Global Cities

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1. Concept & Criteria

Definition of Global Cities according to Saskia Sassen:

„Central sites for advanced services and facilities of telecommunication which are necessary for the execution and the management of global economic activities. In those sites corporate headquarters tend to center, particularly companies that are operative in more than one country.“ (Sassen 1996, p. 39)
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- Global City as a new type of metropolis with special intensive international integrations
- Connection between the development of cities and global economic processes
- On a scale of economical, employment system and in terms of communication proceeding globalization, it demands intersections for controlling and co-ordination
- While executive production-activities of global acting business companies are spreading over high geographical distances, strategic, administrative functions focus on certain metropolises
- Agglomeration of headquarters and head offices of transnational acting combinations: Space becomes the center of economic power
- Worldwide hierarchy of cities, headed by New York, London and Tokyo
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2. Structure characteristics of global cities

- Place of headquarters of transnational business companies
- Significant financial center
- Location of a rapid growing sector of company oriented services.
- Distinctive FIRE-Sector: Finance, Insurance, Real Estate
- Place of international organisations
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- Important intersections of transport and traffic running
- Center of industrial places of production
- Considerable population figure
- Central political activities: IGOs (International Governmental Organizations): UN, OPEC, European Central Bank etc.; NGOs (Non Governmental Organizations“) Greenpeace, Amnesty International, Oxfam etc.
- Important junctions, favourable traffic connections with a good deal on national and international volume of traffic and international considerable airports and harbors.
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3. Economic Services

- **Strategical dispositive economic services:** Bank and commercial bank, research establishments, financial advices, loan procurements, business and corporate consultancy, jurists and notaries, consulting engineers, architects, engineering departments, tax accountants, public accountant, adjusters, appraiser...

- **Dispositive civil services:** Services of public administrations, insurances, insurance brokers, computing services, computer centers, market research and advertisement...

- **Functional offices services:** Wholesale trade and retail trade, commercial broker, import-export business, print offices, translation offices...

- **Functional assets services:** Service and attendance, security patrols, laundries, building cleaners and sanitation, leasing and renting, traffic services reporting offices, conveyances...

- **Accessory services:** Cultural facilities, gastronomic establishments, entertainment services, recreation areas...
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4. Control centers

- **Control centers of world production for the management of production of goods**: Head offices of international affiliated groups that engage corporate services

- **Control centers of world finance for the management of capital flow**: International bank, insurances and houses of security papers, international institutions (international monetary fund, world bank), centres of international affiliated groups as clients of financial institutions

- **Control centers of world trade, world traffic and world communication**: Centres of international commercial enterprises, transportation companies, communication agencies, commodity futures exchanges and special stock exchange services, considerable trade fairs, multinational companies whose company-internal trade is a considerable part of the world trade volume

- **Control centers of world policy for the management of the economic-political surroundings**: Intergovernmental organisations (like UNO), private lobby alliances, unions and non-administration organisations
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5. City-Hierarchy of today´s global economy

Origin: Haas/Neumair 2006, p. 410
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6. Relative terms: Megacity & Megalopolis

Megacity

- Enormous cities in developing countries

- Economical and political center with distinctive subglobal „excess significance“ (Christallers theorie of the central places: If a city or urban area offers more goods and services beyond their personal needs)

- According to the definitions of the UN minimum 8 million habitants

- Loss of controllability
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- Duplication of the population inside of 15-20 years: migration and growth of population
- Slow allocation of workstations, living space and infrastructure
- Most of the population lives in shanty towns or slums
- Examples: Mexico City, Sao Paulo, Cairo, Mumbai, Calcutta
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Megalopolis

- Extensive urbanized zones with unequal distribution of location and minimum 25 million habitants
- Regional agglomeration of multiple cities
- Intensive and close socio-economic complexities
- Convergence of transport facilities, trade -and industry locations
- Examples: Boswash (region Boston- Washington)
7. References


- LMU Munich, Faculty for economic geography, Simon-Martin Neumair: Worksheets of the tutorial „Ecomonic areas and location resarch“ p.18-22

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Thank you for your attention !!!