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Version: Accepted for publication

Publisher: © Sage

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Globalization and the city

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INTRODUCTION

“Cities are civilization” (LeGates, 2003, 18)
“Cities are central to neoliberal globalization” (Massey, 2007, 9)

The city is the central tenet and motor of world capitalist development. Today about three billion people are city-dwellers, of which one in three live in slums or conditions of homelessness (UN-Habitant, 2006). By 2030, almost five billion people will be living in cities, again with significant numbers of these urban inhabitants being the poor and needy (UNFPA, 2007). Given that cities are where most people work, live, spend their money or just simply try to survive and make a living, the city is the global fulcrum for production, exchange and consumption on the one hand, and the underworld of abject poverty on the other. Or to put it another way, “the city is a geographical plexus, acting as a focus for exchanges of all different kinds … a way of life, a social drama that plays out differently for different people” (Pile, 1996, 19). The city, like no other place on earth, is the global site for economic development and power, and stark socio-economic division. It is not surprising then, that the city, whether ‘world’, ‘mega’ or ‘ordinary’, has become the subject of numerous studies in the discipline of Human Geography and beyond (see respectively: Sassen, 2006; Davis, 2006; Robinson, 2006). In this chapter we examine the city as a key spatial manifestation of capitalism, with the lens fixed on the prefix of the ‘world’ city. We adopt a political
economy perspective, but by no means discuss every theoretical issue or address each critical intervention.

The rest of this chapter is divided into four main sections. First, we discuss the genesis of the world city discourse and briefly chart the development of the relational approach to understanding cities in contemporary globalization. This new conceptualization of world cities as nodes in networks rather than basing points for global capital in urban hierarchies pioneered the development of relational economic geography from the late 1990s onwards. We then discuss how the city has been considered in urban theory, from the Marxist perspectives of writers like Harvey (1973) and Castells (1977) to the ideas of the ‘cultural turn’ and ‘new urbanism’ (Amin and Thrift, 2002). Third, our attention turns to a discussion of the ‘divided’ city, where we outline some of the polarized contradictions and uneven life experiences of living and working in the city, such as social polarization and gentrification. Before we reach a number of conclusions, the final substantive section of the chapter illustrates the contradictions of capitalism in a number of case study world cities – a ‘financial city’ (Frankfurt), a ‘political city’ (Washington DC), a ‘creative city’ (Montréal), a ‘consumption city’ (Las Vegas) and a ‘globalizing city’ (Mumbai).

THE GLOBAL NETWORK OF WORLD CITIES

In the late twentieth century, world city research has emerged as an influential strand in urban-economic studies (Brenner and Keil, 2006). The rise of a transnational urban perspective has been closely linked to fundamental changes in the world economy from the 1970s. Prior to the latest onset of economic globalization, cities had been viewed predominantly within (and subordinate to) the framework of the nation-state (Taylor, 2004), despite pioneering attempts to draw attention to a number of ‘world cities’ as major national centres with a disproportionate share of the world’s ‘most important business’ (Hall, 1966). The restructuring of global capitalism in the form of a ‘new international division of labour’ (Fröbel et. al., 1980) and a worldwide spatial reorganization of production, was accompanied by an increased
concentration of corporate power in major cities. Friedmann and Wolff (1982; Friedmann, 1986) famously linked both phenomena in their studies on world city formation, in which they discussed ‘world cities’ as ‘basing points’ and control centres of capital flows in the world economy. Friedmann’s (1986) ‘world city hierarchy’ was based on a broad range of attribute criteria such as the presence of headquarters for transnational corporations and international institutions. It had a profound influence on world city research in the following decades, not least because of his initial mapping of a global urban system that identified primary and secondary cities in the core and semi-periphery of the world-economy.

A major advancement in transnational urban research was Sassen’s (1991) concept of the ‘global city’. Sassen (1991, 3-4) identified the global city as, “a new type of city” that functions as, “command point[s] in the organization of the world economy; … key location for specialized service firms … site[s] of production, including the production of innovations … [and] market[s] for the products and innovations produced”. The emphasis in Sassen’s global city approach moved from Friedmann’s focus on formal command power enshrined in corporate headquarters to advanced producer service firms, engaged in servicing and enabling the internationalization of production. These highly specialized corporate services were identified as key actors in global city formation, given their tendency to cluster in knowledge-rich central city locations of major urban areas. Sassen’s (1991) concept of the global city identified London, New York and Tokyo as the strategic sites in the world economy.

