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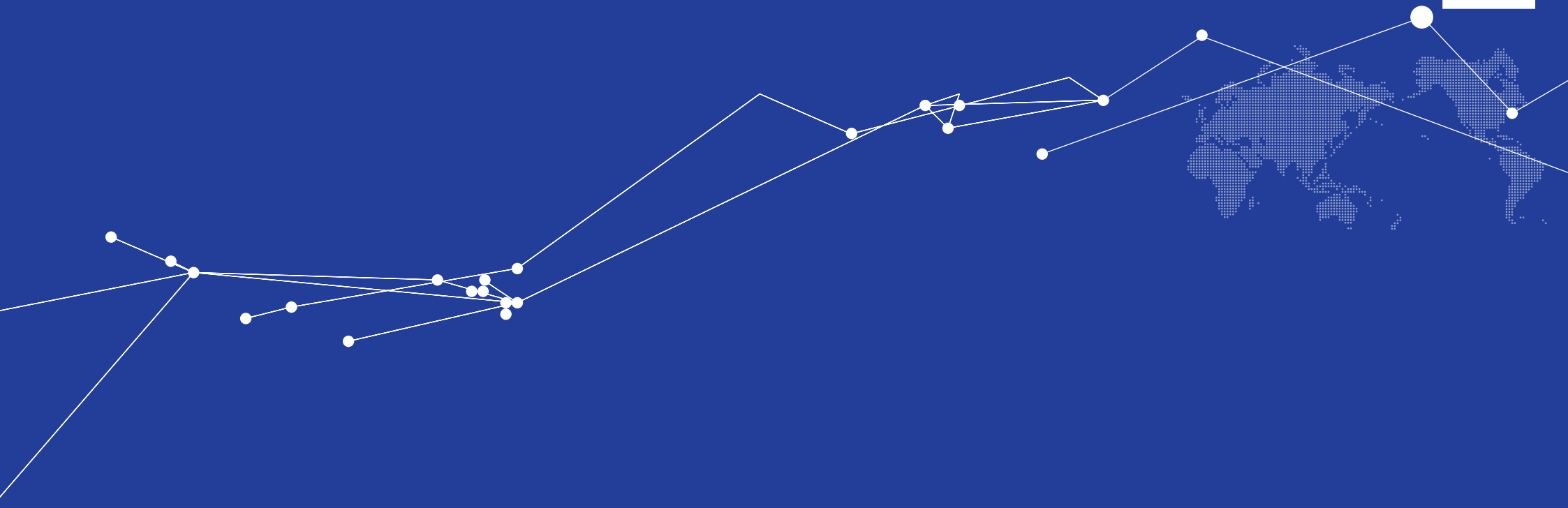


CITIES IN TODAY'S GLOBAL AGE[1]

SASKIA SASSEN

An exploration of the new economic role of cities and the networks they form in an increasingly globalised world

SINCE THE EARLY 1980S THERE HAVE BEEN DRAMATIC CHANGES IN THE STRUCTURE OF THE BUSINESS AND FINANCIAL SECTORS, AND A SHARP ASCENDANCE OF A CULTURAL SECTOR

As recently as the 1970s, many of our great cities were in physical decay and losing people, firms, key roles in the national economy, and their share of national wealth. As we move into the 21st century, a rapidly growing number of cities have re–emerged as strategic places for a wide range of activities and dynamics. Even though major cities worldwide have long been centres for business and banking, since the early 1980s there have been dramatic changes in the structure of the business and financial sectors, and a sharp ascendance of a cultural sector. Further, the number of global cities has grown sharply as globalisation expanded. Critical, and partly underlying all the other dimensions, is the new economic role of cities in an increasingly globalised world, and the associated architectural and technical revolutions.

