

# GLOBAL CITIES:



# NEW YORK- LONDON- PARIS- TOKYO



Economic Geograpy

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# Outline

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- 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?

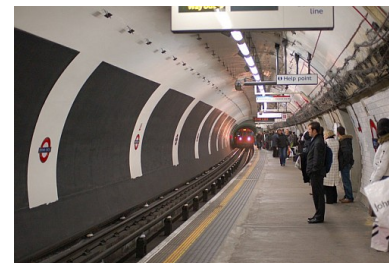
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Global City:

- 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

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- 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

New York City Compared

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

# 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

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- „ 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

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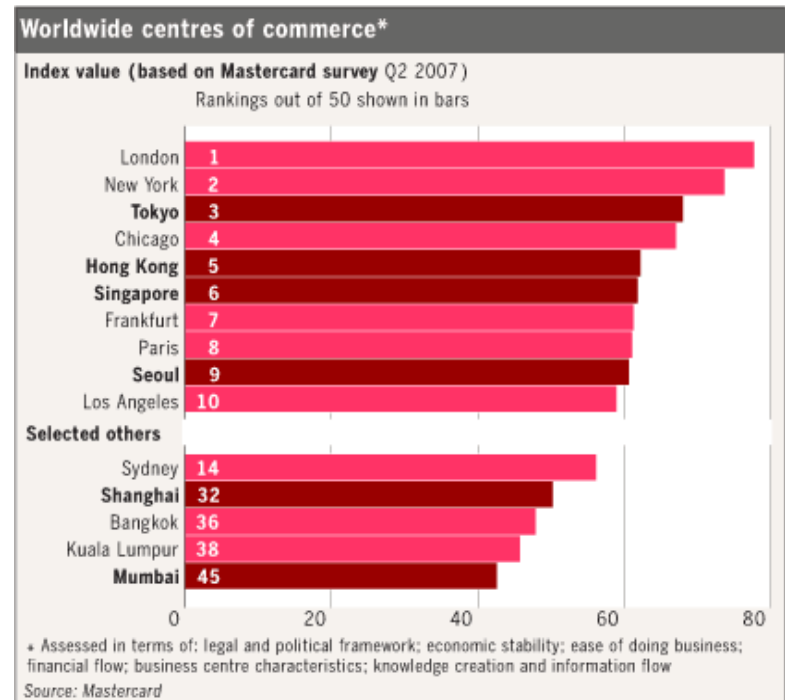
- New York is a major center for international affairs.
- It is home to the United Nations headquarters complex.
- Many major corporations are headquartered in New York City.

# 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





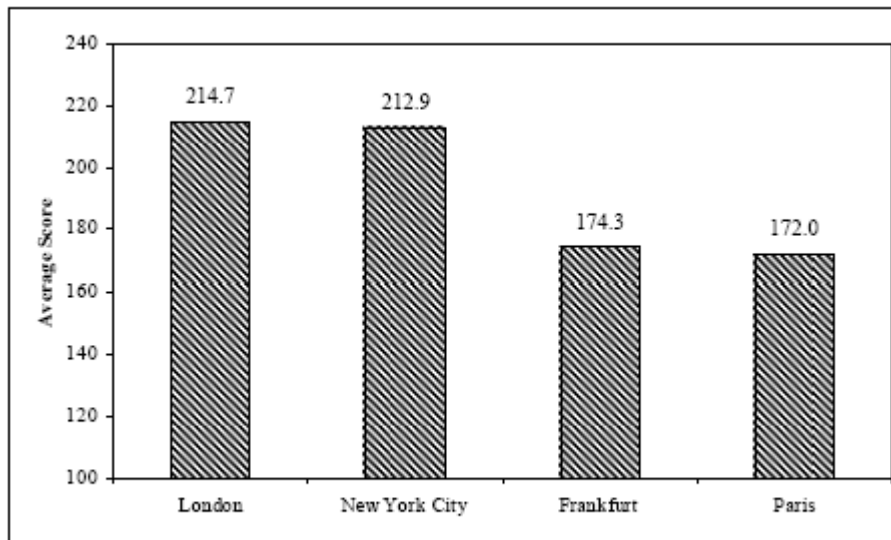
# C. Commonalities and Differences

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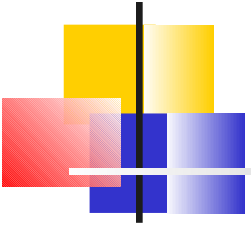
## New York- London- Paris and Tokyo as financial centers

