Cities and Globalization

Globalization is new,

but successful cities have

always had a global outlook.

WITOLD RYBCZYNSKI

ECONOMIC AND CULTURAL globalization are unprecedented phenomena, and have led to so-called global cities, which respond to global rather than national or regional forces. Yet cities have always played a trans-national role. Since the Middle Ages, they have been key capital markets and sites for financial innovation. Whether as city-states, national capitals, or the seats of empires, they have looked beyond national borders. Indeed, it could be said that from their very beginning cities demonstrated a world view.

The modern city emerged in Europe in the eleventh century, after the long interregnum of the Dark Ages. This happened chiefly in the region between the

Figure 1: Venice: City-State

Seine and the Rhine. Cities did not reappear singly but in clusters—loose commercial confederations of city-states linked by market laws and conventions. The Hanseatic League, for example, which was based in Lübeck, was an association of German cities that sought trading monopolies across northern Europe. The League maintained major trading exchanges, or *contore,* in four cities: Bergen (timber and fish); Novogorod (furs); London (wool and cloth); and Bruges (cloth). There were other commercial networks, based on the sites of regularly scheduled trade fairs. The chief fairs were held at Lyons, which brought together merchants from northern Italy, Germany, and Spain; Bruges, which hosted English, Scottish, and Hansa traders; Augsburg, the seat of the Fuggers, whose commercial interests extended from Cracow to Lisbon; and Antwerp, which, during the first half of the sixteenth century, became the center of the entire north European economy.

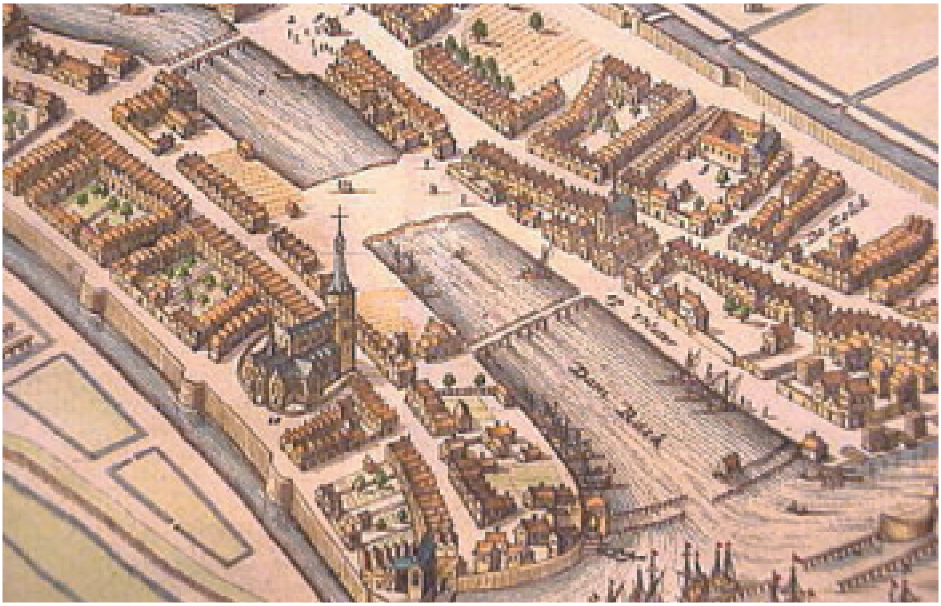
A parallel urban flowering occurred in northern Italy. Like their north European counterparts, the Italian city-states operated independently. With ready access to the Mediterranean, they created far-flung commercial outposts in Asia and Africa. Already in the ninth century, Venice had allied merchant communities in Constantinople, Egypt, and the Levant, and sent its galleys to ports all over the

Mediterranean. The Genoese, too, had an outpost in Constantinople. By and large these were commercial rather than territorial empires, though safeguarding trade routes required military muscle.

Venice, Genoa, and Florence in the south, and Bruges, Lübeck, and Antwerp in the north, were the bright stars of these urban constellations, but there were thousands of smaller cities and towns. It is estimated that by the fifteenth century townspeople represented about a quarter of total population of Europe. Towns could be as small as 500 to 2,000; 10,000 was sufficient for a town to be considered "large;" a town of 20,000 was a leading commerce center. There was a significant difference between urbanization in Italy and northern Europe. Italian cities tended to be larger: in 1288, Milan already had a population of 100,000; in the early fourteenth century, Florence had 90,000, as did Venice and Naples. Whereas in the north, Cologne, one of the largest cities, had only 40,000 people, London had 30,000, and Lübeck only 25,000. Italian cities were also considerably more crowded: Genoa in the fourteenth century had a density of about 220 people per acre, whereas Cologne had only about 40 people per acre.