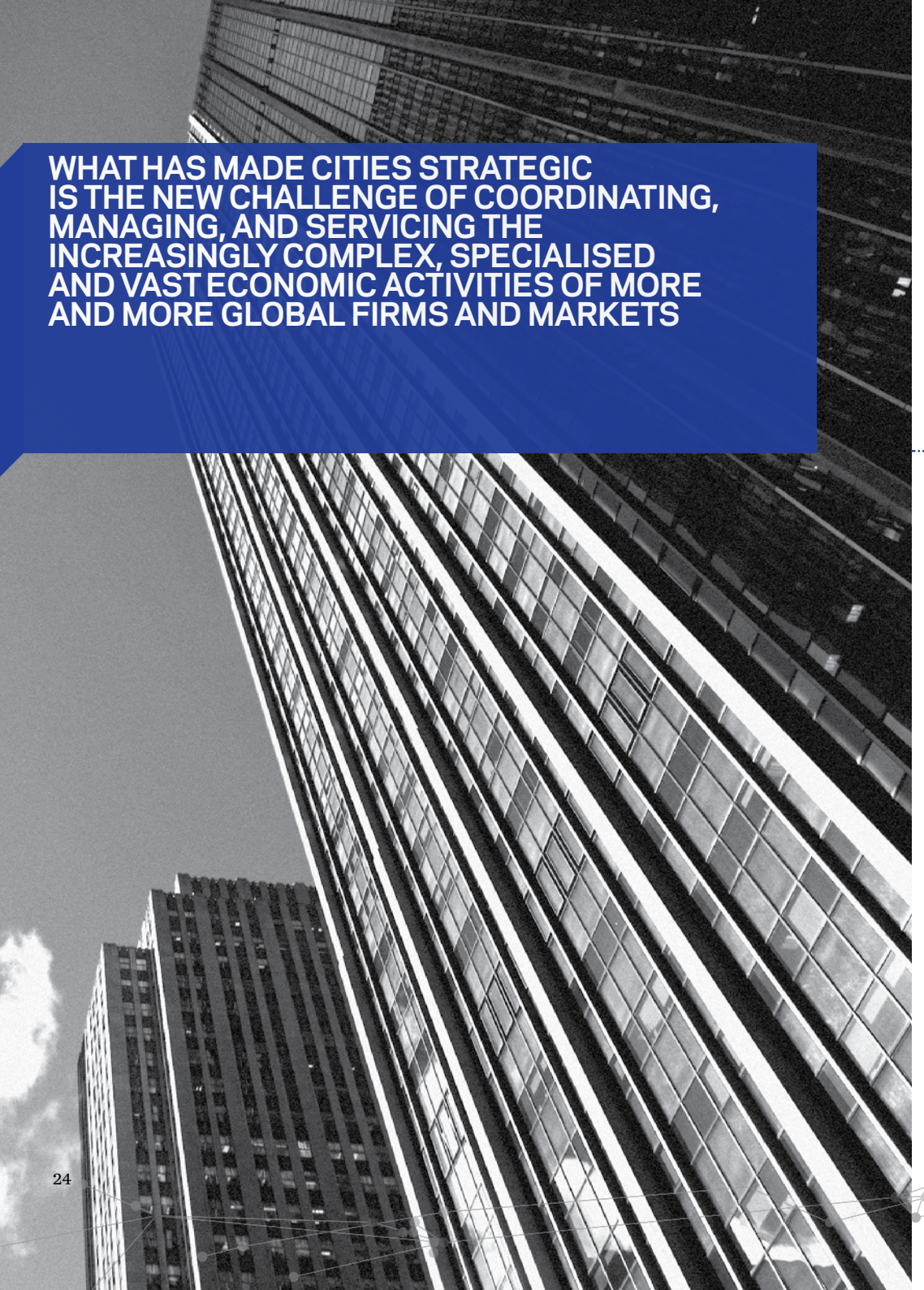
The network of about 50 global cities in the world today provides the organisational format for cross–border flows. A key feature of this format is that it contains both the capabilities for organising enormous geographic dispersal of firms and jobs on the one hand, and the capabilities for maintaining centralised control over that dispersal. The management and servicing of much of the global economic system takes place in this growing network of global cities and regions. This role involves only certain components of urban economies, but it has contributed to a repositioning of cities both nationally and globally. The implantation of global processes and markets has had massive consequences for the restructuring of large stretches of urban space.

While this mix of activities is part of a new urban economy that is most pronounced in global cities, it is also emerging in smaller and less globalised cities. This new urban services–centred core has mostly replaced the older, typically more manufacturing oriented core of service and production activities. Some of these cities serve regional or subnational markets. Regionally and nationally oriented firms need not negotiate the complexities of international borders and the regulations of different countries, but they are still faced with a regionally dispersed network of operations that requires centralised control and servicing, and the full range of corporate business services—insurance, legal, accounting, advertising and other such services. Thus these cities have also seen an increase in high–income professional jobs and thereby growth in sectors linked to quality of life, including the cultural sector. And, like global cities, they have also seen a growth in economic and spatial inequalities. Thus, the specific difference that globalisation makes to the growing service–intensity in the organisation of the economy is to raise the scale and the complexity of transactions and the orders of magnitude of profits and incomes.

Although many of these changes are by now familiar, it is far less clear why cities should matter more today in a globalised world than they did in the Keynesian world of the mid–1900s. In contrast, much is known about the wealth and power of today's global firms and global financial exchanges. Their ascendance in a globalising world is not surprising. And the new information and communication technologies are typically seen as the handmaiden of these firms and exchanges—both tool and infrastructure.

What then are the origins and the explanation of this urban transformation?

1. For data and additional sources on the empirical trends referred to in this article please see the following texts by the author. *Territory, Authority, Rights: From Medieval to Global Assemblages* (Princeton University Press 2008), especially chapters 5 and 7; the 3rd. fully updated edition of *Cities in a World Economy* (Sage 2006); *The Global City* (2nd. Ed. Princeton University Press 2001).



