifaceted explanation of this paradox that emphasizes the various organizational and logistical advantages that flow from the intensive patterns of spatial agglomeration within global cities.

A key feature of the contemporary global system is that it contains both the capability for enormous geographic dispersal and mobility as well as pronounced territorial concentrations of resources necessary for the management and servicing of that dispersal. The management and servicing of much of the global economic system takes place in a growing network of global cities and cities that might best be described as having global city functions. The expansion of global management and servicing activities has brought with it a massive upgrading and expansion of central urban areas,

even as large portions of these cities fall into deeper poverty and infrastructural decay. While this role involves only certain components of urban economies, it has contributed to a repositioning of cities both nationally and globally.

WORLDWIDE NETWORKS AND CENTRAL COMMAND FUNCTIONS

The geography of globalization contains both a dynamic of dispersal and of centralization. The

massive trend towards the spatial dispersal of economic activities at the metropolitan, national and global level which we associate with globalization has contributed to a demand for new forms of territorial centralization of top-level management and control functions. Insofar as these functions benefit from agglomeration economies, even in the face of telematic integration of a firm's globally-dispersed manufacturing and service operations, they tend to locate in cities. This raises a question as to why they should benefit from agglomeration economies, especially since globalized economic sectors tend to be intensive users of the new telecommunications and computer technologies. In my book, *The Global City* (Sassen 1991), I have found that the key variable contributing to the spatial concentration of central functions and associated agglomeration economies is the extent to which this dispersal occurs under conditions of concentration of control, ownership and profit appropriation.

This dynamic of simultaneous geographic dispersal and concentration is one of the key elements in the organizational architecture of the global economic system. I will first give some empirical referents and then examine some of the implications for theorizing the impacts of globalization and the new technologies on cities.

The rapid growth of affiliates illustrates the dynamic of simultaneous geographic dispersal and concentration of a firm's operations. By 1999, firms had well over half a million affiliates outside their home countries, accounting for US\$ 11 trillion in sales, a very significant figure if we consider that global trade stood at US\$ 8 trillion. Firms with large numbers of geographically-dispersed factories and service outlets face massive new needs for central coordination and servicing, especially when their affiliates involve foreign countries with different legal and accounting systems.

Another current instance of this negotiation between a global cross-border dynamic and territorially-specific sites is that of the global financial markets. The orders of magnitude in these transactions have risen sharply, as illustrated by the US\$ 65 trillion in the value of traded derivatives, a major component of the global economy. These transactions are partly embedded in electronic systems that make possible the instantaneous transmission of money and information around

places where the work of globalization gets done. Finance and advanced corporate services are industries producing the organizational commodities necessary for the implementation and management of global economic systems. Cities are preferred sites for the production of these services, particularly the most innovative, speculative, internationalized service sectors. Further, leading firms in information industries require a vast physical infrastructure containing strategic nodes with hyper-concentration of facilities. Finally, even the most advanced information industries have a production process that is at least partly place-bound because of the combination of resources it requires even when the outputs are hyper-mobile.

Capital mobility cannot be reduced simply to that which moves nor can it be reduced to the technologies that facilitate movement. Rather, multiple components of what we keep thinking of as capital fixity are actually components of capital mobility. This conceptualization allows us to reposition the role of cities in an increasingly globalizing world, in that they contain the resources that enable firms and markets to have global operations. The mobility of capital, whether in the form of investments, trade or overseas affiliates, needs to be managed, serviced and coordinated. These are often rather place-bound, yet are key components of capital mobility. Finally, states — place-bound institutional orders — have played an often crucial role in producing regulatory environments that facilitate the implementation of cross-border operations for their national firms and for foreign firms, investors and markets (Sassen, forthcoming).

In brief, a focus on cities makes it possible to recognize the anchoring of multiple cross-border dynamics in a network of places, prominent among which are cities, particularly global cities or those with global city functions. This, in turn, anchors various features of globalization in the specific conditions and histories of these cities, in their variable articulations with their national economies and with various world economies across time and place. This optic on globalization contributes to identifying a complex organizational architecture which cuts across borders and is both partly deterritorialized and partly spatially concentrated in cities. Further, it creates an enormous research agenda in that every particular national or urban economy has its specific and partly

inherited modes of articulating with current global circuits. Once we have more information about this variance, we may be able also to establish whether position in the global hierarchy makes a difference, and the various ways in which it might do so.

THE INTERSECTION OF SERVICE INTENSITY AND GLOBALIZATION

To understand the new or sharply expanded role of a particular kind of city in the world economy since the early 1980s, we need to focus on the intersection of two major processes. The first is the sharp growth in the globalization of economic activity, which has raised the scale and the complexity of transactions, thereby feeding the growth of top-level multinational headquarter functions and the growth of advanced corporate services. The second process we need to consider is the growing service intensity in the organization of all industries. This has contributed to a massive growth in the demand for services by firms in all industries, from mining and manufacturing to finance and consumer services industries with mixed business and consumer markets; they are insurance, banking, financial services, real estate, legal services, accounting and professional associations. Cities are key sites for the production of services for firms. Hence, the increase in service intensity in the organization of all industries has had a significant growth effect on cities, beginning in the 1980s and continuing today.

In the case of cities that are major international business centers, we are seeing the formation of a new urban economy. This is so in at least two regards. First, even though these cities have long been centers for business and finance, since the late 1970s there have been dramatic changes in the structure of the business and financial sectors, as well as sharp increases in the overall magnitude of these sectors and their weight in the urban economy. Second, the ascendance of the new finance and services complex, particularly international finance engenders what may be regarded as a new economic regime, that is, although this sector may account for only a fraction of the economy of a city, it imposes itself on that larger economy. Most notably, the possibility for

superprofits in finance has the effect of devalorizing manufacturing insofar as the latter cannot generate the superprofits typical in much financial activity.

This is not to say that everything in the economy of these cities has changed. On the contrary, they still show a great deal of continuity and many similarities with cities that are not global nodes. Rather, the implantation of global processes and markets has meant that the internationalized sector of the economy has expanded sharply and has imposed a new valorization dynamic – that is, a new set of criteria for valuing or pricing various economic activities and outcomes. This has had devastating effects on large sectors of the urban internationalized sector and its ancillary activities, such as top-of-the-line restaurants and hotels, which have made it increasingly difficult for other sectors to compete for space and investments. Many of these other sectors have experienced considerable downgrading and/or displacement as, for example, neighborhood shops tailored to local needs are replaced by upscale boutiques and restaurants catering to new high-income urban elites.

Although of a different order of magnitude, these trends also became evident, beginning in the late 1980s and early 1990s, in a number of major cities in low- and middle-income nations that have become integrated into various world markets: São Paulo, Buenos Aires, Bangkok, Taipei, Shanghai, Manila, Beirut and Mexico City are a few examples. Here also, the new urban core was fed by the deregulation of various economic sectors, the ascendance of finance and specialized services, and integration into the world markets. The opening of stock markets to foreign investors and the privatization of what were once public sector firms have been crucial institutional arenas for this articulation. Given the vast size of some of these cities, the impact of this new core on the broader city is not always as evident as in central London or Frankfurt, but the transformation is still very real.

It is important to recognize that manufacturing remains a crucial sector in all these economies, even when it may have ceased to be a dominant sector in major cities. Indeed, several scholars have argued that the producer services sector could not exist without manufacturing (Cohen and Zysman 1987). A key proposition for these authors is that

execution of a given set of operations in each of the countries involved, as in clearing and settlement. With few exceptions, such as the off shore markets and some of the large banks, the international system consisted of a string of closed domestic systems.

The global integration of markets pushes towards the elimination of various redundant systems and makes collaboration a far more complex matter, one which has the effect of raising the division of labor within the network. Rather than each country having its own center for global operations, the tendency is towards the formation of networks and strategic alliances with a measure of specialization and division of functions. This may well become a system with fewer strategic centers and more hierarchy, even as it adds centers. In this context, London and New York, with their enormous concentrations of resources and talent, continue to be powerhouses in the global network for the most strategic and complex operations for the system as a whole.

The financial centers of many countries around the world are increasingly fulfilling gateway functions for the circulation in an out of national and foreign capital. The incorporation of a growing number of these financial centers is one form through which the global financial system expands: each of these centers is the nexus between that country's wealth and the global market, and between foreign investors and that country's investment opportunities.

