



Globalization and the New Urban Challenge

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The South Asia Urban and City Management Course, held at the very beginning of a new century and a new millennium, offers an especially opportune occasion for us to reflect on the achievements and tribulations of the twentieth century from the standpoint of urban-regional change and, on the basis of an analysis of recent trends, anticipate the salient challenges for decision-makers and urban managers in the region and beyond in the years ahead. This task of a retrospective-prospective review is all the more meaningful and instructive given the rapid changes that have unfolded during the last two decades of the twentieth century. I wish to situate these changes against the backdrop of globalization which has recently accelerated its influence on the pace and character of development in most parts of the world. My remarks first focus on the nature and tempo of urbanization and globalization, especially in the developing world. Then, the major characteristics of the new global economy are outlined. The third part deals with the changing roles of cities in the new urban age. This address concludes with highlights of the major challenges that confront planners and citizens alike in preparing for their urban future.

An Urbanizing and Globalizing Century

The twentieth century was remarkable in many ways, not the least of which from the standpoint of human settlements was the unabated concentration of population in urban places. When the

twentieth century began, 150 million people lived in urban settlements, representing less than 10 per cent of the world's population. When the century drew to a close, the world's urban population had increased twentyfold to 2,926 million, accounting for almost half of the world's population. Overall, the twentieth century witnessed the rapid and sustained urbanization of human societies; and this was most dramatic after World War II ended in 1945. During the post-war period, a long period of stability in Great Power relationships was conducive to the twin processes of population explosion and attendant urbanization, especially in developing countries.

By 1995, Africa and Asia were at highly comparable levels of urbanization, with about 35 per cent of their populations being classified urban. Yet, both continents stood for high concentrations of the world's population, most notably in Asia, which accounted for 60.4 per cent of the world's total population and 46.3 per cent of its urban population. Indeed, Asia accounted also for the lion's share (47.5 per cent) of the world's population in "million" cities and had 143 "million" cities. Asia had, as well, 13 of the world's 23 mega-cities of at least 8 million inhabitants each. The striking feature of the urban future is that, although both Africa and Asia are at less than half the level of urbanization of the other regions, their potential for rapid urbanization, along with their huge demographic weight, does draw attention to the serious ramifications for development policy in the decades ahead. Both continents are merely at levels of urbanization achieved by the United Kingdom and North America more than a century ago. They are about to enter the phase of rapid urbanization and embark on an urban transition as the new century dawns. The two most populous countries in the world — China and India — are both located in Asia. In 1995, China had an urban population of 360 million, representing 30 per cent of the total, while India's corresponding figures were 250.8 million and 27 per cent. The extent and speed of how these two Asian countries urbanize will have a large bearing on the urban future of that continent.

On a global scale, three major urban trends could be observed at the end of the twentieth century. First, contrary to most predictions, population growth rates slowed for many cities in developing countries. The largest cities in these countries grew markedly more slowly in the 1980s than in the previous two decades. Secondly, the world was less dominated by super large cities than had been forecast. Less than 5 per cent of the world's population lived in mega-cities in 1990. The dire prediction of cities such as Calcutta and Mexico City growing to gigantic urban contributions of 30 to 40 million inhabitants each had not materialized. Thirdly, the links between urban change and economic, social and political change were not clear. Notwithstanding the overwhelming and pervasive extent of urban problems, the relationship of the growth of cities and their ability to manage urban problems had not been established. Some large and rapidly growing cities were well managed and serviced, whereas some of the worst physical conditions beset small towns (UNCHS, 1996).

At the threshold of a new century, several tendencies appear to loom large in shaping its urban future. In the first place, the progressive urbanization of the globe appears certain. In fact, in the first decade of the twenty-first century, it has been estimated that more than half of the world's population will be living in urban settlements. This will signal the advent of the urban century and, with it, the heightened role of cities. The second dimension is the growing interaction between urbanization and globalization. Globalization is a multifaceted process of drawing countries, cities and people ever closer together through increasing flows of people, goods, capital, services and ideas. Certain cities, namely, world cities, have come to the fore because of the special functions they perform in the new global economy, with an emphasis on the refined division of labour and comparative advantage. The third characteristic of the urban future is the likely continued devolution of powers and responsibilities to local authorities and civil society, a process that began in the 1990s when traditional modes of urban governance were found wanting and old institutions could not adequately deal with the old and new urban problems.

