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## Globalization and Cities



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### Synonym

[Internationalization and urban centers](#)

### Definition

Globalization is defined as a process of interaction or integration of national economic systems through the growth in international trade, investment and capital, and spread of modern technologies of industrial production and communication. It is a process whereby the world's economies, societies, and cultures are becoming closely intertwined. Globalizing processes are breaking down barriers to cross-national flow of people, goods, services, ideas, and technology. It seeks to eliminate political and geographical distances between peoples through the technological revolution. Globalization is characterized by more interconnectedness, interdependence, and integration. A city is a large human settlement with a distinct social, economic, and political function. A city is the central location for capital, labor, and information.

### Introduction

In this entry, globalization and cities are discussed critically. At the outset, the concept of globalization is defined, and the meaning and processes of globalization are discussed. Globalization poses challenges for sustainable urbanization and urban development. Sustainable Development Goal 11 focuses on the theme Sustainable Cities and Communities under the heading “Make cities and human settlements inclusive, safe, resilient and sustainable” (United Nations 2013).

Globalization has various meanings from different social science disciplines' point of view. It refers to the emergence of a global market, diversity and convergence of social preferences in matters of lifestyle and social values, an epoch dominated by global capitalism, gradual erosion of state sovereignty, and the location of transnational spaces within national territories (Cabigon 2006). In the last three decades or so, the process of globalization has become enormously influential in explaining changes within cities. Globalization impacts the demography and brings changes in the social, cultural, and economic sector including labor market in cities. The processes of globalization are marked by the liberalization of trade, finance, and investment, growth in volume of trade due to the reduction in protective tariff, and growth of multinational or transnational corporations. The main causes of globalization are economic, sociocultural, technological, and

political in nature. Globalization is primarily an economic process of integration that has social and cultural dimensions. Economic globalization has witnessed adoption of the system of free-market economy and economic liberalization, both within and between countries. The growth of sophisticated transport and communications technologies and services and growth of mass media and free flow of information and people have prompted globalization. Both technological and intellectual innovations are the driving forces behind globalization. Among the political factors, movement toward democracy and international agreements that reduce the costs of doing business in foreign countries are some of the important causes of globalization. Cities are influenced largely by economic and cultural globalization.

## Globalization and Cities

Globalization and urbanization go hand in hand. Globalization has led to rapid city expansion, connectivity and integration, and spatial clustering of cities. A highly developed spatial form of integrated cities is called urban agglomeration/conurbation. The expansion of urban agglomeration gives rise to development of urban hierarchy in the national and global urban system. Globalization has led to rapid process of “metropolitanization” or “megalopolitization.” The term “megalopolis” refers to large metropolitan cities, and it reveals a trend in the spatial organization and structure of urbanization toward more concentrated, highly connected, and larger-scaled urban forms (Yu 2017). Globalization processes are the driving force behind urban change (Castells 2000).

According to Wallerstein (1974), cities are part of single world economy, and both city system and world economic system are closely intertwined. City system cannot be understood outside world economic system. Conversely, world economy cannot be understood without understanding city system. Rise in foreign capital and corporate activities have changed the labor structure in world economy, creating a new world spatial division of labor, called the

new international division of labour (NIDL) (Timberlake 1985). Growing corporate activities has changed service/tertiary sector labor force of urban economy. Growth of multinational corporations (MNCs) has stimulated growth of producer services in cities. Expansion of global corporate activities and changing new international division of labour (NIDL) has resulted in formation of a global urban hierarchy.

Two perspectives emerge on the nature of cities: (a) cities are places or specific locations in space (Orum and Chen 2003), and (b) cities are a process by which centers are connected in a global network (Castells 1996). Taylor (2004) pointed out that the cities are “global spaces of flows.” Cities are also centers of innovation and diffusion and considered as “melting pot.” According to Cabigon (2006), there are at least three distinct realities that exist in cities: (a) nature of cities and city life varies among societies, (b) nature of city is open-ended, and (c) culturally, politically, and economically, the city has no geographic limits in an urban society.

