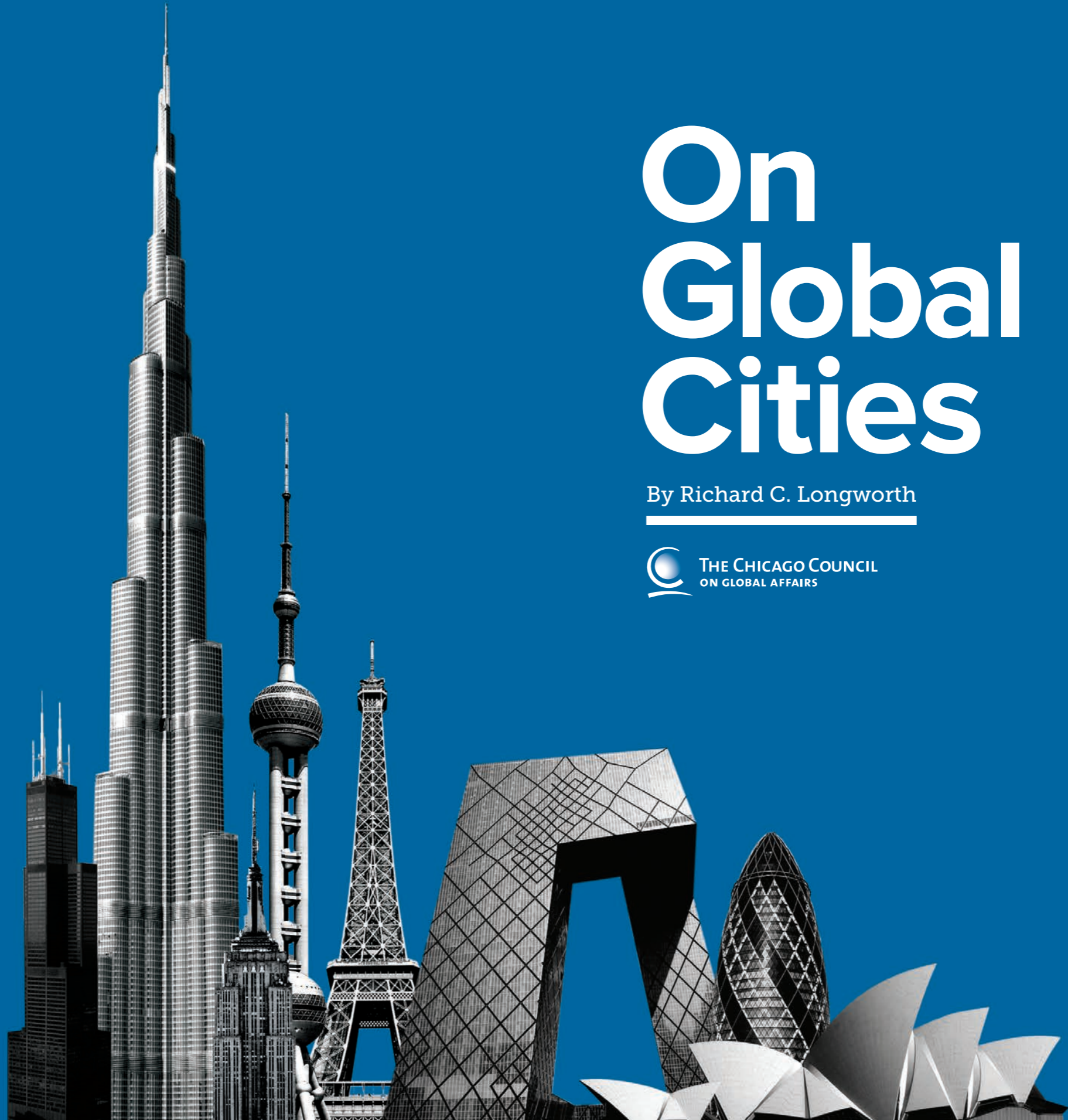


# On Global Cities

By Richard C. Longworth

---

 THE CHICAGO COUNCIL  
ON GLOBAL AFFAIRS



The Chicago Council on Global Affairs, founded in 1922, is an independent, nonpartisan organization committed to educating the public—and influencing the public discourse—on global issues of the day. The Council provides a forum in Chicago for world leaders, policymakers, and other experts to speak to its members and the public on these issues. Long known for its public opinion surveys of American views on foreign policy, The Chicago Council also brings together stakeholders to examine issues and offer policy insight into areas such as global agriculture, the global economy, global energy, global cities, global security, and global immigration. Learn more at [thechicagocouncil.org](http://thechicagocouncil.org).

THE CHICAGO COUNCIL ON GLOBAL AFFAIRS IS AN INDEPENDENT, NONPARTISAN ORGANIZATION. ALL STATEMENTS OF FACT AND EXPRESSIONS OF OPINION CONTAINED IN THIS REPORT ARE THE SOLE RESPONSIBILITY OF THE AUTHOR AND DO NOT NECESSARILY REFLECT THE VIEWS OF THE CHICAGO COUNCIL ON GLOBAL AFFAIRS OR OF THE PROJECT FUNDERS.

Principal author: Richard C. Longworth

Design: Chris Courtney

© 2015 by The Chicago Council on Global Affairs.

All rights reserved.

Printed in the United States of America.

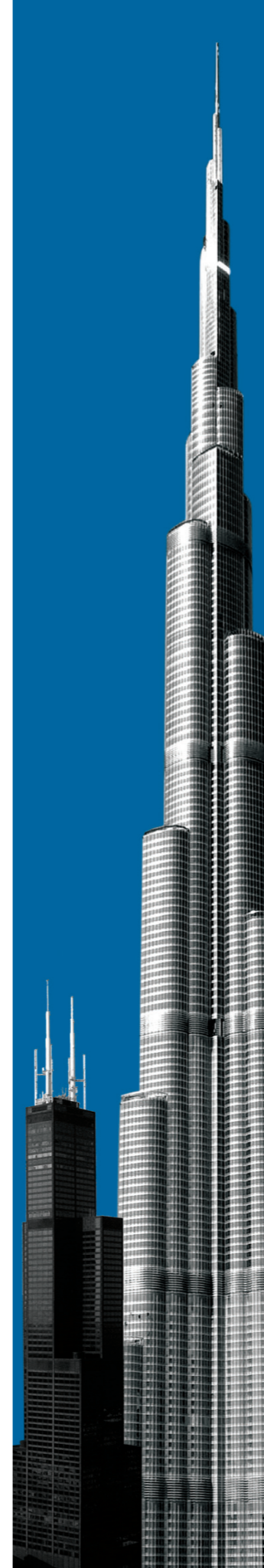
This report may not be reproduced in whole or in part, in any form (beyond that copying permitted by sections 107 and 108 of the U.S. Copyright Law and excerpts by reviewers for the public press), without written permission from the publisher. For information, write to The Chicago Council on Global Affairs, 332 South Michigan Avenue, Suite 1100, Chicago, IL, 60604.

## PREFACE

Global cities are something new. Everybody talks about them. Many cities would like to be one. But few people really understand global cities – what they are, why they're special, what makes them global, where they came from, how they differ from the cities that have been with us for millennia, how they deal with other global cities, not least how they cope with problems and challenges, many unique to global cities.

This essay pulls together the latest thinking, scholarship and reporting on global cities. It recognizes both the potential and perils of these new urban hubs, but avoids remedies: global cities are too new and incomplete to allow for any confident predictions or prescriptions.

The author is a Chicagoan, so occasionally uses Chicago anecdotes to illuminate a broader issue. Not all global cities are the same: far from it. Stories drawn from Chicago's evolution are not meant as a touchstone for global cities everywhere, but only as examples of globalization's power to absorb a city and transform it—economically, politically, socially, culturally, demographically—into something new, something global.



## TABLE OF CONTENTS

Introduction

The Birth of Globalization

The Emergence of Global Cities

The Global City Defined

Cities on a Global Flow

A New Hanseatic League?

The Components of a Global City

The Global High Fliers

The Pathologies of Global Cities

The Magnetism of Global Cities

Global Cities and Their Hinterlands

A Foreign Policy for Global Cities

The Newness of Global Cities

# On Global Cities

Global cities run the world. Their banks and markets finance the global economy. Their corporate headquarters and global business services make the decisions that shape that economy. Their universities train the global citizens of the future, while their researchers imagine that future. Global communications radiate from global cities. These cities have the finest orchestras and museums, the best restaurants, the latest fads. Global culture throbs to the magnetic beat of global cities.

In short, global cities are where the action is.

It's not a flat world out there. Rather, it's a world of peaks and valleys. Global citizens stand on the peaks, talking with each other over the heads of everyone else below, in the rural hinterlands and post-industrial backwaters which the global economy has left behind. These peaks are called New York, Tokyo, London. They are the global cities.

If global cities monopolize global power, they also struggle disproportionately with the pathologies of a new economy. These patholo-

gies — inequality, terrorism, pollution, climate change, traffic in drugs and human beings, the stresses of immigration — are felt first and hardest in global cities. Like giant magnets, these cities draw the best and the worst and stir them into an urban mix unprecedented in its complexity.

To understand the 21st century, we must

understand global cities. If we live in a city that aspires to become or remain a global city, we must grasp what makes these cities global and what makes them different — who lives in them, how they

live, how they nurture their own citizens and relate to other global cities. If the true measure of an economy is the well-being of the people who live within it, the evolution of global cities is the key issue of our time.

The global economy created global cities, and any discussion of a global city must focus on where that city fits into the global economy. But

there is more to a city than its economy. A city and its global status rest on four pillars — economic, political, educational and cultural. Its commercial power and reach establish its global reputation. Its political and societal structure — city government, of course, but also its communities, its people, its think tanks, foundations, and other non-governmental players — decide

how the city engages with the world. Its schools and universities enable the city to join the intellectual conversation that is shaping the century. The vigor of its culture not only defines the city

for its citizens, but draws in the kind of creative and educated global citizens who can choose to live anywhere in the world.

This report will try to deal with these issues, drawing on the latest scholarship into global cities. It is necessarily a snapshot. Global cities are still evolving. The leaders of today's global cities will shape that evolution.

*To understand  
the 21st century,  
we must understand  
global cities.*

From its earliest days Chicago was international,  
drawing workers from around the world to run  
its mills and factories, and then sending the products  
of those mills and factories back into that world.

In the same sense,  
**we've always looked abroad.**

Union Stockyards, 1910 CHICAGO HISTORY MUSEUM ARCHIVES





CHAPTER ONE

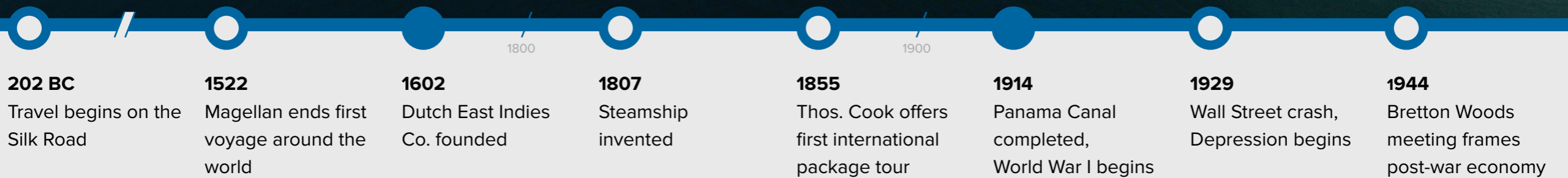
# The Birth of Globalization

Global cities and the global economy are something new under the sun. But both grew from the past. Cities have always been tied into the larger economy. From its earliest days Chicago was international, drawing workers from around the world to run its mills and factories, and then sending the products of those mills and factories back into that world. In the same sense, we've always looked abroad. Civilizations traded with each other along the Silk Road a millennium before Marco Polo traveled the trade route to Cathay. The Lombardy banks financed projects across Europe. Early America was built with European money. American industry burgeoned on foreign markets. One rationale for the Marshall Plan was the rebuilding of the postwar European economy as a viable market for American exports.



# The Road to Globalization

The Panama Canal changed how cargo traversed the globe. REUTERS



In the postwar boom years, big corporations—especially American corporations—established outposts around the world, both to make and sell goods. These were the multinational corporations, the forerunners of today’s global corporations. The challenge of Japanese imports in the 1970s foreshadowed the end of that boom. By the early ‘90s, the biggest multinationals had

sales bigger than the GDPs of many countries where they did business. Of the world’s 100 biggest economies, only 49 were nations: the other 51 were corporations, and only 10 of these were American.

But this economy was still inter-national, not global. Countries and economies traded and invested with each other. But national economies

still dominated. National governments made and enforced laws and regulations on taxation, labor relations and the environment. Trade between nations followed rules negotiated in international talks in Geneva. Some countries, both developed and developing, still had capital controls, limiting the flow of currencies.



As the Seattle protests proved, the march toward globalization hasn't been equally embraced by all. **REUTERS**

*The Road to Globalization continued*



**1947**  
Marshall Plan announced, GATT formed

**1957**  
European Economic Community founded.

**1969**  
Arpanet, forerunner of Internet.

**1992**  
European Union formed. NAFTA signed.

**1995**  
Netscape invented. World Trade Organization founded.

**1999**  
Seattle anti-globalization protest.

**2014**  
More than half of all humans live in cities.

**The march toward a single, global market**

Over the past 30 years, the world economy has moved from a collection of national economies toward a single market, a global market. The process is far from complete, but there has been a growing integration of economies, trade,

products, people, and culture.

Many global corporations do treat the world as one big economy and virtually ignore national frontiers. As this economy grows, national governments have lost the ability to shape or control their own economies. Corporations are able to move most operations—not only manufacturing but sales, research, accounting

and other functions—beyond the reach of their home countries' rules and regulations. Increasingly, everything moves—money, goods, jobs, people, ideas. In finance, a true global market exists. The exchange rate of a dollar or a yen is the same in New York and Tokyo. Similarly, a single global market exists for business services. A global labor pool provides top talent. Trade



in goods, more free than ever, still faces tariffs and nontariff barriers. Jobs move from country to country, but the ability of workers to follow those jobs remains limited.