WHY THE NEED FOR CENTERS IN THE DIGITAL ERA?

What really stands out in the evidence for the global financial industry is the extent to which there is a sharp concentration of the shares of many financial markets in a few financial centers. London, New York, Tokyo (notwithstanding a national economic recession), Paris, Frankfurt and a few other cities regularly appear at the top and represent a large share of global transactions. London, followed by Tokyo, New York, Hong Kong and Frankfurt account for a major share of all international banking. London, Frankfurt and New York account for an enormous world share in the export of financial services. London, New York

and Tokyo account for over one-third of global institutional equity holdings, this as of the end of 1997 after a 32 per cent decline in Tokyo's value over 1996. London, New York and Tokyo account for 58 per cent of the foreign exchange market, one of the few truly global markets; and together with Singapore, Hong Kong, Zurich, Geneva, Frankfurt and Paris, they account for 85 per cent of this, the most global of markets.

Why is it that at a time of rapid growth in the network of financial centers, in overall volumes and in electronic networks, we have such high concentration of market shares in the leading global and national centers? Both globalization and electronic trading are about expansion and dispersal beyond what had been the confined realm of national economies and floor trading. Indeed, one might well ask why financial centers matter at all. The continuing weight of major centers is, in a way, counter-sensical, as is, for that matter, the existence of an expanding network of financial centers. The rapid development of electronic exchanges, the growing digitalization of much financial activity, the fact that finance has become one of the leading sectors in a growing number of countries, and that it is a sector that produces a dematerialized, hyper-mobile product, all suggest that location should not matter. In fact, geographic dispersal would seem to be a good option given the high cost of operating in major financial centers.

There are, in my view, at least three reasons that explain the trend towards consolidation in a few centers rather than massive dispersal. I developed this analysis in *The Global City* (1991), focusing on New York, London and Tokyo, and since then events have made this even clearer and more pronounced.

Social connectivity and central functions

While the new communications technologies do indeed facilitate geographic dispersal of economic activities without losing system integration, they have also had the effect of strengthening the importance of central coordination and control functions for firms and, even, markets. Indeed, for firms in any sector, operating a widely-dispersed network of branches and affiliates and operating in multiple markets has made central functions far more complicated. Their execution requires access

to top talent, not only inside headquarters but also, more generally, from innovative milieux – in technology, accounting, legal services, economic forecasting and all sorts of other, many new, specialized corporate services. Major centers have massive concentrations of state-of-the-art resources that allow them to maximize the benefits of the new communication technologies and to govern the new conditions for operating globally. Even electronic markets such as NASDAQ and E*Trade rely on traders and banks which are located somewhere, with at least some in a major financial center.

One fact that has become increasingly evident is that to maximize the benefits of the new information technologies, firms need not only the infrastructure but a complex mix of other resources. Most of the added value that these technologies can produce for advanced services firms lies in so-called externalities, and this means the material and human resources – state-of-the-art office buildings, top talent and the social networking infrastructure that maximizes connectivity. Any town can have fibre optic cables, but this is not sufficient.

Cross-border mergers and alliances

Global players in the financial industry need enormous resources, which is leading to rapid mergers and acquisitions of firms, and strategic alliances between markets in different countries. These are taking place on a scale and in combinations few would have foreseen just three or four years ago. There are growing numbers of mergers among, respectively, financial services firms, accounting firms, law firms, insurance brokers, in brief, firms that need to provide a global service. A similar evolution is also possible for the global telecommunications industry, which will have to consolidate in order to offer a state-of-the-art, globe-spanning service to its global clients, among which are the financial firms.

These developments may well ensure the consolidation of a stratum of select financial centers at the top of the worldwide network of 30 or 40 cities through which the global financial industry operates. We now also know that a major financial center needs to have a significant share of global

foreign ownership and control in East Asia, signal national business cultures that are somewhat incompatible with the new global economic culture. I would posit that major cities, and the variety of so-called global business meetings (such as those of the World Economic Forum in Davos), contribute to denationalizing corporate elites. Whether this is good or bad is a separate issue, but it is, I would argue, one of the conditions for setting in place the systems and sub-cultures necessary for a global economic system.

CONCLUSION

Economic globalization and telecommunications have contributed to producing a spatiality for the urban which pivots on cross-border networks and territorial locations with massive concentrations of resources. This is not a completely new feature. Over the centuries, cities have been at the crossroads of

major, often worldwide, processes. What is different today is the intensity, complexity and global span of these networks, the extent to which significant portions of economies are now dematerialized and digitalized and hence the extent to which they can travel at great speeds through some of these networks, and the numbers of cities that are part of cross-border networks operating on vast geographic scales.

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Prologue

"Towards Cosmopolis: A Postmodern Agenda" from *Towards Cosmopolis* (1998)

Leonie Sandercock

COSMOPOLIS: DREAM AND REALITY

According to *The American Heritage Dictionary of the English Language*, "cosmopolis" is "a large city inhabited by people from many different countries." Working with this definition, the world already has many cosmopolises – but the word itself tells us nothing of their qualities, or their quality of life, so I would prefer to call such cities cosmopolitan metropolises, or metropolises that are characterized by significant cultural (racial, ethnic, and sexual) diversity. We need to construct a normative cosmopolis, a Utopia if you like, but a Utopia with a difference, a postmodern Utopia to which I will not ascribe built form, and which I insist can never be realized, but must always be in the making.

A NEW WORLD DISORDER: FEAR OF "THE OTHER"

These are the three dominant socio-cultural forces of our time: the age of migration, the rise of post-colonial and indigenous peoples, and the emergence of a range of so-called minorities (women, gays, etc.), hitherto invisible/suppressed, as political actors. Linked with the destabilizing effects of global economic restructuring and integration, these new forces are literally changing the faces of cities and regions, which are becoming much more culturally

diverse. This cultural diversity is generating processes of socio-spatial restructuring which are becoming a focal point in the managing of cities and regions, in their urban governance and planning. There would appear to be no way back to a static or homogeneous urban/regional culture and politics, despite the nostalgic appeals of parties of the right with their promises of a return to an earlier time when life was "simpler" – that is, when women knew that their place was in the home, and indigenous, ethnic, immigrant and other troublesome groups hadn't begun to make claims for their own space. Multi-ethnic, multi-racial, and multinational populations are becoming a dominant characteristic of cities and regions across the globe, and this is causing a profound disturbance to the values, norms and expectations of many people. The multicultural city/region is perceived by many to be much more of a threat than an opportunity. The threat is many-layered. It is perceived as economic, as cultural, as religious, as psychological. It is a complicated experiencing of fear of the Other, alongside fear of losing one's job, fear of a whole way of life being eroded, fear of change itself. These fears are producing a new world disorder – rising levels of violence against those who are different, who don't belong, rising levels of racism, and increasingly repressive responses to the claims of insurgent citizenship. From the growing political strength of the right in France, to the United States' and Germany's recent repressive

legislation against immigrants, to the bloodshed in West Kalimantan between indigenous dayaks and Javanese immigrants, or the attempt by ultra-orthodox Jews to drive secular Jews out of their neighborhoods and out of Jerusalem, these global processes of cultural differentiation and transformation and their spatial expression as conflicts over who can live where, and with what social and economic and cultural rights, is emerging as one of the most profound problems of the next century.

THE POLITICS OF DIFFERENCE

If cultural imperialism and systemic violence are features of contemporary global urban and regional changes, then a politics of difference is a prerequisite for confronting various oppressions (Young 1990). A politics of difference is a politics based on the identity, needs, and rights of specific groups who are victims of any of the faces of oppression discussed above. The emergence of numerous social movements in the past two decades – feminism, gay liberation, Black power, indigenous rights – embodies the practice of a politics of difference, perhaps the most important aspect of which is a discursive politics. By that I mean the effort to reclaim and revalorize the meaning of difference by asserting the positive qualities of the particular group and refusing to accept the dominant culture's definition of itself. In asserting gay pride, or Black is beautiful, there is a reversal of the devaluation of difference and an effort to overcome the internal colonization of selves by the dominant culture's definition.

