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Mary Pennisi

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## THE GLOBAL CITY: GLOBALIZING LOCAL INSTITUTIONS

Mary Pennisi\*

### INTRODUCTION

As the deterritorialization of the global economy blurred the distinction between the local and international levels, the “global city” has emerged as a salient spatial dimension of the globalized economic order.<sup>1</sup> Many academics and theorists have focused on how external global factors have contributed to the rise of global cities, particularly emphasizing the advantages that particular cities offer the global market and the interplay between those advantages and global forces.<sup>2</sup> This Article explores how those cities gained these advantages, or rather the role of urban governments in strategically planning the futures of their cities as “global.” It examines how developments in the global economy have impacted urban institutions and led particular cities to assume strategic positions on the global economic map. Urban institutions worldwide should learn from the impact of their past decisions seeking to garner global city status in order to effectively steer strategic planning in the future. Other urban institutions in cities that are not yet “global cities” should also critically review the past planning decisions of today’s global cities to learn from their mistakes and more effectively coordinate their own planning.

This paper posits that urban regimes made calculated decisions that led those cities to assume certain positions on the map of the global economy. Part I explains how the deterritorialization of the global economy has produced “global cities” and “glocalisation.” Part II assesses how economic shifts influenced urban governments’ public policy choices. Part II, Section A focuses on developments in two global cities, New York and London. Part II, Section B addresses developments in two regional cities, Brussels and Frankfurt. It explores how regionalization in the European Union led urban governments to adopt “Europeanized” policy agendas. Additionally, this part examines the “European City” paradigm developed by Max Weber and its applicability to European cities today. Part II, Section C focuses on the social ramifications of “glocalisation” and “global city” status. Part III posits that global cities have become microcosms of globalization due to the policy choices made by their urban governments. This paper concludes that while globalization prompted urban institutions to respond to the changing landscapes of local economies, their specific policy choices shaped their environments into global cities.

### I. GLOCALISATION AND THE EMERGENCE OF THE GLOBAL CITY

This part explains how the deterritorialization of the global economy has sparked the twin movements of globalization and urbanization, which has resulted in the rise of global

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\* J.D., Fordham University School of Law, *magna cum laude*, Order of the Coif, May 2011, B.A., *summa cum laude*, Political Science, Philosophy, and Economics, Macauly Honors College at Brooklyn College, City University of New York, June 2008. Special thanks to Professor Aaron Afilalo, Esq. and my friends and family for their invaluable comments and support.

<sup>1</sup> SASKIA SASSEN, *THE GLOBAL CITY: NEW YORK, LONDON, TOKYO* 65 (2d ed. 2001).

<sup>2</sup> See, e.g., Ronen Palan, *International Financial Centers: The British-Empire, City-States and Commercially Oriented Politics*, 11 *THEORETICAL INQUIRIES L.* 149 (2010).

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cities, or “glocalisation.” Globalization refers to a “process” that transformed the spatial organization of transactions.<sup>3</sup> It produced global and regional networks of power by enabling capital, commodities, and people to internationally travel at an unprecedented rate.<sup>4</sup> Trade agreements, supranational institutions, and international socioeconomic connectivity globalized the financial service sector, labor, and capital.<sup>5</sup> Technology that revolutionized communication and transportation further facilitated the movement.<sup>6</sup>

Scholars conceptualize globalization in many ways. Some characterize it as a world-wide wealth maximizing mechanism that evolved from twentieth-century capitalism.<sup>7</sup> Others equate globalization with “Americanization,” or the global north’s colonization of the global south.<sup>8</sup> Many lawyers and theorists maintain that globalization effectuates a shift in international law replacing the Westphalian paradigm, which focused on the sovereign state as the primary actor in the global stage and dominated international relations for the past three centuries, with a new paradigm of “transnational law,” which has a more cosmopolitan orientation<sup>9</sup> by focusing on sub- and supra-state actors while the nation-state withers away.<sup>10</sup> Meanwhile, revisionist accounts maintain that globalization has transformed the nation-state into the “competition state.”<sup>11</sup> Other revisionist accounts claim focus on urbanization as an expression of globalization and posit that cities are the “motor of the new global economy.”<sup>12</sup> Overall, most theories agree that globalization constitutes multiple processes simultaneously acting upon traditional political and economic institutions.<sup>13</sup>

Technological advancements such as the Internet have compressed time and space in the global market and led scholars to predict that cities would become irrelevant.<sup>14</sup> Indeed,

<sup>3</sup> DAVID HELD ET AL., *GLOBAL TRANSFORMATIONS: POLITICS, ECONOMICS, AND CULTURE* 16 (1999) (defining globalization as “[a] process (or set of processes) which embodies a transformation in the spatial organisation of social relations and transactions, generating transcontinental or interregional flows and networks of activity, interaction and power”).

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> See, e.g., George Resiman, *Globalization: The Long-Run Big Picture*, MISES DAILY BLOG, <http://mises.org/daily/2361> (November 18, 2006) (last visited November 10, 2011).

<sup>8</sup> See, e.g., MICHAEL HARDT & ANTONIO NEGRI, *EMPIRE* (2000).

<sup>9</sup> ULRICH BECK, *COSMOPOLITAN VISION* (2006).

<sup>10</sup> See, e.g., KENICHI OHMAE, *TRIAD POWER: THE COMING SHAPE OF GLOBAL COMPETITION* (1985); ROBERT O'BRIEN, *GLOBAL FINANCIAL INTEGRATION: THE END OF GEOGRAPHY* (1992); Eyal Benvenisti, *Exit and Voice in the Age of Globalization*, 98 MICH. L. REV. 167 (1999); Anne-Marie Slaughter, *The Real New World Order*, FOREIGN AFF. Sept/Oct 183-84 (1997).