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

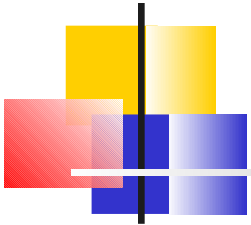
Chart 1 – Average Scores of the Financial Centres in 2005



Please note these scores exclude the ranking for Operational Costs as these were derived from a separate source (please see section 4.9 below)



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- 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

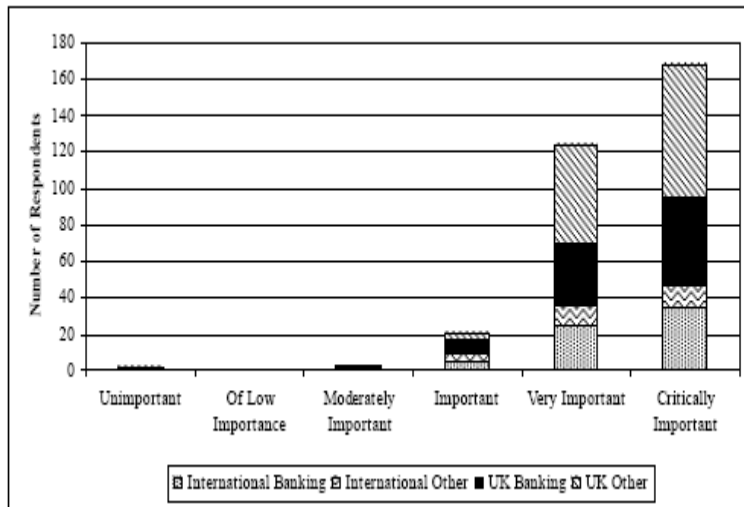
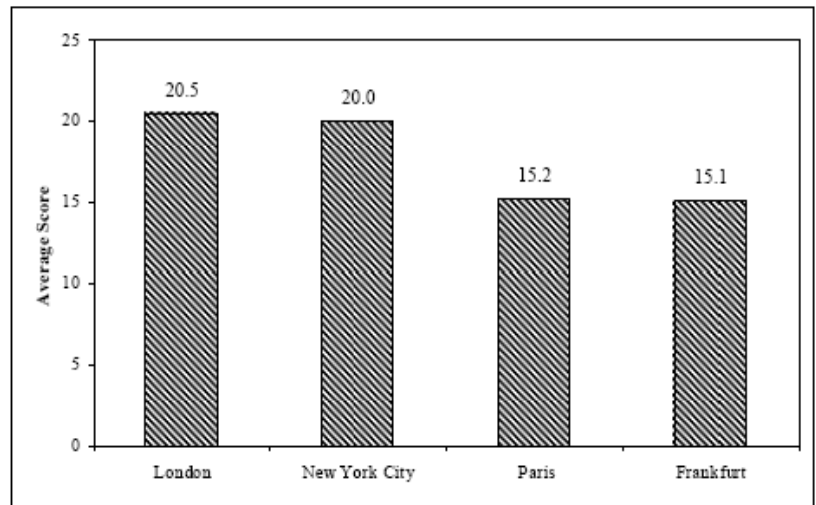
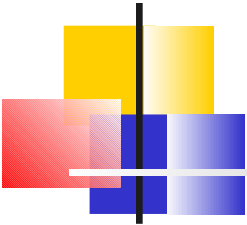


