

ONE NAVIGATING GLOBAL CITIES

A SHORT HISTORY OF global cities is hard to write because the history of global cities is a long one. But what a story it is!

From the founding of the great cities in antiquity, well before modern nation-states emerged, through to the rise of the digitally driven global cities of today, with their fresh livability equations and innovation ecosystems, the history of global cities is deeply entwined with the story of human civilization. In many ways, the current cycle of urbanization invites a fresh look at the primacy of cities that is observable in this history.

This short journey through the histories of global cities explores key aspects of the evolution of global cities in the past and the prospects for such cities in the future. (For clarity and consistency, the term *global city* rather than *world city* is used throughout the book.) It does not try to offer a new definition of global cities; the work is

concerned with observed history rather than with theory. But I have sought to reflect on the assessments that others have made as part of that history. To that end, five key features that manifest over time in cities that develop roles beyond domestic markets warrant mention. These are:

1. cross-border trade through connectivity,
2. diverse and entrepreneurial populations,
3. innovation and influence over systems of exchange,
4. the discovery of new markets, products, and practices, and
5. geopolitical opportunity.

Through these features we can chart the evolution of globalizing cities in the interest of discovering their DNA, and allow the cities to tell their own stories as parts of one continuous history (box 1-1).

The expression *global cities* is of recent coinage, but the idea is not new, and this book goes back into history to find its origins. Today, three big phenomena are helping to focus interest and attention on global cities and their multiple functions.

First is the *rising number of global cities*. There is a new generation of globalizing cities today, and many more global cities exist than in previous cycles of globalization. Some studies identify more than 150 substantially globalized cities among more than 500 urban areas with a population in excess of 1 million people.¹ As regional and global economic integration increases, and as more cities achieve critical mass, the number of global cities is expected to increase every year. Not every city, of course, can become a global city, in either economic or

BOX 1-1. THE REVEALED INGREDIENTS OF GLOBAL CITIES

- Trade and connectivity
- Diverse and entrepreneurial populations
 - Innovation and influence
- Discovery of new markets, products, and practices
 - Geopolitical opportunity

cultural character. But the number of cities whose economies are international in their orientation is sufficiently large that it makes sense to talk about globalization as driven by, and produced through, the activities of global cities.

Second is the phenomenon of *metropolitanization*. The twenty-first century is the “metropolitan century,” and in many respects the story of global cities is now one of larger urban agglomerations, or what are called metropolitan areas (metros for short). Growing cities have spilled over their old boundaries and accidentally have become complex functional areas that compose a single economic unit, even as older jurisdictional boundaries are maintained. Over the last century many cities have been on this trajectory of metropolitan dispersal, but *metropolitanization* now also denotes a way in which cities can absorb population and economic growth within several connected population centres and pursue reurbanization and densification as they seek to become more managed metropolises. With metropolitanization and reurbanization at the fore, it is expected that the world’s population growth and settlement pattern will eventually level off at more than 80 percent urban by 2100. Barring other disruptions, the pattern of cities globally and the infrastructure

platforms that support them will be largely set for the next 100 years that follow. So the cities that rise to prominence in the coming years and find their way to global influence and relevance have an opportunity to sustain advantages for a long time to come.

And third, *global economic dynamics are changing*. Since 2008 a major shift has taken place as the global economy reorganizes after the banking crisis and worldwide recession. The world's center of gravity is rapidly moving east and south. This creates new market opportunities for cities that were on the edge of things, and forces cities in more established parts of the world to fight to remain relevant and influential. As prosperity becomes more evenly shared across (if not within) nations, the mobility and reach of the new global middle classes underwrite a much bigger reservoir of consumer demand. The extension of prosperity also means that the economic and spatial balance of nations is being reshaped and is allowing more medium-sized and second-tier cities to acquire and develop complementary trade specializations.

These three factors—more global cities, the new century of metros, and changing global economic dynamics—make the present a timely moment to review the short history of global cities.

This history is one of diverse groups of cities globalizing in distinctive ways, where “globalizing” describes the process of cities’ economies becoming highly international and global in character. Some of them, like the mature global cities of the past quarter century—New York, Tokyo, Paris, London—became centers for corporate headquarters and decisionmaking, providing advanced finance and expert professional services to multiple sec-

tors, firms, and nations. But many of the global cities of earlier eras were not of that kind. Historically, there have been many ways for cities to engage globally, with trade and discovery playing fundamental roles. Today and in the future, it seems certain there will be even more imperatives and ways for cities of different types and in different contexts to “go global.” Chapter 2 reviews the links between and among cities, trade, and connectivity over time.

Global cities have emerged, thrived, and declined in distinct phases. These phases, which generally seem to occur in waves, are enabled not only by geographic discovery and the opening of new trade routes. They are also driven by scientific discovery and invention, by technological developments, and by geopolitical changes that bring specific kingdoms, dynasties, empires, or colonies to the fore. More recent waves since the nineteenth century have been associated with the development of ports, canals, aviation, automation, advanced manufacturing, creative and cultural offerings, the rise of transnational corporations, and the growth of global urbanization itself. The different infrastructures, innovations, and traded sectors that have powered these waves mean that diverse pathways are available to cities becoming global. Since about 1980, waves of globalization have been distinguished by the worldwide expansion of capital markets and financial services, and by the deregulation and global spread of business media and information services. But it makes little sense to think of global cities as only financial or media centers, or indeed to think of such cities historically solely as imperial capitals or port cities. The discussion in chapters 3 and 4 takes up why and how cities globalized over time, what made some cities global

cities and others not, and what factors allowed certain cities to sustain global roles for longer periods of time while others declined.