WHAT HAS MADE CITIES STRATEGIC IS THE NEW CHALLENGE OF COORDINATING, MANAGING, AND SERVICING THE INCREASINGLY COMPLEX, SPECIALISED AND VAST ECONOMIC ACTIVITIES OF MORE AND MORE GLOBAL FIRMS AND MARKETS

FROM THE KEYNESIAN CITY TO THE GLOBAL CITY

In that earlier period, cities were above all centres for corporate administration, small–scale manufacturing, and commerce. Cities were mostly the space for rather routinised endeavours. The strategic spaces where the major innovations were happening were the government (the making of social contracts, such as the welfare state) and mass–manufacturing, including mass–construction of suburbs.

The most common and straight forward answers as to why cities have become strategic in a global corporate economy are the ongoing need for face–to–face communications and the need for creative classes and inputs. Both are part of the answer. But in my reading, they are surface conditions—the consequences of a deeper structural transformation. It is the latter that contains the answer.

What has made cities strategic is the new challenge of coordinating, managing, and servicing the increasingly complex, specialised and vast economic activities of more and more global firms and markets. It is perhaps one of the great ironies of our global digital age that it has produced not only massive dispersal but also extreme concentrations of top level resources in a limited number of places. Indeed, the organisational side of today's global economy is located, and continuously reinvented, in what has become a network of about 50 major and not so major global cities. These global cities need to be distinguished from the hundreds of cities which are located on often just a few global circuits; while the latter kind of city is articulated with the global economy, it lacks the mix of resources to manage and service the global operations of firms and markets.

The more globalised a firm's operations and the more digitised its product, the more complex its central headquarter functions become and hence the more their execution benefits from dense, resource–rich urban environments. In global cities, then, the interaction of centrality and density takes on a whole new strategic meaning: physical density is the urban form housing an increasingly complex set of activities for the management, servicing, designing, implementing and coordinating of the global operations of firms and markets.

Further, the outcomes of this structural transformation get wired into urban space. In this process, urban space itself is one of the actors producing the outcome. This link partly explains why architecture, urban design and urban planning have each played such critical roles with the onset of economic globalisation. Architecture and civil engineering have been central to the building of the new expanded urban settings for the organisational side of the global economy. But it also explains the emergence of a kind of spatial politics with struggles against gentrification the emblematic case. Beginning in the 1980s, we see the partial rebuilding of cities as platforms for a rapidly growing range of globalised activities and flows, from economic to cultural and political.

When I first developed the global city model in the 1980s, my starting points were the global networks of affiliates of firms, global financial exchanges, global trade routes, and global commodity chains. The emergent scholarship on globalisation examining these global operations emphasized geographic dispersal, decentralization, deterritorialisation. This was indeed all happening. But I was interested in the *territorial moment* of all these increasingly globally dispersed operations. At that time my idea was to focus on New York and Los Angeles. They seemed to be major territorial moments. But sticking to my own methodology—starting with global operations and tracking the sites where they hit the ground—forced me to recognise that it was, at that time, New York, London and Tokyo that stood out, with Los Angeles way down on the list.

Applying this methodology today leads one to a vastly expanded global geography of sites. There is more of everything—export processing zones, off–shore banking centres, massive warehouses that are one stop on global trade routes, and many more global cities. It is clear that as globalisation has expanded since the 1980s it has multiplied the sheer number of its territorial moments. The massive move of more and more economic activities to electronic spaces could not override the need for a growing number of territorial spaces all over the world. The most highly developed is the network of global cities, some major and some minor. This network is a platform for the global operations of firms and markets and increasingly also for civil society organisations and cultural activities.

In my research, I use a series of analytic steps to capture this *territorial moment of the global economy*. This allows the researcher to capture in great detail how a particular city is articulated with the global economy.

These analytic steps also carry the researcher deep inside the city. They do so not through some general descriptive approach, but in very specific and partial ways. Figuratively speaking, the researcher rides the variety of global circuits as they hit the ground in a city and get wired into urban space.

Riding these circuits allows the researcher to arrive at parts of the city that look like they have nothing to do with the global economy. In the case of New York and most other major global north cities, this includes a new type of informal economy that brings flexibility, customisation, and speed to tasks that are usually part of routinised and slow sectors. No one can imagine that Manhattan's Wall Street and corporate mid–town centre, or the world–class Broadway theatre district and Metropolitan Opera are actually articulated with local informal economies. They are. If I were doing research on Sydney, I would want to see where all I would arrive riding those global circuits.

Today, there is a new type of informal economy that is part of advanced capitalism but is usually overlooked in standard analyses of global cities that just count headquarters

Today, there is a new type of informal economy that is part of advanced capitalism but is usually overlooked in standard analyses of global cities that just count headquarters. Being part of advanced capitalism also explains the particularly strong growth and dynamism of informal economies in global cities. The growth of this new informal economy is also happening in cities of the global south, but there it is often submerged under the older informal economy. And it contributes to explain the proliferation of an informal economy of creative professional work in these cities—artists, architects, designers, software developers. The new types of informalisation of work are the low cost equivalent of formal deregulation in finance, telecommunications and most other economic sectors in the name of flexibility and innovation. The difference is that while formal deregulation was costly, and tax revenue as well as private capital went into paying for it, informalisation is low–cost and largely on the backs of the workers and their households.

