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# Cities in Transition

**Globalization, Political Change and Urban  
Development**

*edited by*

Rita Schneider-Sliwa

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# Cities in Transition

## Globalization, Political Change and Urban Development

*Edited by*

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# THEORETICAL FRAMEWORK

## 1 Global and local forces in cities undergoing political change

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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 worldwide 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 worldwide 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. One of the long-term advantages frequently cited is *the potential offered by increased international competition for restructuring and re-orientation towards competitive economic branches*. 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). As local bases of continental or transcontinental powers of decision-making, control and co-ordination, these cities acquire greater significance as engines of development if they can offer nodal qualities in three systems that generate added value. These systems are: 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, p. 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 globalisation 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 downgrading 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 as it were 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).