



Global City or European/American City?



Social Division = Spatial Fragmentation?

Globalization, Economic Transition, and Social Structures in the
Global Cities of the 21st Century

Friedrich-Ebert-Stiftung

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Topics

- Global City vs European or American City
- The case of New York City
- Reflections on other presentations
- Next steps in thinking about global cities

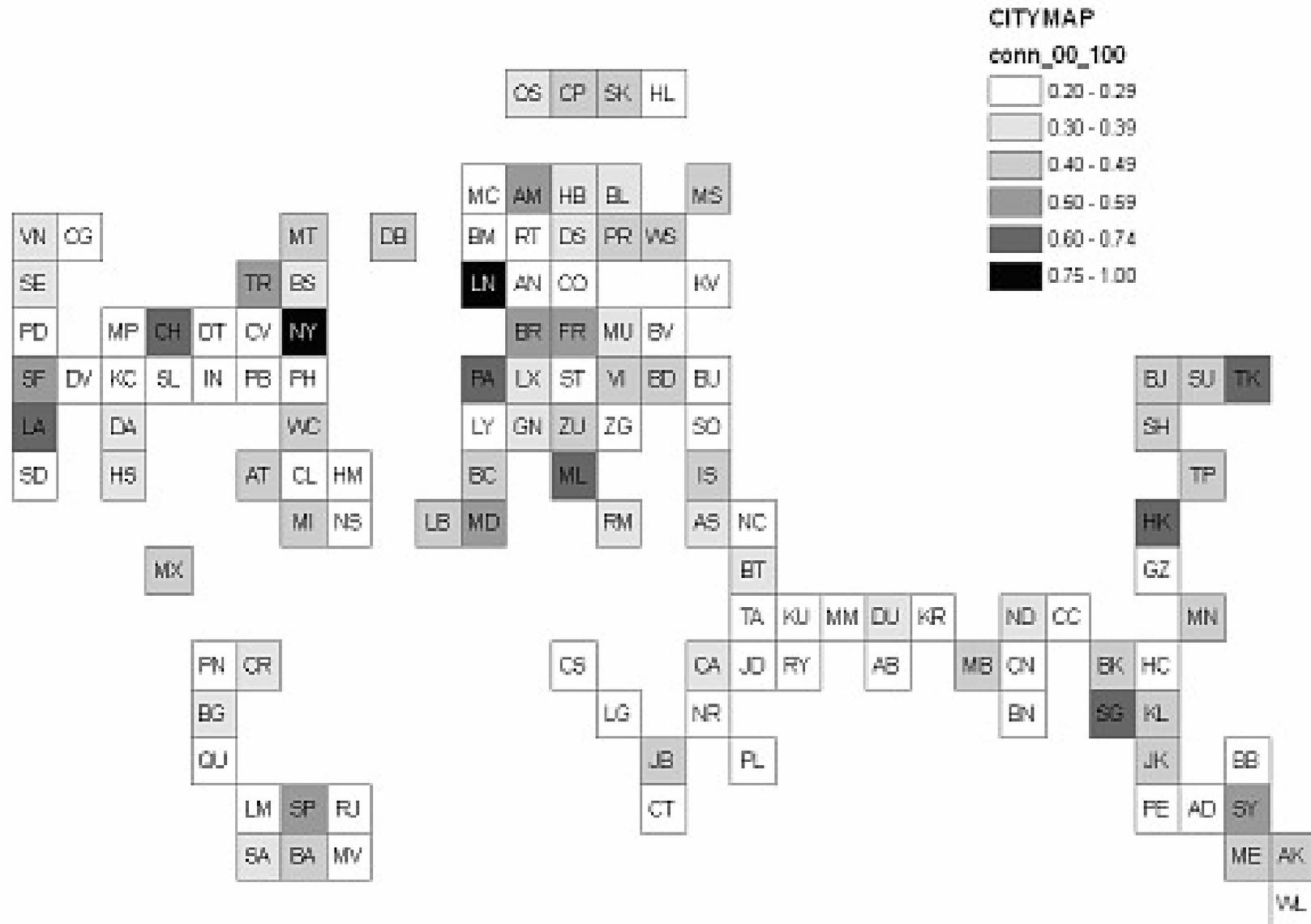


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1. Global Cities

- They concentrate the features that promote the capacity of global firms and markets
- They serve as nodes in global urban hierarchy
- In them, employment grows not only at top, but also at the bottom (low wage immigrant service workers)
- This produces earnings polarization
- Global city-regions seem unmoored from national constraints