CITIES ARE CONNECTED BY ADVANCED SERVICE PROVIDERS WITH THEIR PRESENCE OF BRANCH OFFICES AND STAFF

MACQUARIE

12,400 STAFF
25 COUNTRIES
66 CITIES
40% OUTSIDE AUSTRALIA

10.1% EUROPE & MIDDLE EAST
1254 STAFF

15.5% ASIA
1923 STAFF

13.5% NORTH AMERICA
1678 STAFF

0.24% AFRICA
30 STAFF

59.5% AUSTRALIA
7378 STAFF

0.92% NEW ZEALAND
115 STAFF

0.17% SOUTH AMERICA
22 STAFF

AS AT JANUARY 2008. *Staff seconded to joint venturer not included in official headcount (Moscow: Macquarie Renaissance, Johannesburg: Macquarie First South, Savannah: Medallist)

THE MULTIPLE CIRCUITS OF THE GLOBAL ECONOMY: BEYOND COMPETITION

There is no such entity as 'the' global economy. Rather, there is a vast multiplication of global circuits that criss–cross the world, some specialised and some not. While many of these global circuits have long existed, what began to change in the 1980s are their proliferation and their increasingly complex organisational and financial framings.

Different circuits contain different groups of countries and cities. The task then becomes to establish on what global/regional circuits a city is located and what other cities are parts of each of these circuits. This makes the global economy concrete and enables us to do more detailed research on global cities than the usual counting of headquarters.

If I were to track the global circuits of gold as a financial instrument, it is London, New York, Chicago, and Zurich that dominate. But if I track the direct trading in the metal, Johannesburg, Mumbai, Dubai, and Sydney all appear on the map. Coffee is mostly produced in Brazil, Kenya, Indonesia, but the main trading place for futures on coffee is Wall Street, even though New York does not grow a single bean. The specialised circuits in gold, coffee, oil, and other commodities, each involves particular places, which will vary depending on whether it is a production circuit, a trading circuit, or a financial circuit. And then there are the types of circuits a firm such as Walmart needs to outsource the production of vast amounts of products, including manufacturing, trading, and financial/insurance servicing circuits.

There is no such entity as 'the' global economy. Rather, there is a vast multiplication of global circuits that criss–cross the world, some specialised and some not.

This proliferation of specialised circuits, each containing particular groups of cities, also brings out the important fact that it is not just a question of competition among cities, but in good part a division of specialised functions with global scope. New York and London are the biggest financial centres in the world. But they do not dominate all markets. Thus Chicago is the leading financial centre for the trading of futures, and Frankfurt is the leading trader for, of all things, British treasuries. These cities are all financial leaders in the global economy, but they lead in different sectors and they are different types of financial centres. Each of these financial centres is particularly specialised and strong in specific segments of global finance, even as they also engage in routinised types of transactions

which need to be executed by all financial centres. Increasingly these urban economies are part of a networked global platform.

The critical nodes in these intercity geographies are not simply the cities, but more specifically, the particular, often highly specialised capabilities of each city. Yes, there is competition among cities, but there is less of it than is usually assumed because it is precisely this specialised difference that is critical for a city as it gives it a particular advantage in the global economy. This also points to the possibility of an urban global politics among cities on similar circuits which confront similar corporate giants.

Not only global economic forces feed this proliferation of circuits. Global migration, cultural work, civil society struggles around global issues (human rights, the environment, social justice); these and others also feed the formation and development of global circuits. Thus NGOs fighting for the protection of the rainforest function in circuits that include Brazil and Indonesia, the main global media centres (New York, London), and the places where the major forestry companies and the main buyers of wood are headquartered (including cities as diverse as Oslo, London, and Tokyo). Detailed research from the perspective of a given city makes legible the diversity and specificity of each city's location on some or many of these circuits, and makes legible what other cities are on each specific circuit.

These emergent inter–city geographies begin to function as an infrastructure for multiple forms of globalisation. The other side of these trends is an increasing urbanising of global networks.

The deep economic history of a place matters for the type of knowledge economy a city or a city–region winds up developing

URBAN/REGIONAL SPECIFICITY FEEDS THE KNOWLEDGE ECONOMY

There is an interesting discovery that comes out of recognising the value of the specialised differences of cities in today's global economy. It is that the deep economic history of a place matters for the type of knowledge economy a city or a city–region winds up developing. This goes against the common view that globalisation homogenises economies. How much this deep economic history matters varies, partly depending on the particulars of a city's or a region's economy. But it matters more than is commonly assumed, and it matters in ways that are not generally recognised. Globalisation homogenises standards and management models. But it needs diverse specialised economic capabilities.