Arguably the most comprehensive attempt to map and analyse the emergence of a global network of cities has come from a range of studies undertaken by the Globalization and World Cities Research Network (www.lboro.ac.uk/gawc/). This research has shifted the focus of study from the comparative analyses of individual cities at the apex of a global urban hierarchy, to the analyses of inter-city relations and their socio-spatial meaning for globalization. Starting from an initial identification of an ‘evidential crisis’ in much of the world city literature (Taylor 1999), a first relational
empirical roster was developed which identified 55 ‘world cities’, classified as alpha, beta and gamma in terms of their provision of corporate services (in accountancy, advertising, banking and law) (Beaverstock et al., 1999). Problematizing the common conflating of city rankings based on attribute data with urban hierarchies, Beaverstock et al. (2000; 2002) argued for the centrality of a network approach to the study of world cities and developed a first initial analysis of world city networks. Theoretically, this approach adopted Sassen’s (1991) focus on advanced producer services as key agents in contemporary global city formation, and combined this with Castells’ (1996) idea of cities as nodes and hubs in a ‘space of flows’ that has come to characterize many of today’s social practices.

More recently, Taylor (2001; 2004) has taken forward the concept of a ‘world city network’ that can be modelled and empirically investigated. Key agents in the process of world city network formation are not the cities themselves, but those who use cities through the creation of intra-city clusters and inter-city relations in their everyday practices. Many leading advanced producer service firms, for example, have created office networks across a number of cities worldwide to provide a ‘seamless’ service for their corporate clients. Each office network is interpreted as the outcome of a firm’s locational strategy that ‘interlocks’ the cities in its network through a myriad of flows (of information, ideas, people etc.) between offices. The resulting major analysis of the locational strategies of 100 leading global service firms across 315 cities allows the identification of the most connected nodes in the world economy and forms the basis for more detailed investigations of inter-city relations under conditions of contemporary globalization. For example, the simple notion of ‘command power’ in earlier studies of a ‘world city hierarchy’ is replaced by a more nuanced consideration of power differentials in the network (Taylor et al. 2002). What emerges is the notion of ‘cities in globalization’ (Taylor et al. 2007), the contention that all cities today are affected by globalization processes and hence show some degree of world cityness, although they are always embedded in much wider flows that constitute cities at different scales.
The early ‘relational approach’ (Beaverstock et al., 1999) and specifically Taylor’s (2001; 2004) empirical analyses of world city networks, have not gone uncontested (Alderson and Beckfield, 2004; Nordlund, 2004). One conceptual critique comes from a poststructuralist perspective and argues for a more sustained engagement with actor-network theory and non-representational theory in conceptualizing inter-city relations (Smith, 2003). Writing from a postcolonial perspective, Robinson (2006) identifies a failure of transnational urban theory to adequately represent cities of the global South, which she sees as potentially damaging for poorer cities ‘off the map’. Robinson (2006) proposes a conceptual reorientation that argues for a consideration of all cities as ‘ordinary cities’, that are “diverse, creative, modern and distinctive with the possibility to imagine […] their own futures and distinctive forms of cityness” (110, 114). Rather than focusing on a narrow economic sector – advanced producer services – Robinson argues for a much broader approach to economic connections and flows that shape the fortunes of cities.

URBAN THEORY: CITIES AS SITES OF SOCIAL DIVISION AND ECONOMIC POWER

Theorizing the city has long been a preoccupation of geographers and it is impossible to do full credit to the array of debates, past and present, in the field of urban theory. Hubbard (2006) does, however, provide a useful route through some of the main discussions and can help us begin to identify two main streams of research from the 1970s. Marxist approaches to the city (Castells, 1977; Harvey, 1973) and their focus upon production, consumption, distribution and exchange relations and the power structures, identified the way the city sustains economic production by, amongst other things, supporting the consumption of the workforce. In addition the city as a built environment is also recognized as central to capitalist production because of the way property can absorb the profit and loss of economic activities. Hubbard (2006) argues that, although influential, such Marxist-inflected approaches have been extensively criticized for their neglect of issues such
as gender, and are based upon totalizing grand narratives that are westernized, blind to postcolonial concerns and, perhaps most significantly, pay little attention to the multiple communities and cultures of any one city (Bridge and Watson, 2000; Soja, 1989; Dear and Flusty, 1998).