<sup>11</sup> See PHILIP C. CERNY, *THE CHANGING ARCHITECTURE OF POLITICS: STRUCTURE, AGENCY AND THE FUTURE OF THE STATE* (1990); JOHN STOPFORD & SUSAN STRANGE, *RIVAL STATES, RIVAL FIRMS: COMPETITION FOR WORLD MARKET SHARES* (1991).

<sup>12</sup> See Palan, *supra* note 2, at 158; see also, e.g., JANE JACOBS, *THE ECONOMY OF CITIES* (1969).

<sup>13</sup> Saskia Sassen, *Bordering Capabilities Versus Borders: Implications for National Borders*, 30 MICH. J. INT'L L. 567, 575-79 (2009) (“The globalization of a broad range of processes shows us that borders can extend deep into national territory, they are constituted through many more institutions than simply the nation State, and they have many more locations than is suggested by standard geographic representations . . . [T]he mix of processes we describe as globalization is indeed producing an incomplete yet significant form of authority deep within the national State.”).

<sup>14</sup> See, e.g., INSOR, *MINISTERO DELL'AGRICOLTURA E DELLE FORESTE LASTERZA, L'ITALIA RURALE (A CURA DI CORRADO BARBERIS)* 8-10 (1988); see also Guido Martinotti, *Four Populations: Human Settlements and Social Morphology in Contemporary Metropolis* 4 EUR. REV. 1, 1-21 (1996).

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de-industrialization settled into some cities like *rigamortis*.<sup>15</sup> However, these early forecasts of urban obsolescence proved myopic. Urbanization accompanied globalization in both developed and developing nations as individuals from rural areas migrated to urbanities.<sup>16</sup> The new period of urbanization featuring densely populated metropolises altered the character of states worldwide. It transferred political, economic, and social power traditionally associated with central governments to local institutions.<sup>17</sup> Cities now make important policy decisions to accommodate large populations and confront new problems, such as increasing crime rates, environmental pollution, cultural tensions, housing shortages, and the disappearance of social services and safety nets.<sup>18</sup> As the nation-state has weakened, competition among cities has intensified in their race to become global.<sup>19</sup>

Some cities in the global north emerged from the twentieth century as major financial arteries in the global economy, or “global cities.”<sup>20</sup> By reconfiguring the international system’s power structure, globalization shifted decision-making power over many issues from the nation-state to local actors.<sup>21</sup> Urban institutions operate within a complex web of global, national, local forces. Eric Swynegedouw describes the relationship between globalization and localization as “glocalisation:”

There is . . . a double movement of globalisation on the one hand and devolution, decentralisation or localisation on the other . . . This concept [glocalisation] also suggests that the local/global interplay of the contemporary capitalist restructuring process should be thought of as a single, combined process with two inherently related, albeit contradictory movements.<sup>22</sup>

Particular cities developed into strategic nodes in the global market. Urbanist Saskia Sassen identifies the “global city” as the epicentre of the international market where fiscal

<sup>15</sup> Many areas such as Times Square and the Docklands suffered severe economic decline during the 1970s. See *infra* Part II.A.

<sup>16</sup> Yishai Blank, *The Spheres of Citizenship*, 8 THEORETICAL INQUIRIES L. 411 (2007).

<sup>17</sup> *Id.* See also John Friedmann, *The World Cities Hypothesis*, in WORLD CITIES IN A WORLD SYSTEM (Paul Knox & Peter Taylor eds., 1995).

<sup>18</sup> The nation-state alone is often no longer able to provide the services necessary to accommodate or offer cities adequate means to confront these challenges. Yishai Blank, *The City and the World*, 44 COLUM. J. TRANSNAT’L L. 875, 880 (2006).

<sup>19</sup> GERALD E. FRUG & DAVID J. BARRON, CITY BOUND: HOW STATES STIFLE URBAN INNOVATION 144-164 (2008).

<sup>20</sup> See, e.g., SASSEN, *supra* note 1; PETER HALL, THE WORLD CITIES (1984); GLOBAL NETWORKS, LINKED CITIES (Saskia Sassen, ed., 2002); WORLD CITIES IN A WORLD-SYSTEM (Paul L. Knox & Peter J. Taylor, eds., 1995); WORLD CITIES BEYOND THE WEST: GLOBALIZATION, DEVELOPMENT AND INEQUALITY (Josef Gugler ed., 2004).

<sup>21</sup> Some scholars posit that cities may assume roles where states and international entities fail. Blank, *supra* note 16. Others argue that cities always were involved in areas primarily under the nation-states’ purview, even international trade. See, e.g., Sarah H. Cleveland, *Symposium: Crosby and the “One-Voice” Myth in U.S. Foreign Relations*, 46 VILL. L. REV. 975, 991-94 (2001); Peter J. Spiro, *Part II: Role of the States in Foreign Affairs: Foreign Relations Federalism*, 70 U. COLO. L. REV. 1223, 1260-71 (1999); Cristina M. Rodriguez, *The Significance of the Local in Immigration Regulation*, 106 MICH. L. REV. 567, 581-83 (2008).