Establishing how a city–region becomes a knowledge economy requires highly detailed research. I will use a case I researched, Chicago, to illustrate some of the issues.

Chicago is usually seen as a latecomer to the knowledge economy—almost fifteen years later than New York and London. Typically the answer is that Chicago had to overcome its heavy agro–industrial past: its economic history is usually seen as a disadvantage compared to old trading and financial centres such as New York and London. But I found that its past has not been a disadvantage. It is one key source of its competitive advantage in the global knowledge economy. This is most visible in the fact of its preeminence as a futures market built on pork bellies. The complexity, scale and international character of Chicago's historical agro–industrial economy required highly specialised financial, accounting, legal expertise. But these were/are quite different from the expertise required to handle the sectors New York specialised in—service exports, finance, and trade.

It was Chicago's past as a massive agro–industrial complex that gave it some of its core and distinctive knowledge economy components and has made it the leading global futures financial centre and global provider of specialised services (accounting, legal, insurance, etc) for handling heavy industry, heavy transport, and agribusiness. Chicago, São Paulo, Shanghai, Tokyo, and Seoul are among the leading producers of these types of specialised corporate services, not in spite of their economic past as major heavy industry centres, but because of it.

THE ONGOING WEIGHT OF CENTRALITY AND DENSITY: THE OTHER SIDE OF GLOBAL DISPERSAL

Cities have historically provided national economies, polities and societies with something we can think of as centrality. The usual urban form for centrality has been density, specifically the dense downtown. The economic functions delivered through urban density in cities have varied across time. But it is always a variety of agglomeration economies, no matter how much their content might vary depending on the sector involved. While the financial sector is quite different from the cultural sector, both benefit from agglomeration; however, the content of these benefits can vary sharply. One of the advantages of central urban density is that it has historically helped solve the risk of insufficient variety. It brings with it diverse labour markets, diverse networks of firms and colleagues, massive concentrations of diverse types of information on the latest developments, diverse marketplaces.

The new information and communication technologies (ICTs) were expected to neutralise the advantages of centrality and density. No matter where a firm or professional is, there should be access to many of the needed resources. But the new ICTs have not quite eliminated centrality and density, and hence the role of cities as economic and physical entities. Even as economic activity has dispersed, the centres of a growing number of cities have expanded physically, at times simply spreading and at times in a multi–nodal fashion. The outcome is a new type of space of centrality in these cities: it has physically expanded over the last two decades, a fact we can actually measure, and it can assume more varied formats including physical and electronic formats. The geographic terrain for these new centralities is not always simply that of the downtown; it can be metropolitan and regional. In this process, the geographic space in a city or metro area that becomes centralised often grows denser than it was in the 1960s and 1970s. This holds for cities as different as Zurich and Sydney, São Paulo and London, Shanghai and Buenos Aires.

The global trend of expanded newly built and rebuilt centralised space suggests an ironic turn of events for the impact of ITCs on urban centrality. Clearly, the spatial dispersal of economic activities and workers at the metropolitan, national and global level that began to accelerate in the 1980s actually represents only half of what is happening. New forms of territorial centralisation of top–level management and control operations have appeared alongside these well–documented spatial dispersals. National and global markets as well as globally integrated operations require central places where the work of globalisation gets done, as shown by the case of financial centres.

Centrality remains a key feature of today's global economy. But today there is no longer a simple straightforward relationship between centrality and such geographic entities as the downtown, or the central business district (CBD). Until quite recently, the centre was synonymous with the downtown or the CBD. Today, partly as a result of the new ICTs, the spatial correlate of the centre can assume several geographic forms, ranging from the CBD to the new global grid comprising the fifty plus global cities discussed earlier.

There are several logics that explain why cities matter to the most globalised and digitised sectors in a way they did not as recently as the 1970s. Here I briefly focus on three of these logics.

The first concerns technology and its many misunderstandings. When the new ICTs began to be widely used in the 1980s, many experts forecast the end of cities as strategic spaces for firms in advanced sectors. But it was the routinised sectors that left cities while advanced sectors kept expanding their operations in more and more cities. Today's multinationals have over one million affiliates worldwide. But they also have expanded their central headquarter functions and fed the growth of a separate specialised services sector from which they are increasingly buying what they once produced in–house. Why were those experts so wrong? They overlooked a key factor: when firms and markets use these new technologies they do so with financial or economic objectives in mind, not the objectives of the engineer who designed the technology. The logics of users may well thwart or reduce the full technical capacities of the technology. When firms and markets globalise their operations thanks to the new technologies, the intention is not to relinquish control over the worldwide operation or appropriation of the benefits of that dispersal. Insofar as central control is part of the globalising of activities, their central operations expand as they expand their operations globally. The more powerful these new technologies are in allowing centralised control over globally dispersed operations, the more these central operations expand. The result has been expanded office operations in major cities. Thus the more these technologies enable global geographic dispersal of corporate activities, the more they produce density and centrality at the other end—the cities where their headquarter functions get done.