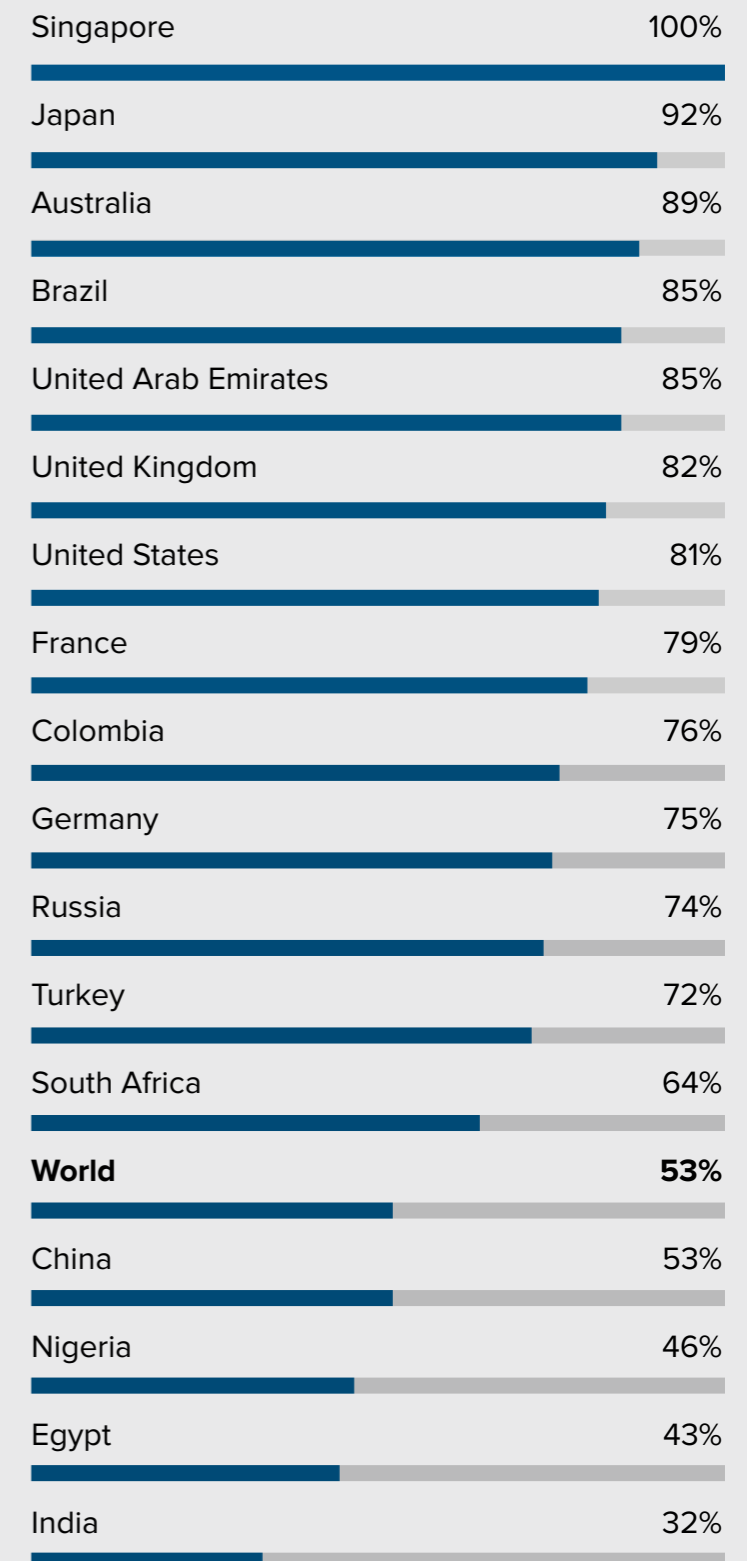
The global economy is not a single economy and won't be. Nor is the world shaping itself into a single society, ruled by a global government. Instead, globalization has created something new, an economy no longer national, but not yet totally global. National governments no longer command this economy, but true global governance, let alone a global government, is nowhere in sight.

## The enabling of economic integration

Scholars still debate the birth date of this new global economy and the factors that brought

it into being. The mid-1980s may be as good a date as any. International currency trading began to boom in the '70s, in the post-Bretton Woods era. By the '80s, electronic trading and the end to most currency controls created a global finance market that quickly dwarfed world trade or investment flows. At the same time, post-Maoist China began to open its economy to foreign investment. Then came the collapse of Communism in Russia and Central Europe, the opening of India's closed economy, and the continued opening of China. Finally, technology made the integration of these economies possible. Most of this technology—the modern Internet, fiber optics, and the web—is no older than today's college students. It has enabled multinational corporations to go global, to raise money anywhere, and to invest it—in manufacturing, jobs, ser-

## Urban population by country



Places like Chicago's Loop district are the command points for the global economy.

vinces, research—where the return on investment is greatest.

## A global labor pool

Countries that had played virtually no role in the world economy suddenly became central to the global economy. Almost overnight, three billion new workers tripled the global labor pool. Most of these workers and their countries were poor and brought little wealth to the global economy. Suddenly, three times as many workers were competing for roughly the same pool of money. It's no wonder that the emphasis in the last quarter century has been on producing goods and services as cheaply and efficiently as possible.

The world is still grappling with the results — economic, social, political — of this revolution.



It is a drama playing out mostly in the world's cities. More than half of this world lives in cities or other metro areas. Already, fully 80 percent of Americans are city dwellers. Cities are where globalization has its greatest impact. Some of these cities, including many old Midwestern

industrial cities, have been virtually destroyed by globalization. Other cities have reinvented themselves and have become global cities. Chicago, almost alone among the old industrial behemoths, is one of them.

## CHAPTER TWO

---

# The Emergence of Global Cities

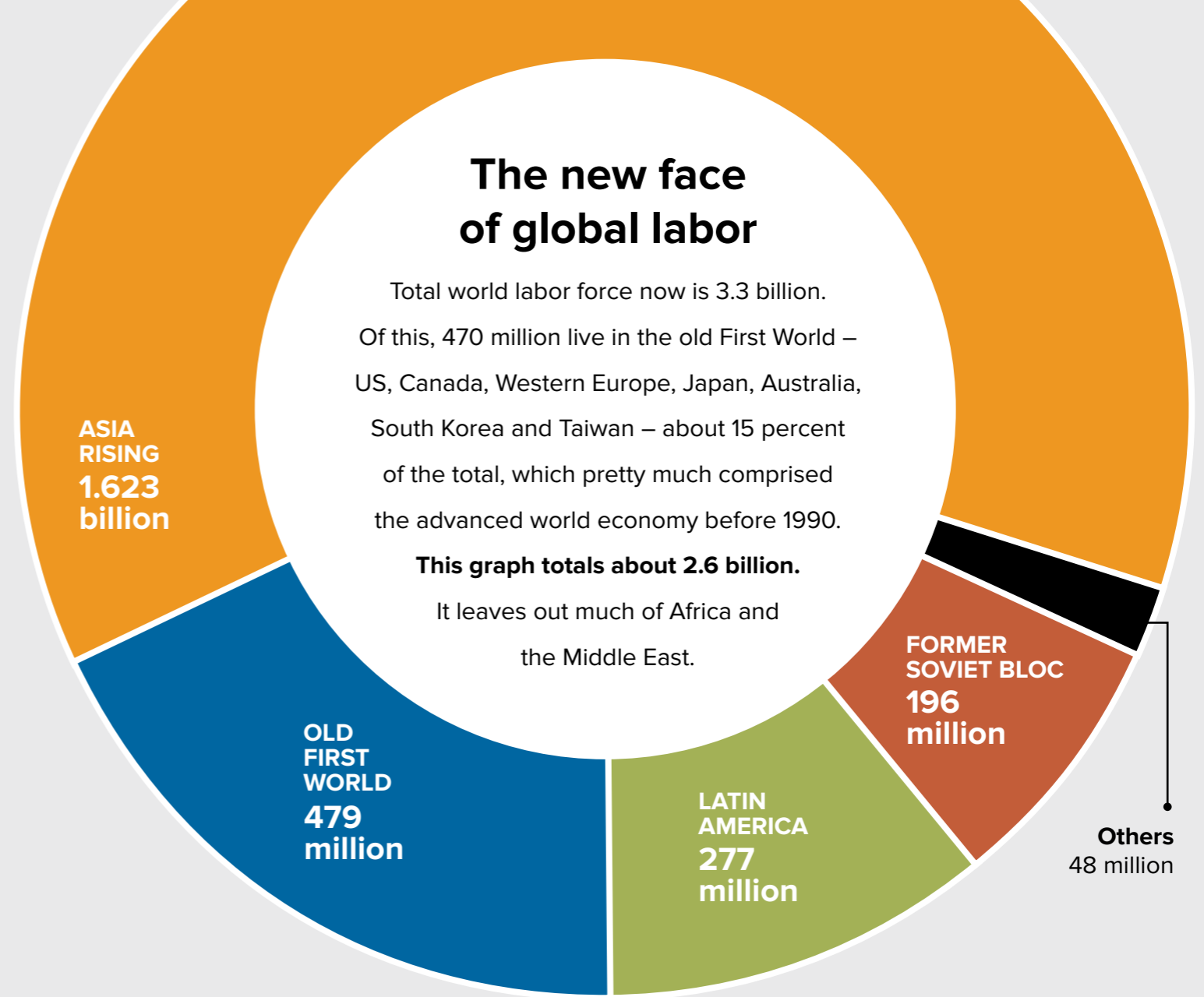
Just as the great industrial cities grew from the industrial era, global cities are the product of the global economy. Any definition of a global city starts with its economy and with its place in the larger global economy.

Yet there is more to a city than its economy. As Jane Jacobs wrote, a city may be shaped by cosmic economic trends, but it is lived at street level by people for whom the daily concerns of good schools, friendly neighborhoods, safe streets, reliable transport, and handy shops count for more than the decisions of bond traders and global consultants. Yet it is the impact of global flows that determine whether streets are safe or schools are good. Just ask the residents of, say, Detroit and Seattle. Again, if we are to judge a city's economy by the well-being of its citizens, then we must look at its connection to the global economy.

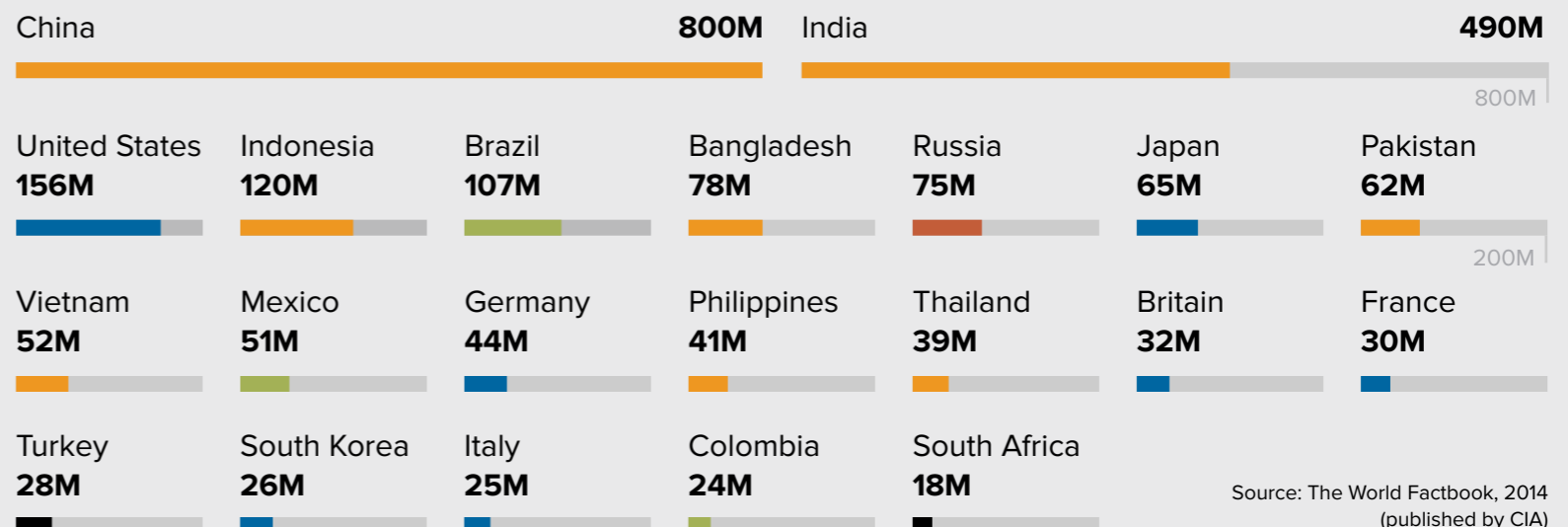
## The reinvention of cities

Almost every inhabited place on earth, from the smallest village to the mightiest city, began life for some economic reason. It may have been a port or a farm town, a trading post or a cross-roads, the site of a mine or factory. Whatever its history, it was there to serve some economic purpose. Over the years, it grew, drawing in workers who became citizens, as the place expanded from a labor pool into a town, and then a city and finally a civilization, boasting museums and universities and all the urban glitter that money can buy.

But nothing lasts forever. Sooner or later, the economic raison d'être goes away. The port silts up or the factory closes. When that happens, the city must reinvent itself or decline into a



### THE GLOBAL LABOR FORCES: A SAMPLING





New high rises sprout in Mumbai, which has one of the highest population densities in the world, often right next door to shantytowns. **REUTERS**

backwater. It's no sure thing. The great cities—London, Cairo, Beijing—have reinvented themselves repeatedly through history. But the global landscape is littered with once-thriving cities, from Ur to Venice, that lost their economic purpose and failed to find another. Much of the post-industrial West, including much of the Midwestern United States, displays this decline and drift today.

