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Hank V. Savitch and Paul Kantor: Cities in the International Marketplace

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Chapter One

THE GREAT TRANSFORMATION AND LOCAL CHOICES

The city lives by remembering.
—Ralph Waldo Emerson

THE CONTOURS OF TRANSFORMATION

An enormous transformation engulfs the industrial world. The rapidity and consequences are unparalleled. The change is breathtaking. The ancient world lasted for three thousand years, the medieval age for less than a millennium, and the industrial era for about a century. Our post-industrial society has been brought about in roughly three decades, and its pace is quickening. This new revolution has already remade the economic fabric of society, radically altered the behavior of capital, broken down national boundaries, and is remodeling government.

This transformation is particularly profound within liberal democratic states in North America and Western Europe. Since 1970, these states have shed their older industrial capacity and have become societies dominated by the tertiary sector—business, professions, services, high technology, and government. Within these societies capital has changed its configuration. It is more nimble and more multinational.¹ “Flexible production” and “just-in-time inventory” are not only techniques for quick action but they have also changed the operations of capitalism. Corporate ownership is not confined solely to a single nation but can span the globe, putting management in the hands of unlikely collaborators. Archrivals continue their rivalries but also find themselves in partnership with one other; fiercely competing one day and collaborating the next. The giant plane-manufacturer Airbus is a case in point. Its operations are a product of a European high-tech face-off with America. At the same time, it buys products from its American nemesis, Boeing, and 40 percent of Airbus components are made in the United States.

Migration is another part of the story. Counting refugees alone, one finds that within the last decade 4.3 million have flocked into Germany, France, Italy, and the United Kingdom. Over one million have turned to the United States and Canada.² Recent immigrants now make up roughly 10 percent of these last two societies. While North America is regarded as the traditional immigrant haven, the numbers in Western Europe

have exploded. During the past decade European officials expected that more than 25 million legal or illegal immigrants would settle on that continent.³ Meanwhile birth rates of nationals within most Western countries have flattened or declined. The birth rate crisis is most acute in France and Italy, where the newborn cannot keep pace with the rate of mortality. As those birthrates continue to plummet, Europeans will have to rely on even more immigrants to support high living standards and generous pensions.

On the political front transnational pacts have nurtured the transformation by facilitating the movement of goods, people, and common policies across boundaries. The most prominent of these pacts are in the West and include the European Union (EU), which comprises fifteen nations, and the North American Free Trade Association (NAFTA), composed of the United States, Canada, and Mexico.ⁱ The EU already has a supranational government and bureaucracy that imposes policy on member nations. NAFTA is not that far advanced, but it has begun to affect political life in North America by forcing choices over freer trade, currency supports, and labor policy.

Technology plays a central role in this transformation. Just as previous periods may have been driven by steam locomotion (1780–1840), rail transportation (1840–90), electric power (1890–1930), or petroleum energy (1930–70), so the current era is propelled by the transmission of information. The last quarter of the twentieth century was appropriately called “the information age,” and it portended revolutionary technological achievements into this millennium.

By now it may be a commonplace observation that warrants repeating. Ordinary people are communicating faster, they are more directly in touch with events, and they often exchange information person to person. The new world of cyberspace is just one technology that allows this. At the dawn of the postindustrial age, during the mid-1970s, just 50,000 computers existed in the world. That number has now rocketed to 556 million, giving common individuals access to each other across the globe. More than half of Americans and more than a quarter of Western Europeans own computers. In North America and Western Europe, big and small cities are hard-wired for instant communication. Carriers, like BBC or CNN, have established global news networks, allowing the world to witness the same events at the same time. Impressions are created instantly, and reactions occur swiftly. The decreasing cost of telephone service and the spread of fiber optic cables (simultaneously transmitting 1.5 million conversations within the diameter of a human hair) catapulted personal information to new levels. By the year 2000 international telephone calls reached an all-time high of 100 billion minutes.⁴ None of these developments can create democracy, but

collectively they assure wider dissemination of information, they facilitate freer exchange among people, and they hold potential for greater accountability between rulers and the ruled. Under these conditions, it becomes increasingly difficult to monopolize information, control public opinion, or ignore citizen demands.

The combination of economic, demographic, technological, and political change is cumulative, and will continue to impact the social order. No society encapsulates this transformation more than urban society. Cities are the crucibles through which radical experiments become convention. They are concentrated environments in which people adapt and their resilience is tested. They are the world's incubators of innovation—made possible by critical mass, diversity, and rich interaction. And cities have steadily grown over the centuries to fulfill that role. In the tenth century one of the world's largest cities, Cordoba, held just 300,000 people. Later Constantinople became the leading metropolis and held half a million people. By the eighteenth century London had surpassed every other Western city with one million inhabitants. In the twentieth century New York rose to ascendancy with several million people. Now in the twenty-first century Tokyo, São Paulo, and Mexico City have climbed above ten million inhabitants.

What is more, cities have complemented their role as global innovators with geophysical centrality. Despite enormous changes in technology, cities remain at the juncture of world transportation, as transit points for business, science, and travel of every stripe. This puts cities at the very pivot of transformation. Few statistics demonstrate this better than air traffic. Table 1.1 presents information for passenger and cargo traffic in fifteen major cities between 1991 and 2000.

In just nine short years average passenger traffic jumped by 51 percent while cargo increased by 131 percent. Already a global transit point, Paris more than doubled both its air passengers and cargo. Seoul showed a similar doubling in passengers and cargo, while Amsterdam and London also showed impressive gains. All told, every one of these cities registered gains, and we note that these advances have been made on very substantial bases. Cities are continuing to grow in this global transformation, and indeed are at its very heart. Despite the dip in passenger air traffic after September 11, that transformation is likely to continue and cities will resume their station at the junctures of air travel.

This tells us something not only about the future, but also about the recent past. Cities have been the terrain on which technological, social, and global transformation has taken place. Cities hold the machinery that furnishes each era with a distinct product; they are the progenitors of national culture; and, they are the great mixing cauldrons that supply

TABLE 1.1
Air Passengers and Cargo in Fifteen Cities, 1991–2000

City	Passengers			Cargo		
	1991	2000	Change	1991	2000	Change
Chicago	60010234	66981786	11.6%	986674	1342057	36.0%
Tokyo	40188083	51862564	29.0%	484901	1767773	264.6%
Frankfurt	29373436	45926771	56.4%	1240484	1561450	25.9%
Paris	21975289	44713463	103.5%	615699	1266951	105.8%
Amsterdam	16470983	36864802	123.8%	630153	1150572	82.6%
Seoul	16821121	33558857	99.5%	703654	1708009	142.7%
Detroit	21783980	32949283	51.3%	191717	NA	NA
Houston	17518791	32294534	84.3%	223013	NA	NA
London	18820902	29989760	59.3%	212908	1286507	504.3%
Bangkok	15917666	26928356	69.2%	405855	791463	95.0%
Los Angeles	45668204	62971893	37.9%	1141196	1883936	65.1%
Miami	26591415	30685658	15.4%	877479	1485869	69.3%
New York	29794350	30268324	1.6%	1322434	1675973	26.7%
Hong Kong	19747543	30008737	52.0%	849786	2070573	143.7%
Toronto	20304271	26776648	31.9%	322929	NA	NA
<i>Average Increase</i>			51.1%			130.1%

a unique human hybrid. In providing all of these functions, cities continually remake themselves, reconstruct their productive base, and adapt their physical environment to the necessities of the time.