The New Global Economy

The world today is not only more urbanized, but obviously richer than it was fifty years ago. During the period 1950-1992, world income increased from US\$4 trillion to US\$23 trillion, and in per capita terms it more than tripled. Private investment flows to developing countries increased from US\$5 billion to nearly US\$160 billion between 1970 and 1993. However, three-quarters of these flows went to 10 countries, mostly in East Asia and Latin America (UNDP, 1995:14). In fact, in many countries of the world, per capita income multiplied several times since 1960, with the gains most substantial since the 1980s.

The rapid integration of economies worldwide through globalization has been most notable since the early 1980s because of a convergence of three mega-trends, reflecting structural adjustments and epochal change. The first was the precipitous drop in the prices of primary commodities and oil, an occurrence that had a far-reaching and adverse impact on the economies of many countries in the developing world which had traditionally relied on the export of these for their national income. The sharp blow to the economies was especially felt in developing countries in Africa, Latin America and elsewhere, but briefly in Southeast Asia. The second trend, to some extent an outcome of the first, was the ascendancy of capital, transnational capital in particular, as a new driving force of economic growth. The new game in economic development is open competition around a country's or city's ability to attract foreign direct investment (FDI). Capital always seeks the most profitable locales for investment, and countries/cities are making factors of production attractive to entice FDI. The third trend, which reinforces the first two tendencies, is bound up with new waves of technological innovations. There have been breath-taking advances in information technologies, often referred to as an "information revolution," such as in computer, electronics, robotics and telecommunications. The trend also has involved other fields, such as new technologies in

material science and biotechnology. They have facilitated new production processes, revolutionized business transactions and encouraged creativity. Taken together, some scientists have viewed this cluster of innovations as the beginning of the fifth long-wave of technological change. A knowledge-intensive and new techno-economic paradigm is said to have arrived, challenging the Fordist mass production paradigm of massive resource utilization and scale economies of standardization. In the global economy born of these mega-trends, a borderless economy has become a new cornerstone.

In a globalizing world, countries and cities are increasingly linked in interdependent and interlocking relationships. Some cities, having key functions to play in the global system of finance, transport, telecommunications, services and production, are called world cities or global cities. They are command foci, financial centres, management headquarters and transport/communication hubs, whose influences stretch across the region and, ultimately, the world. The contemporary world can be pictured to be a functional urban system, with world cities commanding different functions and one overlaying another (Lo and Yeung, 1996). While world cities are important in their own right, yet in a changing political world order in which national boundaries fail to stop cross-border flows of capital, people and ideas, subregional economic cooperative entities have emerged. Called growth triangles, some neighbouring territories involving several countries have sought creative economic cooperative development by maximizing their varied factor endowments. The best examples of successful growth triangles in Asia are the ones known as Southern China, with the participation of Hong Kong, Guangdong, Fujian and Taiwan, and SIJORI, involving Singapore, Johor (Malaysia) and Riau Island (Indonesia). These two growth triangles are centred, respectively, on the world cities of Hong Kong and Singapore. A variant of this theme of subregional development is what some scholars have called region-states, meaning sound economic development focused on some regions which may be parts of a country or involving several countries

(Ohmae, 1995). Furthermore, another spatial expression of rapid economic development in the new global economy is urban corridors, which have been observed to be in an inverted-S form in East Asia and in some other forms in Europe and elsewhere (Lo and Yeung, 1998).

Having been engines of growth and leading in the creation of national wealth, cities now occupy a special place in the global era. Many cities account for a considerable proportion of the nation's GDP; for instance, in 1990 Barcelona held 7 per cent of its country's GDP, and Sydney (19 per cent), Seoul (23 per cent), Bangkok (43 per cent) and Tokyo (18 per cent) were no less dominant. Some of these and other large cities of the world saw their GDP soar by more than 1,000 per cent in the period of 1970-1990. In the post-cold war globalizing economy, cities are prospering in the competitive world system within the context of a new paradigm based on incrementalism, entrepreneurship and markets (Savitch, 1996). As a matter of fact, there is no shortage of experts who question the usefulness of the nation-state itself in the face of recent global changes. The nation-state, so it is argued, has lost much of its control and integrity, being the wrong unit to handle the newer circumstances (Kennedy, 1993:131; Ohmae, 1995).