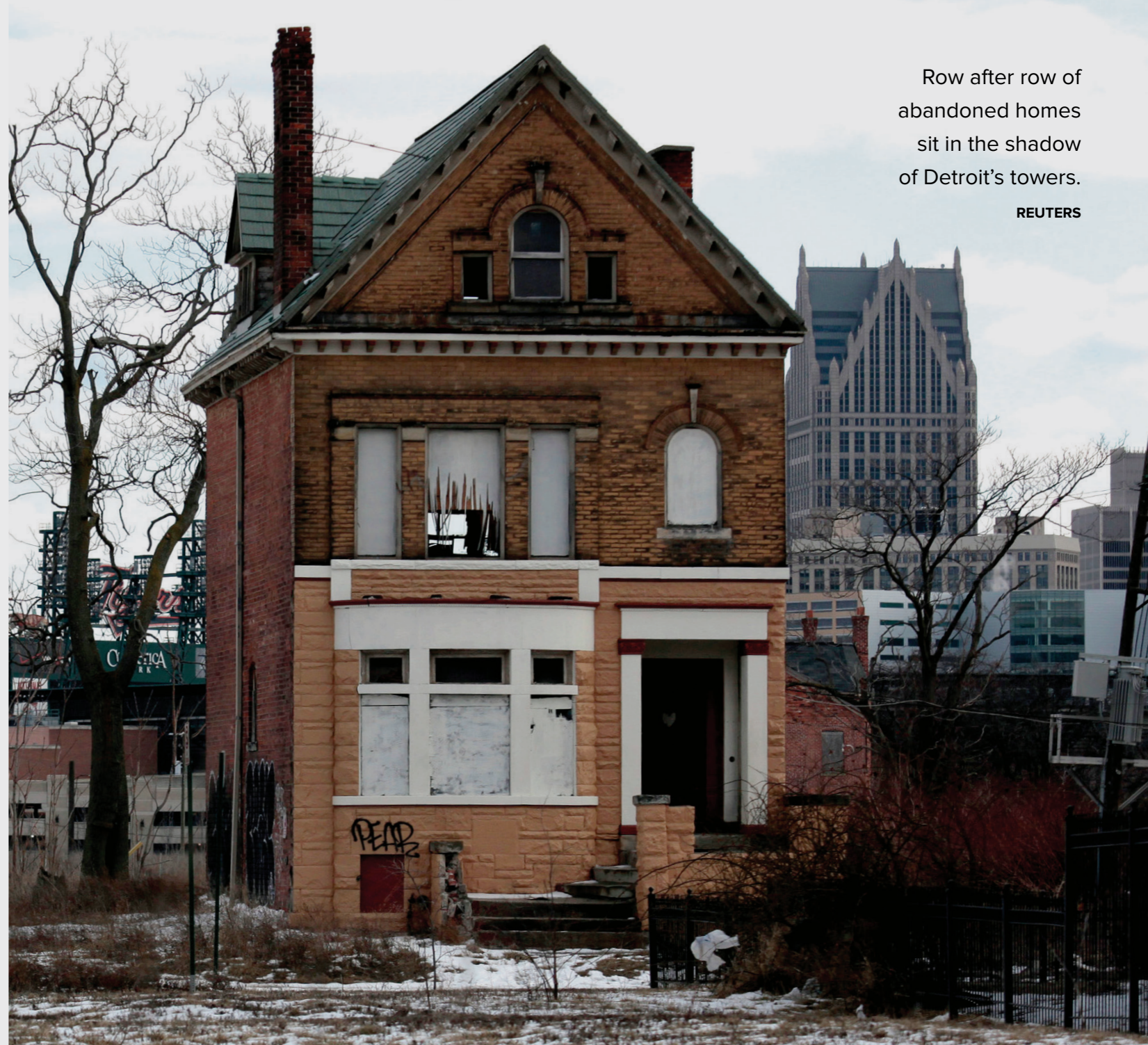
But a few dozen cities around the world have seized the opportunities of the global economy to become global cities. Some, such as Dubai, are virtually new creations. Others, such as Shanghai or Seoul or Mumbai, are once-great cities that are rising to global prominence from a Third World torpor. Most—so far—are the same great Western cities—New York, Paris, London, Chicago—that ruled the industrial era.

## Fall of the mighty

The world is full of once-mighty cities, from Ur and Babylon to Cleveland and Manchester, which boomed for a season and then went into a long decline – in wealth, in power, especially in population. Once upon a time, in the late 16th and early 17th centuries, Potosi – a silver-mining town 13,000 feet up in the Bolivian Andes, was the biggest and most productive city in the Western hemisphere. It still exists, still producing some poverty-level jobs, but left behind by a world that once relied on its workers and the silver they produced.

A glimpse of U.S. population statistics over the past 50 years provides cautionary reading for any city that thinks that, just because it's a boomtown now, it won't become a Potosi of the future.

The ten biggest American cities in 1960 were New York, Chicago, Los Angeles, Philadelphia, Detroit, Baltimore, Houston, Cleveland, Washington and St. Louis. Some are still there, according to 2010 census figures. New York, the nation's pre-eminent global city, is still top. So are Chicago and Los Angeles, although Chicago has lost about 800,000 people and now ranks third, behind Los Angeles. Philadelphia and Houston still rank in the top ten, although Philadelphia is 400,000 people smaller and Houston is nearly 900,000 bigger.



Row after row of abandoned homes sit in the shadow of Detroit's towers.

REUTERS

### Detroit

In 1960, Detroit was America's fifth biggest city, with 1,670,000 people. One million of those people aren't there anymore, and Detroit is long gone from the top ten, a victim of white flight, the declining fortunes of the auto industry, corrupt politics, race riots and a civic failure to transition from the industrial to the global era.



## Potosi

Potosi is still a silver and tin mining town 13,420 feet up in the Bolivian Andes, but is virtually unknown to the wider world. But in the 16th and 17th centuries, its 200,000 people made it the biggest city in the Americas. Most of the people were laborers working in hellish conditions to supply silver to the Spanish Empire. It still has 240,000 people, but the decline of the Empire and of Spain's thirst for silver has turned it into a mountaintop backwater.



## Venice

In the 13th century, Venice was La Dominante, an independent city state, the richest and most beautiful city in Europe, sending its ships laden with silk and grain as far as India. But in the 15th century, trade routes changed as Columbus and other explorers opened up the world. Venice, weakened by wars, never recovered. It remains today, 270,000 people on its 117 islands, still achingly beautiful, living on past glory and wealth as it sinks slowly into the sea.



## Ur

From 2300 to 1900 BC, Ur was the largest and most opulent city in the world, a port at the place in southern Mesopotamia (now Iraq) where the Tigris and Euphrates Rivers emptied into the Persian Gulf. Ships sailed from Ur to India and other lands. But the coastline shifted and Ur's outlet to the sea silted up. A drought finished the job and the city vanished about 500 BC. Ur today is an uninhabited ruin dominated by its temple, the Ziggurat.



CHAPTER THREE

---

# The Global City Defined

New York

What is a global city? Most scholars accept the definition of Saskia Sassen, the Columbia University sociologist and leading theorist of global cities. Sassen says that global cities are “strategic sites” that manage and guide the global economy. Many of these cities were already centers for international trade and banking. Now, as global cities, they have four new functions:

- » **As highly concentrated command points in the organization of the world economy.**
- » **As key locations of finance and specialized service firms, which have replaced manufacturing as the leading economic sectors.**
- » **As sites of production, including innovation, in these leading sectors.**
- » **As markets for the products and innovations produced.**





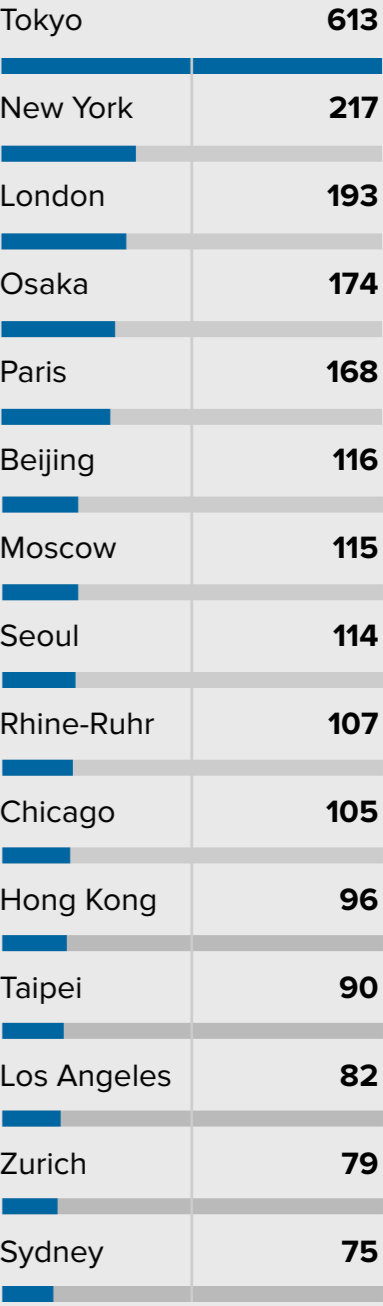
## The world's new command centers

In other words, these cities run the global economy. That economy may be scattered across the globe, with corporations locating their manufacturing and other business functions where they make the most economic sense. But all this has to be run from somewhere, and that somewhere is the global city.

A corporation that operates in 50 countries still has its headquarters, or at least a functional hub, in the heart of a global city, often in that city's traditional business center — lower Manhattan, or The City, or Marunouchi, or The Loop. Clustered around this corporate core are the expert business services — the lawyers, accountants, consultants and the like — that the

## Tokyo HQ

Tokyo hosts more than twice as many major company headquarters as its nearest competitor.



300

Source: Urban World: The Shifting Global Business Landscape McKinsey Global Institute, October 2013

## On the way

Business travel is up 45% in China since 2013, up 37% in India, and up 15% in the US.

Total business travel was \$1.8 trillion in 2014, up 7 percent from the previous year.

### Leading nations in 2013

U.S.	\$274 billion
China	\$225 billion
Japan	\$61 billion

Source: Global Business Travel Association statistics

\$300B

Hong Kong is among the busiest hubs for business travel in the world. **REUTERS**



corporation needs to function globally. Once, the corporation kept these experts in house. But the global economy is an immensely complicated place, and few corporations have the knowledge to deal with it. Hence the need for these specialized services and the proliferation of global experts in the hearts of global cities.

In a sense, as Sassen says, these corporations are doing for their cities what they've always done. They're making things and exporting them. But the "things" aren't cars or steel anymore. They are ideas and services. The "laborers" may still travel by plane or train to other global cities, but the exports themselves fly across the globe at the click of a mouse.

This clustering of global command nodes was unexpected. The advent of digital communications seemed to free both businesses and

business services from their ties to the crumbling industrial cities. It seemed likely that these people could take their global expertise to a lakeside or mountain slope, secure that everything they needed to know would be available on their phone or laptop. It didn't work out that way. Routine information is indeed available almost anywhere, and companies with more local or national markets have often moved to the suburbs. But global corporations, especially those in highly competitive or innovative activities, find they need to be in the centers of global cities.

## **A nexus of information and ideas**

---

The key here, Sassen says, is information. Routine information such as stock movements or

mergers is available anywhere. But these competitive and innovative global actors need the latest information. They need to know

the news before it becomes public. They need the rumors and gossip, the information that will move markets tomorrow. They need confidential advice and candid appraisals that are more likely to be shared across a lunch table than in an email. In short, they need the face-to-face contacts that take place only in global cities.

This need for face-to-face meetings is crucial to the vitality and magnetism of global cities, because the people who drive this process almost all live in cities. Modern communications, by inventing the global economy, have made this personal contact more necessary, not less.

*Modern communications,  
by inventing the  
global economy,  
have made personal  
contact more necessary,  
not less.*

Given the dehumanizing security measures and jet lag of modern air travel, one would expect global business people to shun

airports and reach instead for their phones. It hasn't happened. Business travel is booming. These people, as it turns out, still want to have lunch, and global cities are where they meet to eat.

## **Built on the strengths of the past**

---

As noted above, many global cities of the 21st century are the industrial capitals of the 20th century which reinvented themselves for the global economy. But "reinvention" implies that

*Founded in 1554,  
São Paulo is the  
largest economy  
by GDP  
in Latin America.*



*“Chicago, São Paulo, Shanghai, Tokyo, and Seoul are among the leading producers of these types of specialized corporate services, not in spite of their economic pasts as major industry centers, but because of them.”*

**Saskia Sassen**

*the Columbia University sociologist and leading theorist of global cities*

and steel mills that made Chicago the City of the Big Shoulders are long gone. But Chicago still knows manufacturing: if its factories play a smaller role in the city’s economy today, its Loop is crammed with expertise—financial, accounting, legal—on manufacturing. A company that needs advice on global manufacturing can find that advice in Chicago: providing that advice and charging for it is literally the basis of Chicago’s new stature as a global city. Similar-

these cities cast off their pasts to reimagine their futures. This exaggerates the transformation. By and large, the global city of today has reached for the future by building on its past.

New York and London, for instance, have always been trading and financial capitals. Both suffered financial and social agonies in the 1970s, as they retooled their financial industries for the global market. Achieving global prominence was mostly a matter of doing globally what they had always done locally and nationally.

Old industrial cities like Chicago would seem to be less obvious candidates for global status. But once again, as Sassen points out, Chicago (and other industrial capitals such as São Paulo, Shanghai or Seoul) have thrived by pouring new wine into old bottles. The stockyards

ly, Chicago doesn’t trade pork bellies any more. But the LaSalle Street markets that served the processors of Midwestern meat and produce now pioneer global financial instruments, using trading expertise learned in an earlier era.

Global cities have their specialties. An investor in global entertainment will likely seek guidance in Los Angeles, not Chicago. An investor in global manufacturing will shun Los Angeles (or New York) in favor of Chicago.

The past is destiny, Sassen writes. Chicago’s past “was not a disadvantage. It was one key source of its competitive advantage. Chicago, São Paulo, Shanghai, Tokyo, and Seoul are among the leading producers of these types of specialized corporate services, not in spite of their economic pasts as major industry centers, but because of them.”

