

THEORETICAL FRAMEWORK

1 Global and local forces in cities undergoing political change

Rita Schneider-Sliwa, Basle

Much has been written about metropolitan development and global trends (Amin & Thrift 1994; Castells 1996; Dicken 1998; Sassen 1996, 1999; Keil & Ronneberger 1994; Marcuse & van Kempen 2000; Brand et al. 2000; Hirsch 2000; Storper 1997). Many of these authors feel that globalisation will eventually even out the structural and institutional differences between the cities. Globalisation is thus seen as a spectrum of different processes: for the economist, globalisation refers to the world-wide interrelations of national economies; the political observer focuses on the loss of national economic independence and privatisation of institutions; and scientists in the socio-cultural field consider the developments leading to world-wide standardisation of consumer patterns, life-styles and changes in society (Rieger & Leibfried 2001).

Often, it is not globalisation *per se* that is of interest, but the effects thereof – i.e. the new classes of winners and losers created by the globalisation of the economy and international competition (Keohane & Nye 2000). Literature on the topic deals with the positive and negative consequences, *the potential offered by increased international competition for restructuring and re-orientation towards competitive economic branches being one of the long-term advantages often mentioned*. Thus, in several cities and regions, a concentration of global management and control functions may be observed, particularly in the banking and financial sector, among transnationally operating companies as well as regional, international and supranational institutions (Sassen 1996; Castells 1996). These cities as local bases of continental or transcontinental powers of decision-making, control and co-ordination, acquire as engines of development greater significance if they can offer nodal qualities in three systems generating added value: the generation of innovations, the control of capital flow and market information. In this respect, any one of these service clusters is able to increase the functional importance of a whole region for the national or international market (Castells 1996, Schamp 2001:169). *Globalisation also has the potential to increase local mobility and prosperity potential*. The homogenisation of educational systems, the improvement of high-speed networks, the increasing incorporation of urban centres into the global economy and the intensification of global markets and social relations are examples that would fall into this category. A positive side-effect of globalisa-

tion is thus the increased significance given to the qualitative aspects over purely quantitative aspects of growth. To be more precise:

- Growing individual freedom due to improved freedom of movement of workers, goods and capital
- Increasing democratisation and legal security due to the encouragement of mobility; increasing prosperity particularly in those areas where mobility refers to work migration
- Improving quality of human capital, as a result of greater expectations placed in qualifications
- Improvements in the environmental sector due to the better detection and easier combating of environmental damage in a globally networked world.

Negative consequences of globalisation may be found in the development of certain tertiary activities that lead to a *homogenisation of certain consumer patterns and lifestyles, i.e. the adoption of a global culture* (Sassen 1996; Barnet & Cavanagh 1996). In politics, some forms of urban governance and corporate urban policies are associated with the loss of cultural diversification, social orientation and democratic structures (Brand et al. 2000; Hasenclever, Mayer & Rittberger 1997; Jessop 2000; Ossenbrügge 2001). *Fragmentation and increasing differentiation, as well as recent regional and social exclusion at urban, regional and continental levels can also be considered as negative aspects of globalisation* (Appadurai 1990, 1996; Featherstone 1993, 1995; Cox 1997; Scholz 2000). Due to the focus on capital intensive production or services for upper income groups, residual worlds that are no longer of value in a global economy due to unattractive buying power or production potential have often arisen alongside the nodes of economic competition and newly established "global places". The increasing exclusion of such places has been further intensified by political measures such as liberalisation of the market, the separation between societal policies and the economy, and the down grading of the welfare state at all levels of the federal system.

Aim of this book

A large proportion of literature on this topic assumes that the above mentioned development paths belong quasi to the natural pattern of life and that globalisation will evolve in a similar way and with predominantly negative consequences for all cities affected. *This book does not see globalisation as a process that either forces uniformity upon individual regions or cities and their political institutions or imprints the newly created macro-cultural structural patterns onto local forms.* Precisely because of local differences and developments, complex urban systems as such are not likely to experience identical trends and development patterns. There are too many factors which influence urban development (fig. 1) and the context of these factors within each city is very different. Globalisation has not been able to override the agents, planners and motivators within politics, the economy and society that stand behind these forces. Neither can it replace economic activity, the state, politics in general, nor human activity. Thus in the era of globalisation, metropolitan development remains hypothetical: urban development can, but need not conform to the apparent laws of nature of global trends (Rieger & Leibfried 2001:75,76f.; Keohande & Nye 2000; Kapstein 2000).