The emergence of this identity politics has not gone unchallenged, by either left or right, and a number of concerns do need to be aired. One is the assumption of group unity and homogeneity that often seems to be implied, or stated as essential to identity politics. Clearly none of the social movements which have asserted a positive group identity is in fact a unity. This has been most systematically discussed in the women's movement, where the importance of attending to differences

among women has now been well established. Another perceived problem with a politics of difference is the alleged impossibility of working on broader agendas of social, economic, and environmental justice so long as oppressed groups insist on only fighting for their group-specific concerns. But while this may have been a reasonably accurate interpretation of identity politics when it first emerged, it is evident in the late 1990s that many of these social movements are now engaged in broader coalition politics to achieve precisely the broader issues of social justice which are seen to transcend group interest. Further difficulties with identity politics may arise from the increasing "hybridity" of global populations, "the in-between character of increasing numbers of people" (Bhabha 1994): for example, the Turk who has been living in Australia for thirty years and still identifying with Turkey, until he or she makes a trip "home," only to discover that he or she no longer feels "at home" there, or the third-generation "Asian origin" British person. The point here is that a politics of difference is not based in essentialist notions of identity but in situations, historical contexts, in which there are social relations of domination. Hybrid identities are just as vulnerable to stereotyping, vilification, and exclusion. A more serious charge against identity politics is that it, too, is oppressive, both to those inside the group in question (demanding allegiance to specific meanings and behaviours) and to those outside (who may be treated with contempt or indifference or exclusion). Anyone who has been involved in social movement politics has experienced these practices; but so too have they experienced the internal struggles against them, as social groups strive to embody a more democratic politics.

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The Cultural Role of World Cities from *Transnational Connections* (1996)

Ulf Hannerz

Editors' introduction

Ulf Hannerz is Professor of Social Anthropology at Stockholm University, Sweden, and has taught at several American, European and Australian universities. His research has been focused on urban anthropology, media anthropology and transnational cultural processes. In this reading, Hannerz explains how local cultures in world cities are subject to a transnationalized production process, which involves a specific set of actors. In the selection included here, Hannerz introduces us to four such groups – transnational corporate elites, "Third World" migrant populations, cultural producers/consumers, and tourists – who he believes play key roles in the production and consumption of world city cultures. For Hannerz, the interaction of these four groups and their cultural practices does not reflect a hierarchical relationship between "high" and "low" culture, but should be understood, rather, as the outcome of a co-production and co-consumption of cultural formations within largely shared urban spaces. Also, the inhabitants of world cities are never merely passive consumers of other peoples' cultural products. Rather, they are, at any given moment, active co-producers and "participant observers" in the process of cultural production. Hannerz's text is thus a provocative rethinking of both the traditional notion that culture is fixed within dominant societal institutions (such as museums, opera, theatre and so forth) and of the idea that sociocultural formations within world cities represent linear outcomes of abstract socioeconomic forces and hierarchical power relationships. Hannerz distinguishes between "market" relations of culture (in which there is some form of buying and selling of cultural products) and those that are "form-of-life" (which are grounded upon more or less informal interactions among people in the shared space of the world city). As Hannerz indicates, many such cultural production/consumption processes involve the street as a key site of exchange and consumption.

INTRODUCTION

World cities are places in themselves, and also nodes in networks; their cultural organization involves local as well as transnational relationships. We need to combine the various kinds of understandings we have concerning the internal characteristics

of urban life in the world cities with those which pertain to their external linkages.

As a first step I want to identify four social categories of people who play major parts in the making of contemporary world cities: if New York, London, or Paris are not merely localized manifestations of American, British, or French culture,

or even peculiarly urban versions of them, but something qualitatively different, it is in very large part due to the presence of these four categories. What they have in common is the fact that they are in one way or other transnational; the people involved are physically present in the world cities for some larger or smaller parts of their lives, but they also have strong ties to some other place in the world. They do not together make up the entire urban populations, and need not even constitute majorities within them. Nor do they altogether exhaust the possible ways of being transnational in the cities in question. Without these people, in one constellation or other, however, these cities would hardly have their global character.

The first of the categories is that of transnational business. To borrow Redfield and Singer's (1954) description, these are the "cities of the world-wide managerial and entrepreneurial class," nerve-centers of the world economy. Their main functions, as listed by Friedmann and Wolff (see Reading 6), are those of management, banking and finance, legal, services, accounting, technical consulting, telecommunications and computing, international transportation, research, and higher education. Whatever part manufacturing may still have in the economies of world cities, for reasons which may now be passing into their history, it is not what most directly and dynamically involves them with a wider world. The second obvious transnational category in the world cities is made up of various Third World populations (in what are, in the cases I have in mind, First World locations). As a third category I would identify an undoubtedly considerably smaller number of people who yet tend to maintain a rather high profile in the world cities. I am concerned with people concerned with culture in a narrower sense, people somehow specializing in expressive activities. The fourth category, finally, consists of tourists - with their quick turnover not officially included in the populations of world cities at all, but always present in considerable numbers, and engaging with a remarkable intensity with the cities for as long as they are on the scene.

The people in these four categories are presumably actively engaged in the transnational flow of culture by being mobile themselves. Clearly their numbers have grown because of (and their forms of life in their transnational aspects have

in no small part been shaped by) recent changes in the technology and economy of transportation. In the age of jet planes, people can move over great distances, back and forth almost in a shuttle fashion, in ways which our more timeworn understandings of migrants and migration hardly account for very satisfactorily.

Culture also moves without people moving, however, not least through the media. Having identified the four categories above, I must add that special relationships also tend to exist between media and world cities, in that the former are frequently both based in and somewhat preoccupied with the latter. There will be various opportunities to come back to the implications.

THE LOCAL SCENE AS SPECTACLE

The flow of meaning and meaningful form through contemporary societies can be seen as organized mostly within a few major kinds of organizational frames, and in their interrelations. These frames each have their own principles which animate cultural flow within them, their particular temporal and spatial implications, their different relationships to power and to material life. I will here be concerned largely with two of them, those which I term "market" (where people relate to each other in the cultural flow as buyer and seller, and meaning and meaningful form have been commoditized) and "form-of-life" (where cultural flow occurs simply between fellow human beings in their mingling with one another, in a free and reciprocal flow). We can view a large part of world city cultural process, I will argue, in terms of an interplay of cultural currents within and between these organizational frames. Some of it, quite conspicuously, is in the streets.

There is, in other words, what Georg Simmel pointed to in his essay on mental life in the metropolis, "the rapid crowding of changing images, the sharp discontinuity in the grasp of a single glance, and the unexpectedness of onrushing impressions" - a sense of spectacle. Obviously, this is something one gets in large part for nothing, simply by being present, through the reciprocities of the form-of-life frame. And we should be aware of the reciprocities here. To one degree or other, the spectacle of the world city is something people

constitute mutually. Everybody is not merely an observer, but a participant observer, and the prominent features of the spectacle may depend on one's perspective. For the First World - western European, North American - visitor to (or resident in) London, Paris, or New York, it is perhaps the presence of the Third World populations that is most striking: to the accountant from the Dominican Republic, the sheer idiosyncrasy of an individual; to a Jamaican student, homosexuality being explicitly announced, or simply the diversity, in which from her point of view even the Quebec housewife or the Minneapolis health care inspector may count.

For the visitor from far away, people in a city may be all alike, and yet strikingly different from what he or she sees at home, and therefore still a spectacle. But in the world city this is hardly all there is to it; it is also a matter of internal diversity. One may argue that in at least two ways, such diversity finds a likely habitat in the world city, as in most large cities. On the one hand, in so far as conspicuously different styles of life are collective phenomena, subcultures carried by more or less cohesive groups, their members can together offer whatever moral, emotional, or intellectual support is needed to evolve and maintain them, whether they are rooted in the historical backgrounds, current circumstances, or simply the preferences of group members. And other things being equal, large cities simply have the critical masses for more such groups, creating diversity together, than do smaller places. On the other hand, large cities tend to be places where social relationships and personal reputations have to be achieved, where people may work on being personally distinctive because they find the alternative of anonymity unattractive. So some of the diversity is generated at the individual rather than at the group level. The fact that the world city population is of unusually varied origins naturally combines with both these more general tendencies in urban life to promote diversity yet more strongly.

Now people can certainly be quite varyingly appreciative of the spectacle of the world city local scene. To some, it is mostly a nuisance or a threat, an experience of symbolic violence. These are perhaps mostly people who are not in the world city because it is world city, who were even there before it became one in the current sense of

the word; often indigenes who would prefer Paris, New York, or London to be just like any French, American, or British city, and for one thing certainly not a Third World frontier. Here is one of the paradoxes of world city cultural process: while those of us who are at the periphery or semi-periphery always sense the cultural influence of the center, that is the center-to-periphery flow, at the center itself, whatever passes for a native culture frequently seems to view itself as beleaguered or invaded by the local representations of the periphery.

