

## CITIES AND CITY REGIONS IN TODAY'S GLOBAL AGE

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As recently as the 1970s, many of our great cities were in physical decay and losing people, firms, key roles in the national economy, and share of national wealth. As we move into the twenty-first century, a rapidly growing number of cities have re-emerged as strategic places for a wide range of activities and dynamics. Critical, and partly underlying all the other dimensions, is the new economic role of cities in an increasingly globalised world, and the associated architectural and technical revolutions.

Much is known about the wealth and power of today's global firms and global financial exchanges. Their ascendancy in a globalising world is no longer surprising. And the new information and communication technologies are typically seen as the handmaiden of economic globalisation – both tool and infrastructure.

Less clear is why cities should matter more today in a globalised world than they did in the Keynesian world of the mid-1900s. In this essay I sketch a general answer. Not being an expert on Mumbai, or on the rapid and complex globalisation of Indian cities and regions, all I can do is hope that specialised researchers can fill in the blanks. Nevertheless, if I were investigating Mumbai, I would want to see where I would arrive with the analytics of global urban circuits that I propose.

In the earlier period, cities were above all centres for administration, small-scale manufacturing, and commerce. Cities were mostly the space for rather routinised endeavours. The strategic spaces where the major innovations were happening were government, that is the making of social contracts, such as the welfare state, and mass-manufacturing, which included the massive construction of suburban regions. The most common and easiest answers as to why cities have become strategic sites in a global corporate

economy are first the ongoing need for face-to-face communications and second the need for creative classes and inputs. There is truth in both notions. But in my reading these are surface conditions – the consequences of a deeper structural transformation. It is in the latter transformation in which the answer can be found. The next few sections develop this.

The outcomes of new structural conditions get wired into urban space. In fact, urban space itself is one of the factors producing the outcome of this process. This partly explains why architecture, urban design and urban planning have each played such critical roles. Beginning in the 1980s, we have seen the selective rebuilding of cities as platforms for a rapidly growing range of globalised activities and flows, from economic to cultural and political.

When I first developed the global city model in the 1980s, my starting point were the global networks of affiliates of firms, global financial exchanges, global trade routes, and global commodity chains. The emergent scholarship on globalisation examining these global operations emphasised geographic dispersal, decentralisation, deterritorialisation. This was indeed all happening. But I was interested in the territorial moment of all these increasingly electronic and globally dispersed operations. At that time, using the methodology of starting with global operations and tracking the sites where they hit the ground, led me recognise that the cities that stood out were New York, London and Tokyo. Applying this methodology today results in a vastly expanded global geography of sites. There is more of everything – export processing zones; offshore banking centres; massive warehouses that are one stop on global trade routes; and many more global cities.

In my research practice I use five analytic steps to capture this territorial moment of the global econo-

my. In turn this allows the researcher to analyse in great detail how a particular city is articulated with the global economy. These analytic steps also carry the researcher deep inside the city. They do so not through some general descriptive approach, but in very specific, and selective, ways. Figuratively speaking, the researcher rides the variety of global circuits as they hit the ground in the city and get wired into urban space.

Riding these circuits allows the researcher to arrive at parts of the city that look like they have nothing to do with the global economy. In the case of New York and most other major global cities in the advanced capitalist core, this includes a new type of informal economy that brings flexibility, customisation, and speed to tasks that are otherwise part of routinised and slow sectors. No one can imagine that Manhattan's Wall Street and the corporate midtown centre, or the world-class Broadway theatre district and Metropolitan Opera are actually articulated with local informal economies. They are. In what follows I briefly present the analytics I propose to engage with global urban circuits.

There is no such entity as 'the' global economy. Rather, there is a vast multiplication of global circuits that crisscross the world, some specialised some not. Different circuits contain different groups of countries and cities. The task then becomes to establish what global/regional circuits a city is located on, and what other cities partake in each of these circuits. This analytical operation makes the global economy concrete, enabling research on global cities.

Thus, if I were to track the global circuits of gold as a financial instrument, London, New York, Chicago and Zurich would dominate. But if I track the direct trading in the metal, Johannesburg, Mumbai, Dubai, and Sydney all appear on the map. This also brings out the important fact that it is not just a question of competition among cities, but in good part a division of specialised functions with global scope. Increasingly, these urban economies are part of a networked global platform.

Not only global economic forces feed this proliferation of circuits. Global migration, cultural work, civil society struggles around global issues (human rights, the environment, social justice), these and others

also feed the formation and development of global circuits. Detailed research from the perspective of a given city makes the diversity and specificity of its location on these circuits legible. The research also makes the city's linkages with other cities through specific circuits legible.