Nevertheless, together these two dominants schools of thought offer us a powerful way of examining how cities act as sites of control and regulation for production and consumption. At one level, the presence of the headquarters and offices of leading transnational corporations makes these cities sites for the production of goods (usually services in the post-industrial city) that increasingly have worldwide appeal. The city acts as a site through which both the workforce and its reproduction and the profit and losses of activities can be managed. Hence we see the clustering of financial and real estate services that are the drivers and reproducers of the economies of many cities today (Sassen, 2006).

In addition though, it is also now recognized that it is not only the relations of production and exchange that underlie this process but also a number of other regulating forces. Debates about the changing relationships between states and political authorities and the market, which now has most control over production regimes are important here (Short and Kim, 1999). This has been extensively covered elsewhere (Held et. al., 1999) and few would argue against the importance of recognizing the varying degrees of influence each actor has in different situations and places. Perhaps most significant for debates about the city is a recognition of the cultural conditioning of economic production and the way the city is intertwined with the socio-cultural regulation of the economy (Amin and Thrift, 2007).

The socio-cultural fabric of the city regulates production in a range of ways. At one level the ‘institutional thickness’ (Amin and Thrift, 1995) and the socially constructed business cultures of the city can be seen as critical to the success business services and, in particular, finance (see Leyshon and Thrift, 1997). At another level, as Amin and Thrift (2007) show, the city is also an important site for the production of cultural goods (e.g. arts and the theatre) that workers
want to consume and seek easy access to when choosing their place of work. And at a third and related level, the city is also shown to be a hybrid cultural entity itself, produced by interactions between peoples, their activities and place. This is exemplified by the activities of the flâneurs and the inspiration they gain by ‘absorbing’ the city through their walks (see Hubbard, 2006). Indeed, this third level is said to act as a spur for the production of cultural goods such as furniture and art because of the inspiration designers glean from everyday experience and consumption of the city (Zukin, 1988). It is this latter perspective that is perhaps of most interest here.

The post-modern city and its multiple cultures, ethnicities and resultant consumption cultures is said to produce a new and powerful cosmopolitanism (Short and Kim, 1999). This in itself demonstrates the intricate linkages between the cultural and the economic and the vital role of the city in such production processes. Industries, from advertising (Grabher, 2001) to apparel manufacture (Rantisi, 2002), develop a presence in the city to absorb the influences of these cultures and build products based upon their influences. Consequently as cultures reproduce themselves differently both between cities and within the diverse and often fragmented districts of a city, a powerful centripetal force develops that sustains cities as important sites of production because of their attractiveness both to workers (because of the accessibility provided to cultural industries) and firms (because of the benefits that ‘being there’ bring to the innovation process in cultural industries).

Amidst all of this, analyses of the way cities coordinate production and consumption should not be overly territorial. Through the transnational command networks of the firms in these cities (Sassen, 2006; Taylor, 2004), supranational non-governmental organizations (Short and Kim, 1999), the mobility of individuals as workers and tourists (Hannerz, 1996) and even the magazines and television stations emerging from leading world cities (Knox, 2002), the influence of any one city stretches beyond territorally defined boundaries. As Amin and Thrift (2002) have argued, cities should be conceptualized as fluid networks and not as bounded entities. Cities produce,
and are produced by, global connections and flows, acting as nodes in an increasingly networked society (Castells, 1996).

THE DIVIDED CITY?

The notion of the ‘divided’ city is not a new phenomenon. All cities are rife with inequality and difference, and have been so since the dawn of industrial capitalism and before (Engels, 1987; Marcuse, 1989). A re-reading of the urban models of Burgess and Hoyt for example, shows marked spatial segregations of wealth and living conditions in the city (see Knox and Pinch, 2000). In recent times, numerous studies have illustrated the polarized inequities of life in the post-industrial city (see Davis, 1990; Fainstein et al, 1992; Mollenkopf and Castells, 1991), where, if they are fortunate enough to live in housing and not on the streets, poorer inhabitants live in close proximity to the burgeoning and increasingly affluent middle classes. Marcuse’s (1993, 355-56) reading of social division in the post-industrial city suggests that it can be carved into distinctive quarters:

- the luxury city, segregated in enclaves of specific, isolated buildings in the city occupied by the economic, social and political elite;
- the gentrified city, occupied by the professional, managerial and technical social groups;
- the suburban city, apartments near the city centre or outer city housing, occupied by ‘mid-range’ professionals and civil servants;
- the tenement city, often occupied by ‘blue and white collar’ workers in the rented sector, and which includes social (public) housing;
- the abandoned city, “the end result of trickle down, left for the poor, the unemployed, the excluded.”

