GLOBAL CITIES:

NEW YORK - LONDON - PARIS - TOKYO

Economic Geography
Elvan Yücel
A. What is a Global City?

B. What makes New York a global city?

C. Commonalities and Differences among Global Cities

D. Problems in Global Cities

E. Conclusion

F. References
A. What is a Global City?

Global City:

• Function as a key point in the global world economy

• Prominence of business and financial services

• Importance of global communication for the exchange of information

• Development of a global culture
Characteristics of a global city

- a large population

- international financial institutions, law firms, corporate headquarters, stock exchanges that have influence on the world economy

- an advanced communication infrastructure

- several international cultures and communities

- a major international airport that provides flights to different parts of the world

- an advanced transportation system that offers multiple modes of transportation
Characteristics of a global city

- a lively cultural scene, including film festivals, a thriving music or theater scene, art galleries and street performers
- cultural institutions such as museums and universities
- several powerful and influential media outlets with an international reach
NEW YORK... NEW YORK...

B. WHAT MAKES NEW YORK A GLOBAL CITY?
Diversity

- New York is a populous and diverse city with a population of 8,274,527
- "melting pot"
- 36% of the city's population is foreign born

<table>
<thead>
<tr>
<th>2000 Census</th>
<th>NY City</th>
<th>NY State</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population</td>
<td>8,008,278[^58]</td>
<td>18,976,457</td>
<td>281,421,906</td>
</tr>
<tr>
<td>Population percent change, 1990 to 2000</td>
<td>+9.4%</td>
<td>+5.5%</td>
<td>+13.1%</td>
</tr>
<tr>
<td>Population density</td>
<td>26,403/sq mi</td>
<td>402/sq mi</td>
<td>80/sq mi</td>
</tr>
<tr>
<td>Median household income (1999)</td>
<td>$38,293</td>
<td>$43,393</td>
<td>$41,994</td>
</tr>
<tr>
<td>Bachelor's degree or higher</td>
<td>27%</td>
<td>27%</td>
<td>29%</td>
</tr>
<tr>
<td>Foreign born</td>
<td>36%</td>
<td>20%</td>
<td>11%</td>
</tr>
<tr>
<td>White</td>
<td>45%</td>
<td>68%</td>
<td>75%</td>
</tr>
<tr>
<td>White (non-Hispanic)</td>
<td>37%</td>
<td>62%</td>
<td>67%</td>
</tr>
<tr>
<td>Black</td>
<td>28%</td>
<td>16%</td>
<td>12%</td>
</tr>
<tr>
<td>Hispanic (any race)</td>
<td>27%</td>
<td>15%</td>
<td>11%</td>
</tr>
<tr>
<td>Asian</td>
<td>10%</td>
<td>6%</td>
<td>4%</td>
</tr>
</tbody>
</table>
Connectivity

- New York City is the top international air passenger gateway to the US

- Transportation:
  - more than 12,000 yellow cabs
  - the New York City Subway: open 24 hours per day
Culture

- "Culture seems to be in the air, like part of the weather." (Tom Wolfe)

- A network of major cultural institutions such as
  - Metropolitan Museum of Art
  - The Lincoln Center for the Performing Arts

- Universities:
  New York is home to many universities such as
  - Columbia University, New York University...

- Media:
  New York is a global center for the television, music and newspaper industries.
International Headquarters

- New York is a major center for international affairs.
- It is home to the United Nations headquarters complex.
- Many major corporations are headquartered in New York City.
Financial and Business Services

- New York: one of the three „command centers“ for the world economy
- One of the key cities in global communication
- New York Stock Exchange
- NASDAQ

The New York Stock Exchange in Wall Street
C. Commonalities and Differences

New York- London- Paris and Tokyo as financial centers

London and New York: further ahead of Paris as international financial centers

Chart 1 – Average Scores of the Financial Centres in 2005

Please note these scores exclude the ranking for Operational Costs as these were derived from a separate source (please see section 4.9 below)
Part of the continuing appeal of London to foreign companies is its cosmopolitan status.

Tokyo: is primarily a market place for domestic participants

London and New York:
- are characterized by foreigners trading with each other
- will conduct the most critical and complex financial operations of the future
- rank highest according to stock market capitalization and the quantity of specialized corporate services

Tokyo and Paris:
- rank highest in corporate headquarters and large commercial banks.
Different factors that help to determine the competitiveness of financial centers

- Availability of skilled personnel

Chart 3 – The Importance of the Availability of Skilled Personnel

Chart 4 – How the Centres Rank on the Availability of Skilled Personnel
Access to international financial markets

Chart 7 – The Importance of Access to International Financial Markets

Chart 8 – How the Centres Rank for Access to International Financial Markets
Availability of business infrastructure

Chart 9 – The Importance of the Availability of Business Infrastructure

Chart 10 – How the Centres Rank on the Availability of Business Infrastructure
Access to customers

Chart 11 – The Importance of Access to Customers

Chart 12 – How the Centres Rank on Access to Customers
Access to suppliers of professional services

Chart 21 – The Importance of Access to Suppliers of Professional Services

Chart 22 – How the Centres Rank for Access to Suppliers of Professional Services
Different Functions of Global Cities

According to Saskia Sassen:

- global cities fulfill coordinating roles and functions rather than competing against each other

- New York: major center for financial innovation

- London: international banking and financial center

- Tokyo: key provider of unprocessed capital

- Paris: global financial center due to the structural features of its banking and financial system

London, New York, Paris and Tokyo are all attractive cities for tourists, but the type of tourists is different.
D. Problems in Global Cities

- Social polarization

In Sassen`s view:

- the economic structure of the global city leads to social polarization, as the leading sectors employ a group of extraordinarily high earning individuals and create a demand for low-paid service workers.
Although inequality increased in all four global cities the extent of the increase varies:

- New York:
  Principal reason for income gains: earnings in different economic sectors improved incomes in the middle class, while finance and business service earnings pushed up the top.

- London:
  Massive increase in income inequality occurred during the period 1979-1993 resulted from increases in earnings at the top rather than loss at the bottom.

- Tokyo:
  within central Tokyo there has been growth in both the top and bottom occupations.
- High cost of living
- High competition for top positions
- Stress
E. Conclusion

- London and New York are two important global cities in the world and nobody believes that they will lose their positions within the next ten years.

- Although Tokyo is a major international finance center that houses the headquarters of several of the world’s largest investment banks and insurance companies, it is seen as unlikely to become more important because of poor regulation and too much bureaucracy.

- Tokyo and Paris remain dominance in their nations in manufacturing and research and development.

- Since innovation creates new products and it facilitates the commerce of the global economy, global cities are expected to become more powerful.
F. References

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