However, globalization has not been a boon to all cities. The truth is that, while globalization has brought about new opportunities and created wealth for some cities, it has at the same time heavily marginalized others. The marginalized city may be found in any region of the world, should it find itself outside the cyberways, not having the requisite information infrastructure, or otherwise not being able to plug itself into the new global economy. To be more specific, globalization debars the bulk of Africa from gaining access to the world society's productive processes. The greatest challenge is to demarginalize most African countries and cities when their options are severely constrained by the forces of globalization (Mittelman, 1996:18).

Under the forces of globalization, there is a certain convergence of cities in all parts of the world at different stages of

economic development. Four commonalities appear to characterize these cities (Cohen, 1996). First, urban unemployment remains high, reaching 15 per cent in France, 22 per cent in Spain, 10.6 per cent in Buenos Aires and 7.2 per cent in metropolitan Lagos. This explains the phenomenon of "area boys" — unemployed, able-bodied men, possibly drug dependent, in Lagos and "parking boys" in Nairobi (Rakodi, 1997). Secondly, urban infrastructure suffers from inadequate maintenance in developed countries, such as the failed water and sewer systems in Chicago and Washington and electricity blackouts on the eastern seaboard. Nevertheless, in developing countries the lack of or inadequate infrastructure investment has led to widespread problems in water supply, urban sanitation and transport facilities. The predicament confronting the urban poor in the cities of developing countries is especially acute (Menedez, 1991; Yeung, 1998). Thirdly, the deteriorating urban environment has troubled cities worldwide. In cities in developed countries, a growing awareness of urban environmental sustainability has been spurred by public debate and the emergence of "green" groups, but a basic weakness lies in the lack of clear environmental governance. The priorities in the cities of developing countries lie more in economic growth accompanied by rapid urban expansion in a relatively short period; as such, along with the general lack of environmental infrastructure, pollution and other environmental problems are more severe. Fourthly, accentuated social conflict has become an emergent problem in cities, resulting in part from keener competition for jobs and from a freer flow of people between countries. Globalization has also generated international flows of labour and all types of migrants in recent decades. In the cities of industrialized countries, new immigrants and minority groups have generated new political and social pressures on the urban scene. In the cities of developing countries, urban crime has become a political issue, such as in Rio de Janeiro, Medellin and Lima (Gilbert, 1996). Poverty in many of these cities is compounded by class and ethnic loyalties, particularly in Africa and Asia.

Changing Roles of Cities

The age of globalization is one of prosperity as well as distress, of opportunity as well as contradictions. The differential access to world-wide capital flows and new technologies has widened the gap between the rich and the poor, the informed and the uninformed. The United Nations has estimated that 600 million people in the cities and towns of the world are homeless or live in life-threatening situations. Rural-urban migration is still proceeding on an unprecedented scale. There is also a trend towards feminization of poverty (UNCHS, 1996). Nevertheless, the roles that cities can play are positive and critical ones, and they surely have the potential of improving the quality of life in cities around the world.

Cities have the potential to civilize or brutalize their citizens, as the nurturing of culture and apposite values, coupled with goal-directed policies, can make a difference. From the earliest times, cities have been equated with civilization and they have been purveyors of human culture through the centuries. Cities are agents of economic change and social transformation. In a globalizing and urbanizing world, the roles of cities are even more critical as more people live in them and as technology and telematics have created new circumstances for humanity. To be sure, urbanness and global interconnectedness are two elements that strongly caricature our contemporary cities.

The cultural role of cities in our present time cannot be overemphasized. Easier access to technology, information and global connections has the potential of making city life more culturally rich, cosmopolitan and diverse. Cities can become cauldrons of creativity, ideas and activities. Yet, as more people of different backgrounds intermingle and are juxtaposed in residence, they are also prone to conflict and even violence. When traditional bonds of harmony are loosened, the recent experience in Bosnia, Rwanda, Burundi and Somalia has demonstrated their cataclysmic consequences. In China, which opened its doors again to the

outside world in 1978 and which is in the throes of two historic transitions from a rural, agrarian society to an urban, industrial one, and from a command economy to one based on market principles, the situation has been depicted as follows:

Cities would become a tinderbox of tensions, with growing numbers of poor living in proximity to an increasingly rich elite that manipulated the laws and systems to its benefit. The gap between coastal and interior provinces would grow, as would differences between city and countryside and between men and women. (World Bank, 1997:98)