The reaction to diversity on the part of these inhabitants of the world city may be to shield themselves from it as much as they can, by living in their very own neighbourhoods, or if affluent enough, in a house with a doorman, and traveling by taxi rather than subway. These are the people of the center wanting the periphery to go away from their doorstep, or at least to show up there only discreetly, to perform essential services. "You've got to insulate, insulate, insulate," as someone says in Tom Wolfe's New York novel, *The Bonfire of the Vanities* [1987]. Yet as that book suggests, they are still vulnerable. The diversity of the city can impinge on their lives suddenly and dramatically. The local media, for one thing, tend again and again to suggest this to them. Moreover, they often have difficulties telling symbolic and other violence apart.

At the other end of the scale with regard to stances toward world city spectacle it may well be that we find many of the most temporary, most voluntary visitors, such as those quoted above. Writing on "the semiotics of tourism," Jonathan Culler (1988: 154) draws on Roland Barthes as he points out that a tourist is apt to make of everything a sign of itself. Other people are more likely to "refunctionalize" a practice, to make it a more or less pure instance of use, to claim that the fur coat one wears is simply something that protects one from the cold. But the tourist is unconcerned with such alibis. The pub becomes a "typical British pub," a restaurant in the Quartier Latin becomes a Quartier Latin restaurant, even a thruway is not just an efficient way of getting between places but a typical thruway.

Indeed tourists, arriving with their guidebooks and cameras in search of signs, may not get around to refunctionalizing anything, for before

they do so, they are already on their way home. But if they enjoy the juxtapositions of ongoing life around them, they are hardly alone in the world city in doing so. It seems likely that at least some members of several of the other categories of inhabitants of the world city have something of the same attitude. If they claim functional alibis for many of their own practices, they can still take much of everything else to be spectacle. And in so far as they are in the world city voluntarily, for one reason or other having to do with its world city character, they may hold that to be something of value.

One characteristic of the world city spectacle is its pervasiveness – if you are a tourist, you may trek from one more specific, authorized local sight/site (the Louvre, Buckingham Palace, Empire State Building) to another, while in between, the wonders of the street are continuous. But at the same time, the sense of spectacle is inseparable from the local setting. You cannot take it with you as such; only as memory and anecdote, or perhaps in piecemeal technical representation. And this inseparability of sense from place helps keep the world city a world city. People really have to make the journey to see, and hear, and smell it for themselves.

Probably it must be inserted here that the media need also be taken into account as contributing to the wealth of serendipitous experience in the world city. Because of their particularly high density and ubiquitous presence there (more television channels, more radio stations, more daily papers, more journals, newsstands everywhere), what is not really in its own streets may still impinge on one's consciousness almost as much as if it were.

THE CULTURAL MARKET-PLACE

Yet here we are slipping out of the form-of-life framework of cultural flow, through a vaguely defined boundary zone, into the market framework. World cities derive much of their importance from being cultural market-places. If all information is culture (and that is a matter of definitional taste), then the managerial elites are also in these market-places, even during business hours, since information is what they are primarily dealing in: minute, ephemeral units and their aggregates. The question

were regarded as more provincial national cultures. It was in the encounter between modes of expression of different derivation, each now of doubtful relevance in its original form, that new kinds of consciousness and practice emerged which had a significance beyond the nation-state.

Probably Williams' analysis of the implications of diversity is in large part valid with regard to world city cultural process around the coming turn of century as well, only with a wider transnational scope yet. I would like to draw attention here, however, a little more specifically to the particular local potentialities of world city interrelations between the form-of-life and market frames of cultural flow.

The expressive specialists are most likely often among those who find intellectual and aesthetic stimulation in spectacle as a part of the general urban ambience. This is one kind of form-of-life/market connection, although one that tends to be rather vaguely defined. Yet there are more specific interrelations as well, involving a shift of items, or clusters of items, of meaning or meaningful form from one frame to the other.

I will sketch a rough sequential model. It applies, I believe, to such cultural careers as those of some ethnic music and some ethnic cuisines; but the same kind of process may be more widely recurrent. In a first phase, as it were, the items of meaning and meaningful form at issue flow fairly freely within some subcultural community, as long as the latter is large and cohesive enough to offer sufficient moral and other basically non-material support. People eat their home cooking and make music together. Whatever slight degree of specialization is involved among the members of the community with regard to the production of the items involved, these have not become commodities. They move largely within the internal matrix of personal relationships of the community, in its array of private settings.

In phase two, a higher degree of division of cultural labor is introduced within the community. Apparently the latter has also reached another kind of critical mass here, where it is profitable enough to commoditize subculturally distinctive items for consumption by community members, as an alternative to the free flow of the form-of-life framework. And the market, of course, tends always to be looking out for such opportunities for expansion. At this point, members of the subcul-

tural community may or may not make "signs" of these commodities, in line with what was said before – that is, they may see them as taken-for-granted items of their everyday routines, or they may be more acutely aware of, and appreciative of, their subcultural distinctiveness. In any case, the commodities tend to move here into more public arenas. Subcultural cuisines are on display in area food stores, carry-outs or restaurants; music is performed on stage in the ethnic quarter (by local talent or, if the subcultural community is the diasporic extension of a society which is mostly somewhere else, by the celebrities of the periphery, flying into the world city from home), or it is broadcast on the local ethnic radio station.

And so we reach stage three in the career of cultural commodities (where, of course, they were not yet commodities in stage one): having become more public, they are also more available to the constant scanning for novelties in the wider cultural market-place. The ethnic cuisine is discovered by people on an outing of gastronomic slumming; the music (Caribbean reggae in London in the 1970s, North African *rai* – not quite so successfully – in Paris in the 1980s) becomes ethnopop.

The sequential model must certainly be allowed to encompass a number of variations. As a subcultural, transnational community is established in the world city, it may already be into the second stage, and sharing it with the country of origin. Sometimes, on the other hand, stage two is skipped; items from the subcultural free flow economy pass directly into commoditization in the wider cultural market. In stage three, the appeal may not be quite so much to the wider cultural market, but rather, through some kind of elective affinity, with another subcultural community – the way the reggae music of Caribbean immigrants, for instance, appealed at first particularly to the adherents to certain British youth styles. Sometimes stages two and three coexist, as both the subcultural community and the wider cultural market are able to accept the cultural commodity in a single form; but sometimes the third stage involves further change, to render that commodity in a version more agreeable to existing tastes in the wider market. In music, a split may appear between "fusion music" and "roots music," but in so far as they remain in contact, and perhaps in a dialectical relationship, this may keep

leading to more innovation, and more market crossovers.

FROM CENTER TO PERIPHERY

The model of how cultural items move, from within the internally varied form-of-life frameworks, by way of commoditization in segmented local cultural markets, into yet wider markets, is not necessarily relevant only with respect to ethnic items with some kind of Third World connection. In the American context, it has clearly long been applicable to the influence of Afro-American culture on American culture more generally: in part, but not only, in the world cities. In the British case, one could fit various youth cultures into the first stage of the sequential model and see what follows from there on. But the special point, in the world city context, of considering the cultures of transnational groups of Third World background in this light is that we can see how the center-periphery relationships in culture now, and the structure of world city cultural markets, fairly often become, as we view them more completely, periphery-center-periphery relationships. The world cities are no doubt still frequently the points of origin of global cultural flow, but they also function as points of global cultural brokerage. Third World music, to return to perhaps the most obvious source of examples, may become world city music, and then world music.

Here, however, we are moving out from the local scene, and on to the field of transnational relationships between the world cities and their variously distant hinterlands. What are the channels through which culture flows here?

The actual physical mobility of the members of the four transnational social categories identified

above must certainly be taken into account. Unless they are complete cultural chameleons, changing color depending on context, they presumably carry something from the world city back to wherever else they belong. The double vision I have suggested here, of the world city as both a place in itself and as a source of culture flowing out from it, which in its combination is most directly represented by the members of the various transnational groups, seems necessary to understand fully the contemporary cultural role of the world cities. We should understand that for those who do not go there themselves, the media again play a part in offering substitute world city spectacles. As the transnationally effective media are in large part at home in the world cities, and often preoccupied with portraying them to the world, hardly anybody can remain quite ignorant and unconcerned with them as places. And thus, every time we at the periphery come across one of those cultural commodities which can more readily be removed from the source, we remember the sense of spectacle, and note that "there is more where this came from."