<sup>22</sup> Eric A. Swynegedouw, *The Mammon quest. ‘Glocalisation’, interspatial competition and the monetary order*, in Mick Dunford & Grigoris Kafkalas, eds., CITIES AND REGIONS IN THE NEW EUROPE 40 (1992); see also ROLAND ROBERTSON, GLOBALIZATION: SOCIAL THEORY AND GLOBAL CULTURE (1992).

dealings, upper-level management, and industrial coordination are highly concentrated.<sup>23</sup> The Globalization and World Cities Research Group similarly defines global cities as “control or command centres within the global networks of financial and business service (or ‘producer service’) firms.”<sup>24</sup>

During the twentieth century, many nations such as the United States and United Kingdom deregulated their finance industries and pursued privatization policies, opening their domestic markets to global investment.<sup>25</sup> International financial firms emerged and located their headquarters in major cities.<sup>26</sup> They required specialized services from advertising, legal, accounting, and consulting firms, which were disproportionately concentrated in cities.<sup>27</sup> To gain access to a talented specialized workforce in service firms, financial firms situated their offices in urban locations.<sup>28</sup> Cities thereby served as networks connecting service providers with finance firms.<sup>29</sup>

While national governments deregulated and entered trade agreements in which they surrendered some of their sovereignty over their domestic markets to the global economy, city governments adopted policies aimed at attracting global businesses to position themselves as global economic centers. To survive in the post-industrial era, city governments adapted to the loss of their manufacturing sectors by fostering growth in their financial service sectors.

## II. GLOBALIZATION’S IMPACT ON URBAN GOVERNMENTS’ POLICY CHOICES

This Part examines how the following cases of New York, London, Brussels, and Frankfurt illustrate how global cities adjusted their public policies and development plans to attract the international business community.<sup>30</sup> These cases also demonstrate globalisation’s social consequences.

### A. New York and London

Section II.A explains how New York and London represent “first-tier” global cities. It further discusses the policies that the governing institutions of both cities employed to obtain global status.

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<sup>23</sup> SASSEN, *supra* note 1.

<sup>24</sup> Jonathan V. Beaverstock et al., *Comparing London and Frankfurt as World Cities: a Relational Study of Contemporary Urban Change*, Loughborough University: Globalization and World Cities Study Group and Network, 19 Nov. 2001, <http://www.lboro.ac.uk/gawc/rb/London-Frankfurt.pdf>.

<sup>25</sup> SASSEN, *supra* note 1, at 74 (“Deregulation of domestic financial markets, liberalization of international capital flows, computers and telecommunications caused the explosive growth in financial markets . . .”).

<sup>26</sup> *Id.* at 77. From 1990 to 1993, the financial assets of institutional investors increased from \$6.8 billion to \$9.6 billion. *Id.*

<sup>27</sup> *Id.* at 84-88, 120 (“[S]ocial infrastructure [ ] gives [ ] financial centres a strategic role . . . [that] cannot be reproduced anywhere.”).

<sup>28</sup> *Id.* at 87.

<sup>29</sup> *Id.*

<sup>30</sup> *Id.* at 114-16.

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## 1. New York

New York offers major global companies several advantages in terms of location, including social networks, a high concentration of service firms, prime office space, conference centers, and innovative talent.<sup>31</sup> Placing New York in the context of the world economy, urbanist Janet Abu-Lughod stated,

[The New York] region accounts for half of all securities traded on a global basis . . . [i]n 1994, turnover exceeded \$3 trillion in equities traded on our stock exchanges . . . [t]oday, more foreign companies are listed on New York's exchanges than in London or in Frankfurt, Paris, and Tokyo combined.<sup>32</sup>

To transform New York into a global business center and ensure its prosperity in the post-industrial era, the city's government adopted budgetary, tax, planning, and housing policies over the past four decades that dramatically reinvented the city.

New York's budget always indicated the power configuration among its many interests.<sup>33</sup> As New York entered the post-industrial era, the global business community's influence increased. The City developed an extensive capital investment program and directed its spending toward local economic growth and development instead of redistributive services.<sup>34</sup> To attract global investment, the City Council and Board of Estimate approved over one thousand new infrastructure projects.<sup>35</sup> The City also attracted a network of global firms by adopting favorable tax policies related to quality of life conditions and services.<sup>36</sup> As part of his "corporate retention" plan, the Giuliani Administration provided an abundance of tax exemptions. During his first three years in office, the city spent an unprecedented \$666.7 million on tax breaks and other incentives for thirty-four firms.<sup>37</sup>

The Times Square Redevelopment project exhibits the city government's tendency to use selective corporate tax breaks to court global firms. After the sex and porn industry overwhelmed Times Square in the 1950s, the once nostalgic theatre arena became Manhattan's notorious red light district.<sup>38</sup> The \$2.6 billion Times Square Redevelopment Plan successfully revitalized the area *only after* the government offered companies generous tax

<sup>31</sup> JANET L. ABU-LUGHOD, *NEW YORK, CHICAGO, LOS ANGELES: AMERICA'S GLOBAL CITIES* 290 (1999).

<sup>32</sup> *Id.* at 291 (citation omitted).

<sup>33</sup> CHARLES BRECHER & RAYMOND D. HORTON, *POWER FAILURE: NEW YORK CITY POLITICS AND POLICY SINCE 1960* 36-37 (1993) ("[T]he policies of the 1961-1969 period were not implemented at the behest of the business community and the middle class.").

<sup>34</sup> *Id.* at 42, 165-67.

<sup>35</sup> *Id.* at 42, 172.

<sup>36</sup> *Id.* at 42, 186.