Proportion to Highest Connectivity, 2000



Ranks in 2000		Ranks in 2004
1. LONDON	↔	1. LONDON
2. NEW YORK	↔	2. NEW YORK
3. HONG KONG	↔	3. HONG KONG
4. PARIS	↔	4. PARIS
5. TOKYO	↔	5. TOKYO
6. SINGAPORE	↔	6. SINGAPORE
7. CHICAGO	→	7. TORONTO
8. MILAN	→	8. MADRID
9. LOS ANGELES	→	9. BRUSSELS
10. TORONTO	→	10. FRANKFURT
11. MADRID	→	11. AMSTERDAM
12. AMSTERDAM	→	12. CHICAGO
13. SYDNEY	→	13. MILAN
14. FRANKFURT	→	14. SYDNEY
15. BRUSSELS	→	15. SAO PAULO
16. SAO PAULO	→	16. LOS ANGELES
17. SAN FRANCISCO	→	17. ZURICH
18. MEXICO CITY	→	18. MEXICO CITY
19. ZURICH	→	19. BUENOS AIRES
20. TAIPEI	→	20. SAN FRANCISCO



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European vs American Cities

Central government fiscal support, strong land use regulation, social housing

Elites in center, poor in suburban social housing, high minimum, bürgertum

Regional government

Local fiscal autonomy, market forces, private investors, rental housing

Elites in suburbs, concentrated poverty in central city neighborhoods, 'hollow prize'

Municipal competition



How Do The City Models Relate?

- European cities qualities seem to be antithetical to maximizing global city functions
 - But London as Anglo-Saxon model
- The political and social functions of cities are in tension with their role as efficient nodes in economic flows across the global urban hierarchy
- National urban patterns show path dependence



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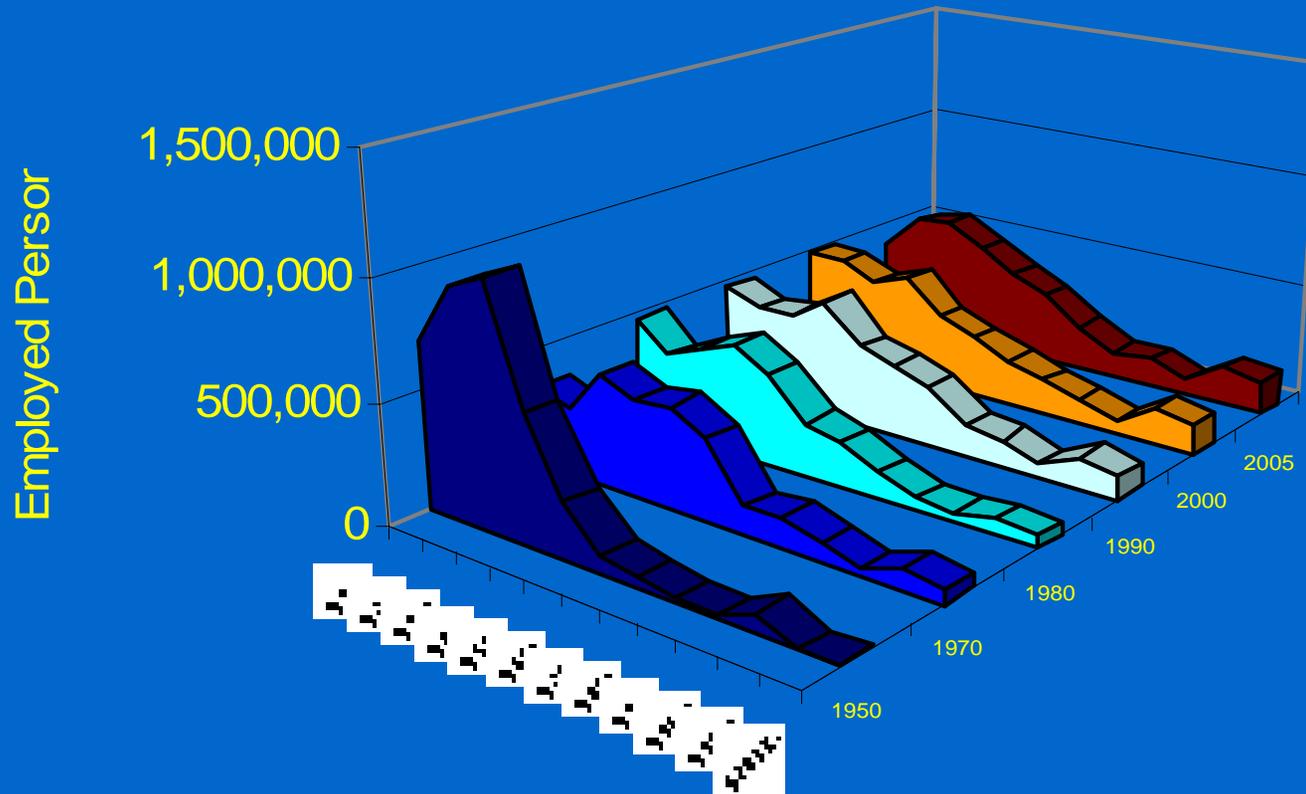
2. New York City