From another perspective, cities in the information age can be international cultural centres. Globalization and the production of new urban spaces have led to the realization of many contemporary urban mega-projects in Pacific Rim cities and elsewhere. Vancouver's Pacific Place, Yokohama's Minato Mirai 21 and Shanghai's Lujiazui are eminent examples. They are symbols of gleaming enclaves of urbanity that will stand up well into the twenty-first century. They are the epitome of the forces of globalization and international integration through transnational corporations and have put into physical form the processes of economic and cultural interconnections, flows, linkages and interdependencies (Olds, 1995).

The political role of today's cities is going through a reexamination and debate. In part, this has stemmed from the inefficacy of what they are supposed and charged to do. Many cities in the developing world are not capable of providing basic urban infrastructure services. In part, their very own legitimacy has been questioned because of rapidly changing governance structures. The relationship between the government and civil society has been changing rapidly, and this should be reflected in the ways how a society manages its collective interests. Traditional urban governance has been losing its relevance in view of the transnational nature of many of the cities' activities. The global flows of capital, information, technology and services do not respect national boundaries. Indeed, the contest of power between

nations/cities and international entities (particularly transnational corporations) has become a new arena in which many key decisions concerning development policy are played out. The globalizing reality is such that some cities are no longer effective containers for activities and decisions that affect them. The current move is to seek to define more effectively urban governance by involving more stakeholders, forming partnerships, devolution of authority, and so on. One of the greatest challenges in this respect is to evolve effective urban-regional governance, as region-states are emerging as cohesive and coherent economic units of development in many parts of the world.

Economically, cities will continue to be efficient engines of growth and theatres of wealth accumulation. Some cities, of course, are more efficient than others. In fact, some cities are marginalized by globalization as new production processes pass them by. The marginalization has resulted in the foremost contradiction of our time, in that nations/cities integrated in the global division of labour are prospering, whereas those excluded from it suffer slow or declining economic growth. However, the winds of change can blow in ways and speeds that can catch politicians and planners off guard. The financial crisis in Asia since mid-1997 has violently rocked the region to its very foundation and has occurred in the fastest growth region in the world. The pros and cons of economic globalization have been amply revealed in the painful experience of many Asian countries. Mismanagement of macro-economic policy, in our current information age, could trigger a sweeping overnight storm in the financial centres of the region. The slow adjustment and recovery process in Asia aside, some serious questions have been posed about how, for the good of humankind in the future, some regulatory mechanisms should be devised to bear on, for example, global transactions in currencies, rather than leaving them entirely to market forces.

Finally, contemporary cities have habitually depended for their survival and sustenance on continuing massive flows of materials and energy. Where these flows have become out of

kilter, the sustainability of cities has been questioned. In this regard, nations/cities in developed and developing countries tend to take polarized positions. At the risk of generalization, the former which have developed patterns of heavy energy and material consumption, have advocated a more stringent approach towards such issues as energy use, protecting the ozone layer, global warming and gas emission. On the other hand, the latter have taken upon themselves a more immediate task of "catching up" with development and, often saddled with a debt burden, are less ready to adopt environmentally friendly policies (Yeung, 1996). It has been argued that environmental protection and economic development are not mutually exclusive. Eco-development has been championed by many environmentally-minded individuals as the way forward in the future. The urban environment is already seriously fouled in some developing countries and, if sustainable cities are not actively promoted and developed, humankind will face even more formidable problems in the new century. In the future, 85 per cent of the world urban population will inhabit the cities of the developing world. The conundrum is that cities most in need of developing a sustainable environment are those that seriously lack funding even to attend to basic infrastructural needs, let alone to tend to their environment.

Preparing for the Urban Future

After two millennia of development, humankind has come to a crossroad. Never before have more people lived in cities and towns in the world, absolutely and relatively. This trend is going to accelerate as the twenty-first century unfolds. It will be an urban century, buttressed by forces of globalization and integration.