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. Cities were not just hotbeds of mercantilism, they were also the site of the greatest tech-

Figure 2: Amsterdam: Commercial City



nological invention of the era: printing. Not coincidentally, in northern Italy these business and technological centers were, slightly later, the sites of the intellectual revolution in art, literature, and architecture that came to be called the Renaissance.

Cities were little islands of freedom in a feudal sea. In Italy and Germany, especially after the thirteenth century, the power of territorial states was insignificant, and cities prospered; on the other hand, where the state was stronger—in England and France, for example—cities were weaker. The citizens of a city-state had political freedom and controlled their own destinies. They organized their own currency, finances, public credit, taxation, customs, and excise.

The world role of these city-states was paramount, for they were above all business centers, linked to each other through inter-city trade. They not only depended on worldwide relationships, which were the source of their prosperity, but they themselves established—or at least negotiated—the terms of these relationships. It could be argued that despite the limited degree of globalization, whose spread was impeded by extremely slow communications, this period—roughly 1100 to 1400—represents 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 always be upstaged.

PRIME CITIES

Cities and nation-states have always contended for power. "The miracle of the first great urban centuries in Europe," writes the French historian Fernand Braudel of the medieval period, "was that the city won hands down, at least in Italy, Flanders and Germany. It was able to try the experiment of leading a completely separate life for quite a long time. This was a colossal event. Its genesis cannot be pinpointed with certainty, but its enormous consequences are visible." What was equally unexpected was that urban predominance did not continue; the dynamic and successful city-state failed to become the standard form of polity in the Western world.

The era of the autonomous city-states in medieval Europe lasted several hundred years, but although Venice and Florence flourished into the fifteenth century, and the small duchy of Weimar flowered as late as the mid-1800s, from the fourteenth century onward most city-states were absorbed into the burgeoning nation-states. This was to some extent a question of markets. The city-states had the early advantage of city-centered economies. In modern parlance, they contracted out their ancillary operations—food production, animal rearing, raw material production—and got rid of the attendant overhead. The nation-state, particularly a large one such as France, had to administer a vast territory, build and maintain roads and canals, protect its borders, and maintain a large standing army. On the other hand, its extensive territory represented a large internal market and, with time, large markets became a major economic advantage.

Nation-states did not do away with cities; quite the opposite. All nation-states had at least one large city, usually though not always the capital. Let us call it the prime city (Amsterdam, New York, and Montreal, for example, were prime cities, though not capitals; the Hague, Washington, D.C., and Ottawa were capitals, but not prime cities). First came London and Paris, later Amsterdam, Vienna, Munich, Madrid, and St. Petersburg. Prime cities had several roles. They were the engines that kick-started and powered the national economies. Goods flowed from the prime city across the nation-state, and beyond. In addition, the prime city was also frequently the seat of political power, no longer merely the power of the city itself but the power of the entire nation. Not least, the prime city became—there is no other way to put this—the playground of the ruling classes. It is no accident that European Baroque architecture and city planning had their roots in the sixteenth century, for this opulent style reflected the tastes of the aristocrats and the affluent landed gentry who

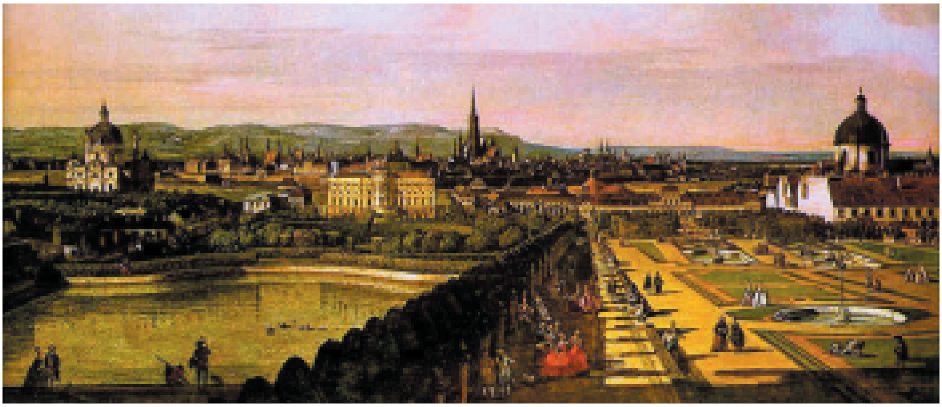
Figure 3: London: Prime City

flocked to the prime cities. Beginning with Sixtus V's replanning of Rome, European prime cities were remade (or made anew, in the case of St. Petersburg) in the grand manner, with *rond-points,* radiating boulevards and avenues, formal residential squares, and magnificent architecture to match. The one striking exception was London, which after the Great Fire of 1666, was rebuilt according to its medieval plan, although later many parks and residential squares were added. The taste for grandeur, which was largely absent in the medieval city-states, reflected the character of the prime city: subjugated but also resplendent.