Fig. 1: Forces of urban development (Concept: Rita Schneider-Sliwa)

This is where this book fits in. It focuses on the interplay between local and global forces whose influence is strongly affected by the very different spatial and temporal local constellations and development factors which give globalisation its local flavour. The extent to which globalisation and the resulting world-wide new positioning of urban centres is manifested locally and how apparent their positive and negative consequences are, often depends on the input of regional and local characteristics or developments or on how "local identity" and "territorial characteristics", in the sense of a total constellation of specific, unique and never-to-be repeated circumstances, with regard to social, economic, urban structural and infrastructural set-ups, are construed (Conti 1997:97). *Our main argument is thus that developments appearing in cities are not subject to almost unconditional global forces. Rather, we are able to show that universal forces are decisive eventualities in the process of urban restructuring, often influencing its course and speed, yet that developments and particularities within a city strongly influence the course of events.*

This topic is exemplified by means of eleven case studies of metropolises that have recently undergone restructuring due to political developments or as a result of the collapse of an existing system. Although these cities represent different political and socio-cultural contexts, they have in common either a recent revolutionary or otherwise dramatic political change of their social responsibilities or their nodal function has or could soon dramatically change.

As a result of this very change of the political system these metropolises have been placed in the unique situation that they can activate their endogenic potential more than usual. During the transitional phase between two political or economic systems, the new beginnings affecting politics, the economy and the planning of global and hinterland functions can unleash special energies, thus strongly influencing existential, functional and development conditions. Cities undergoing a transitional period or experiencing a phase of radical change have the opportunity to emphasise their local peculiarities, cultural elements or characteristics as an important element of an interesting locality factor. They are able to reflect on their original identities and to re-awaken these with various measures. The departure from ideologies allows for a turning back, a new beginning, a re-evaluation, the search for an own identity and the break with presumed inevitabilities. The collapse of a system after deterred development by a socio-political system opens up new possibilities for an innovative urban development not dependant on taking over global patterns of structure, thus allowing the combination of local strengths with the best of global developments. This type of urban development can plan new urban forms, structural patterns and mechanisms of adaptation that do not necessarily follow the so-called global paths of urban development, particularly their negative characteristics. *Where global trends are still able to establish themselves locally, these may be seen as policy choice and not as unavoidable global development.*

In the following urban examples, particular attention is given to urban development and processes that could serve to integrate a city in the world economic system and that point towards a possible win situation in the era of globalisation:

tertiarisation and tertiary restructuring, internationalisation, the formation of metropolitan clusters of strategic corporate activity, as well as management and control capacities for the co-ordination and control of global economic activity. Factors and processes which hinder or delay cities from taking on nodal functions in a transnational-oriented economy are also dealt with.

The different forces affecting these cities are observed in all their complexities: on the one hand these are forces originating from globalisation processes, on the other hand there are those which are firmly rooted in the geographical peculiarities of each city. This reflection permits an emphasis on the interaction between political, regional and urban-specific conditions with the otherwise over-dominant economic processes. In the eleven case studies, subdivided into five classes, the challenges and potentials linked to global processes are dealt with very differently.