## CHAPTER FOUR

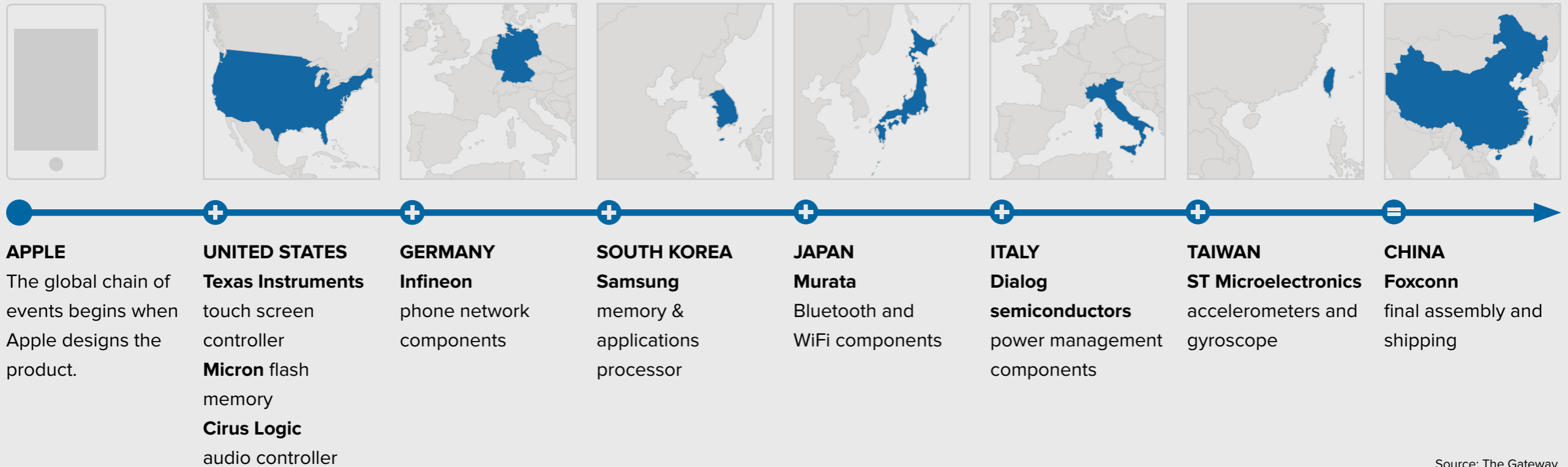
# Cities on a Global Flow

From this insight has come new thinking about the competition between global cities. Most cities and their economic development officials see themselves in a cut-throat competition with other cities for their proper place in the global economy. Cities everywhere fret that they are falling short in this competition. Do they have enough money center banks? Do other cities have more Fortune 500 headquarters? How do their hospitals and universities score in global rankings? Are they centers of innovation? Are they winning or losing the competition for foreign direct investment?

There is something to this, as there are too many perceptions about global cities. Good restaurants do draw global citizens. Every city wants and needs foreign direct investment. No city wants to slip out of the top 10 or top 20 of the many listings of global cities.

# The global supply chain

Products and services once supplied by one city or nation are now scattered to all corners of the globe. Here is a peek into the global locations that participate in creating the iPhone.



Source: The Gateway

## Competition and collaboration

But the latest thinking holds that, so far as cities are concerned, the global economy is as collaborative and complementary as it is competitive. As Sassen says, "there is no perfect global city." No city—not even New York or London—commands all the financial services, all the business expertise, all the communications, all the weapons of the global economy. Instead, each global city has its niche or niches, its areas of expertise

that make it the go-to place for certain services. In an earlier and simpler time, the biggest cities served national markets first and were more likely to offer a full range of services. In the immensely complex global economy, no one city can offer everything. Instead, a web or network of service providers is emerging, with cities and markets often working together informally to complement each other. No city needs to dominate. Instead, it needs to protect and enhance its niches, to hone its specialties, to keep its place on this global network.

## Global flow replaces local place

Much of this comes down to a new concept of space, or place. The old industrial city was place-based. Chicago, like other industrial cities, rested on a base of factories and mills. Each was rooted in the Chicago soil. It existed in a certain neighborhood, often on the South Side. The factory hands worked on the assembly lines downstairs. Often, the boss and the other employees worked upstairs: if they moved out

Shanghai is home to the busiest container port in the world, moving more than 33 million container units in 2013.

Source: Lloyd's List

to fancier headquarters, it was usually no further away than the Loop. The employees mostly lived in the neighborhood. The factory made things out of raw materials—coal, iron, wood, hogs—that could be shipped easily to Chicago from the Midwest. In return, it shipped its goods mostly to the Midwest.

Basically, everything important happened in one place. That place, and thousands of others like it, comprised Chicago. When the factories and mills left in the '60s and '70s, Chicago entered its Rust Belt doldrums, the savage downturn before its recovery as a global city. As noted above, the industrial past made this recovery possible. But when it happened, Chicago, like other global cities, occupied a different role in the economy.

If "place" defined the industrial city, "flow"





defines the global city. Commerce today takes place on a global circuit or supply chain, with production flowing along this circuit from place to place and from city to city. For a manufactured good, components may be produced in a dozen places and assembled somewhere else. Research can be accessed globally. Business services—consulting, accounting, legal and the like — may take place in one city or many, depending on the services needed and their complexity. Financing may be found in one or many financial markets, with currency hedging and other functions happening elsewhere.

## **A web of commerce**

---

In this new world, all the things that used to happen in that one place on the South Side now

are scattered among cities around the world. These cities exist on a global loop, with the global economy flowing between them. In this sense, a global city now is a layover stop, in Zachary Neal's term, a depot on the global flow. In each city, the flow of each transaction stops for a while—possibly no more than millisecond—while value is added. Then it moves on, to be enhanced in the next depot down the line.

This circuit flows through virtually every city around the globe, and few places escape it. But some are the major depots or layover places, where more transactions come more often to stay longer and to add more value. Like major

*If global cities need  
to be part of a larger  
network, they are also  
where global  
corporations have to be,  
because they are hubs  
in that network.*

airports, these cities are the hubs of the global economy. They are the global cities.

Places still count. They are where the global functions happen. But as Neal writes, "Locations were sig-

nificant [in the industrial economy] because of the activities that take place within them, while in the [global economy] they are significant because of the activities that take place between them." The concept of place hasn't vanished. But it's been recast. If global cities need to be part of a larger network, they are also where global corporations have to be, because they are hubs in that network.

Global cities still compete, of course, just as



These abandoned homes once housed industrial workers in Middlesbrough, a declining city in the English Midlands that is struggling to find its way in the global era. **REUTERS**

airports compete for business. But the key is the collaboration between them, what's been called "the division of labor." No global city exists on its own, any more than an airport can exist on its own.

## Cities thrive, hinterlands wither

---

As global cities become more central to the global economy, more marginal cities shrink and shrivel. Increasingly, power flows to the

biggest and busiest of the global cities. Some of these cities are so powerful that they literally suck the life out of their hinterland, or even the rest of their nation. Chicago has had this impact on the Midwest, London on England. Global cities have more to do with other global cities along the global circuit than they do with closer but weaker cities.

Experts are debating the degree to which some global cities even belong to their own nations. The old industrial economy was national.

National rules and regulations dominated commercial life. Corporations paid national taxes and obeyed national labor and environmental laws. National governments made international trade pacts. Now, much of that national power is gone. As corporations increasingly move beyond the reach of national laws and regulations, so do cities find their interests more rooted in the global economy. Their relationships to their national governments become less important than global links.



CHAPTER FIVE

# A New Hanseatic League?

Singapore

Some have suggested that we are returning to the preindustrial era of independent city-states. From the 12th to the 15th centuries, clusters of ports and trading centers arose to dominate the economy. The Hanseatic League is the best-known. From Bruges and Novgorod to London and Lubeck, these cities made their own rules and shaped their own economy. In Italy, Venice and Genoa established their own links with Constantinople and the Levant. As Witold Rybczynski has written: "The European city-states were centers of innovation. City bankers pioneered long-distance trade and bills of exchange, accounting, and gold money. In other words, they invented capitalism."

## The World's Leading Global Cities

As identified by the author  
(in alphabetical order,  
not by city ranking)

1. Amsterdam
2. Beijing
3. Berlin
4. Bogota
5. Brussels
6. Buenos Aires
7. Chicago
8. Dubai
9. Frankfurt
10. Hong Kong
11. Istanbul
12. London
13. Los Angeles
14. Madrid
15. Mumbai
16. New York
17. Paris
18. San Francisco
19. São Paulo
20. Seoul
21. Shanghai
22. Singapore
23. Stockholm
24. Sydney
25. Tokyo
26. Toronto
27. Vienna
28. Washington, D.C.
29. Zurich

## The era of nations

This sounds like the dynamism of the global cities of today. In fact, Rybczynski says that earlier period “presents the zenith of the world role of ‘global’ cities. Cities would be larger in the future, and their trading reach would extend farther, but they would never again hold center stage so decisively. In the future, cities would always share the limelight with the nation-state of which they were a part, and in that relationship they would be upstaged.”

From the 15th century on, Rybczynski says, nations held sway, many of them with a leading or “prime” city such as London, Amsterdam, Paris, Vienna, and other forerunners of today’s global cities. Not that these cities suffered from their loss of autonomy: the nations themselves provided new and larger markets for their wares. As nations and empires gained in power and wealth, so did their prime cities. In the mid-18th century this pri-





Protestors in Hong Kong wave colonial era flags at a pro-democracy rally in the Hong Kong financial district. The growing tension between Hong Kong and the Chinese government is directly related to Hong Kong's desire to maintain a level of independence from Chinese rule. **REUTERS**

capitals.

"Global cities," Rybczynski writes, "are something less than city-states, but something more than prime cities."

Will this last? In most cases it probably will. But already we hear great cities rattling their national cages. Philip Stephens, columnist for the Financial Times, wrote that London is a global city trapped in a nativist and sometimes racist England increasingly hostile to global integration, the European Union, and immigration—all the global forces that drive the city but alienate the "Little Englanders" outside it. London, perhaps the world's premier global city, "cannot entrust its fate to a little England," Stephens writes. "This is a moment to imagine a different future: independence." A pipe dream, perhaps. But will increasingly dominant cities consent forever to be urban Gullivers lashed to their native soil by the jealousies of Lilliputians beyond?

macy dimmed, as the industrial era created new urban powerhouses such as Leeds, Manchester, Detroit and Cleveland. With the end of the industrial era in the West, many such cities have faded as prime cities have regained their primacy. Chicago is a rare example of an industrial city that has re-emerged as a hub of the global economy.

## Not yet city-states

Now, in the 21st century, the binding of global cities into transnational networks has led to speculation that a new global Hanseatic League

is in the making. As with so many generalities about the global economy, this is provocative but exaggerated. As Rybczynski points out, these cities, no matter how powerful, are not politically autonomous. City-states such as Singapore and Dubai remain rare exceptions. Hong Kong may see itself in the same league, but as it learned recently, Beijing does not agree. The transnational networks themselves may be autonomous, existing outside national control, but the cities themselves still answer to their national governments. No matter how powerful cities become, the ultimate power to wage war and enforce peace still lies in national

The beauty of the Millennium Bridge stretching across the River Thames to St. Paul's Cathedral stands in stark contrast to the bottom image that shows the Cathedral surrounded by billowing plumes of smoke as London burned in the aftermath of a German bombing attack during World War II.

## The rise and fall and rise of London

As a city, London goes back to 43 AD. There've been some changes made.

Each city needs an economic reason for existence. But economies change, again and again. Ports become trading posts, which become manufacturing cities, which become centers of government, which become cultural centers. In two millennia, London has seen it all.

London began as a Roman settlement and, by the second century, had some 60,000 people. After four centuries of ups and downs, it emerged as a major port. Trade grew and a civilization appeared. Westminster Abbey and the Tower of London trace their histories back a thousand years. Government grew. So did commerce: the so-called City of London, then a separate city, became the commercial heart of the metropolis and remains so today.

Ships sailed from London's docks to dominate much of the world. The East India Company was founded and spread its power to the colonies, including America. A disreputable band of actors, including William Shake-



peare, established a short-lived entertainment area on the south bank of the Thames and created English-language theater. The wool trade grew and, in time, other manufacturing, with immigrants pouring in from the countryside and abroad to labor in the dark satanic mills of the Dickensian era.

The city suffered unimaginable calamities and rose again. Conquerors came and went. The Black Death wiped out one-third of London in the 14th century. Another fifth died 100 years later in the Great Plague, followed by the Great Fire. St. Paul's Cathedral rose from the ashes. Savile Row became synonymous with men's tailoring, Fleet Street with newspapers.



The Battle of Britain and the Blitz flattened much of the city in World War II, including the strategic Docklands. Shipping went elsewhere and London built an entire new business district in the Docklands. The city today is a mecca for finance, for culture, for tourism, for well-heeled oligarchs looking to park their money in London real estate – a very old city that is constantly new.



CHAPTER SIX

---

# The Components of a Global City

Global cities owe their ranking and prominence mostly to their economic power. But as we mentioned before, there is more to being a global city than economics. Global cities do specialize. Some are capitals of finance, others of fashion. But all share certain characteristics. They are connected: all are transportation hubs, with the biggest airports serving global travelers. All lie athwart the best high-tech communications systems, which are their highway to the world. All are business and economic centers, with the head offices, business services, legal and consulting expertise, banks, and global corporations that command the global economy.



San Francisco and its Bay Area, including Silicon Valley, have become a magnet for global innovation and investment. **REUTERS**

They are global taste-makers, media centers, and cultural capitals. They are magnets not only for immigrants but for the best and brightest of their nations' young people. They thrive on great universities that collaborate with other

great universities around the globe. Most are ethnically diverse. Most importantly, they are "globally fluent," in the words of former Chicago Mayor Richard M. Daley. They have leadership with a worldview that understands their cities'

place in the world and how to leverage global forces and local strengths to raise their standing globally and their vitality at home. Such leadership is sometimes political, sometimes commercial. In the most vital cities, it's both.



# The Top Global City is...

While there are many Top 10 lists produced to determine the leading global cities, London and New York are the only cities consistently atop each list.