<sup>37</sup> Charles V. Bagli, *Companies Get Second Helping of Tax Breaks*, N.Y. TIMES, Oct. 17, 1997, at A1. In 1994, the Administration granted a \$22.1 million tax package to Travelers Inc. *Id.* Donaldson, Lufkin & Jenrette received \$29.5 million tax abatements for bringing 1,950 jobs to its headquarters at 277 Park Avenue. *Id.* After threatening to leave Manhattan in 1997, Reuters was granted a \$25 million sales tax exemption. *Id.* The Administration similarly responded to the prospect of losing Conde Nast Publications, Smith Barney, and Equitable Companies. *Id.* Under Mayors Koch and Dinkins, Chase Manhattan Bank received \$235 million in incentives and Prudential Securities received \$106 million after threatening to abandon the city. *Id.* During his first two years in office, Mayor Bloomberg granted over \$1 billion in commercial property tax breaks. *Id.*

<sup>38</sup> William J. Stern, *The Unexpected Lessons of Times Square's Comeback*, CITY J. (1999), Apr. 10, 2006, [www.city-journal.org/html/9\\_4\\_the\\_unexpected.html](http://www.city-journal.org/html/9_4_the_unexpected.html).

incentives to purchase office space.<sup>39</sup> “[This] show[s] the power of supply-side tax cuts: more than \$2.5 billion in private-sector investment has been poured into Times Square . . . .”<sup>40</sup> The government also granted developers tax exemptions to build luxury real estate because it sought to accommodate talented professionals’ high-income lifestyles. Property values increased dramatically during the 1980s.<sup>41</sup> Furthermore, the city pursued rezoning and housing policies that develop luxury housing in areas such as Greenpoint.<sup>42</sup>

## 2. London

London is New York’s “twin.”<sup>43</sup> It is both a capital and global city, accommodating the national government and the international financial service sector.<sup>44</sup> Over the past three decades, London’s goal of maintaining its global city status has impacted its government structure and planning. To strengthen London’s competitive advantage as a “world city,” the UK central government and Greater London Authority adopted policies to foster its global city functions and attract international businesses.

Over the past century, the central government’s ideology has determined London’s urban policy agenda.<sup>45</sup> From 1965 to 1986, the Greater London Council (“GLC”) oversaw the city’s strategic planning.<sup>46</sup> Thatcher abolished the GLC in 1986 when Mayor Ken Livingstone’s Old Labour socialist ideology, which strove to preserve the welfare state, conflicted with her Conservative government’s free market agenda advocating for privatization, deregulation, and lower taxes.<sup>47</sup> Thatcher redistributed the GLC’s local powers to the central government and established many unaccountable committees and quasi-autonomous non-governmental organizations (“QUANGOs”), including the London Planning Advisory Committee (“LPAC”).<sup>48</sup> The private sector primarily guided planning.<sup>49</sup> In 1995, London First, a

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<sup>39</sup> The city granted a series of extensive tax cuts, low-interest loans, and other subsidies to prominent firms that invested in the area. *Id.* In 1993, Walt Disney agreed to rehabilitate the New Amsterdam Theater in return for \$25 million in low-interest loans. *Id.* The city entered into agreements with Madame Tussaud’s Wax Museum, AMC Theaters, and developer Bruce Ratner in 1995 to construct an entertainment complex on the south side of 42nd Street, which led to a confluence of contracts with various entertainment and corporate organizations that included sizeable tax abatement packages. *Id.* In 1996, Reuters received a \$26 million tax abatement to construct its headquarters at 42nd Street and Seventh Avenue, a portion of land that already had tax breaks. Charles V. Bagli & Randy Kennedy, *Disney Wished Upon Times Sq. and Rescued a Stalled Dream*, N.Y. TIMES, Apr. 5, 1998, § 1, at 1. *See also* Press Release, Governor George E. Pataki, New York State Office of Press Release, Governor Hails Capstone In Times Square Redevelopment (Oct. 22, 2002), available at [www.ny.gov/governor/press/02/oct22\\_02.htm](http://www.ny.gov/governor/press/02/oct22_02.htm).

<sup>40</sup> *Id.*

<sup>41</sup> SASSEN, *supra* note 1, at 190-91 (“High, often foreign, bidders were clearly willing to pay an extremely high premium for a central location . . . .”).

<sup>42</sup> *See infra* Part II.C.

<sup>43</sup> TONY TRAVERS, *THE POLITICS OF LONDON: GOVERNING AN UNGOVERNABLE CITY* 176 (2004).

<sup>44</sup> Ian Gordon, *Capital Needs, Capital Growth, and Global City Rhetoric in Mayor Livingstone’s London Plan*, Paper Presented at Association of American Geographers Annual Meeting (Mar. 7, 2003), available at [www2.lse.ac.uk/geographyAndEnvironment/pdf/Capital\\_Needs.pdf](http://www2.lse.ac.uk/geographyAndEnvironment/pdf/Capital_Needs.pdf).

<sup>45</sup> PETER NEWMAN & ANDY THORNLEY, *URBAN PLANNING IN EUROPE* 111 (1996).

<sup>46</sup> PETER NEWMAN & ANDY THORNLEY, *PLANNING WORLD CITIES: GLOBALIZATION AND URBAN POLITICS* 134-36 (2005).

<sup>47</sup> Gordon, *supra* note 44.