Berlin and **Jerusalem** are examples where contrasting forms of hegemony have been reasserted with different results for development potential. Both cities are important capitals that suffered under decades of political and military division and only recently were re-united. Berlin was divided physically and psychologically into two diametrically opposed political ideologies. One part of the city (West Berlin) was a political enclave within the domain of the other state (GDR) and until recent times a permanent trouble spot in the Cold War between the two super powers, the USA and Soviet Russia (USSR). Since re-unification, Berlin as capital and official urban symbol of a united Germany finds itself not only faced with the problems of globalisation, but with the difficult task of uniting the social fabric of two different social cultures. On the other hand, Jerusalem with its multi-cultural tradition was divided after the formation of a modern national state in the twentieth century and its integration into it: armed conflict caused Jerusalem to be put under Israeli administration, however the city has remained at the centre of the opposing claims by the Jewish state and the Palestinian people. Jerusalem's main role in the region is to overcome the social and political differences between the Jews and the Arabs. Their physical reunification under the political administration of one state and the opportunity to benefit economically from the situation, give these two case studies conceptual similarity.

A new balance of power and its significance for urban development are exemplified by **Hong Kong** and **Sarajevo**. These cities differ from the previous two case studies in that they are caught up in political centralisation and decentralisation. Hong Kong – from the economic point of view a global city and until recently a political enclave – is trying to continue functioning in the same manner as before. To its advantage is the fact that it has been granted special privileges within the centrally run State of China for a further fifty years. Sarajevo is an example of a city recovering from a recent war that was triggered off by a state falling apart. Although Sarajevo is a relatively small nodal point in the European urban network, it has to rebuild its regional foundations under the difficult conditions of global structural change and within the atmosphere of political change in the region.

The collapse of ideologies, like that of communism in Eastern Europe, may certainly be brought into context with global forces, but the history and cultural fabric of a region and its larger cities ensure that the consequences are unique. Although **Moscow** and **St. Petersburg** find it difficult to adapt economically and socially to an international market economy, they have even greater problems trying to deal with democracy. Their foremost aim is to face this challenge in a world characterised by globalisation. For **Johannesburg** as well, an era and an ideology have come to an end. However, Johannesburg remains an urban landmark of Apartheid capitalism, of a political system by which it is no longer governed. This major economic centre is in the difficult situation of upholding its economic position among the metropolises of the world's economy under a new political leadership.

The expansion of economic hinterlands and political horizons due to European integration efforts and the collapse of the socialist system are illustrated by the case studies of **Vienna** and **Brussels**. These cities find themselves in regions that are neither in a state of destruction nor at a disadvantage. On the contrary, they are in a situation to be able to profit from new, externally-induced relations. **Vienna** stands at the portal to a South Eastern Europe that is once again open to free trade and investments after decades of a controlled economy. Consequently, the region is in the position to rebuild or possibly improve on its former economic pre-eminence. Due to political fortuity, **Brussels** profits from its seat as the site of the EU Commission and thus already exerts unusual political control over a still expanding European Union. Considering the size and location of Brussels, it may be expected that its influence will continue to grow.

In the last category, cities and regions are dealt with that for political reasons have largely been disadvantaged in their economic and political development. In the case of **Hanoi** and **Ho Chi Minh City**, the long years of the Vietnam War, carried out for ideological and strategic reasons, left them in a difficult situation and with only few immediate development possibilities. The situation is changing slowly but the war left the cities with numerous burdens and limitations within the world economic system that will take a long time to overcome.

It is obvious, that the five politically-oriented categories do not mutually exclude one another and that several of the cities selected would be able to fit into more than one of the categories defined for the purpose of the book. Further, it is important to note that all of the cities, irrelevant of their political situation, have entered the process of globalisation at very different stages along a development spectrum. The case studies are taken from industrial and developing countries and could easily represent a continuum of development processes and their inherent future potential. Brussels, Berlin and Vienna are cities representing industrial nations. These are cities with relatively favourable conditions within the framework of the EU urban network, permitting them to expand their positions as regards high ranking functions, for the greatest possible economic benefit and the highest possible social compatibility. Hong Kong, Moscow and Jerusalem represent transitional countries, i.e. *newly industrialised countries* and other countries with transient forms hardly mentioned in literature, which find themselves be-

tween different systems or cultures. These are cities in which capitalism and collectivism or different cultures are in a process of finding new common forms and thus in many respects are in a state of local or regional conflict. Hanoi, Ho Chi Minh City, Sarajevo and Johannesburg belong either to those cities with substantial development deficits or to those in developing countries on the brink of "take-off". These are not only faced with the negative influence of upheaval, but they have to cope with religious, ethnical, military and/or cultural problems which – as for Jerusalem – are difficult to overcome and stand in the way of metropolisation in the sense of a tertiarisation of global functions, and economic stability.