## CITIES OF OPPORTUNITY 6

PricewaterhouseCoopers 2014

1. London
2. New York
3. Singapore
4. Toronto
5. San Francisco
6. Paris
7. Stockholm
8. Hong Kong
9. Sydney
10. Chicago

## GLOBAL CITIES INDEX

A.T. Kearney 2014

1. New York
2. London
3. Paris
4. Tokyo
5. Hong Kong
6. Los Angeles
7. Chicago
8. Beijing
9. Singapore
10. Washington, DC

## HOT SPOTS 2025

Economist Intelligence Unit 2013

1. New York
2. London
3. Singapore
4. Hong Kong
5. Tokyo
6. Sydney
7. Paris
8. Stockholm
9. Chicago
10. Toronto

## GLOBAL POWER CITY INDEX

Mori Foundation 2014

1. London
2. New York
3. Paris
4. Tokyo
5. Singapore
6. Seoul
7. Amsterdam
8. Berlin
9. Hong Kong
10. Vienna

## Ranking global cities

This complexity comes through loud and clear in the various surveys ranking global cities. These rankings were first launched by the Global and World Cities (GaWC) Research Network at Loughborough University in England. Since then, other firms and think tanks have come

out with their own rankings. Among the leading global city indexes are ones published by A.T.

Kearney, PriceWaterhouse Coopers, the Economist Intelligence Unit, McKinsey & Co., IBM and others. They use many of the same metrics, but often weigh them differently. One survey will stress global business connectivity, while another focuses

on quality of life. New York, London, and Paris dominate the rankings, with Singapore and Tokyo close behind. Only two other American cities, Chicago and Los Angeles, make the top ten in most rankings: Washington is included in some only because that industry is the American government.

### **A true global city is balanced between four pillars of urban life.**

**The first is civic:** an effective city government supported by institutions of civil society, such as think tanks and foundations, especially those embedded in the global society.

**The second is commercial:** a powerful business community with global connections.

**The third is educational:** both higher education and K-12.

**The fourth is cultural:** the arts and entertainment that give the city its soul.

A myriad of attributes support these pillars:



# The attributes of a global city



Los Angeles owns the entertainment red carpet.



The functional density of Tokyo is ideal for global cities.



The Sorbonne provides a higher ed heart to Paris.

## Economic attributes

First and foremost, global cities are the hubs of the global economy. No city is a global city unless it is an economic powerhouse, dominant in finance, trade, manufacturing, or business services. Some cities, such as London or New York, command several economic sectors. Others dominate only one sector but, if that sector is globally important, so is the city — Los Angeles, for instance, and its entertainment industry. Other attributes, such as good schools and culture, are vital components of a global city, but the economy pays for it all.

## Size

For the most part, no city under a million people need apply. San Francisco and Zurich, with their specialized clout, are included in some listings, but they're exceptions. Otherwise, all global cities are big cities—three million people or more. It takes size to offer all the attributes needed to be a global city. But note: size isn't enough. Some of the world's biggest cities—Manila, Cairo, Mexico City, Lagos, Kolkata, and Lima—are nobody's idea of a global city, and may never be widely accepted.

## Human capital

This means having a storehouse of smart, educated, creative people. The percentage of the population with a college degree counts. So does the number of universities and their quality. So does the international student population, along with the number of foreign professors and researchers. Any global city must understand the outside world and have links to it, so its ability to attract brains from around the world is vital.

# The attributes of a global city



Seoul primary schools are consistently near the top.

## K-12 education

---

At the upper-wage end of the socioeconomic scale, this means good schools for the children of global citizens. Entrepreneurs and investors will shun a city where their children get a bad education. At the lower-wage level, this means a solid education for the army of workers—truckers, cooks, small manufacturing employees, clerical workers, retail workers—whom a global city needs as much as it needs its global stars.



A high percentage of Toronto residents are immigrants.

## Foreign-born residents

---

Tied to human capital is the sheer number of foreign-born residents. Some are expatriate professionals, living abroad for a job for a few years. Like bees flitting from flower to flower, they are a mobile source of knowledge of best practices from around the world. Large immigrant populations are more often poorer and less educated, but they are both cause and effect of urban vitality. They go to global cities because that's where the jobs are and, once there, add their new blood and verve to that vitality.



The Sydney Opera House is a global icon for culture.

## Culture

---

Culture is also a cause and effect of a global city. A strong economy pays for the museums, universities, symphonies, and theaters that make a city more than a labor pool. This is also a draw for global citizens who have a palette of places to live, work, and do business. And high culture is only a small part. Good restaurants are crucial. So are recreation and sporting events. So are night clubs and wine bars and rock concerts. Global citizens will go to the place where their brains and education can be best used, but they also want to have fun. Tourism

# The attributes of a global city



Singapore draws twice its population in tourists each year.

## Tourism

---

Because global cities are so big, so vibrant, so much fun, they are magnets for tourists. Tourists themselves are a major export industry: they come from outside to buy what a city has to offer. Then, having seen the global city firsthand, they take their impressions home with them, helping to create the buzz that any global city needs.



Washington, D.C. stands alone atop the world of politics.

## Political engagement

---

This is the interaction between the city's political structure and the rest of the world. Obviously, national capitals have an advantage—they have the embassies and international organizations. When foreign leaders travel abroad, they are more likely to go to Washington than Chicago, or to Paris than Lyon. But a non-capital global city will have many consulates and should have major think tanks and a calendar of international conferences.



London is the global leader in airline passenger travel.

## Connectivity

---

For the most part, this means air and digital connections to the rest of the world. If global cities are where global citizens meet, then a major airport with a full schedule of nonstop flights to other global cities is crucial. So is top-flight broadband connectivity.

# The attributes of a global city



Los Angeles Mayor Eric Garcetti (left) shares a laugh with Japanese Prime Minister Shinzo Abe.

## Globally attuned local leadership

---

City officials must understand their cities' place in the global economy. Then they must sell this global focus to voters for whom all politics may be local. This is hard: pro-business policies that draw in global corporations and global citizens can conflict with policies needed to provide decent lives for those whom the global economy has left behind. In addition, cities need to spend heavily to keep their global status. Global investors can afford these costs, but everyone else — middle class and working class — may be priced out of town.



Zurich is consistently atop of most Quality of Life indices.

## Quality of life

---

This includes public transit, the environment, safe streets, good health care, and efficient and honest local government. A reputation for corruption, pollution, or crime will damage a city's competitive power.

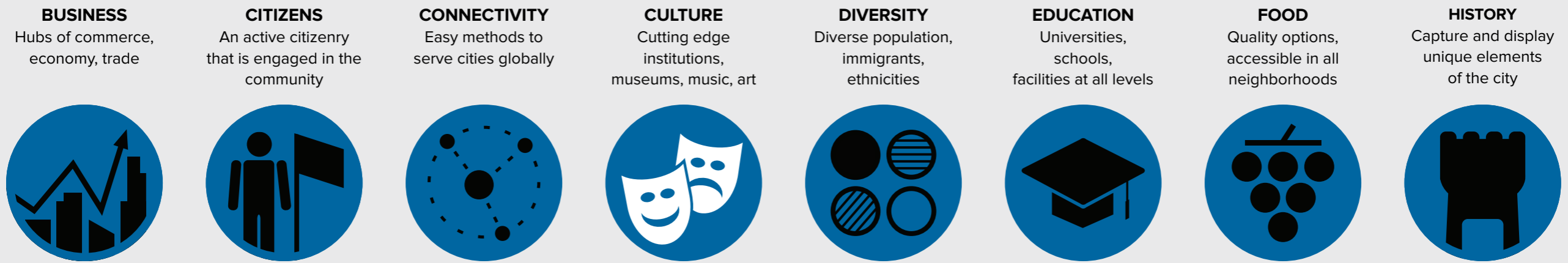


For all of Beijing's advantages, China's national politics consistently drag on the city's global potential.

## National political and economic climate

---

Even global cities are affected by their nations' policies. Global corporations deal with national laws on visas, trade, currency repatriation, export supports, infrastructure investment, and other policies. For global investors seeking business-friendly environments, these national negatives can outweigh local positives. Countries that censor their media or limit digital communications make it harder for global citizens to live and work there.



# Global cities vs. great cities

Some global cities are also great cities. But the two are not the same. A global city, as we've seen, is a hub in the network of global commerce. A great city is one that dominates its culture and defines its nation and its civilization. Some global cities fit this definition: London, Paris, Tokyo, New York. But while Moscow, Cairo, and Damascus are great cities—it is impossible to imagine Russia, Egypt, or Syria without them—none achieves global standing.

Nor are global cities necessarily pleasant places. They are big, noisy, crowded, hectic, often exhausting. Each

complains about its traffic jams without realizing that these jams result from their very prominence.

Global cities are where everyone wants to be. They are the arenas of modern commerce. They move faster, think faster. They offer greater rewards and harsher penalties. They are super-competitive. As they say in New York, "if you can make it here, you can make it anywhere." And if you can't make it in New York? That's tough—the rest of the city is too busy to care.

This is why many people flee global cities. But it's also why creative people flock to them. As Richard Florida has

written, "Ideas flow more freely, are honed more sharply, and can be put into practice more quickly when large numbers of innovators, implementers, and financial backers are in constant contact with one another.... Creative people cluster not simply because they like to be around one another or they prefer cosmopolitan centers with lots of amenities, though both those things count. They and their companies also cluster because of the powerful productivity advantages, economies of scale, and knowledge spillovers such density brings."



- HOUSING**  
A must for people of all economic brackets
- INFRASTRUCTURE**  
Invest and reuse
- OPEN SPACE**  
Built environments, parks, bike lanes, green spaces
- SAFETY**  
At every level
- SUSTAINABILITY**  
Energy efficient, low carbon emissions
- TOLERANCE**  
Respect for religious, racial and ethnic norms
- TRANSIT**  
Infrastructure, ease of mobility, public transit
- WATER**  
Clean, portable, easily distributed



## CHAPTER SEVEN

# The Global High Fliers

Hong Kong

Which cities, then, are the true global cities? Which are the hubs of this economic vitality? There are probably 40 or 50 of them, depending on the definition (and those that miss the cut will argue vehemently for their right to be restored to the list.)

Four or five of these cities dominate every list: New York, London, Paris, Tokyo, perhaps Hong Kong. Below them is a second tier, regional and economic powerhouses in their own right: Seoul, Chicago, Los Angeles, Singapore, Sydney, Beijing, Shanghai, Toronto. Two world government centers, Washington and Brussels, often make the list. San Francisco does too, because of its high-tech dominance. A number of European cities remain on the list although one wonders if they'll retain their ranking as Europe itself declines in global importance.



New York bounced back from financial crisis and the 9/11 attacks to rank as one of the world's leading global cities. **REUTERS**

These are all big-league cities. But how do they get that way? How does a city become a global city? We take for granted their dominance without understanding that their success is often due to special circumstances, or certain leaders, or their ability to seize a moment in history. Because London and New York rebounded from the doldrums of the 1970s, or because Shanghai rebuilt itself in the new China, we assume that this transformation was inevitable—that it just happened.

Again, the history of cities is instructive. Throughout the centuries, certain cities suddenly became what Sir Peter Hall called “cultural crucibles,” cities that created and defined their civilizations. Classical Athens and imperial Rome, Renaissance Florence and maritime Venice, Paris during the Belle Epoque, Berlin during the Weimar Era, the Rome of La Dolce Vita and the



Few cities in history, if any, have risen as quickly as Dubai. A forward-thinking ruling family, favorable government structure and the fall of regional business leader, Beirut, all played a role in Dubai's rapid ascent to the top. **REUTERS**



"Swinging London" of the '60s. Some collision of artists, thinkers, and entrepreneurs created a cultural explosion—what Hall called an irresistible "nervous energy"—that made these cities simply the place to be.

But these are star cities, not global cities. All that energy radiated a glow all by itself. A global city is less a generator of electricity than a huge machine plugged into the global grid. We will have star cities in the future—New York may be one now—but the real work of the globe will still

be done by the hubs on the global network—the global cities.

In other words, a city can be a global city without being a "cultural crucible," a la Swinging London. But the recent pasts of global cities indicate that there is some special leader or event that launches it into the top rank of cities. In the 1980s, Margaret Thatcher shut down London's city government, broke the nation's trade unions, and launched the "big bang" deregulation of the city's financial markets. Look-

ing back, this seems to be the moment when London became the dynamic, thrusting, highly unequal but undeniably global city it is now.

Shanghai and Beijing owe everything to Deng Xiaoping's decision to open post-Mao China to the world economy. Dubai owes its sudden prominence to the leadership of the ruling Maktoum family, aided by the Lebanese civil war that ended Beirut's reign as the business capital of the Middle East. The victory of the Parti Quebecois in the 1976 election in Que-

bec and its push for Quebec independence triggered an exodus of English-speakers and their businesses from Montreal: Toronto seized the opportunity and has never looked back.

Singapore, the world's leading city-state, owes its development and ranking entirely to the leadership of its late long-time prime minister, Lee Kuan Yew. Brussels would be a minor European city except for the political wheeling and dealing that gave it the offices of the European Economic Community in 1958, making it the eventual headquarters of the European Union and de facto capital of Europe.

## **The advantage of geography**

---

Other cities leverage their geographic prominence to wield global power. These cities so

thoroughly dominate their hinterlands that they are indispensable to anyone doing business in these regions. All these cities—Sydney in Australia, Toronto in Canada, São Paulo in Brazil, Chicago in the American heartland—owe at least part of their global stature to location.

## **Old cities, new needs**

---

A few cities seem fated to rule. Many others had to work at it. As Sassen writes, such cities as Chicago, São Paulo, Shanghai, and Seoul reinvented themselves as global cities on the basis of their histories as industrial centers. But none of this was preordained. Many other Midwestern industrial cities also lost their heavy industry without graduating to global status. Other once-mighty factory cities, such as Pittsburgh,

reinvented themselves but as shrunken places far from the global stratosphere.

The industrial age, like the global era, was centered in great cities such as Chicago. But it also spread to other cities, not only to industrial capitals such as Detroit but to the galaxy of small factory towns that dot the Midwest. Partly this reflected the need for space: a steel mill needs acreage. Partly these towns grew from the innovations of local entrepreneurs. The global economy has different needs. Global markets don't need space: the global economies of New York, London, and Chicago are largely jammed into dense central cities. Entrepreneurs are more likely to emerge from a urban university or a high-tech cluster than from a barnyard. In this way, the global economy concentrates not only people but wealth.

Cities like Monaco hold a niche but can't hold the attention of the world outside of that specialty. Thus, they are sexy and interesting while never managing to be a global city.

## A star city is born

Global cities are the suns of the global galaxy. But this galaxy also embraces shooting stars — specialized places, sometimes glowing for just a season, more often ablaze with a special gleam. These shooting stars are fun, and make the world a more enjoyable place. If they disappeared, that world would go on without them, but they fill a role that global cities, bigger and more complex, cannot match.