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"World Cities: Global? Postcolonial? Postimperial? Or Just the Result of Happenstance? Some Cultural Comments"

Anthony D. King

Editors' Introduction

In his work on global cities, Anthony D. King has been particularly interested in the social production of building form, the relationships of colonialism and urbanism, social and spatial theory, postcolonial theory and criticism, as well as transnational cultures. In this reading, King powerfully summarizes and integrates various facets of his impressive body of work on global cities. King begins with a brief discussion of the concept of a postcolonial critique, which he defines as being "essentially concerned with questions of agency, representation, and especially, the representation of cultures under the asymmetry of global political and social conditions." On this basis, King points to the neglect in global cities research of historical (e.g. imperial, colonial) and cultural (e.g. religious) considerations. After criticizing the present-oriented economism of this literature, King also calls into question the assumption that quantitative representations can adequately capture the lives of migrant populations in world cities. In the next section, King discusses the struggle for recognition, centrality and symbolic power in the sphere of downtown architecture with the reality of global suburbanization, which he views as an expression of the new forms of sociospatial exclusion that are associated with global city formation. Consequently, in the shadow of the official quest for cultural recognition, King detects a global culture of the *banlieues*, the inhabitants of the suburbs. Finally, King emphasizes the colonial legacies that are embedded in the spatial structures of many postcolonial cities and suggests that such legacies have important effects upon contemporary power structures.

INTRODUCTION

Postcolonial theory and criticism has been slow in penetrating the social sciences, not least, the liter-

ature of urban studies. At the basis of the postcolonial critique are questions of knowledge and power. A postcolonial critique is essentially concerned with questions of agency, representation,

and especially, the representation of cultures under the asymmetry of global, political and social conditions. The critique of "Eurocentrism" is its basic task.

Postcolonial criticism most obviously assumes a knowledge of colonial histories in the contemporary world, not only those of major European imperial powers (France, Britain, Spain, Portugal, the Netherlands) but also of the USA, Russia and Japan. Recent interpretations of globalization have done much to correct the initial Eurocentric and ahistorical focus of that process, both by examining globalization from the viewpoint of countries (and religions, including Islam) outside the West, but also tracing earlier, Islamic phases of globalization, before European hegemony, as well as later ones, including, since 1950, that of "postcolonial globalization" (Hopkins 2001).

Despite these theoretical developments, work on the historical origins of what have come to be called "global cities," either individually or in the form of a network or system (Taylor 2004), is still woefully neglected. A glance at any good 1900 atlas would, however, show that the majority, if not all, of the 82 cities "cited in world city research" were at that date (and earlier) either capitals or major cities of European or Asian empires or, alternatively, cities established in colonial or one time colonial territories. (Here, I treat the "world cities" of North and South America, South Africa, Asia as well as Australia, as resulting essentially from European and Asian colonial expansion. And in relation to their indigenous peoples, as colonizing or imperial.) The networks linking these cities to their real or one time metropolitan core, whether by sea, over land, and eventually by air, telegraph, telephone, the press, by economic and social processes of migration, were synchronized most powerfully through various economic, social, political and cultural institutions, adapted and transformed to various degrees by local and indigenous agency. Of these institutions, language is crucially important.

Other powerful networks, sustained by the formal institutions of particular belief systems (Catholicism in South America and also elsewhere; varieties of Protestantism) which were significant influences in some locations but in other, more secularized societies, were less powerful, have nonetheless left sedimented values. The earlier

networks of Islam, before European hegemony, were equally powerful in the Asian and Middle Eastern world, known for radically different conceptions of space and time, and also in relation to the cosmology of Hindu, Buddhist and other belief systems.

In the context of language, following the onset of European hegemony from the sixteenth century onwards, anglophone, francophone, hispanophone and lusophone networks, transformed by national, transnational and regional identities, continue today to provide the basis for transnational processes in important spheres of public and commercial life. The knowledge regimes established through these languages, both in the one time metropole and its one time colonies, and especially resulting from the expansion of the historically anglophone, Euro-American cultural sphere (i.e. US hegemony), are primarily accountable for the fact that, in regard to the geographical sciences, for example (but also in many other areas of knowledge), what is frequently referred to as "international" knowledge (Gutiérrez and Lopez-Nieva 2001) is, in fact, post-colonial (King 2004). How else can we explain why this book is published, and also being read, in ("international") English and not in Arabic, Mandarin Chinese or Hindi? And while religion has, with some minor exceptions effectively been ignored in the debate on global cities, it has taken the events of 9/11 to remind us that the vast majority of these 82 cities were in territories historically part of the Judeo-Christian *ecumene* (where, in Europe, political parties still describe themselves as "Christian Democrat" and in the Americas, religion is a significant factor in politics). Where this is not the case, as with Mumbai, Jakarta, Hong Kong, Kuala Lumpur, it is worth examining whether their putative world city credentials rest on institutions and practices developed, in conjunction with indigenous agency and knowledge, in their colonial past. It is also worth asking where the networks of Chinese diasporic capitalism fit into this picture. As for Cairo (another of the 82 "world cities" mentioned above), this was already described as the "mother (city) of the world," "the glory of Islam and the center of the world's commerce" as far back as the tenth century, well before the era of European hegemony (Abu-Lughod 1989: 149, 225). In brief, research with a cultural focus might provide an

answer to one of the still unanswered questions in "global city" research: why so many major cities in the world are not, according to the criteria currently used to identify them, "global cities."

This does not, of course, deny the significance of the empirical findings in regard to which the present day concept of the "world" or "global city" has been (largely) defined, nor the discourses that circulate around them: the increasing concentration of producer services such as accountancy, advertising, banking, law, insurance and the rest, whether introduced from "the West" or emerging locally. What seems conceptually problematic, however, is the appropriation of the term "global city" to categorize a class of city based primarily on these criteria (Sassen 1991). It implies that as the *presence* of these producer services becomes increasingly universal in major cities worldwide the *effects* of these services will somehow be similar. Or to put it differently, that focusing on an apparent similarity manifested by the growth of these services – which have effects in relation to the realm of the world economy – is more important than focusing on the differences which may result from them in relation to the realm of global culture. The separation of both these realms is, of course, purely methodological. What I wish to argue here is that different questions demand not only different kinds of research but also different positions from which to start.

My argument about the imperial and colonial origins of many so-called world or global cities is not just a matter of "getting the record straight" or to add a missing history, even though these are legitimate tasks. The aim is rather to draw attention to the overly economic nature of the criteria driving the "world city paradigm" and its framing within a narrowly restrictive framework of urban political economy. It is also to highlight the ahistorical and analytically feeble nature of the category, "global city." As others have pointed out, assumptions in much of the literature, including some of that on global cities, that "global urbanism can be regarded as a uniform or homogenous outgrowth from Europe and America, belatedly affecting Africa, Asia and South America" or that "cities in Africa, Asia or South America can be understood on the model of cities in Europe, Australia or the USA" (Bishop et al. 2003: 2) are seriously flawed. While the largely quantitative

data which characterizes much of recent global city research may tell us something about the organization of the contemporary world economy and the worldwide growth of contemporary capitalism, it fails to address the distinctive *cultural* forms of that economy and also the cultural characteristics of all affecting, including postcolonial cities, not least those nature of contemporary economic and political activity. Here, I use the term cultural in its widest sense both to refer to questions of meaning, identity and representation as well as language, religion and ways of life.

Of major importance here has been the rapid growth in recent years of information technology enabled service employment between different parts of the one time anglophone empire, particularly between the USA, Canada, the UK and India, resulting in the outsourcing of tens of thousands of jobs from high cost to low cost states. The rapid growth of call center employment in India, which has created 336 call centers between 1997 and 2002 employing over 100,000 operatives and generating a \$1.4 billion industry (King 2004: 152), is based on the existence of a highly articulate, *English-speaking*, under-employed graduate population, educated in an essentially postcolonial, western-oriented university system. It is rarely, if ever, acknowledged that, after the USA, India has the largest English-speaking population in the world. The development of this language and technology based sector not only has created extensive employment opportunities but also is related to the massive construction boom on the outskirts of cities such as Delhi, Bangalore and Hyderabad.