A second logic explaining the ongoing advantages of spatial agglomeration has to do with the complexity and specialisation level of central functions. These rise with globalisation and with the added speed that the new ICTs allow. As a result global firms and global markets increasingly need to buy the most specialised legal, accounting, consulting and other such services. These service firms get to do some of the most difficult and speculative work. To do this work they benefit from being in complex environments that function as knowledge centres because they contain multiple other specialised firms and high level professionals with worldwide experience. Cities are such environments—with the network of global cities the most significant of these environments, but a growing number of other cities developing one or another element of such environments. A third logic concerns the meaning of information in an information economy. There are two types of information. One is the datum, which may be complex yet is standard knowledge: the level at which a stock market closes, a privatisation of a public utility, the bankruptcy of a bank. But there is a far more difficult type of 'information,' akin to an interpretation/evaluation/judgment. It entails negotiating a series of data and a series of interpretations of a mix of data in the hope of producing a higher order datum. Access to the first kind of information is now global and immediate from just about any place in the highly developed world and increasingly in the rest of the world thanks to the digital revolution. But it is the second type of information that requires a complicated mixture of elements—something we might think of as—the social infrastructure for global connectivity. It is this which gives major financial and/or business centres a leading edge. When the more complex forms of information needed to execute major international deals cannot be gotten from existing data bases, no matter what one can pay, then one needs the social information loop and the associated de facto interpretations and inferences that come with bouncing off information among talented, informed people. It is the importance of this input that has given a whole new importance to credit rating agencies, for instance. Part of the rating has to do with interpreting and inferring. When this interpreting becomes 'authoritative' it becomes 'information' available to all. The process of making inferences/interpretations into 'information' takes quite a mix of talents and resources.

In brief, the density of central places provides the social connectivity which allows a firm or market to maximise the benefits of its technological connectivity. Cities can generate kinds of 'knowledge,' both formal and informal, that go beyond the sum of recognised knowledge actors (e.g. professionals and professional firms in the case of the economy). This is a type of immaterial capital I call 'urban knowledge capital.'

SYSTEMIC DEMAND FOR GLOBAL CITIES

A country's global city (or cities) contains the needed resources and talents (often foreign firms and foreign professionals) to bridge between global actors and national specifics. The results of a recent large–scale study of 75 major and minor global economic centres, the MasterCard Worldwide Centres of Commerce (2008), makes it clear that as globalisation has expanded, the number of these centres has grown. We used 100 data points organized into sub–indicators, which eventually were aggregated into seven overall indicators (Legal and Political Framework, Economic Stability, Ease of Doing Business, Financial Flow, Business Centre, Knowledge Creation and Information Flow, Liveability). This allows to identification of cities that function as global centres. We then compared how cities perform critical functions that connect markets and commerce globally. The Index was developed by a panel of eight experts from different parts of the world (including Peter Taylor and myself) under the direction of Dr. Yuwa Hedrick–Wong from MasterCard Worldwide.

The tables presented here only cover the overall WCOC (Worldwide Centres of Commerce) Index and aggregate seven indicators, focusing particularly on Sydney and what are considered its main rivals: Melbourne, Singapore, Hong Kong, Kuala Lumpur, and Shanghai. We have included the top ten cities and a variable number of cities in each table, so as to include those cities ranked closely to each of these six cities. There is a ranking that emerges from the aggregate data of all the indicators and subindicators with some expected outcomes—London and New York at the top. But once we enter other variables, the results are far more distributed. This should suffice to illustrate a few key issues. One issue is the variability of rankings for each city across diverse criteria. It is also evident with the top–ranked cities (London and New York) in the overall study: neither is in the top ten for all the sub–indicators considered in the larger study. Such a ranking system is one way of beginning to understand the fact that we are dealing with a networked platform for globalisation and this networked platform is more important than having a single 'perfect' global city, or a very small number of them.

As globalisation expanded in the 1990s, it actually created a systemic demand for a growing number of global cities—their number grew and came to include more and more regions of the world. This demand for global cities continues to grow even if many of these cities are found wanting on critical issues.