<sup>48</sup> *Id.*

<sup>49</sup> *Id.*

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conglomeration of business interests, issued a prospectus that emphasized the importance of positioning London as a world city.<sup>50</sup>

During its fourteen-year interregnum, London suffered from a severe democratic deficit marked by a dearth of strategic planning and communication between the public and unaccountable private actors shaping the city.<sup>51</sup> In response, Tony Blair restored local governance and founded the Greater London Authority (“GLA”).<sup>52</sup> The business community supported the GLA and formed the London Development Partnership to “fill the strategic gap” in its economic development.<sup>53</sup> It stressed the importance of global business competitiveness.<sup>54</sup> The London Business Board subsequently produced *The Business Manifesto*, which prioritized making London “a world capital for business.”<sup>55</sup> In 2000, London First urged the Mayor to cooperate with the business community and adopt policies to attract global investment.<sup>56</sup> Livingstone was receptive to the business community’s overtures.<sup>57</sup>

The government’s planning policies, development project, and *Spatial Development Strategy* reflected its goal of transforming London into a global city.<sup>58</sup> The Docklands Redevelopment Project particularly demonstrates how the city government adopted policies to globalize London. The Docklands was a prosperous industrial center during the late nineteenth century.<sup>59</sup> Port activity diminished after containerization emerged in the 1970s. The neighborhood subsequently declined as its industrial activities fell into desuetude.<sup>60</sup>

From 1981 to 1998, the London Docklands Development Corporation (“LDDC”) launched a regeneration plan.<sup>61</sup> Throughout the 1990s, the LDDC revamped the area’s transportation and housing stock, and constructed amenities such as primary schools, health centers, parks, an exhibition center, the Docklands Campus of the University of East London, the Regatta Centre, and major office complexes near the Royal Docks.<sup>62</sup> The project was successful. Estate agents now refer to the Docklands as “the honorary West End” after rental prices rose twenty percent from 2002 to 2005.<sup>63</sup>

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<sup>50</sup> *Id.*

<sup>51</sup> *Id.*

<sup>52</sup> This form of governance with a directly elected Mayor and Council was completely unprecedented in the UK. TRAVERS, *supra* note 43, at 63-65; NEWMAN & THORNLEY, *supra* note 46, at 157 (describing the GLA as “a new departure in institutional design” that “reflects. . .ambitions. . .to open up decision-making . . .”).

<sup>53</sup> TRAVERS, *supra* note 43, at 153.

<sup>54</sup> NEWMAN & THORNLEY, *supra* note 46, at 157.

<sup>55</sup> Gordon, *supra* note 44.

<sup>56</sup> NEWMAN & THORNLEY, *supra* note 46, at 142.

<sup>57</sup> The influence of the business sector was evident in the Mayor’s appointments, most notably Judith Mayhew, political leader of the City Corporation, and John Ross along with several other businessmen who were appointed to the LDA board. Gordon, *supra* note 44. Gordon suggests that Livingstone collaborated with the private sector to compensate for his limited powers. *Id.* See also NEWMAN & THORNLEY, *supra* note 46, at 142-44.

<sup>58</sup> Gordon, *supra* note 44.

<sup>59</sup> *Royal Docks – A Short History*, ROYAL DOCKS TRUST (LONDON), <http://www.royaldockstrust.org.uk/rdhist.htm> (last updated 27 Aug. 2008).

<sup>60</sup> *Id.*

<sup>61</sup> *LDDC Regeneration Statement*, LONDON DOCKLANDS DEVELOPMENT CORPORATION (Mar. 1998), <http://www.lddc-history.org.uk/regenstat/index.html>.

<sup>62</sup> See *Royal Docks – A Short History*, *supra* note 59.

<sup>63</sup> *Bonus Factor is Paying Off*, THE TIMES, Apr. 28, 2006, available at <http://property.timesonline.co.uk/article/0,,29149-2151392,00.html>.



After the central government deregulated financial markets in 1986 and businesses demanded more office space, Canary Wharf in the Docklands attracted the attention of developers. When the European Commission lifted trade controls in 1992, Frankfurt and Paris competed with London for businesses, and developers threatened to move their projects to other European cities if the government did not acquiesce to their interests in response.<sup>64</sup> Developers Olympia and York acquired Canary Wharf in 1987 and dominated the redevelopment decision-making process.<sup>65</sup> They devised plans to create luxury apartments and expensive commercial establishments that catered to wealthier professionals without considering the needs of local residents.<sup>66</sup> Canary Wharf reveals the “failure of the trickle-down economics behind property led regeneration.”<sup>67</sup> It reflects Thatcher’s “authoritarian decentralisation” approach, which fragmented planning, enabled private market forces to decide policy priorities, and disempowered London’s demos by creating a vacuum of democracy.<sup>68</sup> As Thatcher undermined the welfare state, the planning process no longer considered the community’s needs.<sup>69</sup>

Mayor Livingston’s 2004 *London Plan: Spatial Development Strategy* further prioritizes maintaining London’s “global” role and describes London as “one of a very small number of command and control centres in the increasingly interactive network of transactions across the world economy” that has “distinctive strategic needs.”<sup>70</sup> It calls the government to “achieve the maximum possible from the forces to which the city is subject.”<sup>71</sup> Livingston acknowledged that “society has experienced a shift from a model of dependence. . .to an emergent model of interdependence” and encourages an integrated approach that unites private developers with individual boroughs in launching development programs.<sup>72</sup> The plan calls for tall buildings to “provide a coherent location for economic clusters of related activities and/or act as a catalyst for regeneration.”<sup>73</sup> International companies strongly support the policy because it will increase office space in the Central Activity Zone and Canary Wharf. However, the policy received backlash from preservation organizations such as English Heri-

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<sup>64</sup> NEWMAN & THORNLEY, *supra* note 46, at 137-139.

<sup>65</sup> *Id.*

<sup>66</sup> *Id.* at 139 (“Centralisation has been accompanied by exclusion of local interests. It has been argued that this closed, centralised style of decision-making has had profound effects on local politics and on the rise of right-wing parties.”)(citation omitted).