Recognizing these postcolonial cultural links is equally vital for addressing economic developments in "world cities" in the West. At one level in the economic and social hierarchy, virtually half the cabs of New York City are driven by English-speaking migrants from India, Pakistan and Bangladesh; at another level, some 10,000 highly educated graduates of India's six elite and highly selective Institutes of Technology occupy some of the top ranks of business, banking, IT development in the USA. We also need to recognize that the cultural politics of India include anti-English protests by "Hindutva" supporting nationalists.

MIGRATION AND ITS CULTURAL EFFECTS

In the discourse about the multiculturalism of global cities, attention is often drawn to the presence of "other" nationalities and language groups. That one city has representatives from 102 nations or language groups, and another from 192, is somehow taken as a "sufficient and necessary" condition of its cosmopolitan character. This issue needs addressing both in more detail and with more sophistication.

Viewed from a demographic viewpoint, it might be useful here to imagine what an "ideal" or "utopian" global city would be, for example, one whose population was composed of representatives (say 1,000) of each nation-state, and in proportion to its total population, from each of the almost 200 nation-states in the world. Irrespective of the artificiality implied by this notion of the "nationally constructed subject," such an "international" city would in no way get close to the tens of thousands of ethnic and linguistic groups which make up these nation-states.

The relevance of suggesting this ideal – or perhaps absurd – model, however, is to demonstrate that, from a demographic viewpoint, no so-called world city can, or ever will, approximate towards it. This is because in all world cities (at the time of writing, at least), there is a numerically dominant population from the host society and in each, the proportion who are "foreign born" comes from a diverse range of cultures, ethnicities, religions and regions, and also as a result of very different historical circumstances. Moreover, the monolithic (and also xenophobic) category "foreign born" can, for all except legal purposes (though this is obviously a highly significant exception), be dismissed. From specific points of view, to assume that "foreign birth" provides commonality amongst a vast range of peoples, in either eighty or even thirty "world cities" in five continents, is as absurd as suggesting that "domestic birth" can be used to characterize, along cultural or ethnic lines, those born in the host society. Similarly, to suggest that the 15 per cent of the Paris population who are "foreign born" and coming primarily from North Africa (Algeria, Morocco, Tunisia), Armenia or Mauritius, the 28 per cent in New York, over half of whom are from the Caribbean and Central America, with significant proportions from

Europe, South America, East Asia and South and Southeast Asia, and some 20 per cent "foreign born" in London, from South and Southeast Asia, Ireland, continental Europe, East, West and South Africa, the Caribbean. North America and Australasia, have somehow more in common than they have differences is equally problematic.

Clearly, the historical, cultural and political status and power (or lack of it) possessed by migrants from different countries, when relocated in the cities of another society, is highly variable and differentiated. Given that a large proportion, both in Europe and North America, are from "Third World," postcolonial societies, their colonial histories – as I discuss below – place different kinds of migrants in very different situations of power and lack of it, irrespective of their relation to the (economic) labor market.

Quite apart from their influence in different sectors of the economy, however, the influence of postcolonial subjects on the culture and politics (as well as cultural politics) of the dominant society can clearly be substantial. There is no better example than the significant impact which postcolonial criticism (largely developed by scholars such as Aijun Appadurai, Homi Bhabha, Dipesh Chakrabarty, Edward Said, Gayatri Spivak and others) has had on the epistemology of the western academy. In terms of cultural, politics and theoretical critique, numbers are irrelevant. Salman Rushdie, after all, is only one person.

REPRESENTING AND SYMBOLIZING THE GLOBAL AND POSTCOLONIAL

How are the global and postcolonial represented and symbolized in the spaces of the world, global, or postcolonial city? Prior to September 11, 2001, a partial answer to that question might have been found in the global discourses prompted by the construction, at increasingly frequent intervals, of what is represented as "the world's tallest building." Roger Keil has suggested that the gigantic tower has become the most important symbolic product of the world economy (Keil 2004: 4), a sign used by states and cities both to challenge the existing economic order and to make their own claims to contemporary modernity. The twin-towered Petronas building in Kuala Lumpur, for instance, built in 1996, was some meters taller than the previous

claimant, Chicago's Sears Tower. The event generated global publicity, including predictions about "the decline of the West" and "the coming of the Asian century." The logic behind the construction of the "world's tallest building" rests on the acceptance of a conceptualization of globalization as a process by which "the world becomes a single place" (Robertson 1992). The logic also assumes that creating a similitude, or joining a contest, with other states and cities whose conceptions of modernity it wishes to share will, ipso facto, place that state or city in the same reference group. Other cities assume that it will attract inward investment.

Two recent instances of the "world's tallest building" phenomenon include the completion of Taiwan's "Taipei 101" building in October 2003, the aim of which was said to be "to put Taipei on the global map" as well as "bring in foreign companies." This is also the case with the (elite) sponsors of other mega-projects in Asia which, like Taipei 101, aim to provide "world class" accommodation to attract financial and other producer services (Marshall 2002). Indonesia's proposed Jakarta Tower is "five meters taller than the Canadian National Tower in Toronto," currently the "world's tallest tower." This would be "like other famous structures in big countries" and, from the city governor's perspective but not necessarily that of the inhabitants, would "enhance the image of Jakarta as a metropolitan city."

What these few examples illustrate, however, is that, for both the producers as well as the public, there is not just one but rather many worlds and they do not necessarily coincide. Malaysia's Petronas Tower not only was a postcolonial gesture from Prime Minister Mahathir Mohammed but also, in incorporating Islamic motifs in its design, was both a signifier, as well as signified, of the world of Islam. The mammoth multistorey tower designed for London by British architect, Richard Rogers, to celebrate the millennium (though never built) prompted a leading paper, the *Guardian*, to suggest that, if constructed, it "would confirm the status of Britain as a Third World country." According to the paper's architectural correspondent, super highrise towers are "increasingly symptoms of 'second city syndrome.'" After September 2001, the discourse in the United States about the "world's tallest building" has been decidedly subdued, and the contest, both metaphorically and literally, has been Shanghaied by particular representatives of the Chinese elite.

If the city center highrise tower is, for some at least, the prototypical sign of the global city and its postcolonial aspirants, equally important is the space and culture of the suburbs. Simultaneously both global and postcolonial, their transformation in many "world cities" is best expressed in Hopkins' term as postcolonial globalization (2001). In Paris, most of the postcolonial minorities (from Algeria, Tunisia, Morocco) are in the *banlieues* which, "in the 1990s, have become a byword for socially disadvantaged peripheral areas of French cities" (Hargreaves and McKinney 1997: 12). Structurally equivalent to British and American inner city areas, and often referred to as ghettos, the *banlieues* provide a natural space in which to develop "a separatist cultural agenda marked by graffiti, music, dancing, and dress codes" with which the *banlieusards* (suburb-dwellers) reterritorialize the "anonymous housing projects" (ibid.). In Britain, the urban landscapes of the eastern, western and southern suburbs of the postcolonial/postimperial global city of London are regenerated and transformed by South Asian Muslims, amongst others, from other networks, who, though "united by belief, are nonetheless divided along national, ethnic and sectarian lines" (Nasser 2003: 9). In the terrain and terraced housing of Britain's "second city" of Birmingham, the largest group of the 80,000 South Asian Muslims are from Pakistan, and comprise 7 per cent of the city's population (Nasser 2003: 9). Though not sufficient in themselves, postcolonial histories are nonetheless central to any analysis of the multicultural nature of both suburbs as well as central areas of global cities in Canada, the USA, Australia, the Netherlands, France, Spain and many other countries in Europe as well as elsewhere in the world.

HERITAGE, CULTURAL IDENTITY AND SOCIO-SPATIAL EQUITY

In other postcolonial states around the world, what was once the "western" space of the colonial urban settlement – in Delhi, Karachi, Singapore, Jakarta, Shanghai, Accra, Cape Town, Kolkata and elsewhere – has, in the half century following independence, frequently become the preferred residential area for the indigenous elite, or more recently, under neo-liberal political regimes, been

redeveloped to provide luxury housing in gated communities, transnational tourist hotels, shopping malls, and other spaces of contemporary capitalism. In these real or potential "global cities," one of the most urgent questions to address is whether the social and spatial polarization, frequently seen as the key characteristic of the contemporary "world" or "global city," is simply a continuation of the social, spatial, and racial divisions occupied by colonized and colonizer in the earlier layout of the city. Whether in their nomenclature, design, financing or use, new luxury housing developments – apartments, villas, highrise towers – from Delhi to Jakarta, reveal both the persistence of post-colonial cultural connections to the metropole as well as localized versions of transnational forms of consumption (King 2004).