We examine this transformation in greater detail along with the tremendous impact it has had upon cities. In this chapter we trace this transformation along three distinct trajectories: 1) the deindustrialization of urban economies, 2) the deconcentration of older cities, and 3) the globalization process. As we shall see, cities are not necessarily the passive recipients of this change, but have the capacity to guide it and shape its impact. That capacity may be constrained and mediated by underlying structures, and it may differ from city to city, but it is nonetheless present. Choice, then, is an essential part of urban development, and this book focuses on the underlying components of that discretion. Exactly what are those choices, how are they initiated, why are they made, and can they be maximized? Before turning to that, we take up the elements of the great transformation.

DEINDUSTRIALIZATION: FOR WHAT?

Just thirty years ago, cities in North America and Europe were bustling with factories, workshops, warehouses, and open air markets. While the

great primate cities of New York, London, and Paris had always held financial houses and corporate headquarters, they also were balanced by textile manufacture, light industry, chemical production, and warehousing.ⁱⁱ

At the same time, secondary cities took on the heavy lifting. Cleveland, Pittsburgh, Birmingham, Newcastle, Essen, Lille, and Turin were centers for tool and dye making, automobile manufacture, and steel production. These industrial towns were complemented by cities of passage. New Orleans, Liverpool, Marseilles, Hamburg, and Naples were glorious ports, which boasted the world's finest bistros and bawdiest night life.

Secondary cities were the workshops of the industrial world. They also housed large numbers of blue-collar families in a rich social milieu. From London's East End to New Orleans's Garden District, neighborhoods anchored the social life of the city. To be sure, the housing was often substandard and the neighborhoods overcrowded, but they spawned a host of vibrant institutions. Labor unions, shops, schools, churches, and social clubs bound communities together, allowed citizens to connect to public institutions, and gave the city meaning.

The bulk of those factories are now gone and many of the ports are closed. Some workers hold on to remnants of the old economy, some have joined the ranks of the unemployed, and others have found jobs elsewhere. While some working-class neighborhoods are intact, others have been gentrified and enriched with boutiques and expensive specialty shops. Still other inner-city neighborhoods now accommodate immigrants who bring with them a new culture, different foodstuffs, and an altogether distinct way of life (from tea salons to mosques). A substantial number of old neighborhoods, mostly in America and Great Britain, have not been recycled for the gentry or for immigrants. Instead they have fallen into disuse: the houses are abandoned, stores are boarded up, sidewalks are littered, and streets are dangerous. Many social institutions are gone—either they have disappeared or taken new form in the suburbs.

Figure 1.1 provides a glimpse of the economic magnitude of this transformation. The figure shows employment patterns for major cities in North America and Europe. It focuses on jobs within secondary (blue-collar) and tertiary (white-collar) sectors between the approximate period of 1970–90, and these economic sectors are grouped for each city by their respective periods.

Deindustrialization is generating uneven development and social imbalance. We see this in the relatively steep declines and rises in the bars. Some cities remain in decay while others have succeeded in remaking themselves. Chicago, Cleveland, Madrid, and Rotterdam saw the col-

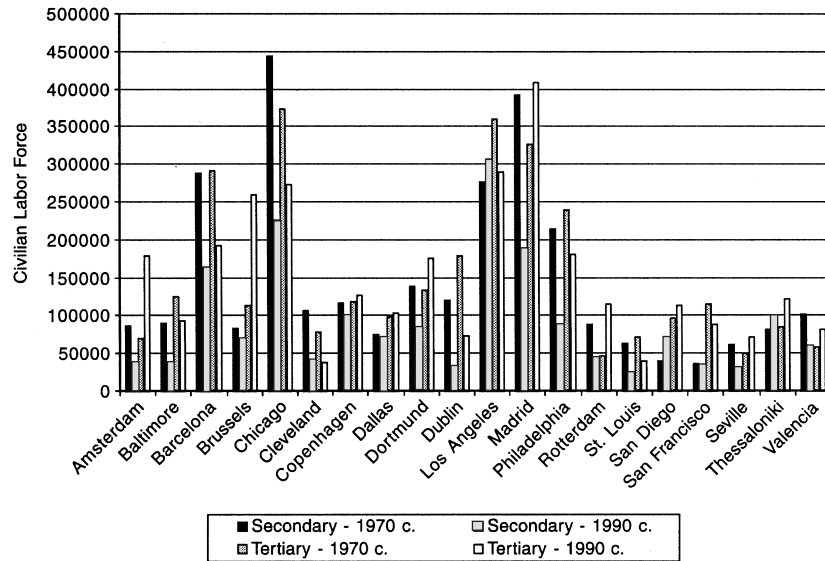


Figure 1.1. Secondary and Tertiary Employment in North American and European Cities, ca. 1970–ca. 1990.

lapse of blue-collar employment. Some of these same cities (Madrid and Rotterdam) made up their losses in manufacture through white-collar employment. Other cities like Cleveland, Philadelphia, and St. Louis have not yet recovered from this trauma. The crises of transformation is more widespread in Anglo-American cities than on the European continent. American cities were particularly hard hit, and account for the bulk of those that have yet to recover. In part, this is due to the nineteenth- and early-twentieth-century genesis of American central cities as locations for heavy industry. This is also true for some British cities (Newcastle, Liverpool, Glasgow). Continental cities mostly developed in the trading eras of the seventeenth and eighteenth centuries, and wealth was largely vested in the urban core. Thus, the ecological structure of European cities permitted them to shift more easily to tertiary economies.ⁱⁱⁱ

By and large, primate cities did well. London emerged as the banking center where capital could be concentrated, New York as a producer of financial instruments where loans and mergers could be consummated, and Paris as a seat for corporate headquarters and professional services where deals could be struck. Each of these cities carved out niches for themselves as command posts in a larger world economy.⁵ In large measure London, New York, and Paris became the forerunners of postin-

dustrialism and established the pace for others.⁶ To be sure, these cities already had thriving nests of banks and corporate headquarters, and they were able to build upon economies of agglomeration. Yet primate cities are complex, and during the 1950s high finance made up just a fraction of their economies. Manufacture, ports, and warehousing held the bulk of employment, and losses in these sectors were enormous. After deindustrialization struck, London, New York, and Paris had to refill huge holes in their economies just to stay even.

Secondary cities show greater variation in outcome. Cleveland experienced fiscal collapse in 1978, and nearly 40 percent of its residents are now below the poverty line.⁷ Detroit and countless other rustbelt cities in America suffered a similar fate.⁸ By contrast, Pittsburgh guided its shrinkage, revived its economy through research and technology, and kept its downtown healthy. In France, grimy, industrial Lille was rebuilt as the crossroads for Northern Europe. Industrial Glasgow has acquired a new downtown, but the rest of the city remains mired in decline.

Port cities have also turned out differently from one another. New Orleans and Liverpool fell into deep decline and have yet to recover. For a while, Hamburg reeled under successive economic blows, but recovered by modernizing its port and diversifying its industry. Today it is one of Europe's success stories and exults in the fact that it has more millionaires per capita than any other city on the continent.⁹ Rotterdam, too, managed a partially successful transition by retaining its role as Europe's leading port and by building commercial linkages with Amsterdam and Utrecht.