<sup>67</sup> *Id.* at 138.

<sup>68</sup> *Id.* at 115.

<sup>69</sup> *Id.* at 114-15, 145-46 (“The picture emerges of a planning approach scattered amongst numerous organisations, many of which are undemocratic. The principle feature which was common to all of these bodies, and which potentially provides some degree of coordination, was central government control. The local authorities were constrained in their plans by central government guidance.”).

<sup>70</sup> KEN LIVINGSTONE, *THE LONDON PLAN: SPATIAL DEVELOPMENT STRATEGY FOR GREATER LONDON* xii (2004), available at [http://www.london.gov.uk/archive/mayor/strategies/sds/london\\_plan/lon\\_plan\\_all.pdf](http://www.london.gov.uk/archive/mayor/strategies/sds/london_plan/lon_plan_all.pdf).

<sup>71</sup> *Id.*

<sup>72</sup> *Id.* at 30 (“[S]ociety has experienced a shift from a model of dependence (based on the post-war welfare state) to independence (based on the free-for-all of the 1980s) to an emergent model of interdependence. . .the concepts of stakeholding and partnership working are not a product of coincidence or fashion, but reflect deep-rooted change running through society towards interdependence.”).

<sup>73</sup> *Id.*

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tage.<sup>74</sup> Overall, the success of the Docklands has led the government to shift the focus of development from the West Side to the East Side.<sup>75</sup>

### B. The European City Paradigm – Brussels and Frankfurt

This section addresses developments in two regional cities, Brussels and Frankfurt. It examines how regionalization in the European Union prompted urban governments to pursue “Europeanized” policies. This part also explores Weber’s paradigm of the “European City” and its current applicability.

Regionalization refers to institutionalized cooperation based on geographical propinquity.<sup>76</sup> Scholars have debated the relationship between regionalization and globalization.<sup>77</sup> Regional institutions may be construed as either fortifications protecting states from unrestricted global free trade forces or territorial expressions of globalization that fuel economic liberalization.<sup>78</sup> Some scholars maintain that regionalization accelerates globalization. They contend that the regional free trade areas represent microcosms of globalization trends, especially because multinational corporations profit from them. Other scholars maintain that the regional institutions protect nation-states against globalization’s unruly forces by restraining non-governmental actors through supranational institutions. In their view, supranational institutions aggregate sovereignty to regulate subversive market forces and retain the executive capacity that globalization reduces.<sup>79</sup> Nation-states enter regional agreements to retain some autonomy.<sup>80</sup> The European Union’s high level of political and economic integration makes it a laboratory for examining the relationship between globalization and regionalization along with its subsequent impact on cities.

Regionalization has accelerated at an inexorable rate in Europe. American journalist T.R. Reid describes Europe as “a more integrated place today than at any time since the Roman Empire.”<sup>81</sup> Intergovernmental and supranational institutions have blurred nation-state boundaries and enabled the free movement of citizens, currency, trade, and employment across the continent.<sup>82</sup> France, Germany, Italy, and the Benelux countries propelled Europe’s “geopolitical revolution” in 1951 when they formed the European Coal and Steel Community

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<sup>74</sup> NEWMAN & THORNLEY, *supra* note 46, at 149-150.

<sup>75</sup> TRAVERS, *supra* note 43, at 40 (“[T]he successful regeneration of the Docklands was a remarkable shift in the economic geography of London. It at least checked, if not reversed, the nine-hundred-year-old Western bias of London’s growth, driven by such diverse and arbitrary decisions as Edward the Confessor’s building of a palace at Westminster.”).

<sup>76</sup> BEN ROSAMOND, *THEORIES OF EUROPEAN INTEGRATION* 179 (2000).

<sup>77</sup> *Id.* at 181-185.

<sup>78</sup> *Id.* at 181.

<sup>79</sup> *Id.*

<sup>80</sup> ANDREW JORDAN, *ENVIRONMENTAL POLICY IN THE EUROPEAN UNION: ACTORS, INSTITUTIONS, AND PROCESSES* 241 (2002). According to this argument, nations may also revert to regional organizations to combat transborder issues, including environmental protection, health maintenance, migration monitoring, and international crime, with increased efficacy. *Id.*

<sup>81</sup> T.R. REID, *THE UNITED STATES OF EUROPE* 1 (2005).

<sup>82</sup> JOHN McCORMICK, *UNDERSTANDING THE EUROPEAN UNION* 82-83 (2002). Theorist William Wallace maintains that formal integration has driven the development of European trade. Wallace distinguishes between formal and informal integration. WILLIAM WALLACE, *THE TRANSFORMATION OF WESTERN EUROPE* 54-60 (1990). The former refers to the process of states consciously steering integration through legal actions, such as treaties, in order to strategically create a framework for non-state private economic agents. *Id.*

(ECSC).<sup>83</sup> By facilitating cooperation in the bipolar world order, economic integration provided the ultimate panacea for invidious national rivalries that plagued the continent.<sup>84</sup> In contrast to the alliances that engendered both world wars, the EU focuses on competing in a global market, replacing adversarial nationalism with supranationalism, and gaining prosperity through a single destiny “united in diversity.”<sup>85</sup> The EU has a high level of political integration with political and legal institutions and enforceable social rights embodied in a human rights charter.<sup>86</sup>

European integration heavily impacted the decision-making of regional localities, particularly Brussels and Frankfurt.<sup>87</sup> It has therefore engendered a reconsideration of the “European city” model that reflects Europe’s topology of cities. As other nations around the globe engage in similar trade agreements and integration experiments, the influence of globalization and European integration on European cities may be portentous of developments in cities of other regional trading blocs.<sup>88</sup>

The “European city” has become a useful model for examining the interplay among local, national, regional, and global forces. Since ancient Hellenic city-states, urbanities have played a major role in Europe.<sup>89</sup> The city served as a socioeconomic experimental ground.<sup>90</sup> Many European cities originated during the first phase of urbanization, or the “first period of capitalism,” from the tenth through the fourteenth centuries.<sup>91</sup> Eventually, the nation-state absorbed cities when national spaces with central governments overrode urban citizenship.<sup>92</sup> However, globalization dramatically altered national spatial constructs and transposed cities on the geopolitical map, linking the global and local levels.