Two approaches emerge in the context of cities. On the one hand, cities are seen as the “engines” of economic growth, and on the other, they are the centers of environmental unsustainability. Globalization processes are the driving force behind urban change (Castells 2000; Taylor 2000; Sassen 1991, 2006), and also globalization is seen as an essential determinant of urban change (Taylor 2005). The concepts, such as “world city” (Friedmann 1986), “global city” (Sassen 1991), “global city region” (Scott 2001) and “informational city” (Castells 1989; Stock 2011), and “global media cities” (Kratke and Taylor 2004), all refer to globalization of economic activities in cities. Cities influence the processes of globalization and, in turn, are influenced by it. Globalization and cities linkages can be explained through two broad perspectives: (a) globalization in cities and (b) cities in globalization. In other words, a globalized urbanization vs an urbanized globalization. The questions very often raised are: How does globalization influence and shape cities? And how does city contribute to globalization?

### Globalization in Cities (Globalized Urbanization)

Globalization driven by foreign direct investment (FDI) and international trade influences urbanization and city growth. This is especially important in developing countries, where both economic development and social and cultural life are affected and remodeled by the activities of FDI and international trade (Hu and Chen 2015). The contemporary urbanization in the developing countries is the response to the process of increasing globalization. The inflows of capital and technology through FDI from the developed economies create jobs and the transfer of agricultural labor from the rural sector promotes urbanization (Hu and Chen 2015). The market determines the flows of capital, land, and people in the process of urbanization.

The distinctive features of globalization as Liu (2016) noted are as follows: (1) there has been a decisive shift in the proportion of the world's economic activity that is transnational in scope; (2) there is a shift in the nature and organization of transnational economic activity, with international trade in raw materials and manufactured goods that takes place within and between transnational corporations; and (3) articulation of new world views and cultural sensibilities, notably the ecological concern with global resources and environments.

All cities operate in a global system today. Cities are produced within a global political economy. Cities are nodes through which global systems of capital production and exchange are organized (e.g., MNC HQs). Cities occupy distinctive "niches" in the global economy. Some cities are innovation hubs; others are centers of manufacturing; some anchor the world's largest economies; and others are gateways to developing countries (Liu 2016). Urbanization is a phenomenon accompanied with the development of industrialization. The basic rationale is that the spatial allocation and concentration of industries and services can generate agglomeration effect, which can bring synergy, reduce unit production costs, and increase economic efficiency (Hu and Chen 2015). Globalization results in urban agglomeration that is a highly developed spatial form of

integrated cities which occurs when the relationships among cities shift from mainly competition to both competition and cooperation (Fang and Yu 2017). Cities are integrated within an urban agglomeration, which renders the agglomeration, one of the most important carriers for global economic development (ibid.).

#### (a) World City Hypothesis

Since the "world city" hypothesis proposed by Friedmann (1986), studies have focused on linking globalization and globalizing processes to global city formation and world city network. Friedmann (1986, 2001) established several ranking criteria for cities in the international urban system. Friedmann used seven criteria to identify world cities. These criteria include (a) major financial center, (b) site for headquarters for TNCs and regional headquarters, (c) international institution, (d) business service center, (e) important manufacturing center, (f) major transport and communication center, and (g) large population size.

World cities, according to Friedmann (1986), are the leading cities in the global economy and command and control centers in a new international division of labor. These are centers of global transport and communications, production, and information. These cities emphasize the variety of economic activities which are involved in globalization processes. In fact, all cities operate in a global system today, and they have a potentially significant role on the world stage. They are integrated into global system, but some are integrated more than others. They are categorized as the "global cities" that participate more in global change. Some of them are located in core countries such as London and New York, and others are on the peripheries, e.g., Singapore and Hong Kong; some are called primary global cities, e.g., London, New York, Paris, Singapore, and Sao Paulo; and others are secondary global cities, e.g., Brussels, Milan, Madrid, Mexico, Hong Kong, Bangkok, and Seoul. World cities are distributed in core, peripheral, and

semi-peripheral countries. They all provide essential services to international market and play a leading role in bringing global changes.