Deindustrialization has also paved the way for new types of cities. So-called new-age boomtowns or sunbelt cities owe their urban form to late-twentieth-century technology.¹⁰ Their economies usually are based on computers, software, electronics, space technology, or other emerging economic sectors. Their social structure is founded on middle-class outlooks, small families, and private housing. Especially in North America, new-age boomtowns enjoy an abundance of space, and their development spreads out along the corridors of modern freeways.

The United States has a concentration of these cities in its southwest and counts among them Phoenix, Houston, Albuquerque, and San Diego. Canada's boomtowns are found in its westerly open spaces and include Calgary and Vancouver. Boomtowns are not as common in Europe, which is already highly urbanized and lacks much vacant land. Nevertheless, European versions of these cities can be found in Southeast London (Croydon) and Oxford, in Grenoble and Montpellier, in Bavaria (Munich), and in the smaller towns of Italy's Northeast.

In America these boomtowns grew rapidly during the late 1960s and through the 1970s. Upheavals in petroleum and real estate sometimes

threw cities like Houston into shock. But Houston recovered and continues to grow. In Canada, Vancouver is fueled by investments from Hong Kong, and it continues to lead that nation. The picture in Europe is hazy, though cities like Oxford and Grenoble have embraced high technology and believe that they are Europe's answer to the Silicon Valley.

In a nutshell, cities in North America and Europe changed substantially during the previous three decades. While the most successful became postindustrial, that status represented a dominant layer of activity, superimposed upon a diminished base of manufacture, shipping, and skilled trades. Less successful cities underwent shrinkage, though many of these managed to secure some postindustrial activity (small downtowns, tourism, stadiums, and exhibition centers). New-age boomtowns thrived on a combination of office employment, services, electronics, and light industry—set in the midst of universities, research centers, and low density development.

This reshuffling of the urban hierarchy has brought old and new cities into a competitive scramble to secure their economic well-being. As old industries decline and new investment patterns emerge, citizens and politicians are drawn into finding a niche for their communities in the new economic order. In the process, cities may be gripped by a certain angst—internal conflicts over means and ends, a belief that if a community does not grow it will surely die, and a rush to move faster.

DECONCENTRATION: THE SPREADING URBAN LANDSCAPE

The great transformation has also influenced human settlement and mobility. Overall, central cities have lost population. This deconcentration of population encompasses a range of different demographic processes, some healthy for cities, others not. Deconcentration entails movement away from places. This includes a movement out of healthy central cities, which allows remaining residents more space and gives departing residents more economical accommodations. We call this *dedensification*. Of course, dedensification also involves movement toward other places. This includes a burgeoning of low-density, metropolitan peripheries, brought about by rising living standards and a desire for single-family housing in the suburbs. It can also mean an entry into newer boomtowns and a search for fresh opportunities and economic betterment (new migration). This kind of movement can facilitate prosperity. On the other hand, deconcentration can also entail an exodus from urban cores because of decaying conditions, leaving these cities as segregated reservations for the poor. We refer to this as *decline*. In this case, population loss usually leaves cities in deeper distress.

Just as population loss does not necessarily mean decline, population growth does not always mean prosperity. Impoverished growth can occur when people move off rural land in search of opportunities elsewhere and fail to find them. We label this *impaction*. Migration into or around cities can also be accompanied by poorer living conditions and unemployment. The upshot has been massive growth without commensurate development. While this experience is uncommon among more mobile North Americans, it does occur in Africa and Latin America. A few European cities have grown while living conditions deteriorated. Whether accompanied by affluence or poverty, new migration and impaction create sprawling urban regions or megalopoli.¹¹

In the United States, deconcentration often meant urban decline. As cities lost employment and neighborhoods decayed, some people escaped to the suburbs, while others remained behind in segregated ghettos. Even major cities that managed to remake themselves incurred the ravages of decline because whole neighborhoods fell apart. New York and Chicago did manage population gains during the past decade, but white residents continued to flee and the gains were due to immigration from Latin America or Asia. Population decline was rampant in secondary cities, where immigration was marginal and could not offset losses. Detroit, Cleveland, and St. Louis, once cities with close to or above a million residents, shrunk to less than half that size. Even after devastating losses of the 1970s and 1980s, the past decade was scarcely better, with those cities losing between 5 and 10 percent of their population.¹²

At the same time, urban deconcentration brought enormous prosperity to sunbelt boomtowns and swelled their suburbs. Boomtowns are the paragons of what we think of as urban *growth*. These areas experienced dramatic increases in residential populations, which gave rise to new shopping malls, office complexes, and single-family houses. The transformative years saw a virtual upheaval of inner-city populations, a massive shift of the white middle class into new settlements, and the trek of blacks and Hispanics into what remained of the urban cores.¹³

Some cities in Europe also suffered urban decline and now resemble their American counterparts. For the most part, however, European deconcentration was more genteel, taking the form of urban dedensification. Having begun in the Middle Ages and matured in the industrial era, Europe's cities were already overcrowded. Families often lived in small apartments within congested communities where shopping, recreation, schools, and factories were tightly clustered. Some urban theorists hailed this as the realization of community, but the realities were less quaint.¹⁴ Space was scarce, private bathrooms often absent, and sanitary conditions dubious. By the 1970s, if people could afford to live in the city, they bought extra space and renovated. If not, they moved out.

A push-pull operated in European cities to shift populations around. The rich, the upwardly mobile, and the single people stayed. Modest income families left because of financial pressures, but were also attracted by the ease of living outside the central city. In contrast to the United States, suburbs were built for those who could not afford to live closer to the center. The best of these were in outlying villages, in “new towns,” or further away in new-age boomtowns; and they accommodated middle-class citizens. They were clean, spacious, and featured supermarkets, playgrounds, and schools woven into the residential fabric. The worst, were low-income projects built in segregated edges or as extensions to impacted cities. They were massive, dingy concrete blocks that accommodated immigrants.

In sum the great transformation produced massive population shifts with different kinds of consequences. A profile of these consequences can be seen in tables 1.2 and 1.3. Table 1.2 presents a fourfold typology by using population change and patterns of deconcentration. Table 1.3 shows how this is worked out for thirty-five cities in North America and Western Europe. We rely on published indices for European and American cities to determine whether a particular city falls into the category of “distressed” or “prosperous.”^{iv} The last columns in table 1.3 show growth, decline, dedensification or impaction for each major city.