Las Vegas is a shooting star, a gambling and entertainment mecca that dominates its niche but nothing more. Monaco and Macau share that niche and live very well, thank you, off this specialty. At the other end of the intellectual spectrum, Oxford and Cambridge, like Madison and Ann Arbor in America, are known for their universities and, despite a smattering of industry, not much else. Agra, Pisa and Cuzco are rich and ancient cities but live today off the glories of past civilizations. Bilbao has leveraged its spectacular Guggenheim Museum for economic development, but it's a long way from being a global city.

Some shooting stars blaze for a month, then go dark. The hosts of Olympic Games often are examples: think Sochi. Or festival cities. Depending on the calendars,



Cannes, Salzburg, Edinburgh, Bayreuth and Venice are capitals of the cultural world. Then that world moves on.

Many national capitals miss the cut that separates important cities from global cities. Ottawa, Canberra, Brasilia, Ankara, even Delhi, are the seats of national power. But in the global cities standings, none hold a candle, even in their own countries, to Toronto, Sydney, São Paulo, Istanbul or Mumbai. If Washington gets left off some lists of global cities, New York is always at or near the top.

Sometimes past is prologue, sometimes not. The global landscape is littered with once dominant cities notable more for their past than their future. Athens and Rome, Florence and Ragusa (now Dubrovnik) created a history that has now passed them by.

All these cities are or were one-note places that played that note awfully well. But the global crown goes to more humdrum cities who do many things well. When the shooting stars fade, the steady glow from these global cities lights the world.



CHAPTER EIGHT

---

# The Pathologies of Global Cities

If global cities are centers of people, power, and wealth, they also are where the problems and pathologies of the 21st century are most on display.

## PERCENTAGES THAT MATTER

# 2%

Percentage of the earth's surface that cities cover.

Source: UN Habitat

# 78%

Percentage of the global energy that cities consume.

## Climate change

---

If global cities are centers of people, power, and wealth, they also are where the problems and pathologies of the 21st century are most on display. This is true of global warming and climate change. Urban density means that cities make relatively efficient use of energy, but their sheer mass and economies inhale the resources of the world and pump more pollutants back into the atmosphere. Almost in revenge, nature wreaks its havoc on cities: a hurricane is a disaster anywhere, but Hurricane Sandy literally brought New York's civilization to a halt. Smart cities everywhere are planning for a warmer future and what this will mean to their access to water, to their ability to withstand great storms, even to the kind of trees they plant in their parks.



This Queens, New York, neighborhood was ravaged by Hurricane Sandy and the chaos that ensued during and after the storm had finished sacking the area. **REUTERS**

## Terrorism

---

Terrorism, too, is increasingly an urban phenomenon. The 9/11 hijackers attacked New York City, simply because it was America's premier global city and the symbol of a globalized economy. Similarly, the Charlie Hebdo terrorists didn't raid some village in the Perigord but aimed at the heart of Paris. Again, all major cities are on alert, with sophisticated plans to avert a terrorist attack or, if it comes, to deal with the deaths and damage. All of them know that, if terrorists strike, they are on the front lines.

A group of journalists rally near the site of the Charlie Hebdo attack to show solidarity with their peers and as an act of defiance toward terrorists. **REUTERS**





Bankers from Bank of India watch from a window as Occupy Wall Street protesters march down 47th Street in New York in September 2013. **REUTERS**

## Inequality

Of all the pathologies afflicting global cities, none is more visible or more corrosive than the inequality that seems tied to globalization, almost as an inevitable downside, even in the most glittering global capitals.

As noted above, there is no ideal or perfect

global city—no city that embodies all the virtues of global connectivity but none of its drawbacks. London may come closest—a huge financial center, national capital, intellectual and cultural mecca, with world-class universities and world-class students, a cosmopolitan metropolis, filled with both tourists and expatriates, the throbbing heart of the world. But even Lon-

don cannot escape the divisiveness and tensions that afflict all global cities.

Six days of rioting there in 2011 seemed mindless: certainly, the rioters had no coordinated demands. Rather, they were a reaction by the global have-nots to the new global city around them. Some of this reaction was racial or xenophobic, similar to the anti-immigration

*"The city, like no other place on earth, is the global site for economic development and power and stark socio-economic division"*

**Jon Beaverstock**

its vivid contrasts between the globalized Loop and the derelict inner city neighborhoods, knows this divide better than most. As author Andrew J. Diamond says, Chicago may no longer be the most segregated American city, but it is the most segregated global city.

## **Enclaves of class and income**

"The city, like no other place on earth, is the global site for economic development and power and stark socio-economic division," Jon Beaverstock and his colleagues at Loughborough University wrote in 2011 at about the same time that sounds of breaking glass reverberated in

sentiment that has seized Britain: polls show that three-fourths of Britons want immigration cut back, more than half by "a lot." But it was hard to escape the conclusion that much of the violence reflected the resentment of young disaffected Londoners against a glittering global city that had no place for them.

Not every global city has experienced riots. But globalization is a divisive force, creating new inequalities between and within nations, and between and within cities.

This inequality is less stark in cities with a greater tradition of social equity—Toronto and Copenhagen come to mind. But globalization has created growing inequality in virtually every city it touches, as globalization's winners bound ahead, in wealth and influence, of the losers left behind. If the industrial age created a broad middle class, the global age is eroding that middle class and scattering its members to the upper and lower fringes. Chicago, with

London and other British cities.

In 1993, Peter Marcuse wrote about the "dual city" where the affluent and the destitute live virtually side by side. Marcuse broke this "dual city" into five cities:

---

**The luxury city**, gated and segregated, home to the economic and social elite.

**The gentrified city**, home to the professional and managerial classes.

**The suburban city**, not really suburbs but less favored neighborhoods, home to the "mid-range" professionals.

**The tenement city**, with its blue-collar and white-collar working class.

**The abandoned city**, home to the unemployed and excluded, the underclass, both white and black.

---

Twenty years later, this pattern persists. Cities are reorganizing themselves into enclaves of



The drug-infested favelas of Rio dominate the mountainsides with the lure of sandy beaches within sight—just beyond the pricey beachfront high-rises. **REUTERS**

class and income. The wealthy and the global citizens move into the center of cities, raising property values and generating the services—the bistros and boutiques—of the global elite. As they arrive, the middle and working classes are shoved out into new neighborhoods or into close-in suburbs. These suburbs, recently well-to-do themselves, now experience poverty, crime, and the other pathologies once associated with the city. The new central cities blossom with good transport, good stores, and good schools. Too often, the outlying neighborhoods have none of this. European cities are used to this. Paris has long been a glamorous island of prosperity, surrounded by the immigrant bidonvilles beyond the Peripherique. American cities such as Chicago, once abandoned by white flight, are now being transformed in the style of Paris, recolonized by the children and grandchildren of the people who fled to the suburbs barely a generation ago.



## The disappearing middle class

Sassen has defined this restructuring too. Globalization, as we've seen, creates high-paid, high-skilled jobs in business services, with many of these jobs locating in global cities. At the same time, the manufacturing and other routine jobs, the former economic base of the same cities, are scattered across the globe. As these middle-wage jobs disappear, new jobs appear to serve the business service complex, but most of these jobs are low-skilled and low-wage—cleaners, for instance, or hotel staff, restaurant workers, and parking valets. Many of these jobs have been taken by immigrants, some of them undocumented, leading to the “informalization” or “marginalizing” of work—concepts more often associated with the slums



of Latin America than with first-world cities. The highly-paid global citizens increasingly want to live where they work instead of commuting. The lowly paid global servants can't afford to live where they work. The result is increasing segregation and “ghettoization” of cities—but along economic lines, not necessarily racial.

More than virtually any other global city, Chicago's success today rests on its industrial

past. So it's not surprising that the pathologies afflicting the city—inner-city poverty, bad schools, violent crime, drug use—have the same roots. Most of Chicago's African-American residents are the descendants of Southerners who came north in the Great Migration to escape Jim Crow racism and, equally, to find work in the great mills and factories of northern cities. When those industries closed or decamped to Dixie or abroad, many relatively unskilled

*The disparities, as seen  
and as lived, between  
the urban glamour zone  
and the urban war zone  
have become enormous."*

**Saskia Sassen**

and uneducated factory workers were literally stranded. Their grandchildren and great-grandchildren live today with the crime and despair bequeathed by this economic collapse.

Into this bifurcated space between the global winners and the global losers have come the global servants. This is the largely immigrant class drawn to the city by the same forces that ignited the Great Migration—privation at home

Long lines at Madrid's government job centers are common when the tourist season closes. Seasonal jobs are less stable than the manufacturing jobs and the constant churn produces an economy where the majority have employment concerns. **REUTERS**

and the promise of good jobs. So far, this promise remains only partly fulfilled. Instead, the immigrants have carved out a toehold at the bottom of the economy, where low-wage and low-skill jobs proliferate. Earlier generations of immigrants to Chicago and other American industrial cities rose from back-breaking toil in the dark mills of those days to take their place in the industrial middle class—the epitome of the American Dream. Now that middle class is largely shredded. No one knows if global cities can deliver a Global Dream.

"The disparities, as seen and as lived, between the urban glamour zone and the urban war zone have become enormous," Sassen writes. The winners and losers are living, figuratively and literally, under the same roof. Can this continue?





Inhabitants of the Beyoglu district in Istanbul were put on notice when the Turkish Parliament amended code to allow landlords to eject tenants of more than 10 years without cause. The code change allows landlords to sell their properties to make way for more modern skyscrapers like those shown on the horizon. **REUTERS**

## The high costs of global cities

Allied to this problem is the reality that global cities are both expensive places to run and expensive places to live. As we saw, these cities play in the global big leagues and need constant major investments, especially in infrastructure, to maintain their status. Airports, schools, rapid transit, broadband, parks—all are among the services and amenities that global citizens require, and all must be kept up to date. This means high taxes, fees, and other expenses. Global citizens—the big corporations and the professionals who service them—can put down roots virtually anywhere, are willing to pay for what they get, and can afford to pay top dollar. Their very presence can send local living costs soaring, especially in real estate. This puts pressure on the middle-class workers with real ties

### THE TOP 10 MOST EXPENSIVE CITIES TO BUY PROPERTY

- |              |              |
|--------------|--------------|
| 1. Monaco    | 6. New York  |
| 2. Hong Kong | 7. Sydney    |
| 3. London    | 8. Paris     |
| 4. Singapore | 9. Moscow    |
| 5. Geneva    | 10. Shanghai |

Source: Knight Frank Prime International Residential Index, 2014

to the city but with limited budgets.

This is one of the big unanswered questions about global cities: how can they attract and keep the wealthy corporations and executives they need to compete in the global economy without pricing everyone else out of town? The question isn't theoretical. Already soaring real estate and other costs are forcing an economic exodus from such cities as London, San Francisco, Toronto, and Vancouver.

## CHAPTER NINE

---

# The Magnetism of Global Cities

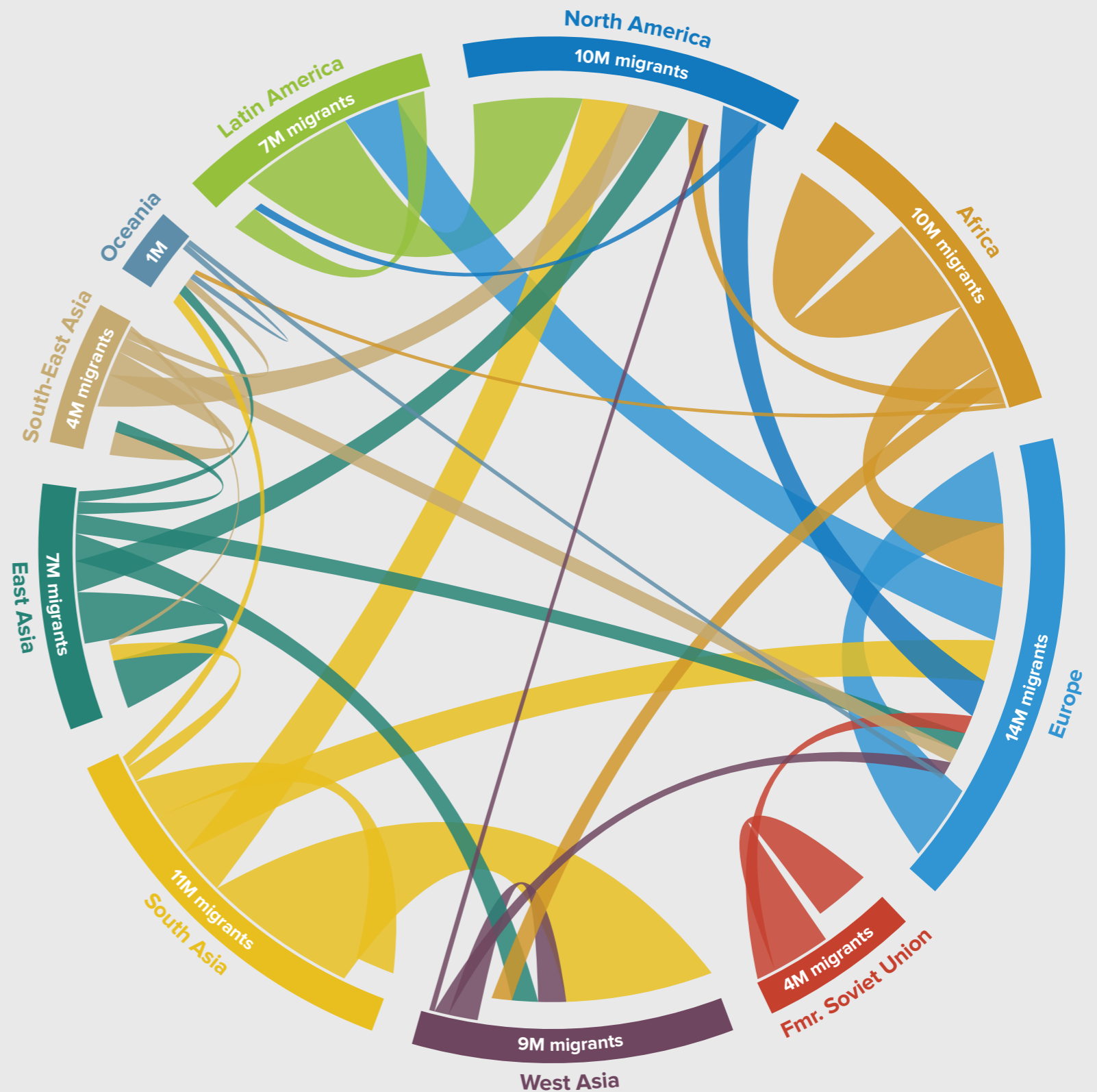
Global cities are great magnets, dense and crowded places, having drawn in all the components of the global economy. Everything—money, ideas, businesses—flow into these great hubs. And also people. Especially people. If you're young and educated and ambitious, global cities are where you want to be—indeed, need to be—because this is where the future is being invented. If you're poor and hungry, uneducated and unskilled, but ambitious to escape grinding poverty and give your children a better chance in the world, global cities are where you go, because that's where the jobs are.