WORLD CITY INDEX

TOP 3

TOP 10

1	**London**	*79.17*
2	**New York**	*72.77*
3	**Tokyo**	*66.60*
4	Singapore ◂	*66.16*
5	Chicago	*65.24*
6	Hong Kong ◂	*63.94*
7	Paris	*63.87*
8	Frankfurt	*62.34*
9	Seoul	*61.83*
10	Amsterdam	*60.06*
11	Madrid	*58.34*
12	Sydney	*58.33*
13	Toronto	*58.16*
23	Berlin	*53.22*
24	Shanghai ◂	*52.89*
25	Atlanta	*52.86*
40	Geneva	*50.13*
41	Melbourne	*49.93*
42	Bangkok	*48.23*
49	Prague	*45.50*
50	Kuala Lumpur ◂	*45.28*
51	Moscow	*44.99*

INDICATOR 1
Political and Legal Frameworks

1	**Stockholm**	*90.82*
2	**Singapore ◂**	*90.82*
3	**Copenhagen**	*89.53*
4	New York	*88.28*
5	Chicago	*88.28*
6	Philadelphia	*88.28*
7	Los Angeles	*88.28*
8	Boston	*88.28*
9	Atlanta	*88.28*
10	Miami	*88.28*
30	Osaka	*83.60*
31	Sydney	*82.90*
32	Melbourne	*82.90*
33	Hong Kong ◂	*82.16*
34	Madrid	*81.86*
49	Bangkok	*71.29*
50	Shanghai ◂	*71.09*
51	Beijing	*71.09*
52	Shenzhen	*71.09*
53	Chengdu	*71.09*
54	Chongqing	*71.09*
55	Mexico City	*69.30*
56	Kuala Lumpur ◂	*69.26*
57	Warsaw	*67.37*

INDICATOR 2
Economic Stability

1	**Vienna**	*92.42*
2	**Madrid**	*92.07*
3	**Barcelona**	*92.07*
4	Lisbon	*91.67*
5	Brussels	*91.65*
6	Paris	*91.58*
7	Milan	*91.20*
8	Rome	*91.20*
9	Copenhagen	*90.72*
10	Zurich	*90.47*
18	Dusseldorf	*89.88*
19	Singapore ◂	*89.74*
20	London	*89.66*
40	Vancouver	*85.74*
41	Sydney	*84.97*
42	Melbourne	*84.97*
43	Seoul	*84.63*
44	Bangkok	*82.78*
45	Dublin	*82.54*
46	Tel Aviv	*81.88*
47	Hong Kong	*81.85*
48	Beirut	*79.60*
49	Budapest	*79.32*
50	Kuala Lumpur ◂	*78.90*
51	Santiago	*78.36*
52	Mumbai ◂	*77.66*
53	New Delhi	*77.66*
54	Bangalore	*77.66*
55	Mexico City	*77.05*
56	Manila	*76.99*
57	Shanghai ◂	*76.40*
58	Beijing	*76.40*

INDICATOR 3
Ease of Doing Business

1	**Singapore ◂**	*82.82*
2	**Hong Kong ◂**	*80.37*
3	**London**	*79.42*
4	Toronto	*76.24*
5	New York	*75.91*
6	Dublin	*75.71*
7	Edinburgh	*75.29*
8	Vancouver	*74.89*
9	Montreal	*74.60*
10	Chicago	*73.81*
11	San Francisco	*73.68*
12	Sydney	*72.39*
13	Los Angeles	*72.34*
14	Boston	*71.89*
15	Washington	*71.78*
16	Copenhagen	*71.72*
17	Atlanta	*71.69*
18	Miami	*71.51*
19	Melbourne	*71.34*
20	Dallas	*71.32*
32	Paris	*66.17*
33	Kuala Lumpur ◂	*65.95*
34	Dusseldorf	*64.70*
52	Mexico City	*57.76*
53	Shanghai ◂	*57.16*
54	São Paulo	*56.89*

Source: MasterCard Worldwide Centres of Commerce Index 2008

INDICATOR 4
Financial Flow

1	**London**	*84.70*
2	**New York**	*67.85*
3	**Frankfurt**	*52.88*
4	Seoul	*52.76*
5	Chicago	*52.51*
6	Tokyo	*48.95*
7	Mumbai	*47.32*
8	Moscow	*47.27*
9	Shanghai ◄	*46.54*
10	Madrid	*44.60*
11	Singapore ◄	*42.15*
12	Paris	*41.85*
13	Hong Kong ◄	*39.61*
14	Sydney	*39.47*
15	Milan	*38.45*
27	Dubai	*24.74*
28	Kuala Lumpur ◄	*24.54*
29	Mexico City	*24.18*
65	Manila	*7.76*
66	Melbourne	*7.70*
67	Miami	*7.54*

INDICATOR 5
Business Centre

1	**Hong Kong**	*72.25*
2	**London**	*67.44*
3	**Singapore ◄**	*62.58*
4	Shanghai	*60.30*
5	Dubai	*59.34*
6	Tokyo	*58.15*
7	Paris	*57.73*
8	New York	*54.60*
9	Amsterdam	*48.00*
10	Seoul	*47.33*
23	Dallas	*30.82*
24	Sydney	*30.55*
25	Shenzen	*29.55*
32	Brussels	*25.69*
33	Kuala Lumpur ◄	*25.66*
34	Philadelphia	*25.60*
44	Copenhagen	*22.59*
45	Melbourne	*22.35*
46	Hamburg	*22.34*