Despite differences in geography, size, and population, major cities across the industrial West have undergone economic restructuring, brought on by similar forces. On both continents, populations spread throughout metropolitan areas. Suburbs and boomtowns radically expanded and urbanization proceeded apace. Rural areas shrank and fewer people earned their living through agriculture. Distant towns and rural villages

TABLE 1.2
Patterns of Deconcentration

<i>Patterns of Deconcentration</i>		
	<i>Prosperity</i>	<i>Distress</i>
Population Change		
Gain	Growth (new-age boomtowns, high tech corridors, edge cities)	Impaction (squatter villages, “favelas”)
Loss	Dedensification (renewed central business districts, luxury high-rises, gentrified and/or stable neighborhoods)	Decline (hollowed-out central business districts, derelict, high-crime neighborhoods)

TABLE 1.3
Population and Condition of Major Cities in North America and Europe, ca. 1970–2000

City	Prosperity & Distress Indices				Net Change (ca. 1970–ca. 2000)	Type of Deconcentration
	ca. 1970	ca. 1990	ca. 2000	Chesire et al. Index		
Amsterdam	820000	701000	715148	Prosperous	-12.79%	Dedensification
Baltimore	906000	736000	645593	Distressed	-28.74%	Decline
Barcelona	1745000	1694000	1505581	Distressed	-13.72%	Decline
Birmingham	1098000	970000	1008381	Distressed	-8.16%	Decline
Berlin ¹	3273074	3347512	3425759	Prosperous	4.66%	Growth
Brussels	1075000	976000	950597	Prosperous	-11.57%	Dedensification
Chicago	3367000	2784000	2802079	Distressed	-16.78%	Decline
Cleveland	751000	574000	485817	Distressed	-35.31%	Decline
Copenhagen	725000	556000	487969	Prosperous	-32.69%	Dedensification
Dallas	844000	1008000	1075894	Prosperous	27.48%	Growth
Detroit	1511000	1028000	970196	Distressed	-35.79%	Decline
Dortmund	542396	584600	594274	Distressed	9.56%	Impaction
Dublin	568000	485000	481854	Distressed	-15.17%	Decline
Frankfurt	657776	623700	643469	Prosperous	-2.18%	Dedensification
Glasgow	940000	734000	680000	Distressed	-27.66%	Decline
Hamburg	1781621	1603070	1704731	Prosperous	-4.32%	Dedensification
Houston	1233000	1631000	1786691	Prosperous	44.91%	Growth
Liverpool	610000	479000	474001	Distressed	-22.29%	Decline

TABLE 1.3 (cont.)

City	ca. 1970	ca. 1990	ca. 2000	Net Change (ca. 1970-ca. 2000)	Prosperity & Distress Indices			Type of Deconcentration
					Chesire et al. Index	Nathan & Adams Index		
London ²	7800000	6638109	6962319	-10.74%	Prosperous			Dedensification
Los Angeles	2814000	3486000	3597556	27.84%		Prosperous		Growth
Lyons	520000	413000	445257	-14.37%	Prosperous			Dedensification
Madrid	3146000	3124000	2881506	-8.41%	Prosperous			Dedensification
Marseilles	881000	840000	797486	-9.48%	Distressed			Decline
Milan	1725000	1200000	1302808	-24.47%	Prosperous			Dedensification
Naples	1234000	1025000	1035835	-16.06%	Distressed			Decline
New York, N.Y.	1514642	1487536	1536220	1.42%		Prosperous		Growth
Paris	2591000	2176000	2123261	-18.05%	Prosperous			Dedensification
Philadelphia	1949000	1586000	1436287	-26.31%	Distressed			Decline
Rotterdam	687000	574000	589987	-14.12%	Distressed			Decline
St. Louis	622000	397000	339316	-45.45%		Distressed		Decline
San Diego	697000	1111000	1220666	75.13%		Prosperous		Growth
San Francisco	716000	724000	745774	4.16%		Prosperous		Growth
Seville	548000	668000	701927	28.09%	Distressed			Impaction
Toronto ³	2089729	2275771	2400000	14.85%		Prosperous		Growth
Valencia	654000	739000	739412	13.06%	Distressed			Impaction

lost population and, in some instances, fell into near vacancy. All told, we see substantial variation among these cities. The ramifications are deeply political. Citizens face a new set of urban challenges, driven by deindustrialization, migration, and a need to adapt.

GLOBAL SWEEP, LOCAL BROOMS

Globalism is an encompassing concept; it covers a broad range of activities, and it has brought both positive and negative results. Foremost among its characteristics is free trade. Open markets rest on a theory of competitive advantage, whereby each locale finds it beneficial to produce goods or services it can most efficiently turn out and to use international markets to acquire products that are best made elsewhere. This has sharpened and refined the division of labor among nation-states. The upshot is an explosive process, in which productivity, consumption, and participation rise at exponential rates. As we have seen and will continue to explore, urban growth has been nothing short of colossal, but it has also been accompanied by deep inequalities and paradoxes.¹⁵

Fundamentally, globalism and its attendant free trade are derived from a technological revolution that has shrunk time and distance. We have already mentioned the revolutionary effects of instant communication, and here we amplify how that technology allows nations to achieve deeper levels of economic integration within competitive markets. By now, advanced technology moves \$1.5 trillion around the world each day. In the United States international flows of bonds and equities are fifty-four times higher today than in 1970. The comparable figures for Germany and Japan are sixty and fifty times higher. Other research has shown that international trade sustains the global patterning and has brought about changes in economic relationships, social structure, and the significance of geographical place.¹⁶

A corollary characteristic is standardization. Once goods and information are alike, they become recognizable and interchangeable. Common standards of measurement, universal criteria, interchangeable parts, and identical symbols are essential for globalization. Just as the grid system of streets helped land-development, so too does standardization facilitate globalization. This includes a common currency, established procedures for registering and enforcing patents, and compatible mechanical or electronic equipment. Licenses and professional certification have also become standardized in order to allow human resources to flow across boundaries. Even sports has become standardized. The Olympic Games and Olympic committees legitimate certain sports and sanction rules through which athletic contests are held. Traditionally, American baseball has been capped by the misnomer of a "World Se-

ries.” Up until recently this was entirely an American affair, but increasingly players and even some teams have been drawn from other nations. The progressive universality of sports today is incontrovertible.

Another wave of global change is heavily political. Globalization has magnified the intercourse between states, localities, and social movements across the world.¹⁷ Signs of this are visible in the rise of multilateral organizations, regional pacts, and talk of a borderless world. States, localities, nongovernmental organizations, and labor increasingly ignore old boundaries and are driven more than before by the seemingly contradictory stimuli of cooperation and competition. For some this has opened new worlds of opportunity, where masses of people can be mobilized for democratic ends. This interaction, both on site and across cyberspace, makes government more accountable and also more replaceable. For others, globalism signifies a concentration of wealth and power, and a threat of lower living standards. This has led to a perilous instability and a thunderous reaction from both left- and right-wing protestors.^v

An additional wave of globalization is sociocultural. This involves diffusion of a more open, multipolar, and multicultural society in which migration is a major by-product.¹⁸ What distinguishes current migration from preceding movements is its truncated and temporary patterns of settlement. Commonly, single men live abroad for lengthy periods, while sending remittances to the homeland. When whole families do migrate, they often are treated as long-term aliens, rarely assimilating, and even children born in the host country may not acquire citizenship. Indeed, the telecommunications revolution has given permanency to this temporary status. Cheap, efficient technology compresses space and time, enabling groups to retain homeland ties and preserve indigenous culture. Overseas, ethnic cultures are now said to thrive in “transnational space” in which language, habit, and tradition continue regardless of geography.¹⁹

These aspects of globalization also foster a greater sense of mutual vulnerability. Free trade and competitive advantage have made societies more efficient, but they have also made societies more fragile and susceptible to crisis. In a matter of minutes, turmoil in a single great bank can upset finance at the other end of the world. Currency fluctuations can overturn decades of progress, hitting those at the bottom of the economic scale hardest. As economies become more integrated, localities share more closely both the good and bad times of globalization. Through the 1990s Taipei, Tel Aviv, and Santiago experienced an unprecedented boom. After 2000 the global economy was hit by recession and those cities went bust. The more integrated and the more synchro-

nized the locality with globalization, the greater the upturn and the steeper the downturn.