My argument is that these emergent inter-city geographies begin to function as an infrastructure for globalisation. And they increasingly urbanise global networks. Cities can generate different kinds of 'knowledge,' both formal and informal. Suck knowledge extends beyond the sum of recognised knowledge-producing actors in the economy (e.g. professionals and consulting firms). It is a type of immaterial capital that we can call 'urban knowledge capital.' Part of the explanation is that cities are fuzzy-logic systems. Hence they enable scale-jumping, or the switch from the mere sum of what is there to a third type of capability.

Particular urban, metro and regional spaces are becoming massive concentrations of new technical capabilities. Also, a growing number of buildings constitute sites for the multiplication of interactive technologies and distributed computing. And particular global communication infrastructures connect specific sets of buildings worldwide, producing a highly specialised interactive geography. Global firms are willing to pay a high premium in order to be located in it.

For instance, the global business network of AT&T now connects about 485,000 buildings worldwide. This is a specific geography that actually fragments the cities where these buildings are located. You need to be in a 'member' building to access the network. The most highly valued areas of global cities, particularly financial centres, now contain communication infrastructures that can be separated from the rest of the city. This allows continuous upgrading without having to spread development to the rest of the city. Contained in strategic areas are particular technical capabilities, such as frame relays, which most of the city does not. Multiplying this case for thousands of multinational firms begins to give us an idea of the new inter-city connectivity that is largely invisible to the average resident.

If we consider these globally networked spaces of centrality as platforms for global operations of firms and markets, we might ask what components of these platforms are contained within a given city-region. Finally, it is noteworthy that these platforms cut across national boundaries. They are an amalgamation of specific sub-national geographic spaces but also transnational electronic spaces.

Of increasing importance in the globalised economy is the deep economic history of a place and the specialised economic strengths it can generate. This goes against the common view that globalisation homogenises economies. How much this specificity matters will vary, partly depending on that region's economy. But it matters more than is commonly assumed, and it matters in ways that are not generally recognised. Globalisation homogenises standards and management models. But it needs specialised economic capabilities.

Establishing how a city/region becomes a knowledge economy, requires highly detailed research. So let me use a case I have researched, the city of Chicago, to illustrate this. Chicago is usually seen as a latecomer to the knowledge economy – having started almost fifteen years later than in New York and London. The typical answer is that Chicago had to overcome its heavy agro-industrial past: its economic history is seen as a disadvantage compared to long-standing trading and financial centres such as New York and London.

But I found that Chicago's past was not a disadvantage. It was one key source of its competitive advantage. This is most visible in the fact of its pre-eminence in the futures market built on pork bellies. The complexity, scale and international character of Chicago's historical agro-industrial economy required highly specialised financial, accounting and legal expertise. But these were, and still are, quite different from the expertise required to handle the sectors New York specialised in service exports, finance, and trade.

It was Chicago's past as a massive agro-industrial complex that gave it some of its core and distinctive knowledge economy components. The city's economic history has made it the leading global futures

financial centre and global provider of specialised services (accounting, legal, insurance, etc.) for handling heavy industry, heavy transport, agricultural.

Chicago, São Paulo, Shanghai, Tokyo, and Seoul are among the leading producers of these types of specialised corporate services. That is not in spite of their economic past as major centres of heavy industry, but because of it.

The state-of-the-art corporate built environment in global cities increasingly functions as infrastructure – it is necessary but indeterminate. This indeterminacy means that it is not enough to emphasise 'visual homogeneity' in the built environment, as is usually done. We need to understand how and for what it gets used. An office building today no longer simply signals 'office work' as it did up until the 1970s and even later. The specificity of the leading urban knowledge economies means that the particular contents they generate may vary enormously.

A homogenised visual order today may actually house an enormous variety of knowledge economies. Its homogeneity arises from the fact that it is state-of-the-art. In turn, this means that homogeneity is a signalling system: 'I am equipped for any type of information economy'. But what all cities share is the need for state-of-the-art built environments for work, home and consumption. The most common notion is that globalisation homogenises cities and their built environments, no matter how good the architecture. Today there is a new type of informal economy that is part of advanced capitalism. This in turn explains the particularly strong growth and dynamism of informal economies in global cities. It contributes to explain a mostly overlooked development: the proliferation of an informal economy of creative professional work in these cities, i.e. artists, architects, designers, software developers. The growth of this new informal economy is also happening in cities of the global south. In those cases, however, the new is often submerged under the older informal economy.

The new types of informalisation of work are the low cost equivalent of formal deregulation. The latter has occurred in finance, telecommunications and most other economic sectors in the name of flexibility and innovation. The difference is that while formal deregulation was costly, and tax revenue as well as private

capital went into paying for it, informalisation is low-cost. It is largely enacted on the backs of more vulnerable workers and their households.

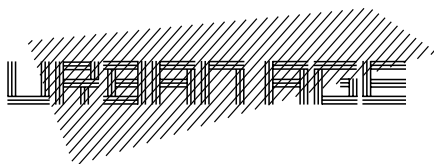
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