Migration and immigration lie at the center of any discussion of global cities.

In some countries such as China, this migration is internal, from the countryside to the great cities such as Shanghai and Shenzhen, almost purpose-built to house the global economy. In other places such as the United States and western Europe, migration is both external and internal. As described below, the very power of global cities can strip the life out of their hinterlands, drawing in bright young people from surrounding states and cities. But millions of persons are on the move across national frontiers, too, often risking their lives for nothing more than a hard job and a bit of hope.

## A cause and effect of economic vitality

Global cities are on the front lines of the immigration debate, because they're where immigrants go. Immigration is both effect and cause



## The global flow of people

Vienna-based statistician Guy Abel and geographer Nikola Sander documented migration flows among the regions of the world for four five-year periods between 1990 and 2010. Data from 196 countries was included but has been generalized to regions to focus on continental and sub-continental patterns.

Source: "The Global Flow of People" by Nikola Sander, Guy J Abel und Ramon Bauer, published online at [www.global-migration.info](http://www.global-migration.info) and in *Science* on 28. March 2014 (Abel & Sander, "Quantifying global international migration flows.", Vol. 343: 1520-1522).



In global cities with a large immigrant population, it is relatively easy for street scenes like this one from Toronto to occur. **REUTERS**

of economic vitality. Immigrants go to cities such as London, Chicago, and Toronto, because these cities have dynamic economies—more precisely, jobs. Once arrived, a newly-employed immigrant phones home to tell his friends and relatives that his new city offers work, and so more immigrants come. Cities with lots of

immigrants also have lots of problems—with housing the immigrants, educating their children, translating their languages, absorbing their foreign ways. But a city without immigrants has a bigger problem, because the very lack amounts to the world's verdict on its economy and its prospects.

Immigration is also a cause of economic vitality. Immigrants are daring and ambitious by nature—they have to be to leave entire lives behind and strike out into the unknown. Often they're entrepreneurial. Blocked by language and culture from anything more than menial labor in the mainstream economy, they start

new businesses, often in their own communities. The role of entrepreneurial immigrants in the high-tech industries of Silicon Valley is well known. Less known is the fact that many immigrant communities—Greek, Palestinian, Korean and Indian, but also Chinese and Mexican, among others—far outstrip native-born Americans in their zeal to start new businesses.

In this way and others, globalization transforms the cultures of global cities, bringing in new blood, new ideas, new ambitions, sometimes new money. More than half of Toronto is foreign-born, and the impact on the city is palpable. In Chicago it's about 21 percent. New York, Los Angeles, and other cities are somewhere in between. For the last two years, Univision, the Spanish-language network, has matched its English-language competition for

## Foreign Born Population

Top global cities have a great diversity of cultures represented among its inhabitants.

Here are some notable examples AND exceptions:

<b>Dubai</b>	<b>83.0%</b>	UAE Ministry of Labor (2005)
<b>Toronto</b>	<b>49.0%</b>	National Household Survey (2011)
<b>New York</b>	<b>36.8%</b>	U.S. Census Bureau (2010)
<b>London</b>	<b>30.8%</b>	Migration Observatory (2010)
<b>Chicago</b>	<b>21.0%</b>	U.S. Census Bureau (2010)
<b>Paris</b>	<b>12.4%</b>	Insee (2008)
<b>Tokyo</b>	<b>2.4%</b>	Population Census of Japan (2010)
<b>Shanghai</b>	<b>0.9%</b>	NBS/STA (2010)

total viewers and, in the youth market, outperformed them.

In a sense, this is nothing new. Great cities—especially American industrial cities—have always drawn in not only the farm boys

from surrounding states but immigrants from around the world. Then as now, the wave of alien newcomers was controversial and the reception hostile. Immigrants have always been resented by those who got there first. Then as now, the long-term impact of these newcomers was overwhelmingly positive. Immigrants literally built America's cities.

The difference today is that so much of this—the downside and the upside, the controversy and the benefits—are overwhelmingly concentrated in a few cities, the global cities. In this arena as in so many others, global cities are on the front lines, coping with the forces that are transforming the world. If global cities have a stake in the immigration debate, it's this: Immigrants are essential to their future. Anything that limits immigration limits that future.



An aerial photograph of a city skyline, likely Chicago, with a strong blue color cast. The image shows numerous skyscrapers and buildings, with the Willis Tower (formerly Sears Tower) being the most prominent on the left side. The sky is a clear, deep blue, and the overall scene is dense with urban architecture.

## CHAPTER TEN

# Global Cities and Their Hinterlands

Chicago

Like many issues surrounding global cities, the relationship between these cities and their hinterlands is debated and far from settled. A few global cities such as Singapore and Hong Kong are virtual city-states or financial outposts without true hinterlands. But as Rybczynski points out, globalization is detaching global cities from their traditional regional and national moorings, creating new relationships that may give them more affinity for other global cities than for neighboring cities a few miles away.

Once these cities dominated their hinterlands. Their economic vitality spread throughout the region. Today, that economic vitality is concentrated so densely in the global cities that there is little to spare for the hinterland.

As Chicago grows into a global city, surrounding Midwestern cities drift into the background. Once thriving cities such as Detroit and Buffalo continue to struggle, while places like Gary, Indiana (below) may be lost causes. **REUTERS**



London is cited as the prime example. It's almost as though the United Kingdom had tilted to the southeast, with all the talent and wealth rolling from the rest of the country into London and the Home Counties around it.

Chicago is another example. As outlined in William Cronin's magisterial "Nature's Metropolis," Chicago and the Midwest created each other. The coal, iron, and farm produce

from the Midwest fueled the great industries of 19th-century Chicago. At the same time, the demand from Chicago and other industrial cities supported the smaller towns and cities of the Midwest. The industrial power of Chicago and other cities such as Detroit and Cleveland was a mighty locomotive pulling the entire region behind it.

## Declining fortunes in the hinterland

---

Today, the global economy, for all its wealth, is no such locomotive. There does not seem to be enough global economic vitality to go around. As Richard Florida has written, Chicago today is bleeding the life—the money, talent, business services, especially the best young people—

from its hinterland. There are so many young graduates in Chicago from the big Midwestern state universities that the city has bars catering to one Big Ten school or another, where its alumni know they can watch their teams play on a Saturday afternoon. When these young people get married and have children, they often leave Chicago—but only for the suburbs, still part of the city's economy. Across the Midwest, parents predict that their children will tire of the hectic city life and, one day, return with families to the true values and clean air of their hometowns. Perhaps. But these highly educated and well-paid children are unlikely to abandon the benefits of the city unless these hometowns offer the same salaries and challenges—and there's no sign of that happening.

But Chicago, unlike London, is a provincial

*Chicago is bleeding the life*

*— the money, talent,*

*business service and*

*best young people*

*— from its hinterland.*

capital and could lose its regional dominance without truly making it into the global big leagues. Simon Kuper, a Dutch-born columnist for the *Financial Times*, wrote that Amsterdam is still a magnet. Over the past 30 years, he said, it has "soared," far outclassing the rest of the Netherlands. But if young people are pouring into Amsterdam, the most ambitious of these young people flee to London or New York. Amsterdam may be prosperous, but for these high fliers, it's "a backwater inhabited by an increas-

ingly impotent national elite."

## **The draw of bigger and better**

---

The same thing may be happening to other regional powerhouses. Toronto is immensely civilized, but its ambitious young people still know they haven't made it until they've made it in the States. Chicago often is the same. Chicago has its local celebrities, most of them unknown outside the city limits. But since Oprah Winfrey moved to California, the city is almost devoid of top-drawer celebrities. As with Amsterdamers, young Chicagoans who want to cut a true swath in the world go to New York. Most of the city's biggest banks have already gone. The University of Chicago and Northwestern house some of the nation's best minds, but too



Mega-global cities such as New York or London lure mega-stars even from lesser global cities which consider themselves magnets in their own right. Oprah Winfrey and Michael Jordan both made their name, fame and fortune in Chicago. And then they left. When Oprah prepared to move on, one guest wishing her bon voyage was Michael Jordan, who returned for the going-away party. **REUTERS**

ing newspapers barely try. So the stars go elsewhere, where people pay attention.

## A continuing evolution

---

Many cities—Detroit, Leeds, Essen—shined in the industrial economy. Most are shrunken after-thoughts now, their vigor inhaled into the one or two regional cities that have become global cities. Perhaps this process of implosion has ended. Or perhaps it is still going on, with former regional capitals such as Chicago and Toronto remaining on the second tier, increasingly behind the handful of cities—New York, London, Tokyo—that will dominate the future.

Globalization, after all, is based on flow—the flow of money, people, jobs, talents. That flow continues, and the process is not yet finished.

many of their scholars now adorn the faculties of Harvard or Columbia.

Chicagoans fret about these losses. One theory says that Chicago ruled the Midwest so effortlessly that it never really learned to compete in the wider world. Now it's in the same league with London and New York and struggles like a triple-A ballplayer suddenly facing big league pitching. Another theory holds that the best and the brightest want to be celebrated, and Chica-

go lacks the media to reflect their brilliances. As Thomas Deja wrote in "The Third Coast," Chicago dominated the nation's TV, advertising, music, and architecture until about 1960 when New York and Los Angeles seized the lead. New York in particular has the media to make sure that its glamorous people are seen worldwide and the ideas of its finest scholars get a global airing. Apart from the attention given to the city's sparkling theater scene, Chicago's declin-



CHAPTER ELEVEN

# A Foreign Policy for Global Cities

São Paulo

We have seen how global cities graduate from their earlier status as major financial and industrial centers in their nations' economies to become depots and hubs in the global supply chain. And, as we have seen, they detach themselves in many ways from their hinterlands as they develop more in common with similar cities on the other side of the globe than with neighbors just down the highway.

What does this mean for the relations between these cities and their national governments, and for the relations between them and other global cities around the earth? Can national governments deliver the services and outcomes these cities need?



Lagos Mayor Babatunde Fashola, left, greets Buenos Aires Mayor Eduardo Macri as São Paulo Mayor Gilberto Kassab looks on during the C40 mayoral summit in Rio. Global City mayors have shown both the desire and ability to self-organize to provide greater connectivity between their cities. **REUTERS**

- > **Should such a policy focus on a city's relations with other global cities or with its place in the global economy?**
- > **Can global cities continue to thrive if they don't deal directly with other global cities over the heads of their national governments?**
- > **If global cities have foreign policies, how should they carry them out?**

Or can global cities achieve their goals outside of their national governments, in concert with each other? To what extent can they act independently with other global cities before they butt up against the prerogatives of their national governments? And how much must national governments loosen the reins on their cities to ensure they remain economic engines in the new global economy?

## **A question of governance**

---

If global cities are acquiring a recognizable shape and description, this issue of their global engagement is only beginning to take form. It's a new debate, and it asks crucial questions:

- > **Can cities have foreign policies of their own?**
- > **Should cities have foreign policies?**

The debate is based on two observations:

- 1)** In the new globalizing world, cities are central. The global economy flows through and knits cities around the world. Moreover, cities are on the front lines of the new global challenges such as climate change, terrorism, and immigration.
- 2)** National governments are increasingly dysfunctional and demonstrably unable to work together to solve the new global challenges.

Benjamin Barber, an urbanist at the City University of New York, summed up this argument in the subtitle to his book, *If Mayors Ruled the World: Dysfunctional Nations, Rising Cities*.

Barber, along with Sassen, the “creative cities” urbanist Richard Florida, and other scholars, stresses the centrality of cities in the world and their ability to act in crucial areas that baffle national governments. Barber and Florida support proposals for a Global Parliament of Mayors to discuss this new foreign policy for cities.

Sassen writes that cities today are, more than ever before, “at the intersection of cross-border circuits” that are creating “a new global political economy, new cultural spaces, and new types of politics.” All this operates on two levels: the material, with its flow of goods, services, money, and ideas; and the human, with its flow of

people. The flow of people also operates on two levels—at the top, with the denationalization of the corporate elite and the creation of true global citizens, economically deracinated, owing more allegiance to their global employers than to the country that issued their passports—and at the bottom, the tsunami of migrants, some undocumented, most in low-wage jobs, many operating marginally on the fringes of the official economy.

Faced with this transformation, national governments are all but helpless. Mighty corporations that once abided by national laws and regulations and paid their share of national taxes have escaped into a global neverland, beyond the reach of national regulators or tax collectors. Global citizens work and earn in places far removed from their nominal home, able to

make their affairs as opaque as possible to their national governments. Many immigrants, by definition living below the official radar, lead a remote existence from their national governments, which, as the American immigration reform debate has shown, has no idea what to do with them.

## **The development of sociopolitical networks**

---

As Sassen writes: “Emergent transnational urban systems also enable a proliferation of sociopolitical networks. The making of an infrastructure for the global operations of firms and markets is increasingly also used for purposes other than narrow corporate economic ones. Immigrants, diasporic groups, environmental



Flanked by community leaders, then-candidate Bill de Blasio addresses immigration reform during a campaign appearance en route to his eventual victory in the New York mayoral race. Even though immigration policy is set at a national government level, voters in global cities expect their leaders to set different rules for their cities.

