

21 Changes in urban areas and patterns

over the last three decades is largely due to the effects of globalisation and the associated economic restructuring. Economies are no longer controlled by nation states, but by large trans-national corporations who have contributed to a wider, global economy. As a result flows of capital transcend national boundaries and the location of TNC's has led to the formation of world cities. The global economy is reflected in the hierarchy of world cities, which are the headquarters of the many TNC's.

World cities are located primarily in the developed world, as those countries in the developing tend to support a national economy, rather than a global one. There are agglomerations of world cities in western Europe, Eastern Asia and North America, which are primarily located in the northern hemisphere.



The southern hemisphere is serviced by the world cities of Sydney, Johannesburg and Sao Paulo.

More recently world cities have eclipsed their roles as centres of finance and banking to fulfil a large number of other roles, due to their financial, cultural and economic dominance.

World cities are command and control centres for the global economy and are responsible for the accumulation and concentration of international capital. This is reflected in New York, a dominant world city, which was responsible for 40% of all stock exchanges in 2000.

As world cities form a global hierarchy, they are important to the operation of global networks and so they have attained the role of focus for telecommunications technology technologies and their associated infrastructure. They are also the home to new and innovative industries such as



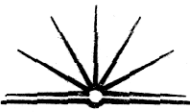
The information industry as well as providing markets for the products produced by such industries.

Due to their amazing ability to spread and generate ideas and values, world cities are also powerful centres of cultural authority.

This is evident in the process of Americanisation, where the dominance of American world cities such as New York and Chicago allows them to spread American values and ideas throughout the globe, which is evident in the westernisation of Japan.

Finally, world cities are centres for new ~~services~~ specialised service firms such as law, accounting and advertising, which play a primary role in the operations of world cities. Many world cities are home to a variety of the top firms in such industries.

To allow for a global economy it is essential to have the efficient operation ~~is~~ of

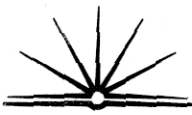


global networks. Global networks ~~include~~ include telecommunications, such as the Internet, phone services and satellite uplinks to exchange information and transport services ~~on~~ on land, water and in the air for the exchange of goods. The hierarchy of world cities play an important role in this.

At the top of the hierarchy are the dominant world cities, namely, New York, London and Tokyo.

These 'big three' are financial powerhouses and are the primary locations for all world stock exchanges. They also support new information industries and specialised service firms.

Beneath these are the secondary world cities which serve to integrate important national economies into the global economy, via global networks. Such cities are Sydney, Paris, Los Angeles and Hong Kong, which depend on dominant world cities for finance, capital and investment, but also provide them with other goods and services.



Regional world cities such as Milan and Singapore incorporate vital regional economies into the world economy. The overall effect of ~~the~~ this integration is demonstrated in Source 1 ~~and~~ ⁱⁿ the Stimulus Booklet, where ~~where~~ in the diagram of the international communications networks of Citicorp Bank.

The primary or dominant world cities such as New York and London integrate other economies into the global networks. It is evident that many South American economies must pass through New York in order to integrate themselves with London and other world cities.

In this way world cities play an important role in the operation of global networks as they allow the mobilisation of goods, services, resources, ideas and finance, throughout the world.

In addition to this smaller urban areas, ~~like~~ ~~than~~ such as Melbourne in Australia, would rely on world cities, namely Sydney, for ~~an~~ a global role in the world economy.



So that those urban areas ~~of~~ ^{of less} ~~less~~ importance,
depend on world cities for employment,
income, ideas, culture and services.

Clearly then world cities have developed
roles which go beyond being important
centres of banking and finance and
are important centres of financial, cultural
and technological influence. In terms of
global networks, they serve to integrate
important national economies into a wider,
global economy via telecommunication and
transport networks.