INDICATOR 6
Knowledge Creation & Information Flows

1	**London**	*71.89*
2	**New York**	*71.75*
3	**Tokyo**	*66.16*
4	Paris	*51.65*
5	Seoul	*51.31*
6	Zurich	*47.84*
7	Chicago	*46.31*
8	Geneva	*45.28*
9	Stockholm	*44.15*
10	Los Angeles	*43.08*
11	Osaka	*40.87*
12	Boston	*40.58*
13	Copenhagen	*39.57*
14	Singapore ◄	*39.45*
15	Berlin	*39.41*
16	Amsterdam	*39.11*
17	Atlanta	*38.21*
18	Philadelphia	*37.80*
19	Washington D.C.	*37.46*
20	Taipei	*37.00*
21	Hong Kong ◄	*36.62*
22	Toronto	*36.56*
28	Madrid	*34.10*
29	Sydney	*34.10*
30	Dallas	*33.70*
31	Melbourne	*33.35*
32	Tel Aviv	*33.30*
52	New Delhi	*17.99*
53	Shanghai ◄	*17.55*
54	Bogota	*17.22*
66	Chongqing	*9.62*
67	Kuala Lumpur ◄	*8.61*
68	Beirut	*8.27*

INDICATOR 7
Liveability

1	**Vancouver**	*94.38*
2	**Dusseldorf**	*93.88*
3	**San Francisco**	*93.44*
4	Frankfurt	*93.38*
5	Vienna	*93.38*
6	Munich	*93.13*
7	Zurich	*92.81*
8	Tokyo	*92.69*
9	Paris	*92.63*
10	Copenhagen	*92.63*
11	Sydney	*92.56*
12	Berlin	*92.56*
13	Toronto	*92.38*
14	Boston	*92.19*
15	Geneva	*92.06*
16	Stockholm	*92.00*
17	Los Angeles	*92.00*
18	Amsterdam	*91.63*
19	Montreal	*91.63*
20	Melbourne	*91.63*
39	Lisbon	*86.06*
40	Singapore ◄	*84.94*
41	Hong Kong ◄	*82.25*
42	Prague	*82.25*
51	Santiago	*75.19*
52	Kuala Lumpur ◄	*74.19*
53	Dubai	*71.75*
59	Bangkok	*67.75*
60	Shanghai ◄	*64.31*
61	Cairo	*63.31*

Source: MasterCard Worldwide Centres of Commerce Index 2008

CONCLUSION:

EVEN FACTORIES AND MINES FEED THE DEMAND FOR MORE GLOBAL CITIES

THE NETWORK OF GLOBAL CITIES HAS EXPANDED AS MORE AND MORE FIRMS GO GLOBAL AND ENTER A GROWING RANGE OF FOREIGN NATIONAL ECONOMIES

At the heart of this expanding network of (imperfect) global cities lie two major structural trends.

One of these is that even the most material economic sectors (mines, factories, transport systems, hospitals) today are buying more insurance, accounting, legal, financial, consulting, software programming, and other such services for firms. And these so–called intermediate services tend to be produced in cities, no matter the non–urban location of the mine or the steel plant that is being serviced. Thus even an economy centred in manufacturing or mining will feed the urban corporate services economy. Firms operating in more routinised and sub–national markets increasingly buy these service inputs from more local cities, which explains why we see the growth of a professional class and the associated built environments also in cities that are not global. The difference for global cities is that they are able to handle the more complex needs of firms and exchanges operating globally.

A second critical trend is that, ultimately, being a global firm or market means entering the specificities and particularities of *national* economies. This explains why such global actors need more and more global cities as they expand their operations across the world. Handling these national specificities and particularities is a far more complex process than simply imposing global standards.

This process is easier to understand if we consider consumer sectors rather than the organisational/managerial ones addressed in this piece. Thus even such a routinised operation as McDonald's adjusts its products to the national cultures in which it operates, whether that is France, Japan or South Africa. When it comes to the managerial and organisational aspects, matters become complicated. The global city contains the needed resources and talents to bridge between global actors and national specifics. Even a highly imperfect global city is better for a global firm or exchange than no such city. And this then explains why the many and very diverse global cities around the world do not just compete with each other but also collectively form a globally networked platform for the operations of firms and markets.

The network of global cities has expanded as more and more firms go global and enter a growing range of foreign national economies. The management and servicing of much of the global economic system takes place in this growing network of global cities and city–regions. And while this role involves only certain components of urban economies, it has contributed to a repositioning of cities both nationally and globally.

The rebuilding of central areas that we see in all of these cities, whether downtown and/or at the edges, is part of this new economic role. It amounts to rebuilding key parts of these cities as platforms for a rapidly growing range of globalized activities and flows, from economic to cultural and political. This also explains why architecture, urban design and urban planning have all become more important and visible in the last two decades. It explains the emergence of strong competition for space and the development of a new type of politics: the right to the city.