- The key node (with London) in global system
- Huge employment and income from capital markets, financial services, trade, corporate services
- Also a vast low wage immigrant service workforce
- Should epitomize social polarization
- But does it?

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Trends in Wage, Salary, Self-Employment Income

in New York City 1950-2005

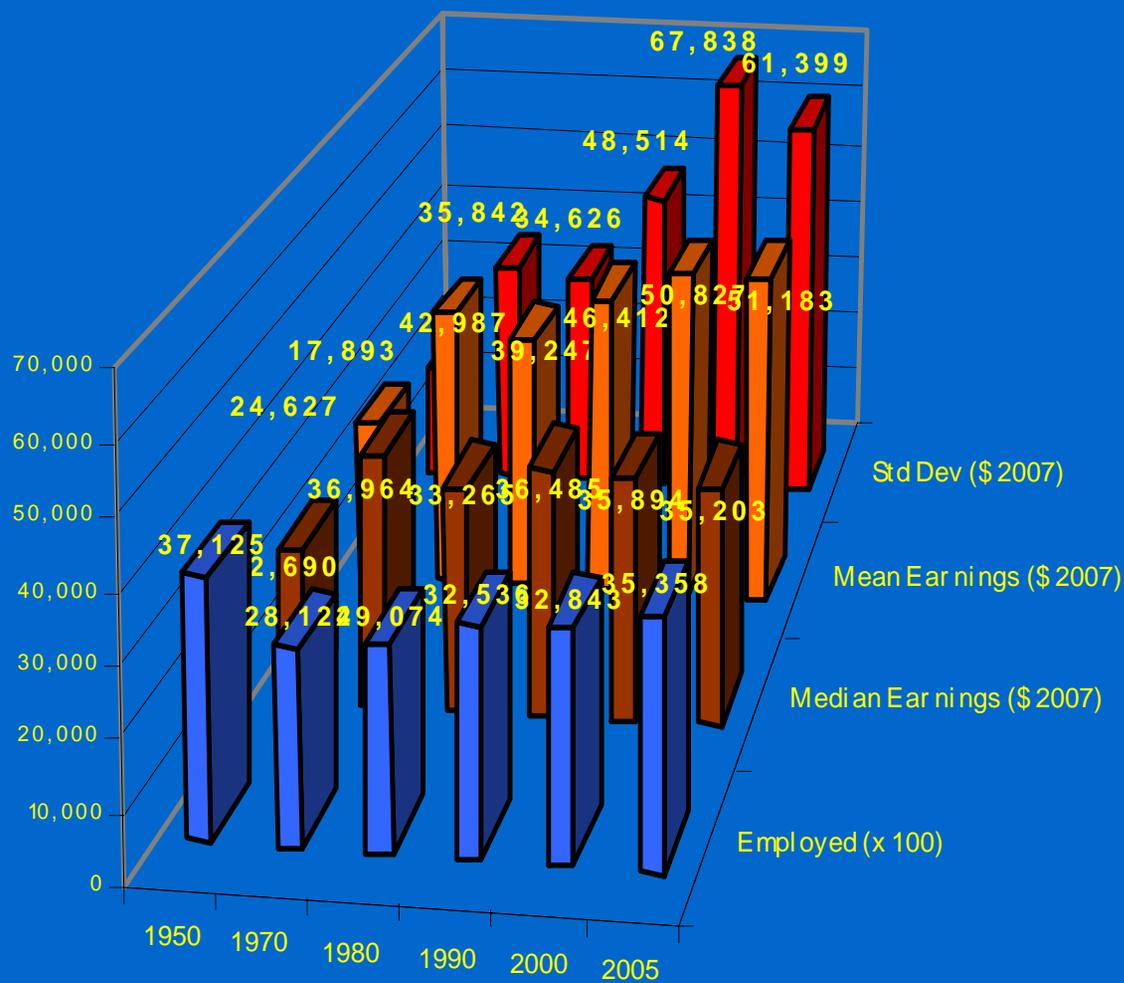


NYC Does Not Follow The GC Script

- Biggest change happened 1950-1970, prior to era of globalization
- The top has certainly grown since then
 - Why have elites stuck with central city?
- But the bottom has not grown dramatically
- And the middle moved upward
- Overall inequality has indeed grown
- (But different people are in the segments)

Total Employment and Median and Mean Earnings

in New York City 1950-2005



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Household Incomes Fit the Model Better

- Household incomes have become more unequal than earnings
- The forces driving this include:
 - Trends in labor force participation
 - Welfare reform
 - Changing household and family patterns
 - Selective in- and out-migration
 - Large public and non-profit service sectors
- Different groups of people have different trajectories