Vulnerability has many dimensions. Disease travels as swiftly as airline flights and has acquired an international character. The recent exuberance and then depression of stock markets as well as the AIDS epidemic are unfortunate examples of this exposure. Still another dark side of globalism is the spread of terrorism.²⁰ The ease of travel, instantaneous communication, and quick transfer of money make it possible for terrorists to do their work and attack fragile international linkages.^{vi} International terror most vividly illustrates the underside of global interdependence. The multinational character of its actors and the slippery content of its operations are especially well suited for porous boundaries. As we explain in chapter 10, it was at the seams of globalization where international cities and international terror were tragically joined on September 11.

How do cities fit into this overall picture? One might suppose that globalization makes cities less important, as they are swept into a common world of economic competition and social interchange. Presumably, people could be located anywhere, and conduct business via the internet from a mountaintop retreat.²¹ In fact, the opposite is true—at least for some cities. A knowledge-based economy has accelerated face-to-face and informal contact. It has increased an appetite for conferences, seminars, and annual meetings. Additionally, business searches for that extra edge that comes from personal contact.

Globalization also has generated a need for central direction in which financial, legal, and professional services are concentrated within a common locale. Cities have made free trade much easier to accomplish, they have facilitated a new international division of labor, and they have absorbed waves of migration.²² While not all cities have been blessed with these advantages, many are still efficient and enormously productive work stations for the postindustrial era. Whether one selects a handful of global cities, a larger number of primate cities, or a sampling of regional ones, urban centers lead national productivity, and their total output in goods and services has quickened during the last few decades.²³

Rising urbanization has occurred concomitantly with globalization and is associated with rising GDP. Metropolitan areas of Europe and North America grew rich during the transformation, though clearly as the process matures the rate of urbanization flattens. Figure 1.2 portrays rates of urbanization and GDP in North America and Europe. Note the proportion of people living in all types of urban settlement is remarkably high.

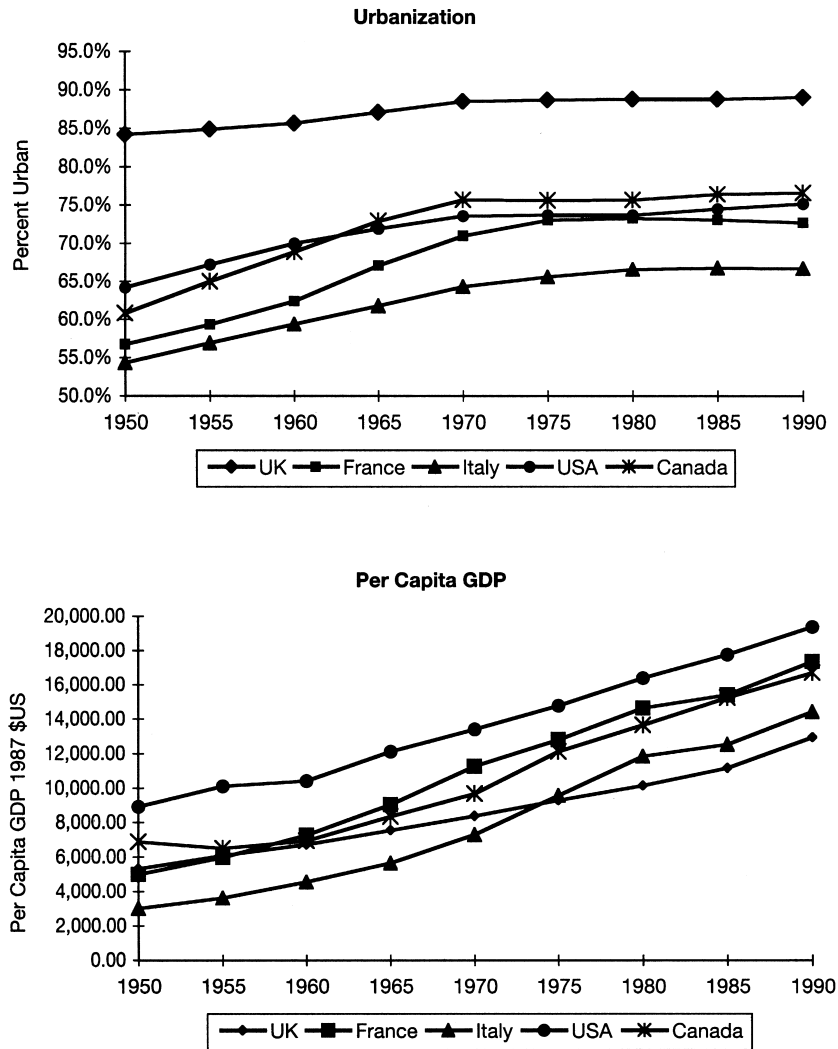


Figure 1.2. Urbanization and Gross Domestic Product in Europe and North America, 1950–90.

Globalization has not made all urban places alike. Where you live and work matters more than ever in accessing jobs, income, public amenities, schools, and green space. These things are contingent upon “place.” Location does make a huge difference. Neat suburban residential enclaves, edge cities, busy commercial downtowns, urban ghettos, vacated industrial areas, and campus-like office parks are all part of a

complex urban fabric that differentiates opportunities. Some cities have taken advantage of those opportunities and the enormous wealth that springs from global trade. By the end of the millennium, Foreign Direct Investment (FDI) had reached an all-time high of \$865 billion. While it is not possible to trace that investment to every locality, an overwhelming proportion of it went to advanced industrial nations, mostly located in the West. Banks held that money and facilitated investments, and almost all of these institutions were located in major cities. Moreover, along with investment flows, banking assets have gushed over the last few decades. Table 1.4 shows the growth of these assets (adjusted for inflation) in thirty-five cities across the globe.

Even during this short period, most banks substantially increased their holdings. In some cases the aggregation of capital crested by over 300 percent. Place often shapes perspective, and location cannot help influencing decisions. More than ever, cities serve as the command and control centers of those decisions. They have benefited not just from saturated white-collar employment and offshoot industries, but also from their strategic placement in international capital markets. Not all of this has produced salutary results. There are always paradoxes and contradictions connected to change, and the impact of globalization on cities is no exception.

One paradox is that while most metropolitan areas have become wealthier, they also contain rising numbers of the poor. In Western Europe 10 percent of city residents are classified as poor, while the percentage rises in suburbs to roughly 20 percent. The United States reverses these proportions, so that central cities and suburbs respectively hold 21 percent and 9 percent of residents who fall below the poverty line.²⁴ Quite expectedly, migrants searching for opportunities in cities account for a substantial portion of the poor. More than 50 percent of the populations in New York and Toronto are classified as either ethnic minorities or foreign born. In Paris, the percentage is above 15 percent.