REUTERS

haps they realize it. This could help explain the much-discussed dysfunction and gridlock that plague so many national governments, especially in the developed world and particularly in the United States, where politicians understand subliminally that whatever they do won't make any real difference. Francis Fukuyama argues that the real problem is a governmental sclerosis built up over time in which an open political system has admitted so many interest groups that they can veto any action at all.

"Political decay thus occurs when institutions fail to adapt to changing external circumstances, either out of intellectual rigidities or because of the power of incumbent elites to protect their positions and block change," Fukuyama writes.

Of all the "changing external circumstances," the prime mover today is globalization.

and human rights activists, global justice campaigns, and groups fighting the trafficking of people, among many others, are contributing to strengthen these emergent transnational urban systems.

"What distinguishes both the economic and sociopolitical networks...is that they constitute

globalities centered in cities rather than running through the bureaucracies of national states or supranational agencies."

In other words, national governments can't touch any of these activities, even if they'd like to. In dealing with the impact of globalization, these governments are virtually irrelevant. Per-



## National impotence

Whatever the reason, city governments see this dysfunction in national capitals and despair. As mayors often say, they are intensely practical politicians with intensely practical jobs—they are too busy fixing potholes to have much time for ideology or partisan politics. American mayors know that if they expect funds or leadership from Washington, they will be disappointed. The frustration isn't limited to American cities. London, perhaps the most global city of all, seeks European financial dominance, global connections, and immigrants, but sees its own national government hobbled

by a backlash from populists and xenophobes who harbor deep suspicions of all three.

Barber argues that the problem goes deeper than this, to the very nature of national governments. "The nation-state is failing us on a global scale," he writes. "It is utterly unsuited to interdependence. The city, always the human habitat of first resort, has in today's globalizing world once again become democracy's best hope."

Barber explains that national governments see the big challenges of the 21st century—climate change, drug trafficking, immigration, technology, trade, immigration—but can't do anything about them. These are sovereign states, but, he says, "the very sover-

*"The nation-state  
is failing us on  
a global scale.  
It is utterly unsuited  
to interdependence."*

**Benjamin Barber**

## Lots of talk, not enough action in America

Here is a partial list of international treaties negotiated by the US but unratified by the US, with their dates and the number of other countries which have ratified them:

### **Law of the Sea, 1982**

Countries ratified: 161

### **International Criminal Court, 1998**

Countries ratified: 121

### **Kyoto Protocol on greenhouse gas emissions, 1997**

Countries ratified: 2

### **Convention on the Rights of the Child, 1995**

Countries ratified, 193 (All but US and Somalia)

### **Ottawa Treaty, banning anti-personnel landmines, 1997**

Countries ratified: 160

### **Comprehensive Nuclear Test Ban Treaty, 1994**

Countries ratified: 157

### **Convention on Elimination of All forms of Discrimination Against Women, 1980**

Countries ratified: 187

### **International Covenant on Economic, Social and Cultural Rights, 1979**

Countries ratified: 160

### **Moon Treaty — giving the UN legal jurisdiction over the moon, 1979**

Countries ratified: 17

### **League of Nation (now defunct), 1920**

Countries ratified: 58



London Mayor Boris Johnson, left, and former New York Mayor Michael Bloomberg led the way on city-to-city diplomacy. **REUTERS**

that their strength is without bearing on so many cross-border challenges—problems of immigration, disease, terrorism, climate change, technology, war, and markets.” The United States has power aplenty, “but never have such powers been so irrelevant to governing an interdependent world.... Never before has sovereign power been used so effectively to impede and thwart collective action.

“In the world of independence, sovereignty works: in the world of interdependence, it is dysfunctional.”

## Considering foreign policy for cities

---

So what is a poor city to do? On Capitol Hill things like schools, jobs, and transport are theoretical. In cities, they are problems to be faced and funded immediately. This involves dealing with the global economy because that’s what a global city does. If a city can’t talk sensibly with the rest of the world through its intermediaries in Washington, it can either not talk at all or find a new way to carry on this vital conversation.

This is where a foreign policy for cities comes in. Barber, like all commentators, recognizes that the nation states won’t disappear. The State Department still runs America’s foreign policy, often dealing quite effectively with other sovereign governments on a one-to-one basis, even if it operates less effectively at the global level. Cities aren’t going to have their own armies, make their own declarations of war, or send drones to keep an eye on other global cities.

But there’s a large gap between what cities need and what national governments pro-

vide. This is where Barber thinks that cities can “evolve into a transnational political force: a surrogate for states in forging soft forms of global governance and pushing democratic decision making across borders.”

Already, many major urban networks exist, focusing on climate change, urban governance, security, and other issues. Some are strictly American or strictly European. Others are global; a few are sponsored by the United Nations. All are voluntary and exist mostly to exchange information and best practices. None wields the force of law. They differ widely in both membership and effectiveness.

## **A Global Parliament of Mayors**

---

Barber and Florida back proposals to bring

much of this together into a Global Parliament of Mayors. This would not be a form of global governance. Like other networks, it would be voluntary. Nor need it have bricks and mortar: rather, like much of the global economy itself, it could be a digital network. It would bring mayors and other urban officials together to exchange ideas, spread the word on what does and does not work, develop a global database of urban information, and educate city administrators.

Like most urban networks, the Global Parliament of Mayors presumably would be open to all cities, large and small. As such, it would be useful for all cities, including vast metropolises such as Lagos or Kolkata or smaller regional

*A global city has  
global interests and needs  
a foreign policy of its own  
to defend and promote  
these interests.*

capitals such as Lyon or Indianapolis. But the true global cities, such as London or Chicago, play a greater role in the global economy, have more ex-

tensive links to other global cities, need more from a globalizing world, and have the means to play a bigger role. For these cities, a true foreign policy is needed.

Again, this does not mean usurping functions now performed by the State Department or the Pentagon. These institutions are charged with defining America’s foreign interests and framing the policy to defend and promote these interests. Similarly, a global city has global interests and needs a foreign policy of its own to defend and promote these interests.



Chicago Mayor Rahm Emanuel and Mexico City Mayor Miguel Angel Mancera meet prior to a global cities conference in Mexico City in 2013. Establishing ties to other global cities is key to future growth. **REUTERS**

## What global cities need

First, it must define those interests. It needs a solid statistical basis for its global connections—its global corporate headquarters, its major law firms, its big airports, its leading research universities, its world trade, its immigrant communities, its cultural links. Such an inventory tells a city what is really important to its vitality, economically and culturally. It provides a scorecard revealing how it is competing globally, whether it is punching above or below its weight. It highlights its urban priorities.

Second, like any nation, the city must identi-

fy its best friends, allies, and rivals. Chicago, for instance, does more business with some cities than with others. Does it do more with Shanghai than with Beijing, with São Paulo than with Rio, with Hamburg than with Munich? This geographical ranking tells a city not only how but where to invest its global energies.

Third, it must consciously prioritize its spending. Is tourism more important to a city's future or is manufacturing? Does the city need a new runway for its airport, or a rapid transit system to speed its workers to their work? What are the jobs of the future, and how should it prepare for that future? In the global economy,

everything is important, but not everything is crucial. A city's foreign policy would list its crucial needs and meet them.

Finally, it must implement this foreign policy. It could be through a mini-state department within City Hall. Or leadership could be delegated to a non-governmental agency. Or it could be done through a public-private entity. A city could establish offices—urban embassies, in effect—in other key global cities, or it could do business virtually. Obviously, leadership is crucial, and this leadership must have the ear of the city's movers and shakers.

None of this obviates the kind of information-sharing planned by the Global Parliament of Mayors. A global city should work hard to find out how other global cities engage the world and adopt best practices where they find them.



CHAPTER TWELVE

# The Newness of Global Cities

Singapore's Garden By the Bay

It is important to remember how new all this is. If we've had cities for millennia, we've had global cities for 25 or 30 years, not more. Their theory and reality is still evolving. Some, mostly in the West, are reinventions of the great cities that ruled the industrial age. Others, mostly in Asia and Latin America, have thrown off Communist control or Third World subservience to become major global players. Their rise is spectacular, but their future more uncertain.

All these cities are laboratories. All have assets and challenges unknown to past cities. The leaders of global corporations, freed from the tyranny of place and the restraint of national law, reshape the lives and economies of both their home cities and cities on the opposite side of the globe.

Scholars armed with big data, in daily contact with distant scholars in other cities, try to make sense of this new urban phenomenon: if many academics already study globalization and others study cities, this new discipline—global cities—is still largely virgin territory. Mayors and other civic officials know that they will be measured in the future both by their success in filling potholes at home and by the degree to which their cities are players in the global economy. Not all mayors or their cities will survive this challenge.

Most importantly, how will the global transformation of cities affect the people who live in them? We began this discussion by noting that the only purpose of an economy is the well-being of the people who live within it. So far, the results from global cities are incomplete

at best, dismaying at worst. Global cities offer immense opportunities and often great wealth for the global citizens who are plugged into this new economy. But that does less than nothing for those left behind, many of them refugees from an industrial economy now departed. The gaps and inequalities become more

blatant every day. The imbalances that so far seem to be built into globalization are stirring populism on both right and left, from daily protests in China to xenophobic politics in France and England to the Tea Party in America. Most global cities are governed democratically. They

*Unless globalization's  
undeniable vitality  
is broadly shared,  
a majority of those  
governed may decide  
to raise the drawbridge  
and let the world  
go on without them.*

rely on the consent of the governed. Unless globalization's undeniable vitality is broadly shared, a majority of those governed may decide to raise the drawbridge and let the world go on without them.

Globalization is new and so are global cities. We have just begun to ask the right questions, let alone find the

answers. If global cities run the world, the future of that world rests on the answers to these questions. \* \* \* \*



Chicago's Cloudgate

## About the Author

---

Richard C. Longworth is a distinguished fellow at The Chicago Council on Global Affairs. Before joining the Council, he was a foreign correspondent for the *Chicago Tribune* and *United Press International*. He is the winner of two Overseas Press Club awards, including an award for a series on globalization. He is the author of two books on globalization, a co-author of the Council book *Global Chicago*, and is the former executive director of The Chicago Council's Global Chicago Center.

## Acknowledgements

---

The Chicago Council on Global Affairs is grateful to the Robert R. McCormick Foundation for its generous support of the Global Cities project. The author would also like to thank Terry Mazany and The Chicago Community Trust as well as Michael Moskow, Adele Simmons, Ernie Mahaffey and Sheila Penrose for championing Global Chicago since its inception and for their support over the years, both financial and personal, to the Council's studies on global cities.

## Resources

---

The Global and World Cities (GaWC) project at Britain's Loughborough University pioneered academic research into global cities and remains a trove of scholarship.

**[www.lboro.ac.uk/gawc](http://www.lboro.ac.uk/gawc)**.

The Global Cities Initiative, part of the Metropolitan Policy Program at the Brookings Institution in Washington, provides comprehensive data comparing the performance of cities, including global cities. **[www.brookings.edu](http://www.brookings.edu)**

Many organizations rank global cities based on differing criteria. These include A.T. Kearney, the Economist Intelligence Unit, PricewaterhouseCoopers, the World Economic Forum, Oxford Economics, and others.





Chicago's Buckingham Fountain

## Bibliography

---

The following books and articles were used in preparation of this manuscript:

**Barber, Benjamin**

*If Mayors Ruled the World: Dysfunctional Nations, Rising Cities*,  
New Haven: Yale University Press, 2013

**Beaverstock, J.V.** et al

Globalization and the City, GaWC  
Research Bulletin 332, 2009

**Florida, Richard**

*Who's Your City?*,  
New York: Basic Books, 2008

**Fukuyama, Francis**

America in Decay,  
New York: *Foreign Affairs*, September/  
October 2014.

**Glaeser, Edward**

*Triumph of the City*,  
New York, Penguin Group, 2011

**Barber, Benjamin; Florida, Richard; and**

**Tapscott, Don** *The Global Parliament of  
Mayors*, Global Solutions Network, 2014

**Jacobs, Jane**

*The Death and Life of Great American  
Cities*, New York: Vintage Books, 1992

**Kuper, Simon**

The Rise of the Global Capital, *Financial  
Times*, 2014

**Longworth, Richard**

*Global Squeeze: The Coming Crisis for  
First World Nations*,  
Chicago, Contemporary Books, 1998.

**Longworth, Richard**

*Caught in The Middle: America's  
Heartland in the Age of Globalism*,  
New York, Bloomsbury USA, 2008

**Lorinc, John**

*The New City*,  
Toronto: Penguin Group, 2006

**Madigan, Charles**, ed.

*Global Chicago*, Champaign, University  
of Illinois Press, 2004

**Marcuse, Peter**

What's so new about divided cities?,  
*International Journal of Urban and  
Regional Research* 18, 1993

**Neal, Zachary P.**

*The duality of world cities and firms*,  
Hoboken: Blackwell Publishing, *Global  
Networks* (8) 2008

**Rybczynski, Witold**

Cities and Globalization, *Zell/Lurie Real  
Estate Center Review*, spring 2004

**Sassen, Saskia**

*The Global City*, 2nd ed., Princeton:  
Princeton University Press, 2001

**Sassen, Saskia**

*Cities in a World Economy*, 4th ed., Los  
Angeles: Sage, 2012

**Sassen, Saskia**

*Globalization and Its Discontents*, New  
York: the New Press, 1998

**Taylor, Peter J.** et al

Vital Positioning Through the World City  
Network, GaWC Research Bulletin 413,  
2012

## **The Chicago Council on Global Affairs,**

is an independent, nonpartisan organization committed to educating the public—and influencing the public discourse—on global issues of the day. The Council provides a forum in Chicago for world leaders, policymakers, and other experts to speak to its members and the public on these issues.

Long known for its public opinion surveys of American views on foreign policy, The Chicago Council also brings together stakeholders to examine issues and offer policy insight into areas such as global agriculture, the global economy, global energy, global cities, global security, and global immigration.

Learn more at [thechicagocouncil.org](http://thechicagocouncil.org)  
and follow [@ChicagoCouncil](https://twitter.com/ChicagoCouncil).



**THE CHICAGO COUNCIL**  
**ON GLOBAL AFFAIRS**

332 South Michigan Avenue  
Suite 1100  
Chicago, IL 60604

[thechicagocouncil.org](http://thechicagocouncil.org)