Chart 4 – How the Centres Rank on the Availability of Skilled Personnel





- Access to international financial markets

Chart 7 – The Importance of Access to International Financial Markets

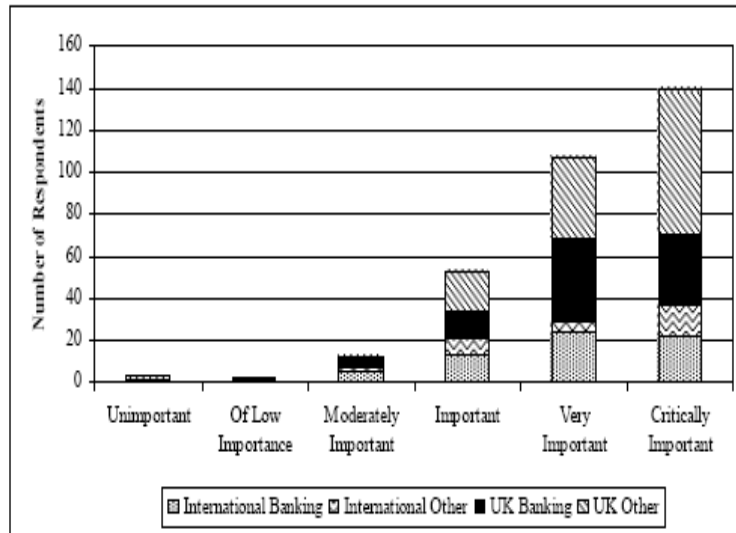
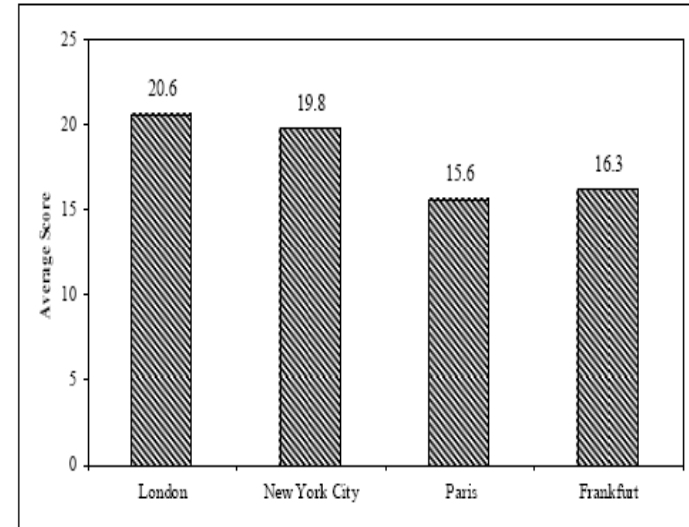
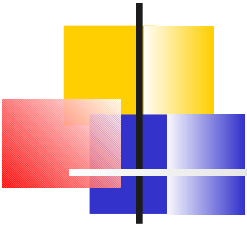


Chart 8 – How the Centres Rank for Access to International Financial Markets





- Availability of business infrastructure

Chart 9 – The Importance of the Availability of Business Infrastructure

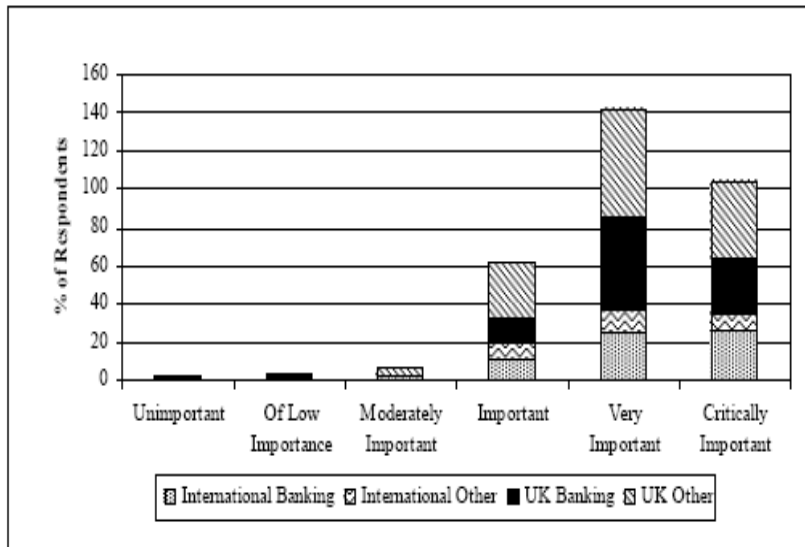
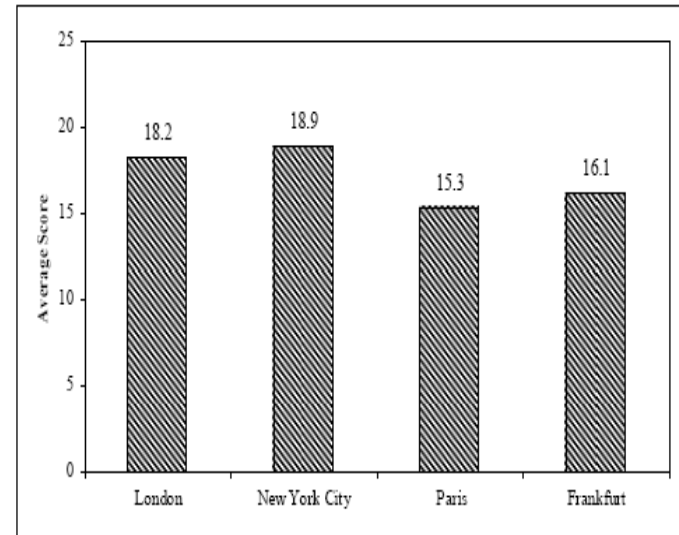


