

# Global City-Regions: A Conversation with Allen Scott

**Kathleen Lee**

**The Global City-Regions Conference was hosted by** the School of Public Policy and Social Research at UCLA in October, 1999. The conference included an opportunity for academicians and policymakers to engage in a dialogue around various economic, political, and social challenges posed by globalization and its intersection with urbanization and regional development processes. During the short three days, October 21-23, 1999, the conference proceeded with intellectual seriousness, controversy, and also genuine

conviviality among old and new friends. The conference proceedings will be published by Oxford University Press at the end of the year as a book, *Global City-Regions*.

Recently, I talked with Professor Allen Scott, the principal organizer of the conference, about the concept of global city-regions and some of the issues related to the project.

*Lee:* The conference theme paper suggests that the global city-regions concept builds on and goes beyond the earlier ideas of world cities and global cities. The earlier concepts assumed a certain geometric hierarchy that is based on a historical accumulation of different factors (e.g., transportation nodes, corporate headquarters, concentration of leading industries, etc.). In what respect do you see the global city-regions concept as more relevant or central to today's social and economic processes?

*Scott:* There has been a long development of the idea of large cities in relationship to the world economy, beginning with Peter Hall's *World Cities* in 1966, going through the work of John Friedmann in the 1980s, and Saskia Sassen's work in 1980s and 1990s, i.e. on the phenomenon of hyper-developed cities with global interconnections. Most of that work in the past has focused on the city as the center of command and control, and on global cities as centers of

high-level financial services. The concept of the global city-region builds on that work but tries to take the concept forward in the sense that we are looking at the general phenomenon of extended, polarized regional complexes often extending over a quite large geographic territory. What is particularly new about the concept as we tried to develop it is the notion that these complexes, in the context of globalization, are developing strong forms of political identity and of political action, independently of national governments and national politics. In other words, city-regions are emerging not only as economic motors of the world economy but also as political entities with distinctive capacities for action.

*Lee:* Could you elaborate on the political role of global city-regions? What kinds of political actions and political connections are you referring to?

*Scott:* One of the consequences of globalization is that the city-regions find themselves faced with many new kinds of threats and also opportunities. And, in a dominantly neoliberal world, where national governments are retreating from many of the responsibilities that they formerly had, whether it be in regard to particular regions, sectors, or demographic groups, regions are faced with a rather stark alternative. That is to say, either do nothing and face the conse-

quences in terms of intensifying competition, or try to build a local capacity for action that will enable the region to face up to and take advantage of the new rules of the game that are emerging. That includes serious efforts to boost local competitive advantages and agglomeration economies.

*Lee:* Would you agree that the power of the global city-region comes from its ability to explain both the sustained prominence of established large urban regions in advanced capitalist economies and at the same time allow for a more flexible and dynamic reconfiguration of economic and political geographies? In your opinion, what are the realistic possibilities for large urban centers in the periphery to achieve a global city-region status?

*Scott:* One of the theses of the global city-regions idea is that these regional entities are based on a particular set of localized economic relationships constituting a local economy in the form of a complex or agglomeration of specialized but complementary activities, and in such a way that there are high levels of local synergy in the economic dynamics of these regions. Hence, these regions become focal points or motors of the whole developmental process. And in fact, we have seen former Third World areas accede to high levels of prosperity through the development of particular regions. For

example, South Korea, Taiwan, Hong Kong, Singapore and to some extent Thailand, Malaysia, Mexico, and so on. These city-regions become focal points through which the development process is mediated. Hence, I believe that there are possibilities for continued development in the world's periphery via development of global city-regions. To a large degree, this depends upon the extent to which local urban and regional governments in the world periphery can put together policy packages capable of harvesting the increasing returns and the competitive advantages that will enable these cities to function effectively on global markets.

*Lee:* What kinds of development policies do you think are relevant to these tasks?

*Scott:* These are policies that involve various institution-building efforts around the training of labor, for example. Others include investing in research activities relevant to local forms of regional development, building up effective collaborative networks of firms in order to increase the synergies in those networks, building local institutions and partnerships that can do jobs like marketing and export promotion, and trademarking of regional products. In other words, forms of partnership between business, labor, and local government that can take given sets of economic assets and resources

and build an economic complex that can begin to contest world markets.

*Lee:* You describe the development process as a diffusionary model of some sort. There is a ripple effect, in connection with the policy packages, that brings the periphery into the development process. However, the opponents of globalization would argue that in fact the development process follows a more circular and cumulative causation logic and that there is a backwash effect on the periphery.

*Scott:* First of all, I would not describe it as a diffusion process, though there is a question of timing. That is, there are city-regions that get ahead first and those that lag. I am sympathetic with those groups that see globalization as an increasing threat, particularly in peripheral areas and cities. But, I think it is important to make the point that globalization is currently associated with the neoliberal agenda. It need not necessarily be associated with that agenda. I think it is correct to say that, in the context of neoliberalism, globalization poses some very serious threats to both developed and the less developed places. But there are viable political responses. They seek to work with globalization to get the best possible advantages in the form of local development, of exchange, and of gener-

ally rising income levels. In my opinion, this calls for a social democratic consensus, in terms of local policymaking, national policy-making, and global policymaking. So, the political task for me is not to oppose globalization as such, but to oppose a particular political form of globalization that is taking place at the present time.