For Marcuse (1993, 356), these different spatial quarters of the city are reproduced by parallel processes of economic restructuring within the city. For example, the ‘big’ decision-making, corporate economy of command in the
city reproduces the luxury city; the ‘city of advanced services’ fuels the desire for the gentrified city; the manufacturing, service and public service sector of the city equates to the making of the suburban city; and, the unskilled worker in the formal or informal sectors of the city may reproduce the tenement and, or abandoned city.

One contested argument focusing on the explanation of social inequality and division in the global city is Sassen’s (1991) ‘social polarization thesis’. Sassen suggested that the concentration of command and control in global cities like London and New York, particularly in advanced producer services and international finance, combined with the shrinking and downgrading of the manufacturing sector, and the process of informalization in all industrial activities fuelled by immigration, has had significant effects on the structure of local labour markets and the distribution of earnings and income. Sassen argues that these processes have created labour market conditions in which there is significant growth in highly-skilled, highly-paid jobs in advanced producer services; low-skilled or unskilled, low-waged jobs in the downgraded manufacturing sector or in those services which are generated by highly-skilled and highly paid workers (for example, cleaners, hotel staff); and the informalization of work in both manufacturing and services. The consequence of this restructuring in labour market demand has been the emergence of polarization in occupational, earnings and income distribution with expanding groups of highly-paid, highly-skilled workers, who live in affluent and gentrified neighbourhoods of the city, and low-paid workers who live elsewhere, which reproduces residential (and ethnic) segregation and ‘ghettoization’ in the city.

Sassen’s (1991) ‘social polarization thesis’ has generated much debate, particularly by those examining its relevance beyond cities like Los Angeles, Chicago, Boston and the US city system more generally. Hamnett’s (1994) work has been very influential in questioning the theoretical and empirical validity of the ‘social polarization thesis’. He identifies three major weaknesses. First, there is ambiguity in its conceptual meaning (does social polarization refer to occupational structure or income distribution?) and measurement (relative or absolute?) when translated outside of the US
context. Second, the thesis is not adequately contextualized in wider meta-narratives which explain social and occupational change in society, for example, the process of professionalization and growth of the ‘new middle class’. Third, the process of informalization (linked to significant legal and alien immigration, and ethnic segregation) is too specific to US-American cities, especially New York and Los Angeles, and does not necessarily apply to Tokyo, London or other European cities.

Putting the ‘social polarization’ thesis aside, and fast-forwarding to today, casual observation of the cityscape and empirical scrutiny of available urban statistics (for example, on GDP, economic indicators, employment, earnings) continue to show that the city, whether ‘world’, ‘mega’ or ‘ordinary’ remains divided, both socio-economically and spatially, between the ‘haves and the have nots’ (Beaverstock et. al., 2004; Cox and Watts, 2002), with large proportions of the ‘have nots’ living in the mega-cities of the developing world (UN-Habitat, 2006). The city’s burgeoning mass affluent corporate, executive class, whether employed in government, international finance, business services or science and technology will continue to demand selected residential property in particular neighbourhoods (for example the Upper West and East Sides of Manhattan, New York; Chelsea and Kensington, London; Passy-Auteuil, Paris), or act as global super-gentrifying ‘class’ (Bridge, 2007; Smith, 2002).

Following analyses of gentrification in the city (see: Butler, 1997; Smith, 1996) there has emerged a rich vein of empirical work which has posited a, “third-wave of gentrification”, so called, “super-gentrification” (Lees, 2003, 2490). Super-gentrification is a process whereby the wealthy, often transnational, cosmopolitan professionals engage in the re-gentrification of selected, already prosperous areas in world cities like London and New York, thus making them highly exclusive and super-expensive neighbourhoods (Lees, 2003). Commentators suggest that these “super-gentrifiers”, the super-rich or the “financiers” (Lees, 2003, 2487) who work in global finance or the higher echelons of the corporate economy, are an important constituent of a global gentrifying ‘class’, who are responsible for reinvestment in selected global city

CAPITALISM IN THE CITY

We now discuss a number of case study cities which illustrate how capitalist development and latterly globalization have (re)produced distinctive world city geographies of functionality, unevenness, polarization, inequality and wealth in contemporary society.