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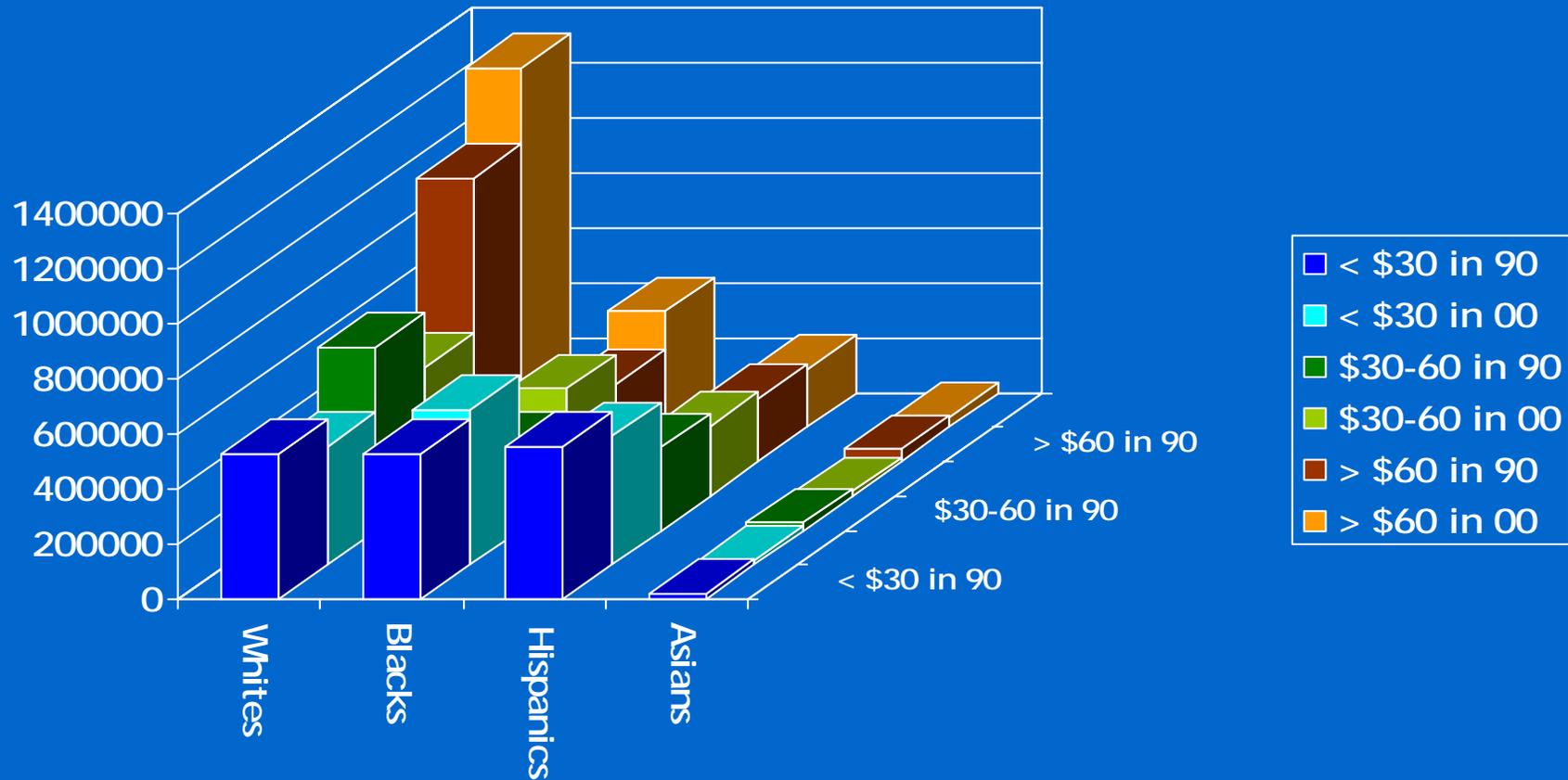
Changing Household Income Distribution

(1990 and 2000 Census)