Chart 10 – How the Centres Rank on the Availability of Business Infrastructure





- Access to customers

Chart 11 – The Importance of Access to Customers

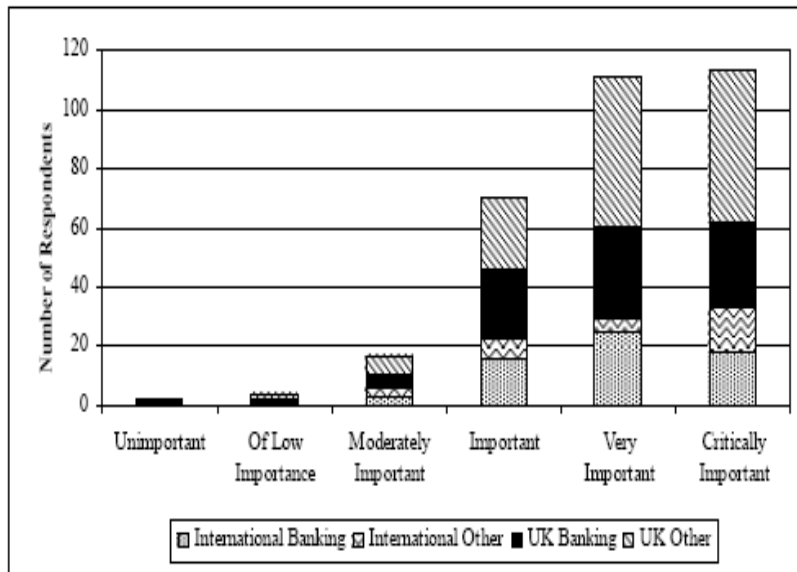
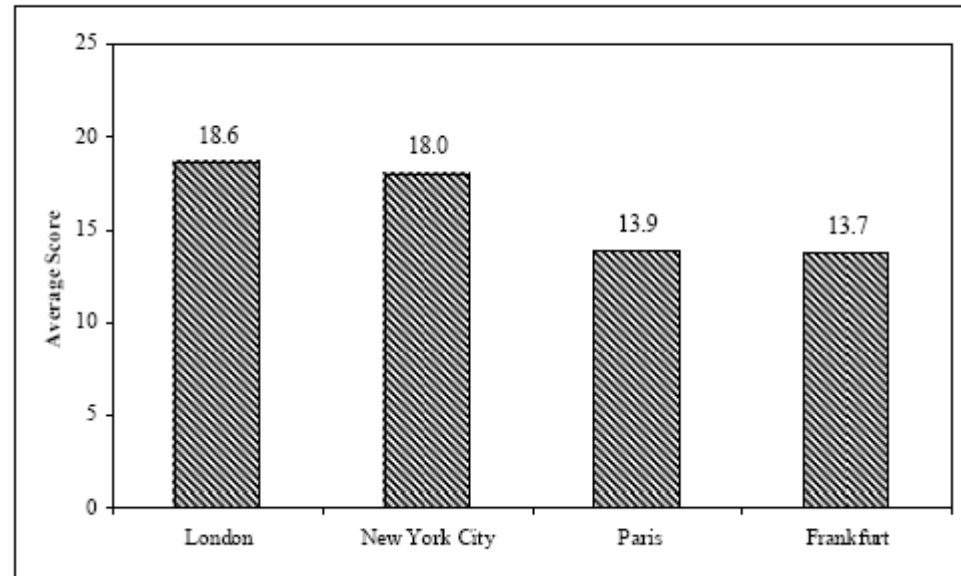
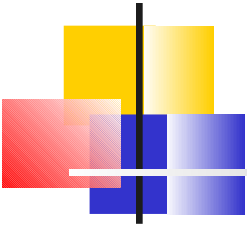