<sup>83</sup> WILLIAM WALLACE, *supra* note 82, at 28.

<sup>84</sup> McCORMICK, *supra* note 82, at 64-65.

<sup>85</sup> European Constitution art. 1-8 (E.U.) (Oct. 29, 2004), available at [http://europa.eu.int/constitution/en/ptoc2\\_en.htm#a3](http://europa.eu.int/constitution/en/ptoc2_en.htm#a3).

<sup>86</sup> NEWMAN & THORNLEY, *supra* note 45, at 115.

<sup>87</sup> *Id.* (“The distinctiveness of the European region lies in the international institutions of the European Union (EU). Compared to our other two global regions, there is an additional scale of strategic thinking, and this level of governance has had a special impact on the changing economy of European cities and regions. European integration has substantially changed the position of cities. The single European market, the development of a borderless Europe, and since 2002 for eleven member states, the single currency, have exposed European cities to intense regional competition.”).

<sup>88</sup> The end of the Cold War ushered in “new regionalism.” BRIAN WHILE, RICHARD LITTLE, & MICHAEL SMITH, EDS., *ISSUES IN WORLD POLITICS* 55-57 (2001). During the 1990s, regional institutions and free trade areas emerged throughout Latin America, North America, Asia, and Africa. *Id.* These new instances of regionalism are characterized by THREE DIMENSIONS: (1) geographical situations in which countries share common historical experiences and currently face similar challenges in the global order; (2) socio-cultural, political, and economic associations among countries; and (3) formal institutions managing collective affairs. RICHARD STUBBS & GEOFFREY R.D. UNDERHILL, *POLITICAL ECONOMY AND THE CHANGING GLOBAL ORDER* 57 (2006) (emphasis added). The EU conducts inter-regional relations with other regional organizations, including NAFTA, ASEAN, MERCOSUR, the AU, and APEC. *Id.* However, these other regional cooperatives remain weaker than the EU because they are structured around an intergovernmental framework dominated by consensual decision-making in which each state retains veto capacity alternative to the qualified majority voting in the EU’s institutions. McCORMICK, *supra* note 80, at 26-28. They focus on economic cooperation with a weak political arrangement overseeing the bargaining of trade, investment, and other economic issues. *Id.*

<sup>89</sup> Arnaldo Bagnasco & Patrick Le Galés, *European Cities: Local Societies and Collective Actors?*, in *CITIES IN CONTEMPORARY EUROPE 1* (Arnaldo Bagnasco & Patrick Le Galés eds., 2000).

<sup>90</sup> See *Id.* at 14.

<sup>91</sup> *Id.* at 11.

<sup>92</sup> *Id.*

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Many scholars posit that the burgeoning global urban paradigm is analogous to the Medieval “European city” construct developed by economist and classical sociologist Maxmillian Weber. Weber comparatively examined the medieval cities of Europe and Asia in *Die Stadt*.<sup>93</sup> He conceptualized the city as a “closed settlement,” or influential autonomous unit, with distinct economic, social, cultural, and political dimensions.<sup>94</sup> Sociologist George Simmel influenced Weber’s analysis and identified localities as the seat of social interaction and “money economy” that shapes city-dwellers’ mentalities.<sup>95</sup> Weber deciphered a common structure of the “European city,” which originated in the Middle Ages when cities enjoyed a high degree of independence.<sup>96</sup> In Weber’s view, the medieval city was as a unitary entity that directly interacted with external powers and even engaged in sovereign activities.<sup>97</sup> Weber describes the city as a “megapolis . . . [of] free intellect” emerging from a resistance to “feudal powers of blood and tradition.” The city represented the first expression of resistance against the aristocracy.<sup>98</sup>

Weber concluded that European cities in the Middle Ages sprung from unique circumstances of a “certain historical interlude,” namely the absence of a powerful centralized structure that later assumed the form of the nation-state.<sup>99</sup> This “historical interlude” was marked by a series of social transitions and a political vacuity that arose when the continent abandoned the feudal system and began to embrace capitalism.<sup>100</sup> Although the capitalist system eventually “birth[ed] [ ] the nation-state,” European cities gained pre-eminence as they laid its foundations.<sup>101</sup>

The Hanseatic League, a conglomeration of merchant associations that linked the cities of Northern Germany and the Baltic, exemplified cities’ autonomous role during the Middle Ages. As merchants traded along the Kiel “salt road,” they established alliances that later formed the League in the twelfth century between Hamburg and Luebeck.<sup>102</sup> At the zenith of Hansa’s power, the association consisted of merchants from over sixty cities.<sup>103</sup> The alliance established a parliament to oversee inter-city trade and enact common policies

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<sup>93</sup> MAX WEBER, *The City* (Don Martindale & Gertrud Neuwirth, eds., trans., 1958).

<sup>94</sup> *Id.* at 65-75.