In recent years, an increasing number of scholars, institutions and authorities have argued for the preservation of parts, sometimes all, of the architectural, urban design and planning forms of one-time colonial cities. In addition to reports by Unesco's International Committee on Monuments and Sites (ICOMOS) there are studies on cities ranging from New Delhi to Jakarta, Singapore to Karachi. According to these commentators, fifty years after independence, the symbolic significance of colonial buildings had lost its old political meaning. Younger citizens of some republics (and their postcolonial capitals) see colonial architecture and urban design as more important for generating revenue from tourism than for summing memories of colonial oppression.

Yet few of such reports address buildings and spaces as social and political as well as aesthetic objects. The elite Dutch colonial suburb of Menteng, outside Jakarta, with its Art Deco houses and spacious tree-lined boulevards, continues, as in colonial days, to house the rich and powerful (including former President Suharto). In New Delhi, government ministers fight for the privilege of living in spacious colonial bungalows set in three and four acre compounds. Thousands of low paid clerical workers cram into over-packed buses to traverse the colonial wastes or either walk or cycle the interminable avenues in 110 degree summer temperatures.

Despite the many studies that have been made on the "divided city" of colonial times, there has not yet been a study which puts together the

views of both sides. That is, the urgent need for a "decolonization" of "symbolic space" and its more equitable redevelopment, along with a sensitive, socially critical acknowledgment of its value as cultural heritage. Such studies would provide different perspectives on the real and potential postcolonial global city.

The more challenging question, however, is how to view what are called "world" and "global cities" not only from a world outside the West, such as Asia, but also from a time, such as the future, that is beyond the present.

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Global Cities and the Institutional Order of a Globalizing Culture

Stefan Krätke

Editors' introduction

Stefan Krätke is Professor of Economic and Social Geography at the Europa-Universität Viadrina in Frankfurt (Oder). He has been one of the most productive and creative European global city researchers and has recently collaborated with the GaWC research group in Loughborough to explore the role of media industries in the global cities network. Krätke's work on European urban regions combines detailed economic analysis with sophisticated modes of sociospatial explanation. Krätke's interdisciplinary approach to urban and regional studies is evident in this reading, in which he examines the institutional and geographical dimensions of the global media industry, emphasizing in particular the production of cultural commodities. According to Krätke the products of global cities' cultural industries simultaneously serve corporate demand in the centers of the global economy and are widely consumed throughout the world economy. However, as Krätke points out, the global map of media cities is only partly congruent with the global map of global financial centers. Krätke's contribution also critically engages with recent debates on the role of the urban creative class – the cultural producers – in urban economic development.

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This contribution examines the link between cities and culture from the point of view of the production of cultural goods and media products. The culture and media industry is a prime mover for globalization processes in the urban system, in which cultural production clusters act as local nodes in the global networks of the large media groups. The analysis of 'global media cities' enables those locations to be identified, from which globalization in the spheres of culture and the media proceeds. Global city research has predominantly emphasized the role of advanced producer services in the development of the contemporary world city network. This reading emphasizes that for the process of globalization the

MEDIA CITIES AND THE INSTITUTIONAL ORDER OF A GLOBALIZING CULTURE INDUSTRY

Media city is a term currently used to describe culture and media centers operating at very different

geographical levels. They range from small-scale local urban clusters in the media industry to the cultural metropolises of the global urban system. An *up-to-date* examination of culture and cities ought to have the "commodification of culture" as a central theme, i.e. the worldwide assertion of the market economy in the form of the market-focused production of cultural commodities and the market-related self-stylization of individuals competing for positions in societies characterized by the all-embracing mediatization of social communication, consumption patterns and lifestyles. The culture and media industry embraces those branches of social activity that are determined to a large extent by creative work and the production and communication of symbolic meanings and images.

A main characteristic of the culture and media industry's geographical organization is the selective concentration of culture and media producers in a limited number of large cities and metropolises within the *global urban system*. The other characteristic is the formation of clusters *within* the boundaries of large cities, i.e. the local concentration of cultural production in particular urban districts, preferably in the inner city area (Krätke 2002a). The locational patterns of the culture and media industry in selected global cities such as Los Angeles and London reveal that cultural production tends to the formation of local agglomerations of specialized firms (Scott 2000). The second, most important feature of the present-day cultural industry's institutional order is the *globalization* of large cultural enterprises, which enables global media firms with their worldwide network of subsidiaries and branch offices to forge links between the urban clusters of cultural production. This supra-regional linkage of local media industry clusters lies at the heart of an emerging system of *global media cities*: within the worldwide urban network.

Today's culture industry is a highly differentiated business incorporating diverse sectors that range from traditional artistic production to technology-intensive branches of the media industry. The products of these activities are of the utmost cultural importance in that they function as agents of information, influence and persuasion or as vehicles of entertainment or social self-portrayal. They include primarily the diverse branches of the entertainment and media industries, e.g. theatres and

Today's cultural economy is characterized by a marked trend towards the globalization of corporate organization. The formation of huge media groups is accompanied by the creation of an increasingly *global network* of branch offices and subsidiaries. This global network of firms linked under the roof of a media group has its *local anchoring points* in those centers of the worldwide urban system that function as "cultural metropolises," i.e. as centers of cultural production. The global media groups are organizing the worldwide spread of media content and formats which are generated in the production centers of the global media industry, in particular in Los Angeles, New York, Paris, London, Munich and Berlin. The culture and media industry is a prime mover for globalization processes in the urban system, in which cultural production clusters act as local nodes in the global networks of large media groups.

The globalization strategy pursued by media firms is not geared, as is the case in many industrial groups, to the use of "cheap" labor and the like, but primarily to market development and extension through the establishment of a presence in all the major international centers of the media industry. Second, the strategy of media firms reveals a strong trend towards using creativity resources on a global scale. A presence in the leading centers of cultural production offers global media firms the chance to incorporate the latest fashion trends in the cultural industry as quickly as possible.

In a "global" media city there is an overlapping between the location networks of several global media firms. The *local and the global* firms in the culture and media industry are linked here in a development context that fosters the formation of an urban media cluster, whose international business relations are handled primarily via the global media firms that are present. The local media cluster in Potsdam/Babelsberg on the outskirts of Berlin might be taken as an example (Krätke 2002b) to show that cluster firms are not only closely networked within the local business area, but also integrated into the supra-regional location networks of *global* media firms. In the case of Babelsberg the *local* cluster firms are directly linked with the resident establishments of global media firms from Paris, London and New York. The establishment of a global network of business units that are integrated at the same time into the

local clusters of the culture industry enables the large media groups to tap place-specific creativity resources on a global scale.

GLOBAL MEDIA CITIES IN A WORLDWIDE URBAN NETWORK

Most of the studies on global cities and the economic and functional structures of the international urban system reveal a tendency to reduce the "high-ranking" global cities to their function as financial centers and centers of specialized corporate services. This reading highlights the particular role of the culture and media industry in the formation of a world city network, thus emphasizing the variety of economic activities which are involved in globalization processes.

There has been a severe data deficiency in the study of world cities, particularly for measuring inter-city relations. One solution, that pioneered through GaWC researches (Taylor 2003), has been to conceptualize the world city network as an *interlocking network* which then allows relations between cities to be measured through data collected on firms. An interlocking network has three levels: as well as the usual two levels comprising the nodal level (the cities) and the network level (all nodes and links, cities connected), there is a subnodal level comprising firms (corporate service firms, media firms, etc.). The latter "interlock" the cities to create a city network through their inter-city locational policies (Taylor 2003). Intra-firm flows of information, knowledge, instruction, ideas, plans and other business between offices/enterprise units are creating a world city network based upon the organizational patterns of global firms.