The political categories of three different development contexts and appropriate background information serve to show how central forces which are part of a process of change, work together, how local and regional conditions have been able to influence the perceived unstoppable process of globalisation and how this leads to considerable qualitative and quantitative differences in the urban development processes of the globalisation era.

References

- AMIN A, THRIFT N (eds) (1994) *Globalization, institutions and regional development in Europe*. Oxford.
- APPADURAI A (1990) Disjuncture and difference in the global cultural economy. *Theory, culture and society* 7 (2/3): 295-310.
- APPADURAI A (1996) *Modernity at large: Cultural dimensions of globalization*. Minneapolis.
- BARNET R. U. J CAVANAGH 1996 Homogenization of global culture. In: MANDER J, GOLDSMITH E (eds) *The Case against the global economy and for a turn towards the local*. San Francisco.
- BRAND U et al. (2000) *Global governance. Alternative zur neoliberalen Globalisierung*. Münster.
- CASTELLS M (1996) *The Rise of the network society. The Information age: economy, society and culture, Vol. 1*. Oxford.
- CONTI S (1997) Interdependent and uneven development. A systemic view of the global-local dialectic. *International Geographic Union, Bulletin* 47 (2): 195-205.
- COX K R (1997) *Spaces of globalization: Reasserting the power of the local*. New York.
- DICKEN P (1998) *Global shift. Transforming the world economy*. 3rd ed. London
- FEATHERSTONE M (1993) Global and local cultures. In: BIRD J, CURTIS B, PUTNAM T, ROBERTSON G, TICKNER L (eds) (1993): *Mapping the futures: Local cultures, global change*. London, pp. 169-187.
- FEATHERSTONE M (1995) *Undergoing culture: Globalization, postmodernism and identity*. London.
- HASENCLEVER A, MAYER P, RITTBERGER V (1997): *Theories of international regimes*. Cambridge.
- HIRSCH J (2000) Die Internationalisierung des Staates. In: *Das Argument* 236, pp. 325-339.

- JESSOP B (2000) Die Internationalisierung des Staates. Anmerkungen zu einigen aktuellen Fragen der Staatstheorie. In: *Das Argument* 236, pp. 325-338.
- KAPSTEIN E B (2000) Winners and Losers in a Global Economy. In: *International Organization*. 54 (2): 359-384.
- KEIL R, RONNEBERGER K (1994) Going up the country: Internationalization and urbanization on Frankfurt's northern fringe. In: *Environment and Planning D: Society and Space* 12: 137-166.
- KEOHANE R O, NYE J S (2000). Globalization: What's new? What's not? (And so what?) In: *Foreign Policy* 118 (spring): 104-119.
- MARCUSE P, VAN KEMPEN R (eds) (2000) *Globalizing cities. A new spatial order?* Oxford.
- OSSENBRÜGGE J (2001). Politik im "glokalisierten" Raum. Alternative Optionen zur entgrenzten Weltwirtschaft. In: *Geographische Rundschau* 53 (7-8): 4-9.
- RIEGER E, LEIBFRIED S (2001) *Grundlagen der Globalisierung. Perspektiven des Wohlfahrtsstaates*. Frankfurt a.M
- SASSEN S (1996) Cities and communities in the global economy: Rethinking our concepts. In: *American Behavioral Scientist* 39: 629-39.
- SASSEN S (1999) Global financial centers. In: *Foreign Affairs* 78: 75-87.
- SCHAMP E (2000). Der Aufstieg von Frankfurt/Rhein-Main zur europäischen Metropolregion. In: *Geographica Helvetica* 3: 169-178.
- SCHOLZ F (2000) Perspektiven des "Südens" im Zeitalter der Globalisierung. In: *Geographische Zeitschrift* 88 (1): 1-20.
- STORPER M (1997) *The regional world. Territorial development in a global economy*. New York.