The chief measure of their new brilliance was size: prime cities were huge. In the medieval city-state, the encircling wall, and the monopolistic controls imposed by the guilds and merchant elites, conspired to restrict urban growth. Citizenship was a jealously guarded prerogative. In the nation-state, urban growth was a matter of national pride: the bigger the city the better. By the eighteenth century, London, the largest city in Europe, had 860,000 people; Paris about 670,000; Naples almost half a million; Vienna, Palermo, and Amsterdam had more than 200,000. By 1789, St. Petersburg, the new capital of Russia founded in 1703, already had more than 200,000 inhabitants. The founding of St. Petersburg was exceptional, however, for unlike the Middle Ages, when there were constellations of cities—small, medium and large (but not too large)—the seventeenth and eighteenth centuries saw few new cities. Urbanization was concentrated in a relatively small number of cities that grew larger and larger. Among these the prime cities enjoyed a sort of urban monopoly. Lewis Mumford called them "absolute cities," and characterized them as a "few centers that grew inordinately, leaving other towns either to accept stagnation or to stultify themselves in hopeless gestures of subservience."

It is easy to pine for the modest medieval town, as Mumford did, but by the eighteenth century there was no going back. The medieval city had achieved a balance between its expenses and its profits from trade, thanks to the conservatism of medieval city fathers. The prime city drew upon the resources of the entire nation—in some cases the resources of an empire. The richer the nation and the larger the empire, the greater the glory of the prime city. At the same time, as the empires of the leading European nations expanded, the reach of the prime city expanded with them. Much of the international influence of these cities, it could be argued, was an illusion. The real power lay with the nation-state, not with the prime city. Yet symbolically, at least, the prime city represented that state. To millions of British colonials the heart of the British Empire was London, just as to

Figure 4: Vienna: Prime City



French *colons* the *métropole* was Paris, and to subjects of the Habsburg emperor, from Trieste to Cracow, the center of the world was Vienna. The prime cities were not global cities in the modern sense, but they had something of a global aura.

Industrialization, which began in Britain in the mid-eighteenth century, broke the prime cities' stranglehold on urban growth. New industrial cities rose to prominence: Leeds, Sheffield, Newcastle, Liverpool, Manchester, Birmingham, and Glasgow. Thanks to their mass-produced and industrialized output, the industrial cities dominated international trade. This pattern repeated itself later in America, where industrial cities such as Pittsburgh, Detroit, Milwaukee, and Cleveland grew in wealth and power. Philadelphia, which had once been a prime city (and the nation's capital), rebounded during this period and became the foremost manufacturing city in the United States, making everything from locomotives to Stetson hats.

The rise of industrial cities did not undermine the international cachet of the prime cities. As steamships and railroads facilitated long-distance travel, the chief destinations were not only scenic sites such as the Alps and Niagara Falls, and ancient monuments such as the Pyramids, but also the prime cities. One of the first devices that promoted urban leisure travel—at about the same time as the word "tourism" came into popular use—was the world's fair. The first world's fair was held in London (1851), followed by Paris (1867). The fairs, attended by enormous crowds of sightseers, were the first international events of this kind—it is correct to call them global. Hosting a fair became a badge of global preeminence (so, later, did hosting an Olympic Games), so much so that when industrial cities such as Philadelphia and Chicago made bids to join the prime city club, they did so by putting on international exhibitions. It was not that easy, however. Prime cities benefited from an enormous historical investment in architecture and urban design (both Chicago and Philadelphia played catch-up by building large museums, monumental avenues, and extensive parks). Prime cities also had an ample infrastructure for leisure, fashionable promenades such as the Champs-Elysée, the Ringstrasse, and Central Park, and amenities such as luxury hotels, five-star restaurants, gentlemen's clubs, theaters, opera houses, and museums, all of which catered to the wealthy and upwardly mobile.