The requirement for an interlocking network analysis is a matrix of cities and firms showing which firms have establishments in which cities and the relative importance of the cities within a firm's organizational network. The research on the media industry's world geography started by identifying the most important urban nodes of the global media firms' locational network (Krätke 2003). The analysis covers the location networks of 33 global media firms with a total of 2,766 establishments. To qualify as "global" a media firm had to have a presence in at least three

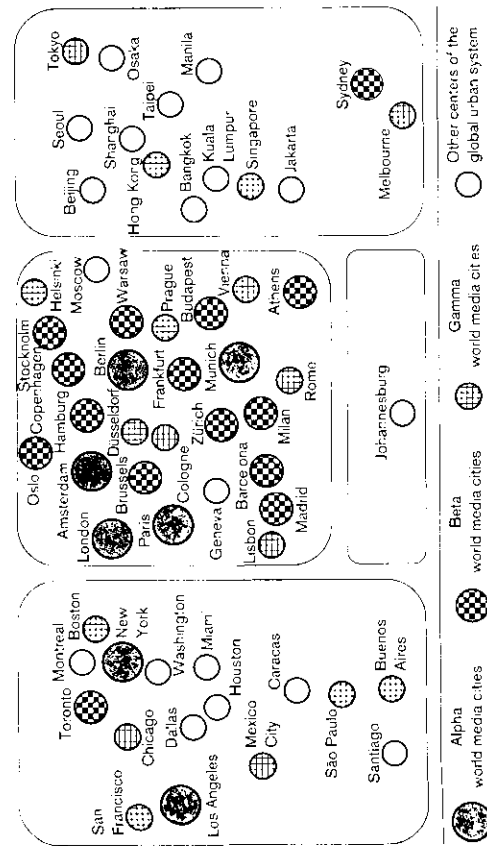


Figure 1 World media cities

different national economic areas and at least two continents or "world regions." For the media firms included, the locations of all branch offices, subsidiaries and holdings were ascertained and entered in a list of 284 cities (distributed all over the world). The result is a relational data matrix of global media firms and cities, with the matrix cells indicating the number of establishments of a particular global firm in a particular city. These data can be used for a ranking of the cities based on the number of establishments of global media firms that are located in the city. By selecting certain threshold values it was possible to present a set of "global media cities" in the form of readily distinguishable groups (Kratke 2003). However, this relational data matrix can be used for more thorough analyses, e.g. for measuring the connectivity of media cities and identifying distinct geographical configurations of global media firms' locational strategies (Kratke and Taylor 2004). In the basic analysis, global media cities were divided into three groups: *alpha*, *beta* and *gamma* world media cities. An *alpha* world media city had to have a presence of more than 50 per cent of the global

offices and subsidiary firms of global media groups are concentrated in 22 locations within the global urban system. If the gamma group is included, the share of the global media cities increases to 70 per cent of the establishments registered. The organizational units of the globalized media industry reveal a highly selective geographic concentration on a global scale.

Prominent among the *alpha* world media cities are New York, London, Paris and Los Angeles, which are ranked as "genuine" global cities in virtually every analysis of the global urban system. This research again stresses that global cities are to be characterized not only as centers of global corporate services, but also as major centers of cultural production and the media industry. However, among other cities that qualify as global media cities there are interesting deviations from the widely employed global city system: the alpha group of global media cities also includes *Munich*, *Berlin* and *Amsterdam*, three cities that in global city research which focuses on corporate services were ranked as ("third-rate") gamma world cities (Beaverstock et al. 1999). In the system of global media cities, by contrast, Munich, Berlin and Amsterdam are included in the top group. These cities have achieved a degree of integration into the location networks of global media firms that qualifies them as internationally outstanding centers of the culture and media industry. Thus we can conclude that the diversity of globalized activities leads to *multiple globalizations* within world city network formation.

Whereas the global city network constituted by advanced producer services has major nodes which are relatively evenly represented in all the major regions of the world (with the exception of Africa), the network of global media cities reveals a strongly uneven distribution in favour of the European economic area. Of a total of 39 world media cities, 25 are in Europe, 9 in the USA, Canada and Latin America, and 5 in Asia and Australia. What is remarkable is the polarity in the global location networks of the media industry is concentrated on just two outstanding centers - New York and Los Angeles. Europe, on the other hand, has the largest number of media cities with a high global connectivity. The reason for this is cultural diversity, since the European economic area has a

large number of different nation-states compared with the USA and a multitude of distinct "regional" cultures. This cultural market differentiation is the driving force for the global media firms' strategy to establish local anchoring points in different nation-states. The media cities network as a whole is a reflection of the locational system run by the western media industry, which concentrates primarily on North America and Europe. Large media groups with a transnational impact also exist in Asia (particularly in Mumbai and Hong Kong), but the cities of Asia are not incorporated to the same extent as cities in Europe and North America in the western-style globalized media industry.

GLOBAL MEDIA CITIES AS CENTERS OF CREATIVITY AND THE PRODUCTION OF LIFESTYLE IMAGES

To return to the point of departure - the comprehensive *merging of culture and market* - the relationship between urban development and the media industry shall be outlined. Global media cities are functioning as "lifestyle producers" which includes the *production of lifestyle images*. The current lifestyle producers in the culture and media industry are concentrated in leading media cities, from which they spread lifestyle images in the global urban network. In conjunction with the increasing mediatization of social communication and entertainment, the culture and media industry functions as a "trend machine" that picks up on the trends developing primarily in the leading media cities, exploits them commercially in the form of a packaging and repackaging of lifestyle elements, and transmits them worldwide as part of the phenomenon of globalization.

The production locations of lifestyle images are *urban clusters* of cultural production. The local concentration of culture and media activity in specific "districts," which tend to be situated in inner-city areas, is not determined solely by economic driving forces of cluster building. In cities such as New York, London, Berlin etc., culture and media firms prefer "sexy" inner-city locations in which living and working environments merge with leisure-time culture. The specific quality of urban life clearly becomes an attraction factor here. For corporate

and facilitating the rapid transmission of knowledge and ideas. (Florida 2002: 55)

Moreover, the city as a *whole* can become an attraction factor for the media business in that the symbolic quality of the specific location is being incorporated into the products of the culture and media industry (Scott 2000). Hence production locations such as New York, Paris and Berlin are perceived in the sphere of the media as being "brand names" that draw attention to the attractive social and cultural qualities of the cities concerned. This includes, in particular, the perception of the respective city as a social space in which there is a *pronounced variety* of different social and cultural milieus. As regards the content and "design" of their products, media firms have to contend with rapidly changing trends. For that reason the media firms wish to be near the source of new trends that develop in certain metropolises such as New York, Paris and Berlin. A marked social and cultural variety and openness, therefore, represents a specific "cultural capital" of a city, which is highly attractive for the actors of the creative economy. On a local level, this cultural capital of a city might also be characterized as a specific "subcultural" capital of particular districts within the city. These thoughts support Florida's thesis that the metropolises' economic growth "is driven by the location choices of creative people – the holders of creative capital – who prefer places that are diverse, tolerant and open to new ideas" (Florida 2002: 223).

A flourishing creative and knowledge economy is based on place-specific sociocultural milieus which positively combine with the dynamics of cluster formation within the urban economic space. Creativity and talent thus depend on the dynamic interplay of economic, sociocultural and spatial factors, and might become a central basis of successful urban development in the future. However, with regard to the specific sociocultural base of the creative economy, the concentration of knowledge-intensive activity and creative forces within the urban system is *highly selective*, so that only a certain number of particular cities and metropolises (i.e. those with "attractive" sociocultural properties) can draw on the creative economy as a focus of their development strategy.

social milieu that is open to all forms of creativity – artistic and cultural as well as technological and economic. This milieu provides the underlying eco-system or habitat in which the multidimensional forms of creativity take root and flourish. By supporting lifestyle and cultural institutions like a cutting-edge music scene or vibrant artistic community, for instance, it helps to attract and stimulate those who create in business and technology. It also facilitates cross-fertilization between and among these forms, as is evident through history in the rise of creative-content industries from publishing and music to film and video games. The social and cultural milieu also provides a mechanism for attracting new and different kinds of people

CONCLUSION

The present-day culture and media industry is characterized by the globalization of large media groups. Within urban media clusters, these global players interact with specialized local media firms and form at the same time a global network of branch offices and subsidiary firms, by means of which urban centers of cultural production are being connected with each other on a global scale. This locational strategy enables the global players to make use of worldwide distributed creativity resources. An analysis of the global media cities leads to the identification of the prime locational centers of the contemporary culture and media industry, from which globalization in the spheres of culture and the media proceeds. At the same time, major global media cities are locational centers of the "creative class," since they contain the specific sociocultural properties and lifestyle attributes which are most important for a city's attractiveness to the creative economy.

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