Frankfurt: a financial city

Frankfurt's ascendancy to major international city of finance had been preceded by a long history as important German centre for fairs and banking since the Middle Ages (Holtfrerich, 1999). However, it was only after the Second World War, when Berlin lost its pre-war role as national financial centre in the wake of the division of the city and its spatial isolation from West Germany, that Frankfurt gradually acquired predominance among a number of competing financial centres in Germany (Schamp, 1999). Of prime importance for the subsequent rise of Frankfurt was the decision of the Allied military government to locate the German Central Bank in Frankfurt in 1948. This initiated a path-dependent process that saw the rise of Frankfurt as the new national and increasingly international financial centre (Grote, 2008) as headquarters of major domestic banks relocated to Frankfurt from Düsseldorf, Hamburg and other German cities, and foreign banks chose it as the key location for their presence in the country.

Closely linked to its consolidating role as banking and transportation hub, Frankfurt and the wider metropolitan Rhine-Main region have developed into Germany's leading centre for knowledge-intensive services, with major clusters of professional service firms in law, advertising, accountancy,
management consultancy and related business activities (Hoyler et. al., 2008). This locally contested process (Keil and Ronneberger, 2000) has transformed Frankfurt into Germany’s internationally most visible ‘global’ city, a gateway for international firms and capital that seek entry to the German market. By 1999, many had come to believe that the location of the European Central Bank in the city would lead to another scalar leap and bestow Frankfurt with a major global role in finance. However, little actually happened and rather than gaining at the expense of London, Frankfurt saw no substantive change in its fortune as international financial centre (Beaverstock et. al., 2005). On the contrary, Frankfurt’s share in foreign banks has decreased significantly over recent years (Grote 2008), reflecting a tendency of major transnational firms to concentrate advanced business in truly global centres such as London (Faulconbridge et al, 2007).

**Washington DC: a political city**

As Sassen (2006) reiterates, capital cities and political cities are not necessarily world cities. There are, of course, important examples of cities that are political, capital and world cities (for example, London) but there are also plenty of examples that counter this trend (for example, Canberra, which is merely a political city). Washington, DC, as the capital city of the USA, is an interesting example of a political city that has gone global. Conspicuously understudied (except Abbott, 1996, 1999), Washington has developed globalizing tendencies. These have arisen both because of the political influence of actors in the city (the US federal government as well as the various non-governmental organizations with operations in the city including the International Monetary Fund and the World Bank) and because of the economic activities that have developed in association with such political actors and activities over the past thirty years. For example, Beaverstock et al. (1999) classify Washington DC as a gamma (third-level) world city, mainly because of its importance as an accountancy and legal service centre, activities that have spun-off from the city’s political status.
Because it is not the territorial assets of a city that define its global significance but, rather, its articulations in the world city network, the globalness of Washington, DC is, then, a result of the way domestic political functions have produced transnational connections (Abbott, 1996). This, of course, cannot be disconnected from US foreign policy and the significance of the USA as a donor to the World Bank, something that underlies the cluster of lobby groups and campaign organizations that now exist around Capitol Hill (Gerhard, 2003). Moreover, because of the power of key actors in Washington DC to control the regulatory environment influencing business, many TNCs locate in the city to participate in intensive forms of lobbying that can determine future policy directions. This brings with it the associated transnational service firms that have lifted the city’s status as a world city (Beaverstock et. al., 1999).

