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0521536855 - World Cities beyond the West: Globalization, Development, and Inequality

Edited by Josef Gugler

Excerpt

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## Introduction

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*Josef Gugler*

There is a first-world elitist bias to the globalization literature. Globalization is written from the metropolitan centre. Many of these writings are guilty of doing “bad geography” by only examining one or two representations of globalization.

(Short *et al.* 2000, p. 317)

The notion of “world cities” has become prominent in the social sciences in recent years, and the literature has expanded at a rapid pace. Most of this literature, however, is focused on cities at the core of the world system. Much of it is devoted to the triumvirate of New York, London, and Tokyo, and where it moves beyond this “first tier” it usually explores North American and Western European cities.<sup>1</sup> This volume seeks to broaden the inquiry beyond these cities, to adopt, as Robinson (2002) put it recently, a more cosmopolitan approach. We focus beyond the West in terms of political economy rather than geography.

A number of cities beyond the core play major regional and global roles.<sup>2</sup> They make up a substantial proportion of “second-tier” world cities and must be part of any analysis. This is all the more important as these cities differ from their core counterparts in a number of ways.<sup>3</sup> They are more subject to the economic, political, and cultural impact of core actors – governments, corporations, international organizations, universities, the media, even if there is considerable variation in their dependent status. Most are located in poor countries, and the resources

<sup>1</sup> The academic debate on world cities was launched by Friedmann (1986) and reprised in *World Cities in a World System* (Knox and Taylor 1995). Sassen’s *The Global City* (2001, first published in 1991) stands as the landmark study. Sassen (1997) and Yeoh (1999) offer overviews of the burgeoning field – and demonstrate how lopsided its development has been in terms of research and analysis remaining by and large limited to core countries.

<sup>2</sup> The core is here understood to comprise Western Europe, the US, Canada, Japan, Australia, and New Zealand.

<sup>3</sup> Dick and Rimmer (1998), however, argue the convergence of spatial patterns between Southeast Asian and US cities. And Cohen (1996) suggests that cities in the “North” and the “South” are becoming more alike in the problems they share: growing unemployment, declining infrastructure, deteriorating environment, collapsing social compact, and institutional weakness.

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they can draw on are much more limited even as they too have to make heavy investments in infrastructure to meet the standards expected by foreign investors and professionals. On the other hand nearly all have younger populations and are not yet faced with the issues of a greying population confronting core countries.

This study is the first systematically to cover those cities beyond the core that most clearly can be considered world cities, whereas previous work has focused rather haphazardly on one or a few cities, a region at best. Several of the cities presented are here considered for the first time in terms of the major regional and global roles they play. Our joint endeavor distinguishes itself from most previous work in two other major respects. For one, we move beyond the economic realm to consider the political and cultural dimensions. For another, instead of remaining within narrow disciplinary boundaries, this volume brings together leading authorities on these cities who came from several disciplines and pursue a range of different approaches. Most identify themselves as geographers or sociologists, one is based in an interdisciplinary urban studies program, and three bridge the academic/practice divide: an economist works at the World Bank, an urban planner has been Senior Urban Advisor to a national government for a number of years, a political scientist has been an activist in a workers' movement since it played a leading role in forcing a military regime out of power. Our ideological inclinations vary as well.

In all, fourteen authors from diverse backgrounds bring their particular expertise to bear on twelve world cities across four continents. They present the full array of perspectives on world cities beyond the core. Having critically engaged each other and four discussants at a conference – some of us had a workshop as well – their contributions combine to provide a complex picture of world cities beyond the core. They convey how these cities have followed various historical pathways to their present position; they explore the interplay between internal and external forces; and they demonstrate that any comprehensive discussion of world cities has to engage a multiplicity of perspectives. We thus establish the basis for a more general understanding of world cities and provide new impetus to their analysis.<sup>4</sup>

As we look back on our undertaking systematically to cover world cities beyond the core three conclusions stand out. First, these cities are extraordinarily diverse. They have had very different histories, their

<sup>4</sup> Ward (1995) has pointed out how research in poor countries on major topics such as urban social movements, informal–formal sector interactions and interdependence, and the dynamics of household and female insertion in the labor market, has stimulated work elsewhere.

present economic and political circumstances vary, they are variously articulated with their respective regions and across the globe, and their demographic dynamics differ. The foremost conclusion of our systematic approach is how problematic most generalizations about world cities are.