Various studies have done since Friedmann's "world city" hypothesis established cities to global economic system and development of global urban hierarchy (Smith and Timberlake 1993; Knox 1995, 1996; Knox and Taylor 1995; Taylor 1997, 2000, 2004, 2005; Beverstock et al. 2000; Orum and Chen 2003; Abrahamson 2004; Anderson, Beckfield and Sprague-Jones 2010). The world system theory tends to portray world cities as the "cotton pins" that hold together the global hierarchy of core, semi-periphery, and periphery (Knox 1995). This fits into global hierarchy of world cities, a hierarchy dominated by London, New York, and Tokyo, with a second tier of cities of regional transnational importance (e.g., Amsterdam, Frankfurt, Los Angeles), a third tier of international cities (e.g., Madrid, Seoul), and the fourth tier of cities of national importance and with some transnational functions (e.g., Houston, Milan, Osaka). Taylor (1997) also observed about hierarchical tendencies among world cities and constructed a "global city hierarchy."

World cities are both cause and effect of economic and cultural globalization (Knox 1995). These are the product of the combination of new international division of labor, internationalization of finance, and the global strategies of networks of transnational corporations (ibid.). World/global cities have predominantly emphasized the role of advanced producer services in the formation of a world city network. In the world city network, all cities are equal but some are more equal than others.

#### (b) **Global City Model**

The concept of a global city has been given an analytical edge by Sassen's (1991) global city hypothesis, which links global city formation to the concentration of command and control functions in a few cities (Yeoh 1999). Global city concept by Sassen (1991, 1994) focuses on the functioning of cities as providers of global financial and corporate

services. According to Sassen (1991), global cities operate through the demand for control, creating command points. This creates a demand for finance and business services. Sassen (1991) brought out her "global trilogy" (New York, London, and Tokyo) as global cities in a world where development is driven more by globalization than nationalization (Yeoh 1999).

According to Kratke and Taylor (2004), the leading cities in the global economy are command and control centers. Cities are seen as important economic unit and the normal categories of activity ascribed to globalizing cities that include services, informational, high technology, and advanced services. Trade is a defining feature of global cities as cities have been focal points for exchange of goods, ideas, capital, and people. According to Sassen (2005), the existence of global economic system is a function of the power of transnational corporations and global communication. Sassen (2005) further noted that there has been "growth of networked cross-border dynamics among global cities that include a broad range of domains: political, cultural, social, and criminal." There are also cross border transactions among immigrant communities and communities of origin. There are "greater cross-border networks for cultural purposes, as in the growth of international markets for art and a transnational class of curators" (Sassen 2005).

The debate between national and global continues, and it suggests two mutually exclusive spaces where global processes are partly embedded in national territories (Sassen 2005). The geography of globalization contains both a dynamic of dispersal and of centralization (ibid.). This dynamic of simultaneous geographic dispersal and concentration is one of the key elements in the organizational architecture of the global economic system in which cities operate. In the case of global cities, the dynamics and processes that get territorialized are global (Sassen 2005). According to Sassen (2005) the "global city" model is based on seven hypotheses as follows:

- (a) The geographic dispersal of economic activities that marks globalization, along with the simultaneous integration of such geographically dispersed activities, is a key factor feeding the growth and importance of central corporate functions.
- (b) The central functions become so complex that increasingly the headquarters of large global firms outsource them: they buy a share of their central functions from highly specialized service firms.
- (c) The specialized service firms engaged in the most complex and globalized markets are subject to agglomeration economies.
- (d) The more headquarters outsource their most complex, unstandardized functions, particularly those subject to uncertain and changing markets, the freer they are to opt for any location, because less work actually done in the headquarters is subject to agglomeration economies.
- (e) These specialized service firms need to provide a global service which has meant a global network of affiliates or some other form of partnership, and as a result a strengthening of cross border city-to-city transactions and networks is established.
- (f) The growing numbers of high-level professionals and high-profit-making specialized service firms have the effect of raising the degree of spatial and socioeconomic inequality that is evident in these cities.
- (g) The growing informalization of a range of economic activities find their effective demand in these cities.