Chart 12 – How the Centres Rank on Access to Customers





- Access to suppliers of professional services

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

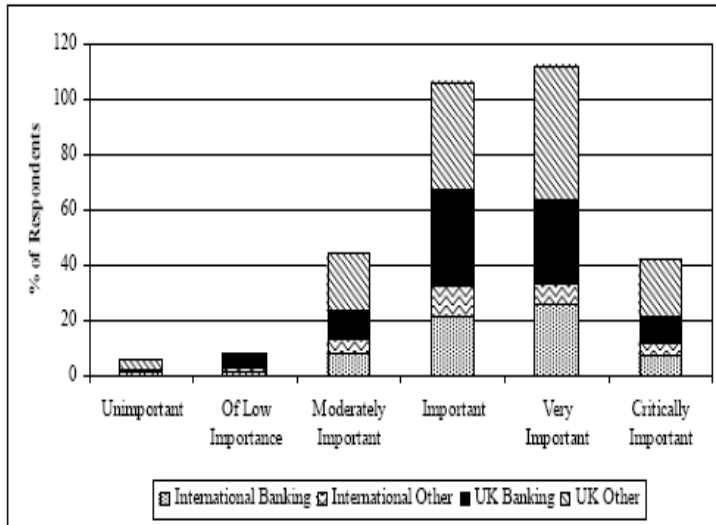
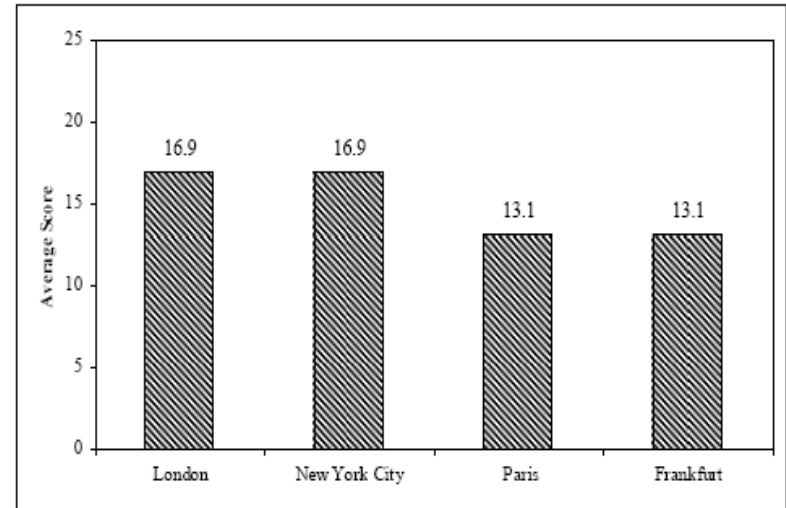


Chart 22 – How the Centres Rank for Access to Suppliers of Professional Services



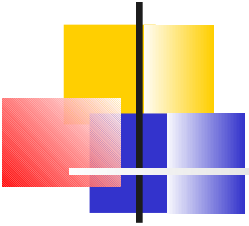


## Different Functions of Global Cities

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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, Paris and Tokyo: national governmental capitals, but New York is not.
- London, New York, Paris and Tokyo are all attractive cities for tourists, but the type of tourists is different.





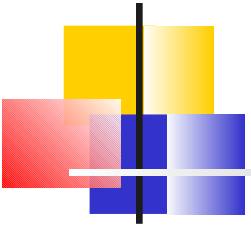
## D. Problems in Global Cities

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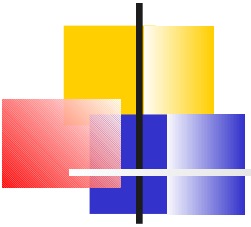
- Social polarization

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.



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- High cost of living
  - High competition for top positions
  - Stress



## E. Conclusion

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- 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.





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