Secondly, the transformation of the city center into an elite enclave is one pattern that is common to virtually all our cities. It reflects the fact that the standard of living of a significant proportion of the population in these cities has dramatically improved. It also conveys strikingly that the severe inequalities characteristic of most non-core countries, and of their cities in particular, have been further exacerbated in their world cities. At the same time, increased integration in the global economy has exposed the populations of these cities to sudden reversals of fortune that are not cushioned by public systems of support such as may be found in rich countries.

The third conclusion that these accounts of twelve cities across four continents impose is that any general analysis of world cities has to recognize, along with the forces of globalization, the strength of the state and the power of popular movements. Of course – our first conclusion applies – states may be weak, popular movements may be dormant, but for more than half the cities considered here either the state or a popular movement has constituted a major driving force. The state and civil society have to be brought into the analysis of world cities.

### **Regional and global articulations**

Cities beyond the core are important. In demographic terms, most of the world's largest cities are found outside the core. According to the most recent estimates, twelve out of the world's sixteen largest cities, each with more than 10 million inhabitants, were outside the core in the year 2000. Three of the cities we consider here, Mexico City, Mumbai/Bombay, and São Paulo, with between 16 and 18 million people, were among the world's five largest cities (United Nations 2002). But the selection of cities for this volume has not been guided by sheer population size – half the cities considered here have populations of less than 10 million (Table I.1). Rather, we are presenting a selection of strategic places.

Some of the cities presented here play major roles in the global economy, all hold dominant positions at the regional level or within very large countries such as China and India. In terms of the “new global dimensions” emphasized by discussions of world cities, most of these cities concentrate command functions and are key locations for finance and specialized services for firms. They “function as regional or global nodes in the world economy,” they are “global cities” as defined by Sassen

Table I.1 *Economic and demographic indicators for cities and countries*

	City						Country			
	Global network connectivity (score)	Headquarters and subsidiaries (number)	Stock market capitalization (US\$ million)	Regional, interregional, and total international destinations of direct flights <sup>a</sup>	Population (million)	Annual population growth rate (%)	Population (million)	Annual population growth rate (%)	GNI at PPP per capita (US\$)	Country
	2000	1996	2002	2001	2000	1995–2000	2001	1980–2001	2001	
Hong Kong	0.71	40	506,131	12 + 63 = 75	6.9	1.99	7	1.4	25,560	Hong Kong SAR <sup>b</sup>
Singapore	0.65	35	117,338	34 + 74 = 108	4.0	2.90	4	2.6	22,850	Singapore
São Paulo	0.54	25	123,807 <sup>c</sup>	17 <sup>d</sup> + 8 <sup>e</sup> + 22 = 47	18.0	1.74 <sup>f</sup>	172	1.7	7,070	Brazil
Mexico City	0.49	28	103,137	16 <sup>g</sup> + 32 <sup>e</sup> + 9 = 57	18.1	1.46	99	1.8	8,240	Mexico
Mumbai/ Bombay	0.48	8	131,011	3 + 47 = 50	16.1	2.62 <sup>f</sup>	1,032	1.9	2,820	India
Jakarta	0.48	15	29,921 <sup>c</sup>	4 + 25 = 29	11.0	3.69	209	1.6	2,830	Indonesia
Bangkok	0.44	22	46,084	14 + 77 = 91	7.4	2.23 <sup>f</sup>	61	1.3	6,230	Thailand
Shanghai	0.43	1 + 16	463,080 <sup>c</sup>	16 + 24 = 40	12.9	-0.35 <sup>f</sup>	1,272	1.2	3,950	China
Moscow	0.42	6	124,198	48 + 86 = 134	8.4	-0.55 <sup>f</sup>	145	0.2	6,860	Russia
Seoul	0.41	3 + 23	248,533	42 + 51 = 93	9.9	-0.73	47	1.0	15,060	South Korea

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Johannesburg	0.41	8	184,622	40 + 26 = 66	3.0	3.61	43	2.1	10,910	South Africa
Cairo	0.35	9	26,094 <sup>c</sup>	18 <sup>b</sup> + 20 <sup>b</sup> + 39 = 77	9.5	1.32 <sup>f</sup>	65	2.2	3,560	Egypt
London	1.00	5 + 45	2,217,324 <sup>c</sup>	113 + 169 = 282	7.6	n.a.	59	0.2	24,340	United Kingdom
New York	0.98	24 + 45	13,810,429 <sup>c</sup>	8 <sup>d</sup> + 5 <sup>i</sup> + 75 = 134	16.7	0.47	285	1.1	34,280	United States
Tokyo	0.69	30 + 36	2,251,814 <sup>c</sup>	10 + 71 = 81	26.4	0.51	127	0.4	25,550	Japan

<sup>a</sup> International flights within a city's region (East Asia, Southeast Asia, South Asia, Eastern Europe and Central Asia, Western Europe, Middle East, Africa, the Americas) and between regions scheduled for September 2001.