**Montréal: a creative city**

Creativity and the city is now one of the most contested topics of urban academic and policy debates (Florida, 2002). Montréal has long been recognized as a creative city with 450,000 workers employed in ‘creative’ industries (Stolarick and Florida, 2006). Rantisi and Leslie (2006) note how service sector activity and employment also reinforce the success of the city, supporting artists with an essential network of boutique retailers specializing in selling one-off and design-heavy products. Being a creative city has now caught the imagination not only of the residents of Montréal, but also the city’s politicians. Through the city’s Commissioner of Design, Montréal embarked on a neo-liberal branding strategy aimed at making the city globally competitive as a design centre. *Commercial Design Montréal*, as the plan was known, aimed not only at improving infrastructures, but also at the marketing of the city to both businesses and tourists (Rantisi and Leslie, 2006), and at developing transnational dimensions through cooperation established with St Etienne in France, a city with similar aspirations to be known as a design capital.
One of the spin-offs from all of this is the gentrification often associated with the rise of cultural industries and the disposable capital they produce. As Ley (2003) notes, artists attract a range of other gentrifying professionals to a city and create new challenges for places such as Montréal. But, as Peck (2005) reminds us, this is to be expected when a Florida-style entrepreneurial recipe is followed for the development of a creative city. Not everyone in the city can be part of the gentrifying creative class. Nevertheless, with the growing valorization of cultural economies, cities such as Montréal have the potential to exploit their status as a so-called ‘creative’ city and tap into a growing global industry where design is recognized as a form of value-added in products.

Las Vegas: a consumption city

Las Vegas has come a long way from an ‘oasis’ on the road to California in the 1830s to the tourist mecca that it is today, attracting 44 million visitors in 2007 (City of Las Vegas, 2008). In 1935 it was already attracting 300,000 visitors (Roske, 1986), but it was the 1950s that cemented the city’s reputation as an entertainment resort *par excellence*, with the transformation of little clubs into spacious casinos and hotel entertainment complexes (Moehring, 1989). New household name hotel ‘resorts’, like the Flamingo, Stardust, Sahara, Caesars Palace and the Golden Nuggett, became magnets for gambling, entertainment and leisure, and international stars like Frank Sinatra, Dean Martin and Jerry Lewis among others (Findlay, 1986). Las Vegas continued to boom during the 1960s and 1970s, with multi-million dollar investment in the entertainment industry, and by 1969, it was regularly attracting over 2 million visitors per year (Moehring, 1989). Global superstars like Elvis Presley and Tom Jones played the major hotels and casino gambling became part of a multi-faceted entertainment complex, comprising theme parks, a thriving wedding, divorce and sex worker industry, as well as extensive shopping malls (Hannigan, 1998), which firmly cemented its global tag as, ‘Sin City’ or ‘Lost Wages’ (Amis, 2006; Gottdiener et. al., 1991).
However, during the 1980s, increased competition from Atlantic City and other forms of legalized gambling encouraged Las Vegas’ developers to become more elaborate with their themed resorts and fantasy attractions (Gottdiener et. al., 1999). In 1989, The Mirage became the first ‘megaresort’ with its Volcano and Polynesian theme, costing $700 million, followed by other famed examples such as: Excalibur, an Arthurian Camelot legend theme (costing $290 million); and, MGM Grand, a 5,000 room hotel, health spa, 15,200 seat arena for sporting events, nightclub and 33 acre theme park (Gottdiener et. al., 1999). By July 2006, the city reached a population of 0.6 million, had almost 30% of its workforce employed in leisure and hospitality, and generated revenues of $9.4 billion from an estimated 28.9 million visitors (City of Las Vegas, 2008). Viva Las Vegas!