### **Cities in Globalization (Urbanized Globalization)**

Cities are seen as the centers of innovation and diffusion and the “engines” of economic growth and the locations for economic activities that drive globalization. Cities are treated as locales through which four globalizations – economic, cultural, political, and social – are produced and reproduced (Taylor 2005). Cities are largely analyzed in terms of global economic relations or economic globalization. However,

cultural, political, and social globalization processes define several networks of cities in globalization (Taylor 2005). Cities are moving towards an apogee of complexity and diversity (Taylor et al. 2007).

All cities are globalizing, but some cities are globalizing more than others. Global cities around the world are the terrain where a multiplicity of globalization processes assume concrete, localized forms (Sassen 2005). These localized forms are, in good part, what globalization is all about. The world economy is hyper-connected because the firms and industries in cities are increasingly global. Urbanization under globalization has not been an isolated process but the process and result of a combined effect among multidimensional society, complex economy, and integrated culture (Sassen 2005). Castells (1996) defined the global city as a process not a place.

Today, cities largely drive globalization, and cities operate together in groups that form networks of activities (Taylor 2004). Marcuse and van Kempen (2000) coined the term “globalizing cities” to make the point that globalization processes are to be found operating across many more cities than just a few “global cities.” Taylor (2004) calls these “world city network” that exhibit strong hierarchical tendencies in formation cities and form interlocking networks under conditions of contemporary globalization.

According to Cabigon (2006), the nature of cities in globalization is reflected through two events: (a) The world city network is a part of globalisation processes that are inevitable and irreversible. Cities are forming a world city network with a particular geography that is city-centered with command power remaining in core-located cities and network power in non-core cities (b) Cities are reflecting a clear culture-economy overlap, with global cities such as New York, London, Paris and Tokyo emerging as centres of global economy and cultural industries.

### **Global Cities Initiatives**

The Brookings Metropolitan Policy Program undertook “Global Cities Initiatives” and studied

123 largest metropolitan economies with GDP exceeding \$100 billion (Liu 2016). Together, these 123 global cities power global competitiveness are economically significant, generate one-third of the world's economic output, account for nearly two-thirds of all innovations, and represent more than 80% of all venture capital investment while housing just 13% of the world's population (Liu 2016). According to Liu (2016), being a global city means being a globally "competitive" city. Traded sectors, innovation, and talent are the core drivers and enablers of competitiveness.

The "Global Cities Initiatives" created a "typology" of seven types of global cities based on how they perform on these core drivers and enablers of global competitiveness. These seven types of global cities are:

1. **Global Giants:** These are large, highly sophisticated financial hubs of the world economy with extensive global connectivity. They include New York, Los Angeles, London, Paris, Tokyo, and Osaka-Kobe.
2. **Knowledge Capitals:** These are world's leading knowledge and technology hubs and the economies bolstered by elite research institutions and industries with an extremely well-educated and productive workforce and with highest rates of scientific research, patents, and venture capital in the world. They include 19 cities such as San Jose (the Silicon Valley); Boston; Seattle; San Diego; Washington, D.C.; Chicago; Austin; Dallas; Atlanta; Portland; and Denver in the USA and Amsterdam, Stockholm, and Zurich in Europe.
3. **Asian Anchors:** are Asia's five established and rising economic power centers: Hong Kong, Singapore, Seoul-Incheon, Shanghai, and Beijing. Their ability to attract foreign direct investment with world's most modern infrastructure systems makes them serious global power players.
4. **American Middleweights:** are 16 mid-sized US metropolitan areas, including places that are growing via connections to the global economy and have valuable economic assets, and each maintains at least one globally relevant export industry. These include Cleveland, Detroit, Pittsburgh, Indianapolis, Charlotte, Phoenix, and Kansas City.
5. **International Middleweights:** This group includes 26 mid-sized metros outside the USA that are seeking to leverage distinctive economic assets. Many of them are aspiring technology and knowledge hubs, and they serve as centers for talent. These include Toronto, Vancouver, Brussels, Rome, Milan, Berlin, Vienna, Madrid, Barcelona, Sydney, Melbourne, Perth, and Tel Aviv.
6. **Factory China:** are the fastest-growing cities in the world that are heavily dependent on production, are manufacturing powerhouses, and have limited talent pools and innovative assets. This group includes Chinese cities, e. g., Chengdu, Nantong, and Wenzhou.
7. **Emerging Gateways:** These are 28 large global business and transportation gateways for major national and regional markets, including Mexico City, Sao Paulo, Rio de Janeiro, Santiago Istanbul, Mumbai, and Johannesburg. These are financial and political capitals, which have traded sectors that are on average four times more productive than their nation's average.