<sup>b</sup> Special Administrative Region of China.

<sup>c</sup> The stock market capitalization includes other stock market(s) in the same country.

<sup>d</sup> International flights to destinations in South America, the Caribbean, Central America, and Mexico.

<sup>e</sup> Flights to destinations in the US and Canada.

<sup>f</sup> The annual population growth rate is for a period extending before and/or after 1995–2000.

<sup>g</sup> International flights to destinations in South America, the Caribbean, and Central America.

<sup>h</sup> International flights to destinations in Africa.

<sup>i</sup> International flights to destinations in the Middle East.

<sup>j</sup> Flights to destinations in Canada.

*Sources:* Global network connectivity from Taylor (2002); headquarters and subsidiaries from Godfrey and Zhou (2000); flight departures from OAG (2001); city population and annual growth from United Nations (2002); country data, including stock market capitalization, from World Bank (2003).

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(2000, pp. 4, 59). The only two globally comprehensive data sets available at this time serve to make the point.<sup>5</sup>

Beaverstock *et al.* (1999) scored cities as global service centers in terms of the significant presence of major firms providing producer services in accountancy, advertising, banking/finance, and law.<sup>6</sup> More recently Peter Taylor *et al.* (2002) have moved beyond the mere presence of such offices to their importance and to their significance in terms of the global firms they represent to offer a measure of global network connectivity. They again drew on global service firms, this time covering accountancy, advertising, banking/finance, insurance, law, and management consultancy. But they now focused on the office networks of the 100 firms they studied. They assessed the service value of the offices in a given city in terms of their size and their extra-locational functions, e.g. as regional headquarters. And they measured the global network connectivity of a city by multiplying the service value of each firm present in the city by the firm's service value in every other city and summing the product for the firms (Table I.1). Four of the cities presented in this volume ranked among the eighteen cities scoring highest in 2000, and they included all the non-core cities in that top tier. Another seven of our cities were among the twenty-five cities ranked next.<sup>7</sup> Cairo, however, stood only in fifty-ninth position (Taylor 2002). Still, the Middle Eastern metropolis merits inclusion for the major economic, political, and cultural role it plays in the region. Cairo also illustrates how a region's fortunes, or in this case ill fortunes, affect a city's regional and global role.

A measure of the command functions located in world cities is provided by Godfrey and Zhou (1999, 2000) who surveyed the headquarters of the world's 100 largest corporations, as measured by gross annual revenue, and their first-level subsidiaries. Only four had their headquarters in cities covered here in 1996: three in Seoul and one in Shanghai. But when we consider the first-level subsidiaries of those top corporations, a quite different picture emerges that attests to the role these cities play within their regions: five of our cities rank among the ten cities that had more

<sup>5</sup> Short *et al.* (1996) present such other data as were available on cities as major financial centers, seats of corporation headquarters, telecommunication nodes, transportation nodes, and sites of global spectacles by the mid-1990s. These data were extremely limited, and their significance was quite problematic. There has not been much progress since except for the work of P. J. Taylor and his associates and of Brian Godfrey and Yu Zhou that I draw on here.

<sup>6</sup> Taylor (2000) offers a spirited argument for the significance of these indicators in assessing world city status.

<sup>7</sup> Another five non-core cities ranked among the forty-three cities with the highest global network connectivity: Beijing, Buenos Aires, Istanbul, Kuala Lumpur, and Warsaw. Except for Istanbul, they are situated in regions where cities included in this volume score higher and are more important in other respects as well.

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than twenty-two first-level subsidiaries, and they included all the non-core cities among those ten. Another three of our cities were among the next twenty-two cities, home to more than fourteen first-level subsidiaries (Table I.1).<sup>8</sup> The strong showing of Seoul and Shanghai on this measure stands in striking contrast to their low global network connectivity. While these cities are the seats of considerable corporate power, they remain relatively self-centered in the provision of producer services.