**Mumbai: a globalizing city**

Mumbai, formally known as Bombay before 1995, has the reputation of being India’s most cosmopolitan, creative and commercial city (Patel, 2007). It is the home of Bollywood and India’s premier financial centre (Harris, 1995). Bombay’s early growth was overseen by British interests as a port and archetypal colonial city, which had developed into a manufacturing city post-Independence (Pacione, 2006), and a “most modern city” (Patel, 2007, 64) by the end of the twentieth century. The city-region is home to about 17 million people, which makes it one of the largest and most densely populated megacities on earth (Pacione, 2006). It is estimated that the city will soon have 27 million inhabitants (Bombay First, 2008). Mumbai is a divided city. About six million (50-60% of the population) are slum dwellers, living in overcrowded conditions with basic or no clean water, sanitation and access to health, education and formal employment, and a further three million living on the sidewalks or in derelict buildings (McKinsey, 2003; Patel, 2007; UNDP, 2002). Moreover, as the manufacturing sector faltered sharply from the 1980s, affecting labour-intensive industries like textiles (which shrank from 27% of the share of city jobs in 1976 to 12.5% by 1991), the rise in unemployment has shifted considerable volumes of labour into the informal sector, thus reproducing the cycle of poverty (Harris, 1995; Patel, 2007).
In contrast, the city’s service sector has flourished under conditions of globalization and enhanced the fortunes of Mumbai’s middle classes (Nijman, 2007). Employment in financial and business services has increased by over 40% since the 1970s, and the city’s globally successful creative cluster, Bollywood, has generated significant job growth, with an estimated 140 film releases per annum (Patel, 2007). Related to processes of globalization, Mumbai has been a major beneficiary of corporation offshoring and outsourcing (in IT-enable services, back office functions, call centres, software development). For example, in the software industry, 85 foreign firms had set up new plants in Maharashtra, while 76 local firms had benefited from expanded relationships with foreign companies by 2002/03 (UNCTC, 2004). Mumbai based firms have been able to diversify their activities with foreign companies as investments have deepened over time. Mumbai has also benefited from foreign company investment in higher value-added financial and producer services. Grant and Nijman’s (2002) survey of the locational preferences and functionality of domestic and foreign companies in Mumbai highlighted the emergence of a ‘global’ Central Business District (CBD) at Nariman Point, which emerged specifically from the international financial and producer service economy. In the context of other international financial centres, Mumbai is ranked as 41st (from 50) in the Global Financial Centres Index (Z/Yan, 2007).

Looking towards the future, local business interests under the auspices of Bombay First (www.bombayfirst.org/), with the support of local government, engaged McKinsey & Co. (2003) to produce a ‘Blueprint’ for Mumbai to turn itself into a ‘world class’ city by 2013, which would rank alongside Shanghai or Singapore (Katakam, 2003). This plan recommends a $40billion investment in the city’s economy, transportation, low-income housing, infrastructure (water supply, sanitation, education), healthcare, finance and governance, to deliver economic growth and improvements in the quality of life of its population. But, many are already questioning the availability of such investment finances, the unrealistic time-scale of the plan, its overall political objectives and its
disengagement with wider environmental issues (Katakam, 2003; Pacione, 2006).

CONCLUDING REMARKS

In this chapter we have discussed some aspects of capitalist development and the city, especially those associated with so-called ‘world’ cities. The city and its place in a relational network of other cities, whether ‘world’ or ‘ordinary’, has been the key spatial manifestation of the unequal forces of capitalism. World cities display complex geometries of strategic control (Sassen, 2006) and power relations (Allen, 2003) be they represented as static urban hierarchies or relational economic geographies of connectivity (Friedmann, 1986; Taylor, 2004). But, as Robinson (2006) reminds us, just because a city is not connected in the circuit of advanced services, does not mean that it is not a world city in other dimensions of capital accumulation.

All cities are world cities in one way or another but they may be embedded in different circuits of globalization. Beyond the world city discourse, it is important to remember that theorizing the city has a long lineage in human geography and other cognate social sciences, with perspectives drawn from structuralists and post-structural approaches, from writers such as Harvey (1973) and Soja (1989). These together, then, in combination with the writings on new urbanism (Amin and Thrift, 2002) makes theorizing the contemporary city and its coordinating role in economic production and consumption a complex affair that must take into account more than simply the economic, but also the socio-cultural and political manifestations of life in the city, something that often has implications well beyond national boundaries.

We have also discussed the city as a place of uneven opportunities and social relations for its inhabitants, reproduced by wider processes of economic restructuring and urban change. The contested concept of the ‘divided’ city, broadly distinguishing between the rich and middle-classes and the low-paid and underclass, exposes the geographies of the ‘haves and the have nots’ in
urban living. In juxtaposition to the city being the crux of command and control, wealth generation and the playground of the mass affluent, the notion of the unequal city is omnipresent (Hamnett, 2003), whether in terms of income distribution, employment opportunities, ethnic segregation, housing, homelessness, and opportunities for existing and new immigrant communities (Buck et. al., 2002). Our brief vignette of Mumbai illustrates an enormous cleavage in social justice where millions of people live in abject poverty alongside a growing privileged new middle class, in a rapidly globalizing world city. Cities will continue to be sites of control and coordination for the capitalist system through uneven processes of the material and the immaterial in the production and reproduction of everyday life.

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