### Interlocking Networks of Cities Model

World cities in globalization are operating as a world city network. Therefore, the relations between and among cities and the link between cities as a process are important. The world city network is interpreted as an amalgam of the offices of global service firms and the flows they generate. According to Taylor (2005), cities as economic center contribute to contemporary global practices. Cultural, political, and social globalization processes define several networks of cities in globalization. There is not one network of cities, rather various networks with different paths of development (Taylor 2004). The Interlocking Networks of Cities model defines a process of world city network formation with agents being institutions that use cities as

networks in the everyday pursuit of their goals, e.g., financial and business service firms and NGOs (Taylor 2005). The model defines an “interlocking network” because the agents “interlock” cities through their activities (Knoke and Kuklinski 1982, cited in Taylor 2005). Nodal size and interlock connectivity are the two measures used in this model.

Short and Kim (1999) observed that “globalization” takes place in cities, and cities embody and reflect globalization. Global processes lead to changes in the city and cities rework and situate globalization. Contemporary global dynamics are the spatial expression of globalization, while urban changes reshape and reform the processes of globalization. According to Taylor et al. (2002), world cities are treated as global service centers, and the world city network is conceptualized as being “interlocked” through provision of business and financial services by global firms. They explored diversity that is found among world cities in terms of inequality of power. According to them, the power of the cities is interpreted both as a “capacity” and as a “medium.” They further noted seven different ways of measuring and illustrating power differentials in world cities. These include:

- (a) Global network connectivity – highly connected world cities e.g., London, New York, Los Angeles, Chicago, Tokyo, Hong Kong, and Singapore.
- (b) Banking/finance connectivity – highly connected international financial centers, e.g., Chicago, Frankfurt, London, and New York.
- (c) Dominant centers, e.g., Chicago, Frankfurt, Hong Kong, London, and New York.
- (d) Global command centers, e.g., Amsterdam, Brussels, Boston, London, and New York.
- (e) Regional command centers, e.g., Hong Kong, Sao Paulo, Singapore, and Tokyo.
- (f) High connectivity gateways, e.g., Buenos Aires, Hong Kong, Kuala Lumpur, and Madrid.
- (g) Gateways to emerging markets, e.g., Beijing, Moscow, Sao Paulo, and Seoul.

## A Taxonomy of Cities in Globalization

Taylor (2005) identified four categories of leading cities and developed a taxonomy of cities in globalization such as:

- (a) Global cities – functionally comprehensive global cities that include (i) leading duo, London and New York; (ii) smaller contribution and with cultural bias, Los Angeles, Paris, and San Francisco; and (iii) incipient global cities, Amsterdam, Boston, Chicago, Madrid, Milan, Moscow, and Toronto.
- (b) Global niche cities – specialized global contributions that include (i) economic, Hong Kong, Singapore, and Tokyo, and (ii) political and social, Brussels, Geneva, and Washington, DC.
- (c) World cities – sub-net articulator cities that include (i) cultural, Berlin, Copenhagen, Melbourne, Munich, Oslo, Rome, and Stockholm; (ii) political, Bangkok, Beijing, and Vienna; and (iii) social, Manila, Nairobi, and Ottawa.
- (d) Worldwide leading cities that include (i) primarily economic global contributions, Frankfurt, Miami, Munich, Osaka, Singapore, Sydney, and Zurich, and (ii) primarily non-economic global contributions, Abidjan, Addis Ababa, Atlanta, Basle, Barcelona, Cairo, Denver, Harare, Lyon, Manila, Mexico City, Mumbai, New Delhi, and Shanghai.