*Lee:* There are two opposing perspectives on the urban question. On one extreme, the city, because of its density and diversity, is the center of human development and progress (e.g., Jane Jacobs). On the other end of the extreme, the city emerges as an outcome of capitalist relations (e.g., Castells). Where does the global city-region fit in this scheme? Does the global city-region concept provide an alternative answer to the urban question?

*Scott:* Castell's version of the urban question was essentially to see the city as a locus of social conflicts over collective consumption. In the context of the modernist forms of urbanization in the 1960s and 1970s, Castells—and Harvey who was pretty much involved in the same project—correctly and with great insight dealt with that particular problem. It seems to me, however, that the urban question has changed in the sense that the underlying social and political realities have changed. Castells and Harvey more or less neglected the urban

economy. The capitalist system is there in their work as a background but they didn't problematize the urban economy as such. In the post-Fordist economy, particularly in a context where the state is retreating from many of its former obligations and in a context where the market economy is becoming much more open and intense, a new set of urban questions is appearing. These questions involve, in part, how we build institutions that can foster systems of competitive advantage able to secure growth and development of the local economy and at the same time bring with them distributional advantages for all local social groups. At the present time, by contrast, what we see in cities is a widening of the income gap. One of the tasks we need to face is to develop institutions that not only sustain competitive advantages but that also narrow the income gap.

*Lee:* A coalition of environmental, labor, women's, and religious groups is protesting the policies of the World Bank and the IMF in Washington DC. They oppose what they call a corporate globalization process, which they believe is the cause of the widening gap between rich and poor. They claim that international institutions like the World Bank and IMF are essentially serving the interest of large corporations and thus contributing to this gap. What is the political relevance of the global city-regions concept in this debate?

*Scott:* First of all, I am sympathetic to these groups and the political position that they are pushing. My feeling is that the IMF is more to blame than the World Bank. In fact the World Bank is making some definite efforts to bring development down to the grassroots. I don't think it is entirely correct to characterize the World Bank as simply being in the pockets of multinational corporations. Perhaps that particular charge might have been sustained ten or fifteen years ago, but I think that given recent policy changes at the World Bank, it is less sustainable at the present time. In any case, the combination of globalization and neoliberalism is indeed sharpening many political conflicts and inequalities both within city-regions and between city-regions. In our conference paper, one of the points we tried to make was that there are political alternatives that don't involve what I take to be the impossible task of turning back the clock on globalization, but that do involve harnessing globalization within a more politically progressive agenda. Those alternatives involve one version or another of social democracy.

*Lee:* Well, the opponents of globalization in Washington DC were pointing to the World Bank-sponsored oil extraction programs in West Africa. To some extent, isn't this another instance of international institutions facilitating corporate interests and

also an instance of the core draining the resources of the periphery?

*Scott:* I am not by any means trying to whitewash the World Bank. I am merely saying the World Bank is now trying to develop a set of policy initiatives that are much more focused on the grassroots and on poverty as such. There are undoubtedly programs all over the world sponsored by the World Bank that are not terribly progressive in the way they are organized. But there has also recently been a sea change in the thinking of the World Bank about how it approaches policy and its implementation. One big change in recent years is that the World Bank has backed off from dealing with the national governments and now it seeks to do business directly with local governments and relevant community groups.

*Lee:* Do you think that that is an improvement? I mean, we are talking about places where political restructuring is just as necessary as building up economic competitiveness. And part of the problem is really political and that applies to local governments as well.

*Scott:* For example, in Latin America over the last ten years, there has been a tremendous resurgence of democratic movements at the local level. And, there has been a real willingness on the part of the World Bank to seek out representatives of these movements and work with them.

*Lee:* Can you elaborate on what you mean by opportunities associated with globalization as opposed to corporate globalization?

*Scott:* As globalization proceeds, we are seeing a re-scaling of political life in the sense that the sovereign state is no longer quite the monolithic and centralized set of institutions that it was. If you like, there has been a certain disarticulation of the political away from the nation-state, that is, up the scale to the global and the plurinational and down to the regional. In other words, new levels of the articulation of economic and political activity are appearing as globalization proceeds. Now, I would argue that at each of these levels, there are political and regulatory tasks that need to be carried out. In fact, there is a democratic deficit at almost every level. Why? Because political institutions and existing institutions of democracy have been calibrated with respect to nation-states and most certainly not with respect to the regional or the supra-national levels. One of the consequences of this is that multinational corporations, which by definition operate in the space of the supranational, escape in very significant ways from any effective regulation and control. Hence, important problems of the re-regulation of capitalism exist at virtually every level of scale. That includes, by the way, regulating

the emerging problem of inter-regional competition and rivalry at the world scale.