The stock market capitalizations of nine of our cities exceeded US\$100 billion in 2002, putting them amongst the world's twenty-four largest stock markets (World Bank 2003).<sup>9</sup> Most of our cities are home to their country's only stock market. The exceptions, Cairo, Jakarta, São Paulo, and Shanghai, boast the country's predominant stock market. The capitalization of stock markets bears little relationship to global network connectivity or command functions. Rather it is a function of the size of the national economy the stock market represents, i.e. the product of income level and population size (Table I.1). Singapore, however, is enlarged beyond its national base by the role it plays in regional finance, and to a lesser extent such is the case of Johannesburg.

International flights offer a measure of the connectedness of cities. I have used data on the number of foreign cities that can be reached with scheduled direct flights (Table I.1). They show no relationship to any of the three indicators considered so far but rather present a distinct dimension of world city status. Specific factors appear to account for the major differences across our cities. Moscow, until recently the capital of an empire, stands out as offering as many direct flights, disproportionately provided by Aeroflot, to foreign destinations as New York, even if the frequency of flights and the passenger volume is considerably lower. Singapore, in spite of its tiny population, ranks second, testimony to the success of its government in making it an attractive point of transit and the national airline a carrier of choice. Jakarta, on the other hand, appears to have been dramatically affected by its political/economic crisis.

I have further distinguished between destinations within a country's region and those beyond. In East Asia, Hong Kong overshadows Shanghai in connections beyond the region. Both have few direct flights to destinations within East Asia, whereas Seoul connects with many cities in China. In Southeast Asia, Bangkok rivals Singapore in interregional connectedness, due in part to its attractions as a tourist destination, while

<sup>8</sup> Another six non-core cities are among the thirty-two cities that had more than fourteen first-level subsidiaries of the world's 100 largest corporations: Beijing, Bogotá, Buenos Aires, Caracas, Istanbul, and Manila.

<sup>9</sup> Only two other non-core cities, Kuala Lumpur and Rio de Janeiro, had stock market capitalizations exceeding US\$100 billion.

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being little connected within the region. In South Asia, Mumbai/Bombay suffers from India's political isolation vis-à-vis its immediate neighbors. Cairo is equally well connected with Africa and the Middle East. Johannesburg has more direct flights to African destinations than any of our other cities, or London for that matter. São Paulo and Mexico City are evenly matched in terms of direct flights to destinations in the Americas south of the Rio Grande, but tourist traffic to the Caribbean and Mexico puts New York far ahead of them. Mexico City is well connected with US cities – and appears to lose many of its passengers headed beyond the Americas to US airlines.

World cities outside the core do not have the reach of the major global players in terms of the “new global dimensions.” However, they do not simply stand in an hierarchical relationship as intermediaries for New York, London, or Tokyo. Sometimes they are collaborators: foreign interests draw on Hong Kong expertise in approaching China. But in China as elsewhere these cities are also competitors at the regional level: Johannesburg capital has been competing with British, French, and US interests in Africa south of the Sahara since the end of the international sanctions against the apartheid regime that had constrained it.

A focus on the “new global dimensions” plays to the strengths of a few world cities in the core and overlooks their vulnerability. The United States, for one, has a large trade surplus in services, but that has been dwarfed for many years by even larger trade deficits in goods that make the world's biggest economy utterly dependent on foreign credit. And a more encompassing approach to the world economy brings to the fore the importance of a number of cities outside the core. If they are second-level players in the “new global dimensions,” they have proved themselves formidable competitors in manufacturing. Here their role is not regionally circumscribed. In manufactures such as automobiles, they supply their region but also export to what used to be known as “industrial countries.” In other manufactures, ranging from textiles to consumer electrical goods to electronics, they have by and large displaced manufacturing in the now “deindustrializing” countries that constitute their principal markets. Already by 1996, nearly one out of five transnational corporations was based beyond the core (Sassen 2000, p. 23).