## Global City Region

According to Scott (2001), city regions constitute “dense polarizes masses of capital, labour and social life that are bound up in intricate ways in intensifying and far-flung extra national relationships. As such they represent an outgrowth of

large metropolitan areas or contiguous sets of metropolitan areas together with surrounding hinterlands of variable extent which may themselves be sites of scattered urban settlements.” As cities becoming complex, interrelated environments that foster the generation of new ideas and new ways of doing business, a new type of economic formation has been emerging in the global city region. This has been called a “poly-centric global mega-city region” with an extensive and functionally interconnected cluster of urban centers that is developing around the world’s major cities (Pain n.d.). Cities and their surrounding regions are promoting globalization by providing the infrastructure and labor upon which globalization depends (UN-Habitat 2001). Cities can thus play key roles in supporting a “globalization from below” (Benton-Short et al. 2005).

A globalizing world is changing urban and regional relations (Pain and Van Hamme 2014). Cities are nodes through which global systems of capital production and exchange are organized especially through multinational corporations. Cities form an important link in processes of globalization and their economic implications for human development, and cities mediate the reciprocal relationships between globalization on the one hand and economic and human development on the other (UN-Habitat 2001). According to Cabigon (2006), cities are forming a world city network which is a part of globalization processes that are inevitable and irreversible. Cabigon (2006) said there are two trends: firstly, this world city network is typically city-centered with command power in remaining in core-located cities and the network power in noncore (peripheral) cities to impinge on future social change. Secondly, cities are now reflecting a clear culture-economy overlap, with global cities such as New York, London, Paris, and Tokyo emerging as centers of the global economy and cultural industries. Marketing the city’s cultural offerings aims for both consumptions of culture and generation of income in the city (Cabigon 2006).

## Global Media and Informational Cities

Kratke and Taylor (2004) introduced a new dimension into global networking processes through their study of “global media cities.” There has been growth of large media companies especially media industries in European cities. According to Kratke and Taylor (2004), diversity of globalized economic activities which is involved in globalization processes leads to *multiple globalizations* within world city network formation. Taylor et al. (2004) analyzed patterns of globalization that result from an interaction of different service sectors with particular world regions through a hierarchy of world cities. Castells (1989) termed “informational cities” that are prototypical cities of the knowledge society. According to Castells (1989), in those cities, space of flows (flow of money, power, and information) tend to override space of places. Information and communication technology (ICT) infrastructure, cognitive infrastructure (as groundwork of knowledge cities and creative cities), and city-level knowledge management are of great importance. Stock (2011) discussed “informational cities” and focus on construction of cities in the knowledge society. Cities with high density of “cyber” or digital infrastructure and high levels of utilization of ICTs are called “smart” world cities (Derudder et al. 2012; Mainka 2018).

Knox (1995) identified three distinctive features of globalization such as (a) a decisive shift in the proportion of the world’s economic activity that is transnational in scope; (b) a shift in the nature and organization of transnational economic activity, with international trade in raw materials and manufactured goods being eclipsed by flows of goods, capita, and information that take place within and between TNCs; and (c) the articulation of new world views and cultural sensibilities: notably the ecological concern with global resources and environments. All these as Knox (1995) says add up to an intensification of global connectedness and the constitution of the world as one place. Much of this change has been transacted and mediated through world cities. The “transnational practices” of the “transnational