Another paradox is that urban transformation has both expanded the sphere of central cities and shrunk it. In some ways deconcentration has extended central cities by making suburbanites dependent upon them for income, investment, jobs, and culture. One can see this in the huge numbers of commuters pouring into urban cores each day as well as in the many monetary transactions (mortgages, business loans, venture capital) that occur between city financial institutions and the hinterlands. In other ways, deconcentration has also meant an escape from the central city and has created an altogether new urban form. Green cities have sprung up in the more distant countryside and eliminated distinctions between urban and rural life. A newer urban life is built

TABLE 1.4
Major Banks and Bank Holdings, 1994–98

<i>Rank</i>	<i>City</i>	<i>Country</i>	<i># Banks (top 100)</i>	<i>Assets, 1998 (billions US\$)</i>	<i>Assets, 1994 (adjusted, in billions 1998 US\$)</i>	<i>Percent Change, 1994–98</i>
1	Tokyo	Japan	13	3,494.45	5,014.66	69.7
2	Paris	France	6	1,964.99	1,627.36	120.7
3	Frankfurt	Germany	5	1,932.81	887.57	217.8
4	London	United Kingdom	6	1,811.88	773.61	234.2
5	New York	United States	4	1,428.69	448.44	318.6
6	Zurich	Switzerland	2	1,162.39	320.89	362.2
7	Osaka	Japan	4	1,096.65	1,480.67	74.1
8	Amsterdam	Netherlands	2	970.81	387.23	250.7
9	Brussels	Belgium	4	853.43	390.02	218.8
10	Munich	Germany	2	826.09	441.70	187.0
11	Milan	Italy	3	484.24	280.34	172.7
12	Toronto	Canada	3	453.24	255.41	177.5
13	Düsseldorf	Germany	1	415.95	176.87	235.2
14	Montreal	Canada	2	323.24	205.76	157.1
15	Utrecht	Netherlands	1	293.14	136.64	214.5
16	Nagoya	Japan	1	264.45	292.00	90.6
17	Chicago	United States	1	261.49	NA	NA
18	Melbourne	Australia	2	241.32	135.14	178.6
19	Edinburgh	United Kingdom	2	233.09	65.59	355.4
20	Rome	Italy	2	224.18	232.83	96.3
21	San Francisco	United States	1	202.48	141.45	143.1
22	Stockholm	Sweden	2	199.89	147.45	135.6
23	Turin	Italy	1	185.40	172.27	107.6
24	Santander	Spain	1	182.01	65.70	277.0
25	Hanover	Germany	1	178.34	99.19	179.8
26	Sydney	Australia	2	164.17	137.28	119.6
27	Bilbao	Spain	1	157.28	93.95	167.4
28	Weisbaden	Germany	1	141.67	60.56	233.9
29	Vienna	Austria	1	140.16	NA	NA
30	Brasilia	Brazil	1	107.21	73.94	145.0
31	Madrid	Spain	1	96.69	143.27	67.5
32	Yokohama	Japan	1	92.45	112.56	82.1
33	Hamburg	Germany	1	83.87	NA	NA
34	Shizuoka	Japan	1	63.83	70.41	90.7
35	Chiba	Japan	1	63.71	78.97	80.7

around asphalt, glass, trees, and grass, and it functions apart from traditional central cities.

Still another oddity is that while transformation has made cities into hard-working centers of productivity, it has also made them into sites of gluttonous leisurely consumption. Scholars often write about the di-

chotomy between investment and consumption whereby different locales tend toward one or the other.²⁵ Postindustrial cities have united these dichotomies. Complementing an enormous white-collar apparatus of producer services is a burgeoning industry in leisure and consumption. The rise of the office-complex city has been accompanied by the rise of the tourist city. Cities are today in the midst of what Judd and Fainstein describe as a “tourist bubble,” whose growth is among the fastest in the world.²⁶

Put in historical perspective, these paradoxes are not unusual. Cities have always grown or shrunk alongside technological advance. The introduction of elevators and steel framing allowed for skyscrapers but broke up traditional neighborhoods. Metro lines were a boon for central business districts, but a bust for out-of-the-way small towns. Invention is often a conveyance for what Schumpeter called “creative destruction”²⁷ and brought about very different results. Creative destruction caused cities to rise and fall, and nothing demonstrates this so completely as our profile of ten cities, their choices over development strategy and their role in the international marketplace.

“GLOCAL” CHOICES

Deindustrialization, deconcentration, and globalization have put cities on trajectories of change. It is this unusual blend of global challenge and local response that confronts us, and this combination is sometimes denoted by the inelegant terms “glocal” or “glocalization”.²⁸ Like the industrial revolution before it, this revolution can be decisively influenced by government as well as other social institutions.²⁹ Governments have responded to these challenges in diverse ways. First, leaders and citizens have made strategic decisions about *what kind of community* they want. Some political leaders look to the marketplace for strategic direction, placing a high priority on gaining a competitive advantage for their communities. They ask, how can we find our niche in the regional, national, or world market? What can we do best? Where can we garner capital investment? How can we grow by helping business operate more efficiently? For cities that choose competition, answers to these questions have produced a variety of strategic responses. We see cities remaking waterfronts into tourist attractions, refurbishing downtowns with office towers and convention halls, and trying to attract big bang events such as the World Cup, Expo, or Olympic games, as well as revenue sources such as sports teams, theme parks, or gaming casinos.

Cities then do not just react to the movement of capital but act upon these forces. Although local governments have only limited control over the marketplace, they use public power to engage it. They do so when-

ever land is recycled, development rights are granted, housing is built, taxes are collected, or capital is borrowed. Moreover cities can profoundly affect factors of production. They can lower overhead costs by building bridges, ports, and airfields. They can tighten up or loosen controls over air pollution. Cities can even affect labor costs by making it easier or more difficult for individuals to access welfare benefits.³⁰ In making decisions over these issues, cities struggle to resolve an array of problems and influence their own restructuring.

Some leaders try to induce capital investment by reducing risks for business. They may put up bonds that guarantee the building of stadiums or convention halls, they may underwrite loans to potential investors, and they may find themselves forming public private-partnerships in order to assure private investors of unified backing.³¹ Cities also aggressively solicit business by lobbying for private capital, bidding for company headquarters, or establishing international offices to stimulate trade.

Cities seeking competitive advantages may also tolerate increased migration, allow informal economies to flourish, and facilitate the supply of cheap goods and services. They may countenance permissive building codes, lax licensing, and an abundance of substandard housing. These newfound resources explain the partial resurgence of textile manufacture in some cities, where old-fashioned sweatshops arise and where illegal immigrants are exploited as low-cost labor. The upscale life-style of postindustrial cities generates a demand for low-paying service jobs. A virtual night shift of unskilled workers commutes into downtowns to clean the office towers, staff the restaurants, and drive the taxicabs. The “reverse commute” of marginal workers into affluent suburbs also helps to maintain an attractive low cost of living.

Alternatively, cities sometimes defy the swells of the marketplace. Local leaders can remain politically sensitive and rely on a logic of populist, anti-growth policies.³² This logic may well clash with the rationality of the marketplace. Cities may resist the lure of growth and opt for preservationist or caretaker strategies.³³ They may want to protect historic neighborhoods, guard surrounding farmland, or prohibit large discount outlets and suburban malls. Some fear higher taxes and increased congestion. They may want to remain as quiet residential communities.

Large and small cities have resisted economic growth by invoking moratoria on the construction of office towers, using zoning exactions to force concessions from developers, adopting strict architectural codes, requiring underground facilities for automobile parking, and setting aside large tracts for open space.³⁴ In Western Europe the upsurge of “green parties” has affected urban policies. Green legislators have placed controls on housing costs, limited the price of apartment rentals,

and closed off streets to automobiles. Reciprocally, they have used public funds to renovate housing, protected rights of squatters, and reserved sections of the streetscape for bicycles. Populist movements have sometimes arisen to challenge the power of corporate decision makers in places such as Cleveland, Ohio, the Mon Valley in Pennsylvania, and Liverpool, England.