*Lee:* In recent years, there has been an increased interest in the success stories of regions measured by their competitiveness, their share of world output, control over innovation, and so on. How does the concept of global city-regions help us understand inter-regional structures of uneven development between the successful and the less successful regions?

*Scott:* I don't know if the concept of global city-regions adds anything to what we already know about the problem of uneven development. Uneven development is an endemic characteristic of capitalism. We know that under competitive capitalist economic relationships, there is a tremendous tendency for some regions to grow and develop and for other regions to languish. At the same time, there is a tendency for various kinds of exploitative relationships to appear between the better developed regions and less developed regions. The idea of global city-regions really fits into the existing theoretical schema that we have about spatial and regional development. But, on the basis of what I said earlier, I would add that the global city-regions argument makes it possible for us to think a bit more optimistically than we have in the

past about the possibilities of development in underdeveloped regions.

*Lee:* Can you be more specific about the relative optimism and the reasons for that?

*Scott:* What I am saying is that there is probably much more opportunity for development to occur today than was allowed for in the more traditional theories of uneven development and exchange. People like André Gunder Frank and Samir Amin more or less proclaimed that in the capitalist system, underdevelopment was inevitable and that underdevelopment would only intensify in that system.

*Lee:* In some sense, they left out the will of the people and the dynamic interaction between the core and periphery.

*Scott:* Right. And at the same time, I think they were arguing with respect to a particular situation. Remember, this was the period of high Fordism with its culmination on the international front in the so-called new international division of labor. In fact, at this time, there was some empirical evidence in favor of the development of underdevelopment thesis. It seems to me, the rules of the game have changed significantly both in terms of the kinds of sectors and forms of regional development that prevail. By focusing on their existing assets,

even where these consist only of traditional forms of industry, and by pushing collectively toward flexible learning-based agglomerations, at least some underdeveloped areas are able (and have been able) to contest export markets and to move into a more dynamic growth pattern.

*Lee:* What is the relevance of the global city-regions concept to urban planners today?

*Scott:* Can I rephrase the question? We might ask, what new questions and tasks does the concept of global city-regions pose to urban planners? In addition to the traditional tasks of urban planners like dealing with land use, transportation, housing, neighborhoods, urban demographics, and so on, there is also a whole series of new questions about the structure of the urban economy, the dynamics of business in the urban system, and the tasks of institution-building vis-à-vis business and labor in city-regions. The traditional planning programs in the US universities need to recognize more fully the new set of problems that urban planners are facing. We need to rethink urban planning programs to take account of the problems posed by city-regions in a context of globalization and by the new economic and political problems that this situation raises.

*Lee:* One of the traditional domains of action for urban planners is the public sphere. And, planners have tried to act in the public interest. However, globalization has transformed the city, and planners are faced with a much more heterogeneous public and interests. What role can planners play in the new heterogeneous public sphere?

*Scott:* They have to understand the very intricate details of the economic organization and structure of the urban economy and in what ways the collectivity can intervene effectively in these domains. In building competitive advantages and fostering agglomeration economies, planners need to engage in the construction of institutions like research development organizations, labor training organizations, regional marketing and export promotion centers, collaborative industrial networks, and so on. The questions are how to go about constructing these types of organizations and how to bring various social groups into effective dialogue with one another, including business, labor, and any kinds of community groups whose interests are at stake in this process.

*Lee:* So, you see the planner primarily as performing a broker function.



*Scott:* Yes. That is one of the functions. The traditional tasks of planning remain. On top of those tasks, there is a whole series of new challenges, not only about creating and sustaining the new economy as it is manifest in regional industrial clusters, but also about how to construct a new kind of urban political system that ensures local economic efficiency and competitiveness while at the same time securing democratic accountability. By the way, I would add one of the other challenges that is being raised by the development of global city-regions is in fact the reconceptualization of citizenship itself, and ensuring that the citizenry at large, including those who are not nationals of the country, are brought into the process of consultation, dialogue, and collective decision-making.

*Lee:* Based on the discussions that occurred at the conference, what do you see as the future direction for the debate on global city-regions?

*Scott:* One of the things that came up dramatically at the conference was a general consensus that city-regions really constitute an important new kind of phenomenon in the contemporary world. People from all different political viewpoints seem to accept that, even though there was clearly a big divide between those who, like Kenichi Ohmae, for example, took a stance that was very sympathetic to the neoliberal position, and those, like Michael Keating, who took a much more skeptical and critical view on the neoliberal position. It strikes me that one of the major questions for the future is how to establish effective and progressive political movements to deal with the inter-related questions of globalization and city-region development. And that involves in part establishing an effective analytical description of what is going on in the global city-regions, both in terms of their internal and external dynamics and in terms of their relationships to one another across the world.

*KATHLEEN LEE is a doctoral student in the Department of Urban Planning at UCLA. Her dissertation research deals with "flexible geography of production" in the the film and TV industries in Southern California.*

*ALLEN J. SCOTT is a Professor in the Departments of Geography and Policy Studies at UCLA. His most recent publication is Regions and the World Economy (1998) published by the Oxford University Press.*