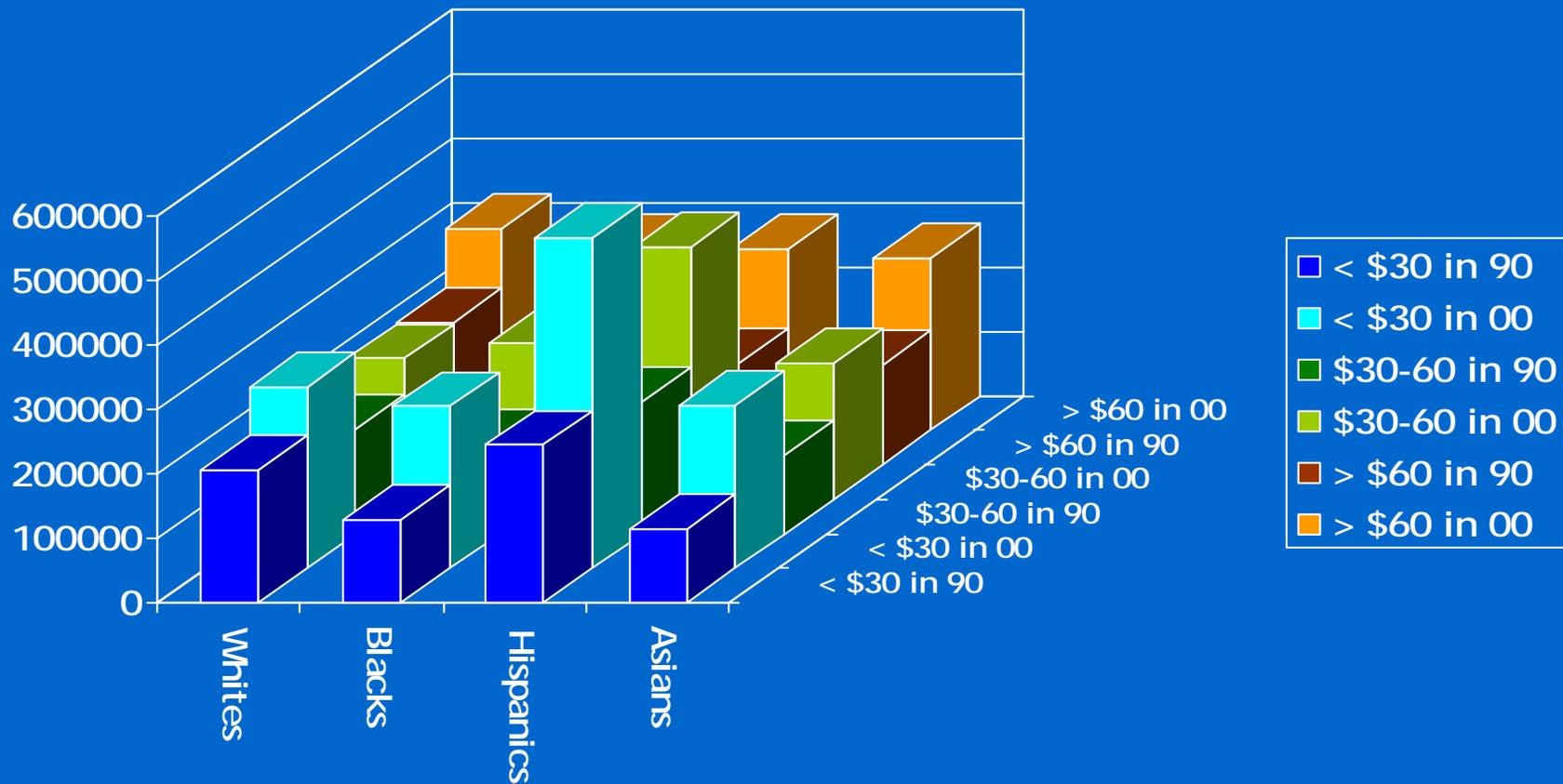
Household Income by Race (Native HH Head)

(1990 and 2000 Census)



Household Income by Race (Foreign HH Head)

(1990 and 2000 Census)





3. Lessons From the Presentations

- Though highly paid professional jobs and low wage immigrant service work have both grown in global cities, that has not been the major influence on household income distributions
 - This dynamic is certainly *one* trend
 - But many others also operate
 - And we cannot deduce the political consequences from the shape of the distribution
- The New York experience suggests that dominance in the global urban system is not assured
 - Not clear NYC would recover from the mid-1970s
 - Leadership, municipal policy, contributed



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4. Going Forward

- The GC approach has the same problems as other economic determinist, structural functionalist explanations. The actors fade out.
- The “command and control” metaphor overstates importance of hierarchies, understates role of transactions and flows
 - Global cities may be “fragile giants”
- It also underplays the role of the state, whether local or national
- And has an overly simple conception of racial, ethnic, and class dynamics



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Needed: Comparative Urban Studies

- We *do* have to understand the impact of the changing global economy on metropolitan trajectories
- But what (people and institutions in) cities and nations do *also* counts heavily
- High levels of conflict and weak state institutions can drive cities downward (Detroit)
- And various central city - metropolitan cooperation, innovation, and resilience can lead them upward (New York, Silicon Valley vs. Route 128)



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We Must Therefore

- Undertake paired comparisons of initially similarly situated metropolitan regions to understand what drives divergent trajectories
 - MacArthur Foundation Building Resilient Regions Project
<http://www-iurd.ced.berkeley.edu/brr/>
- Think more deeply about urban - and metropolitan - politics, namely the construction of political capacity or consensus among disparate and conflicting groups
- We must also think more creatively about how (people and institutions within) cities or metropolitan regions actually exert influence in the global urban systems
 - Ethnographies of transnational firms and processes



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Global or European Cities?

- Institutional context, specific setting, still count for a lot (European model surprisingly resistant in the face of globalization)
- Actors count as much as the structural frameworks in which they operate
- Cities are still the source of creativity and innovation in the system