As the Singapore information minister recently remarked, in the new century, the most relevant unit of economic production, social organization and knowledge generation will be the city (UNCHS, 1996:24). Cities will be nuclei of economic production,

some destined for domestic consumption while others are geared for the world market. Such differentiation is based on the functions of the city, which will determine its importance, centrality and fame among its peers. World cities will be especially influential in shaping the development of the global economy. Technological advances and easy access to information will enable cities to evolve more efficient ways of economic production, capitalizing on the cheapest sources of materials and maximizing profits (Yeung, forthcoming). As ever more people live in urban settlements, the ecological relationship between city and countryside should be accorded attention. In particular, feeding urban inhabitants in large cities is an issue that has generated some debate in countries such as China and India, where the potential for massive rural-urban population transfers is enormous and, with growing affluence and the rapid loss of arable cropland, the pressure to feed teeming millions in the cities will grow. Nonetheless, the biggest economic challenge is how, against the background of increasing prosperity, nations and cities in lagging regions can be brought into the mainstream of development.

In terms of social organization, cities of the future will have more freedoms and constraints. Greater freedom will be extended to individuals and institutions because they will be networked electronically. Wired interactions will supplement face-to-face contacts. This will also affect urban lifestyles as people can work at home, shop by computers and travel with smart cards. The well heeled are likely to have property and business interests in several cities/nations, and the family to be similarly dispersed out of preference. Citizens in these cities may be prone to "think globally and act locally." Indeed, social organizations and political institutions face the challenge of having to capture the loyalties of people who are oriented in highly diverse ways. The above perhaps applies most pertinently to people in the higher echelons of society. As cities of tomorrow are socially polarized between and within them, the urban poor will face an uphill battle of keeping their body and soul together when they lack the skills and educa-

tion to avail themselves of jobs requiring special training and experience. Managing mega-cities will be trying when governments face horrendous financial constraints. Nevertheless, the clamour for greater participation and democracy will see greater attention and more resources being devoted to non-governmental and community-based organizations. In short, cities of the future have the opportunity of reorganizing themselves socially and institutionally, but the obstacles that lie in their way must be removed first.

In the information age that has just begun, cities act as generators, processors and depositories of knowledge. Knowledge is generated by research, discovery and innovation. As knowledge is a highly valued resource, cities will be in competition to generate knowledge. Thus information technology will be a principal emphasis in university curricula and R&D (research and development). However, more broadly speaking, investment in basic and applied research will not be spared if cities can afford them, for it will be with the holders of new knowledge and technological inventions that the power and authority of future cities will lie. It can therefore be foreseen that knowledge industry, science parks, technological development zones, "technopolises" and other types of special zones will be further developed in cities of the future.

As humankind prepares for a new century and a new millennium, what appears certain is the inexorable trend towards a higher degree of urbanization and globalization. It is uncertain towards what the global trends will lead people. Kennedy (1993:349) nonetheless has this to say about the future:

What is clear is that as the Cold War fades away, we face not a "new world order" but a troubled and fractured planet, whose problems deserve the serious attention of politicians and publics alike.

This may not be the most optimistic prognosis for the future, but it is a sombre message for us not to underestimate the difficulties ahead. With the knowledge and wisdom humankind has in-

herited from our ancestors and with the new technologies and resources that will come to be at our disposal, there is no reason to believe that we are less prepared than at any time in the past to face our urban future that is at once a daunting challenge and a window of opportunity.

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Globalization and the New Urban Challenge

Abstract

At the beginning of a new century, several major urban trends can be noted, along with several tendencies that are likely to shape the urban future. A new global economy has emerged, in which the role of cities has heightened and cities are differentiated by their success or failure in capitalizing on new opportunities. Under the forces of globalization, cities in whatever part of the world have displayed a certain degree of convergence. In the age of globalization, the roles of cities — cultural, political and economic — have also changed. As the world prepares for a more urbanized and globalized future, knowledge and the ability to generate and disseminate knowledge will constitute elements that thriving cities will aspire to acquire.

全球化與城市面對的新挑戰

楊汝萬

（中文摘要）

新世紀伊始，幾個新的城市發展方向明顯可見，伴隨出現的若干趨勢也很可能型塑城市的前景。一個全球化經濟已經出現，在其中，城市的角色更為突出，眾多城市將依其掌握新機遇的成敗而區分。在全球化的影響下，世界各方的城市已顯示出一定程度的趨同。在全球化時代，城市在文化、政治、經濟等方面的作用已經發生變化。當舉世皆致力為一個更為城市化的、全球化的未來而作好準備時，充滿活力的城市將悉力爭取知識以及產生、傳播知識的能力。