Although prime cities were subservient to the state, paradoxically this subservience allowed them to achieve unprecedented levels of size, prosperity, and luxury. Thus, as globalization re-emerged as a force at the end of the twentieth century, the prime cities were particularly well placed to become, as economist Saskia Sassen put it, "command points in the organization of the world economy."

GLOBAL CITIES & GLOBALIZATION

Global cities, at least as the term is used by Sassen, are a select group of cities that play key roles in the world economy, particularly as regards the cross-border flow of capital and goods. Sassen identifies a relatively select group of cities as "global:" in the first rank, New York, London, and Tokyo, followed by Paris, Frankfurt, Hong Kong, and São Paulo. Some of these, like New York, London, and Paris, were prime cities during the nineteenth century; others, like São Paulo, were not. Sassen has shown that these cities have become global centers for finance, servicing, and management, and that the network that binds them together is a trans-national one. In a sense the global cities could be said to form a sort of loose medieval league, but on a global scale. However, unlike their city-state predecessors, global cities lack political autonomy, since the ultimate arbiters of their fates are the nation-states in which they are located (Singapore and Dubai are rare examples of modern city-states). This was particularly visible in the aftermath of 9/11; although New York City was attacked, the United States struck back. On the other hand, while global cities may be under the thumb of their nation-states, the global *network* of which they are a part appears to be supra-national, unaccountable to national control, and strikingly autonomous. So, global cities are something less than city-states, but something more than prime cities.

The fact that an ancient human invention—the city—persists in the digital age is unexpected. Almost every technological

Figure 5: Tokyo: Global City

invention in the last fifty years—the cell phone, the portable computer, the Internet, fiber optic and wireless technology—is a decentralizing influence. However, as Sassen points out, the greater the quantity and rapidity of information flows, the greater the need for personal, trustworthy, face-to-face interaction. It turns out that the ideal environment for the social connectivity and central functions that are essential to vast, decentralized global information networks is a real place: the city.

Global cities have acquired various functions in addition to processing capital flows—they have become the physical settings not only for work, but also for living and recreation. This explains the appeal of Paris, London, and New York, with their extensive nineteenth-century cultural infrastructure. In James Bond films, the global master criminal lives on an island or aboard a luxury yacht; in real life, the global elites live in cities—global cities.

There are only a handful of global cities. However, the process of globalization touches—and changes—*all* cities. This phenomenon is unprecedented. Cities traditionally interacted with each other chiefly through the medium of trade, and a city that was not a commercial center tended to be isolated from outside influences. Today, a celebrated film festival, or an unusual museum, can turn relatively unknown cities like Toronto or Bilbao into international destinations. Bilbao is hardly a global city, but it is definitely a city affected by glob-

Figure 6: São Paulo: Global City

alization. One of the greatest globalization effects on cities is tourism, the result, largely, of inexpensive air travel. Now, cities market themselves to world travelers in the same way as Caribbean island resorts, "I ♥ NY" being only the first of many city promotional campaigns. The plum marketing opportunities for cities are those nineteenth- and twentieth-century international events, world's fairs and Olympic Games, which is why cities compete so energetically for the privilege of playing host.

Emigration and immigration are likewise globalization effects that impinge on cities. Immigrants change the host city through their entrepreneurship, but also through importing different customs and languages. Many American cities would be smaller—and poorer—were it not for the constant flow of immigrants from other parts of the world. Emigrants also change their home cities, returning home with foreign exchange—and foreign ideas.

Real estate used to be a local business. Today, real estate firms, investors, consultants, and architects operate globally, which considerably facilitates and accelerates the spread of a unified set of built products: office towers, hotels, shopping malls (see "International Real Estate Investing," *WRER* Spring 2001). This imitation is not new. Cities have always copied one another, building opera houses when opera houses were in fashion, or grand department stores, or boulevards, or art museums. Globalization has merely—greatly—accelerated this practice.

Globalization has produced a curious phenomenon: the creation of a modern city in a backward country. It is repeated in India, China, Brazil, Mexico, and South Africa. While Bombay, Shanghai, Rio de Janeiro, Mexico City, and Johannesburg are not full-fledged global cities according to Sassen's definition, they are definitely integrated into the global network. In that sense, they have more in common with each other than with the nation-states of which they are a part. Cities were always richer than their surrounding hinterland, but in many parts of the world today cities differ not only economically but also culturally, socially, and even politically. How the tensions and inherent stresses of this unusual situation will be resolved remains to be seen.

A different version of this paper was given at the New Global History and the City conference in St. Petersburg, Russia, January 8-12, 2003.