There is variation in the response to globalization. In important ways, world competition has sparked a quest for capital investment and growth. In other ways, the free exchange of ideas and possibilities for collaboration has enabled groups to mobilize. Some scholars have found evidence of a new urban politics based on social issues, increased diversity, and a concern for the environment.³⁵ They also envision globalized cities as hothouses for the spread of postmaterialist values with its emphasis on citizen activism.³⁶ The concerns of migrant workers coupled to environmental and populist sentiment could generate counterpressures. Whatever the outcomes, globalization is not a leveling process, and it has created new alternatives.

Who makes decisions over *what* is another question of choice. This ultimately depends upon the existence of assets and the distribution of power within a city. Some scholars argue that urban decision-making is shaped by economics, and they stress growth and competition as the predominant force. From this perspective, cities must give priority to economic growth because they are disciplined by a market that punishes them with loss of jobs and tax revenue.³⁷ Other scholars argue that political preferences matter more than economic pressures. They see powerful leaders, coalitions, regimes, and growth machines operating to shape economic preferences.³⁸ There is something to both interpretations. Cities are certainly limited by the assets at their disposal, and they cannot deal with global change unless they have the wherewithal to do so. By the same token, dealing with change requires initiative, and coalitions must be built by political entrepreneurs who mobilize groups and classes.

The important questions deal not only with differences of alternatives taken, but also with the reasons why some cities might be able to choose particular alternatives. Are there structural characteristics that are common to cities choosing similar strategic alternatives? If so, can they be identified and how do they interact? Likewise, do cities that share similar strategic responses to globalism also share similar cultural or political characteristics. If so, what are these and how do they operate? Can we make sense of these varying influences on choice and put them into some logical schema? Finally, what are the lessons learned from this inquiry? Does the international marketplace have a tendency to homogenize cities so that they become alike, or are cities becoming more dis-

TABLE 1.5
Transformation and Urban Choice

<i>Trajectory of Change</i>		<i>Alternatives: Developmental and Political</i>
<i>From (ca. 1970)</i>	<i>To (ca. 2000)</i>	
Deindustrialization	Postindustrialization	<p>Developmental: Attempt to retain old industry through public support, worker ownership, and cooperatives versus aggressively convert to a post-industrial economy by recruiting new investors and retraining workers.</p> <p>Political: Establish alliances with blue-collar classes and racial or ethnic groups versus forge coalitions with business leaders, banks, or chambers of commerce.</p>
Deconcentration	Growth of suburbs and boomtowns	<p>Developmental: Attempt to stop or slow population change through growth controls versus attempt to stimulate population growth, increase jobs, and expand investments through supply-side incentives and low taxes.</p> <p>Political: Build voting blocs in neighborhoods through social investment, public housing, and collective goods versus enlist business support through reinvigorated downtowns and new industrial areas.</p>
Preglobal (national-regional-indigenous business)	Globalization (international-extramural-absentee-owned business)	<p>Developmental: Invoke building moratoria and height restrictions, adopt exactive zoning, and preserve historic districts versus aggressively attract international business through trade centers, new airports, and containerized ports.</p> <p>Political: Cultivate anti-growth coalitions and award allies with collective benefits versus court business with free land and infrastructure for corporate headquarters, free trading zones, and side payments.</p>

similar? Given the tension between the global and the local, can one decide which side, if any, prevails?

This study compares urban strategic choices during a period of transformation. Table 1.5 provides a schematic representation of the juxtaposition between trajectories of change and strategic choices. The first two columns list trajectories of change between 1970 and 2000. The last column lists strategic alternatives (developmental and political). The strategic choices are not mutually exclusive and cities may adopt any in combination. Nevertheless, cities are constrained by the availability of resources and conflicting constituency objectives.

The classic development conflict occurs between “anti-growth” and “pro-growth” coalitions, and includes such debates as whether to adopt building moratoria and preserve historic districts or aggressively recruit private investors and turn downtowns into rows of towering office complexes. This conflict often encompasses a political component where the sides are poised for battle—neighborhood groups, preservationists, and environmentalists on one side versus developers, chambers of commerce, and media boosters on the other. Pro-growth impulses are often driven by a desire to standardize development (trade centers, office towers, tourist attractions) and expand the contributions of multinational firms in the local economy. Anti-growth impulses frequently stem from a desire for citizen participation and local autonomy.³⁹ These tensions reflect the degree to which local development agendas are influenced by the international market.

Looking at the situation more broadly, we can appreciate that issues of international import are fought on local battlegrounds, and that ultimately these conflicts change the character of cities. Many local challenges and responses have global proportions; decisions flow to and from an international marketplace. This marketplace can either saturate cities with massive investment and political pressure or marginalize them. Either way, cities must respond by accommodating, managing, or resisting these forces.

TEN CITIES

We examine choice of development strategy through the medium of ten cities, as they dealt with trajectories of change between 1970 and 2000. These cities are not necessarily representative of all cities in North America and Western Europe. It is doubtful that any ten cities—or twice that number—could provide such a representative profile. Rather, our cities have been chosen because they illustrate a broad range of variation on variables that we believe are critical to urban development politics (for reasons discussed in chapter 2). Specifically, these cities dis-

play wide diversity in their market conditions, their intergovernmental arrangements, and the political behavior (participation and culture) of their citizens. As such, they illustrate the vicissitudes of fortune as well as common currents.

The cities include three in the United States—New York, Detroit, and Houston—and one in Canada—Toronto. The remaining cities are located in Western Europe. They include two in the United Kingdom—Glasgow and Liverpool—two cities in France—Paris and Marseilles—and two cities in Italy—Milan and Naples. For the most part, and unless stated otherwise, cities are defined as central cities contained within boundaries.

On both continents we selected cities that enjoyed favorable market conditions (Paris, Milan, Houston, Toronto, and New York) and several that have experienced adverse conditions (Naples, Marseilles, Liverpool, Glasgow, and Detroit). This permits us to assess the role of investment attractions and a city's wealth in the making of developmental choices. These cities also vary in their intergovernmental arrangements. Some are in federal systems that devolve considerable control to local governments, while others are in unitary-systems of governments.

Toronto, Detroit, Houston, and New York exemplify North America's federal pattern. Revenues, budgets, land use, and discretion are largely in the hands of local government. This is true for both Americans and Canadians. American cities are exemplars of local autonomy and are subject to some federal or state intervention. Federated Canada also grants a good deal of autonomy to its cities, but the provinces are more apt to intervene in local affairs.

At the other end of the spectrum are the European cities. In different degrees Paris, Marseilles, Naples, Milan, Liverpool, and Glasgow function within unitary national systems. National governments in Great Britain, France, and Italy often intervene in local affairs—from setting land-use standards to remaking local boundaries. Revenues, budgets, and institutions are heavily influenced by national elites and are subject to a host of national or regional regulations. Governmental differences enable us to probe how national governments influence strategic choice.⁴⁰ Will cities within the same nation tend to resemble each other's pattern of development or do transnational forces have a greater influence on decision making?