producer-service class” necessary to globalization is seen in the urban system (Knox 1995). Resulting from these transnational practices is a global metropolitanism which is closely tied to the material culture promoted by transnational capitalism (Knox 1995). Rather than a cultural homogenization, global metropolitanism through world cities is depicting tensions and oppositions (ibid.). The global metropolitanism mediated and reproduced by world cities is thus complex, dynamic, and multidimensional (Knox 1995). The “space of flows” of the “informational economy” is manifested through a series of sociocultural flows that reflect and reproduce global metropolitanism. According to Appadurai (1990) the central problem of today’s global interactions is the tension between cultural homogenization and cultural heterogenization. The new global cultural economy has to be understood as a complex, overlapping, disjunctive order, which cannot any longer be understood in terms of existing center-periphery models (Appadurai 1990). Appadurai (1990) proposed five dimensions of global cultural flow which he termed as:

- (a) Ethnoscapes – means the landscape of persons produced by flows of business personnel, tourists, immigrants, etc.
- (b) Technoscapes – means the global configuration produced by flows of technology and machinery disseminated by transnational corporations.
- (c) Finanscapes – produced by flows of rapid flow of capital.
- (d) Mediascapes – produced by flows of images and information through print media, television, and film.
- (e) Ideoscapes – produced by the diffusion of ideological constructs, e.g., democracy, sovereignty, and citizenship.

Appadurai (1990) labeled these five dimensions as “scapes,” which are constantly shifting, just as cultures. The ethnoscapes, technoscapes, and finanscapes are closely intertwined and shift in relation to each other. Technoscapes bring about new types on cultural interactions and exchanges

through the power of technology that happens at an unprecedented speed.

## Opportunities and Challenges

Global urbanization offers the potential of economic opportunities. Globalization provides opportunities to promote democracy at the local level and cities to build partnerships with private sector and NGOs to meet the growing challenges. Globalization provides opportunities for economic growth and national development. Globalization although stimulates economic growth, however, there has been uneven distribution of benefits and costs of globalization. Globalization also provides opportunities for diffusion of innovations and knowledge generated in the cities and city regions. Cities can link economic globalization to promote opportunities for human development. Cities can thus offer solutions for many global problems because they are centers of innovation. However, global urbanization does bring numerous challenges. The process of globalization and the global changes affect urban development (Richardson and Bae 2005) and pose challenges to the sustainability of cities. Globalization also poses challenges of spatial segregation and social exclusion in cities. The central challenge is how to make both urbanization and globalization work for all people and make inclusive cities. Globalization not only increases competition between but also fragmentation within cities (Fainstein et al. 1992; van Kempen 2007). These, in turn, pose challenges to mobilize resources, build coalition, and develop effective governance structures in cities. Globalization brings spatial inequalities and uneven urbanization (Smith 1996). Globalization also puts severe governance challenges especially in Third World cities that generally get aggravated owing to obsoleted municipal political structures. Environmentally, globalization threatens to exacerbate urban environmental pollution and natural resource degradation that lead to environmental unsustainability. Moreover, a handful of larger global cities contribute more than 60% of the global greenhouse gasses that contribute to global

climate changes. Cities must continuously adapt to be globally competitive and inclusive. The challenge is how to share the benefits of globalization more equally among people and how cities can deepen their efforts to be globally engaged.

## Conclusions

Globalization and urbanization go hand in hand. Cities influence processes of globalization and in turn are influenced by it. Globalizing processes are the driving forces behind urban change. An understanding of globalization and cities especially global cities brings an emphasis on power, division, networking, and inequality. Urban sustainability calls for re-embedding our understanding of cities and their multiple and diverse impacts on society, economy, and the environment within the contemporary process of urbanization. This is because cities cannot be expected to become “islands of reform” in isolation from the wider global political economy in which they are produced. All strategies should be directed to make cities livable, provide environmental services for the urban people, and protect urban people against environmental hazards in order to build a healthy and sustainable city.

## Cross-References

- ▶ [Healthy City](#)
- ▶ [Inclusive City](#)
- ▶ [Urban Production and Consumption System](#)

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