The two most recent waves of globalization of cities since the 1980s have also seen the development of corresponding bodies of academic work to define, theorize, and measure what is meant by “global cities.” This emerging science of global cities is being pursued in different places through an increasingly connected global community of scholars and analysts that includes at least the Chinese Academy of Sciences in Beijing, the Mori Memorial Foundation in Tokyo, the Brookings Institution and the World Bank in Washington, D.C., the Organization for Economic Cooperation and Development in Paris, UN-Habitat in Nairobi, the wider United Nations and the Ford Foundation in New York, the LSE Cities Group in London, the McKinsey Global Institute in New York, the World Economic Forum in Geneva, United Cities and Local Governments in Barcelona, and the African Centre for Cities in Cape Town. In addition to this work are more than 200 indexes, benchmark reports, and global reviews of cities that are produced by a wide range of organizations, including the Globalization and World Cities Group, the *Financial Times*, the *Economist*, Jones Lang LaSalle, Mercer, Mastercard, PricewaterhouseCoopers, the Chicago Council on Global Affairs, and many more. Chapter 5 reviews the evolution of thinking about and observation of global cities and how these bodies of thought have developed and changed. The discussion considers global city analysis today and the different ways in which the global system of cities is interpreted.

The current cycle of globalization, which emerged from the 2008–09 recession, is characterized by new distinctive and differentiated types of global cities and new alternative paths to becoming one. This proliferation of pathways is a result of the increased mobility of people and capital, the globalization of multiple functions and business sectors, and the emergence of new technologies and demographics. We are already familiar with the established global cities, such as New York, Hong Kong, London, Paris, Singapore, and Tokyo, those cities that led the globalization wave of the 1980s to 2008 and are now developing new additional niches of specialization. But the growth of such new specializations provides opportunities for other cities also to host leading functions in globally integrated value chains. The rapid development of newly advancing economies and large nations, such as China, India, Brazil, Indonesia, and Korea, has given rise to a new set of *emerging global cities*, or major cities with a growing global influence. Meanwhile the newly internationalizing sectors of life sciences and medicine, digital and screen industries, clean tech and renewable energy, traded urban services, and other advanced industries are fueling a new generation of globalizing cities, such as Brisbane, Nanjing, Oslo, San Diego, Santiago de Chile, Stockholm, and Tel Aviv.

Chapter 6 considers the different types of global cities extant today and the different trajectories cities have followed in moving from one type to another or developing hybrid forms. The cities in each group combine national and regional roles with cross-border and global roles, and require specific competences to play those roles capably.

As such they often tend to possess similar assets and to share broadly similar imperatives. Of keen interest to observers is how these cities can continue their global path in the future. A number of common factors become evident: global orientation, business climate, talent and technology, connectivity, livability, the ability to manage growth through land use, housing, and infrastructure investment, and governance arrangements that are durable across metropolitan areas and can deliver negotiated solutions with nation-states.

Recent history has also shown that global cities produce their own tensions and frictions. These tensions are manifest not only within the city itself but also in its relationships with the nation-state and with wider economic geographies. On the one hand, globalizing cities can create extraordinary value for business sectors, workers, and enterprises, and they contribute amply to public finances through tax payments. On the other hand, globalizing cities pose substantial growth management challenges that result from their pace and scale of growth. Mature global cities also endure strained relations with the broader provincial, state, or national economy in which they participate. They are often perceived as emitting *centripetal forces* that attract skills, investment, resources, and businesses from the wider economy in which they are located, weakening the performance of other cities in the process. This drain of business and skills can lead to political animosity and encourage national or state-level governments to perceive their primary priority as one of constraining the growth of the global city and attending to the needs of those cities and regions outside it. Despite evidence of

the way global cities also often act as *centrifugal forces* to push activities and opportunities to other cities that are well connected with them, complementary strategies have proved stubbornly difficult to advance in many cases. These debates and conflicts are set to become a major part of the agenda for global cities in the future.

Leadership, therefore, is critical to the future of global cities. City leadership comes from many sources, not just municipal or metropolitan governments. Its task is to address both the challenges that face global cities and the imperatives raised by the relationships between globalizing cities and their broader national or state economies and polities. Chapter 7 looks at the key challenges and leadership imperatives faced by globalizing cities and reviews the different models of leadership that are operant. It also explores leadership coalitions, the roles of civic, institutional, and business leaders, the critical dynamics between local and national governments, and the question of how to organize metro areas. The role of learning and networking between cities is also explored. This chapter looks forward to the near future and imagines what the future system of global cities on some continents might look like. In this way, the patterns of the historical past can be viewed in the context of future drivers and disruptors, to the extent that speculation about these is possible.

This short history is illuminated throughout by different examples of global cities around the world and across the ages. I refer frequently to globalizing cities and to global cities. This is because the globalization of cities occurs through processes that are never absolute or complete. The book does not seek to offer a comprehensive

account that covers all the cities and city types that have ever been active in globalization. Rather, its writ is limited: it simply seeks to illustrate the rich variety of stories and messages that emerge from the way cities have engaged with global opportunities.