A full appreciation of the strategic roles non-core cities play requires that we broaden our purview to embrace the realm of culture. Two dimensions stand out. Several of the cities presented here are important media producers and/or play a global role in propagating an ideology. The most prominent example of a city as ideological proponent is historic rather than contemporary. Moscow emerged as Russia's center of Christian Orthodoxy in the mid-fifteenth century and came to celebrate its role



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as the “third Rome,” a place where liturgy would never be compromised by the politics of religion as it had been in Rome and Constantinople. Then, with the victory of the Bolshevik revolution, Moscow became the leader of the socialist revolution. Today the New Labor Movement in São Paulo prides itself on exporting its ideas across the globe. An altogether different ideological role is played by Singapore. Its proclamation of “Asian values” is all too readily dismissed by Western commentators who fail to acknowledge the relationship between these values and the remarkable economic achievements of this and other Asian countries.<sup>10</sup>

In the leisure media, in film, television, and music, a number of our cities dominate their regions, and some reach well beyond. In the early years after the Bolshevik revolution, Moscow became the global leader in cinematographic innovation. More recently Bollywood, i.e. the film industry of Mumbai/Bombay, established itself as the world’s foremost film producer. Together with other Indian studios it now produces more than twice as many films as the US (UNESCO 2001). They supply 95% of the Indian market, three times the share national film production holds in any other country, except for the US (Barbaroux 2001). Bollywood exports to the large Indian diaspora as well to regional markets, e.g. in Africa. Cairo is the predominant producer for the Arab world and has come to be known as “Hollywood on the Nile.” Johannesburg is set to play a similar role in Africa south of the Sahara. Hong Kong rivals the US in numbers of films produced. It has moved beyond its regional audience to make inroads in Hollywood’s heartland. And so has Shanghai.<sup>11</sup>

The cities considered here are major players in the regional and global economy, and some play a major cultural role in their region and beyond. Their scope for political action, however, is usually quite limited. Political action in the international arena remains by and large the prerogative of states; the era when city-states exercised political control over large regions is long gone. Several of the cities we consider here are not even the capitals of their countries.<sup>12</sup> World cities are, however, key sites for protest movements. The impact of popular movements in Mumbai and

<sup>10</sup> Teheran may be similarly seen as a global ideological center, in this case a resurgent Islam that rejects Western ways.

<sup>11</sup> Larkin’s (1998, pp. 140–192) analysis of the success of Indian films in northern Nigeria, where they have all but displaced films from Hollywood and Hong Kong, serves to emphasize that conceptions of global cultural flows that privilege the centrality of the West fail to recognize the common historical process of peripheries that are engaged alongside centers in contemporary cultural production.

<sup>12</sup> I included Shanghai rather than Beijing in this volume because of its growing importance in the global economy, but the capital of the world’s largest, and increasingly powerful, nation clearly plays a major regional and global role.

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São Paulo has been particularly far-reaching, but several more of our cities spawned protest movements that led to regime change.

### **The diversity of world cities**

The cities we consider here are remarkably diverse. We have just had some indications how their regional and global articulations vary. They are also differentiated by history, economy, polity, and demography.

Spread across four continents, our cities are heirs to a large array of cultures. The vagaries of history intersected with locational advantages to establish their strategic position. Most have a long history – Cairo became the capital of Egypt more than a thousand years ago, others are more recent colonial creations. And their historical legacies vary greatly. The roles these cities have played at the national, regional, and global level have changed over time. For example, it may be argued that Moscow has been a world city for centuries, but its role changed dramatically under three different political regimes. At the same time there is a striking continuity in that it is these cities' service functions rather than manufacture that continue to distinguish them.

Eventually our cities came to be profoundly affected by the West, the more so as nearly all took on major significance in the era of European expansion. Most came into prominence in the nineteenth century as the principal trading and transshipment center for a rich hinterland. Usually they were developed by European interests as part of a commercial network based on colonial control. In São Paulo much of this development took place after Portugal had relinquished control and was the work of European settlers. In the case of Shanghai, European powers were not prepared to colonize China, but established firm control in this along with a few other coastal cities. When the Japanese entered the fray at the beginning of the twentieth century, they occupied Korea and developed Seoul. They failed in their subsequent attempt to control China. The Kingdom of Siam maintained its control over Bangkok, but the city's rise was also due to its strategic maritime location.

Only two of our cities were developed inland by European interests. Both were situated in settler colonies. Mexico City, while built on a pre-colonial capital, emerged as a major administrative and commercial center in the Spanish Empire. British and Dutch settlers established Johannesburg on the wealth of the world's richest gold deposits. Moscow distinguishes itself by both its inland location and the indigenous roots of its emergence as a world city.

Spatial patterns and architecture bear witness to history. Given the cost of investments in infrastructure, housing, manufacturing plants, and office space, changes usually come slowly, but they tend to accelerate in