These cities also reflect differences in their political behavior and culture. Some are characterized by activism and widespread support for what has come to be called "postmaterialist" values (Paris, Toronto), while others are politically more passive and hold traditional values (Naples, Detroit). The diversity is considerable and reflects the realities of urban life in the Western world. At the same time, our selection of

subjects has retained a certain constancy. All ten cities are major industrial centers, all ten are part of a Western, liberal, democratic polity, and all ten have gone through the crucible of postindustrial restructuring.

The choice of these ten cities also allows us to examine how the great transformation has shaped these communities. Cities within different nation-states have experienced differentiated patterns of development. In most cases, each nation-state has held one prosperous city that has either dedensified or grown into a boomtown and another distressed city that has experienced severe decline. In the United States, Detroit (distressed and in decline) and Houston (prosperous and growing) represent these polar cases. In France, Paris (prosperous and dedensified) and Marseilles (distressed and in decline) demonstrate this contrast. In Italy, Milan (prosperous and dedensified) and Naples (distressed and in decline) also illustrate this distinction. The cities selected in the United Kingdom are less illustrative of such polarity. Liverpool (distressed and in decline) does conform to the pattern, but Glasgow is also quite poor and dedensified, although it has experienced some recovery.^{vii}

Table 1.6 below provides a profile of each of our ten cities. The table shows variation in ten cities according to economic, demographic, and political characteristics. This variation is consistent with previous patterns of variation found in a larger number of cities (see table 1.3).

A systematic analysis of these cities allows us better to generalize about the theoretical implications of urban development. One issue, already mentioned, is strategic choice. That is the extent to which cities can exercise discretion and the degree to which it is embedded in the marketplace and in other structural factors. Another theoretical issue is the degree to which our ten cities are converging or diverging. That is, how might these ten cities be adopting similar or dissimilar characteristics? Here again, our selection of ten cities helps us test this proposition under conditions of significant variation. Too often case studies rely on a few similar cities, or even one municipality, for conceptual insight. While the few or single-city approaches can provide valuable depth, they are often confined by special circumstance and limit our ability to generalize. For example, to conclude that “growth coalitions” do or do not rule leaves the reader in the dark about the multiple circumstances under which growth coalitions could exercise varying degrees of power. Although our approach sacrifices some depth, its broadly constructed comparative perspective can reap rich generalizations.

The central argument of this book is that urban development policies are formulated at the juncture of local politics and the international marketplace. While city governments may be constrained, they are also active managers of development strategies. They play a critical role by mobilizing resources, exercising policy choices, and bargaining over

TABLE 1.6
Variation in Ten Cities of North America and Europe

<i>Country</i>	<i>City</i>	<i>Economic Assessment</i>	<i>Type of Deconcentration</i>	<i>National/ Intergovernmental Arrangements</i>	<i>Political Behavior</i>
United States	New York, N.Y.	Prosperous	Growth	Federal	Active/Mixed
	Detroit	Distressed	Decline	Federal	Passive/Materialist
	Houston	Prosperous	Growth	Federal	Passive/Materialist
Canada	Toronto	Prosperous	Growth	Federal/Regional	Active/Postmaterialist
United Kingdom	Glasgow	Distressed	Decline	Unitary/Regional	Mixed/Materialist
	Liverpool	Distressed	Decline	Unitary	Mixed/Materialist
France	Paris	Prosperous	Dedensification	Unitary/Regional	Active/Postmaterialist
	Marseilles	Distressed	Decline	Unitary/Regional	Mixed/Mixed
Italy	Milan	Prosperous	Dedensification	Unitary	Active/Postmaterialist
	Naples	Distressed	Decline	Unitary	Mixed/Materialist

capital investment. At the heart of development choice lies bargaining ability, which explains important policy differences because cities draw upon a variety of political, economic, and social assets in order to conduct that bargaining. Further, cities are bounded by differences in resources. Some will be able to exercise greater discretion than others: some possess the wherewithal, the political relationships, and the energy to strike favorable bargains, while others must accept much less. We find that the political discretion of cities increases when they are economically secure and anchored in strong intergovernmental arrangements, with an active citizenry and supportive local cultures. We conclude that while cities are constrained by the global economies, they are not necessarily its prisoners. After all is said and done, postindustrial change is a product of human decisions—of public policies made in international organizations, the seats of national government, and city halls. We focus on the local nexus and conclude that ultimately the welfare of cities is a matter of balanced development strategies, coordinated public action, and intelligent citizenship.

Before turning to our ten cities, we offer a theoretical framework for assessing urban development. Here we examine why cities might choose different development strategies, what factors should be taken into account in explaining differential development patterns, and whether cities are more likely to pursue economic or social objectives.

NOTES

i. Other parts of the world have also formed transnational associations, including the Association of South East Asian Nations (Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam) and Mancusor (Argentina, Brazil, Paraguay, and Uruguay).

ii. Primate cities are giant entities, at least twice as large as the next largest city in the nation, and not infrequently they hold 20 percent or more of a nation's population. While primate cities are not always at the nexus of the global economy, they are central to a national economy and generate a substantial portion of its GDP.

iii. There are also cultural, social, and geographical reasons for this. Anglo-American traditions favor country and low-density living, while Continental traditions are more disposed to high-density or clustered environments. In America, the availability of greater space and racial enmity contributed to middle-class white flight.

iv. Combining two somewhat different indices for Western Europe and America is problematic, but can still provide a reasonable picture of prosperity and distress. The index for European cities can be found in Cheshire, Carbonaro, and Hay, "Problems of Urban Decline." This index uses per capita income,

unemployment, immigration, and travel demand to determine varying degrees of prosperity or distress. The index for American cities can be found in Nathan and Adams's "Understanding Central City Hardship" and "Four Perspectives on Hardship." This index uses poverty, unemployment, dependency, education, and crowded housing to determine varying degrees of prosperity or distress. We also have used this index to construct a score for Manhattan and classify it accordingly.

v. Instances of both democratic and antidemocratic movements can be traced in some ways to globalization. In 1999 the overthrow of the Indonesian government was made possible by internet communication in that nation's archipelago. Within the next year, populist, protest movements held large-scale demonstrations in Seattle and Washington, D.C. Populist demonstrations against Iran's repressive theocracy have also been held and gained resonance through telecommunications. On the other side, in the United States neo-Nazi and racist groups have been able to mobilize followers through the Internet. Also, marginal political parties in both America and Europe have capitalized on a reaction against global trade (in the U.S., Patrick Buchanan's Reform Party; in France, Jean-Marie Le Pen's National Front; in Italy Gianfranco Fini's neofascists).

vi. Every action has its reaction, and globalism is no different. Vulnerability also has a more fortunate side that can be found in cross-national cooperation and synergy. This kind of complementary interdependence has brought about cooperation in regulating currencies, controlling AIDS, and combating terrorism.

vii. New York and Toronto also afford a look at the behavior of cities that are metropolitan in their scope of government and their geographic composition and that differ in some respects from traditional municipalities. New York is a giant city that spans five boroughs and is run by a single government. Differences between New York's five boroughs are considerable, and we sometimes treat its most important one (Manhattan) separately. Toronto is Canada's leading city and during the transformation period was run through a federation of six municipalities. Since 1998 Toronto has been turned into a single "mega city." Also, Metropolitan Toronto has continued to thrive without becoming a new-age boomtown or losing its historic character.