<sup>95</sup> GEORG SIMMEL, *The Metropolis and Mental Life*, in *THE SOCIOLOGY OF GEORG SIMMEL* 409-24 (Kurt H. Wolff, trans.) (1950).

<sup>96</sup> Weber’s construct of the medieval European city was comprised of seven distinct elements, including: (1) a fortress, (2) a market, (3) a court of justice guided by a body of enforceable regulations and laws, (4) a structure of guilds, (5) political autonomy embodied in an administrative body, (6) the active involvement of the bourgeoisie in government, and (7) sometimes the existence of an army accompanied by a coherent foreign policy. WEBER, *supra* note 93, at 81. Cities also often had a body of law regulating property, taxes, and citizenship, which further augmented their autonomy by affording it a sense of inclusion. In the absence of the nation-state, cities even acted as vehicles of foreign policy. *Id.* at 91-96. See also Bagnasco & Le Galès, *supra* note 89. Weber also upon the importance of urban citizenship in ancient Greece and Rome, stating, “[i]n classical Greece, the citizen was proud of his membership in the city and he took this quality as a distinguishing difference between himself and the barbarian. Similar attitudes and evidences of civic pride differentiated the denizen of Rome.” WEBER, *supra* note 93, at 31.

<sup>97</sup> Bagnasco & Le Galès, *supra* note 89, at 307.

<sup>98</sup> WEBER, *supra* note 93.

<sup>99</sup> *Id.*

<sup>100</sup> *Id.*

<sup>101</sup> Bagnasco & Le Galès, *supra* note 89.

<sup>102</sup> In 1201, Cologne, Danzig, and other Baltic port cities joined the league. Rainer Postel, *The Hanseatic League and its Decline* (Nov. 20, 1996), available at <http://www2.hsu-hh.de/hisfrn/hanse.html>.

<sup>103</sup> *Id.*

akin to the WTO.<sup>104</sup> However, the League declined in the fifteenth century due to a sudden relocation of herring spawn and competition in shipping technology.<sup>105</sup> The fall of the Hanseatic League signaled the “annihilation” of city life as a whole until the eighteenth century.<sup>106</sup>

After the Middle Ages, European cities underwent geopolitical shifts.<sup>107</sup> Nation-states became the fundamental units of capitalism and drew power away from cities.<sup>108</sup> Today’s transitions in the global economy and the shifting role of the nation-state have again produced a new paradigm. Globalization may represent another “historical interlude” enabling the re-emergence of quasi-autonomous European cities.<sup>109</sup> Weber’s concept of cities as autonomous units may provide an applicable lens through which scholars may analyze the current panorama of influential Europe’s urbanities.<sup>110</sup>

European cities are now again gaining autonomy<sup>111</sup> but operate in a matrix of global and regional forces instead of the political vacuum that characterized the Middle Ages.<sup>112</sup> Peter Veltz suggests that the city has become the site of “archipelago economies” in which horizontal transnational relations overrun traditional vertical national relations.<sup>113</sup> European integration reinforced certain specializations in each city and led areas with diverse economies to flourish.<sup>114</sup> Veltz describes European cities as “formidable machines for accelerating every type of flow” offering firms a large, skilled, and attractive labor market.<sup>115</sup> However, urban governments and their abilities to cultivate resources play a vital role in the development of European cities.<sup>116</sup> Global markets have produced a need for greater local organization to respond to the disparate interests of firms and citizens.<sup>117</sup> Michael Fasciano similarly asserts the European city’s ability to accommodate and respond to the global economy, as he writes,

<sup>104</sup> *Id.*

<sup>105</sup> *Id.*

<sup>106</sup> WEBER, *supra* note 93, at 36.

<sup>107</sup> Bagnasco & Le Galès, *supra* note 89. At the beginning of the fifteenth century, Paris represented the largest city in the world with a population of 275,000, followed by Milan, Bruges, Venice, and Genoa. *Id.* This reflected the beginning of the formation of a trade passage spanning from central Italy to the Baltic Sea through the Rhineland and Flanders. *Id.* These cities operated within nation-states, stood between two burgeoning blocs of military powers, and marked the parameters of the new map of capitalism. *Id.* By 1900, the largest cities were London followed by Paris, Berlin, Vienna, and St. Petersburg. *Id.*

<sup>108</sup> *Id.*

<sup>109</sup> Bagnasco & Le Galès, *supra* note 89, at 3 (“In the context of the movement towards economic globalisation that challenges traditional forms of equilibrium, cities are now subject to significant centrifugal forces . . . render[ing] the limits of national regulation ever more obsolete.”).

<sup>110</sup> *Id.*

<sup>111</sup> *Id.* at 27.

<sup>112</sup> Michael Fasciano, *Le Città Diventano Globali*, CORRERENELVERDE, <http://www.correrenelverde.it/architettura/cittaglobale.htm> (“Le città non possono essere considerate come entità indipendenti dalle forze sociali ed economiche che operano a livello regionale e globale”).

<sup>113</sup> Peter Veltz, *European Cities In A World Economy*, in Arnaldo Bagnasco & Patrick Le Galès, eds., *CITIES IN CONTEMPORARY EUROPE* 33, 35-36 (2000).

<sup>114</sup> *Id.* at 36. While direct transnational investment drastically grew by 28 percent from 1986 to 1990, European cities remained direct recipients and central sources of these global flows along with the internal continental trading of the European Community. *Id.* at 38-39.

<sup>115</sup> *Id.* at 45.

<sup>116</sup> *Id.* at 46.

<sup>117</sup> Bagnasco & Le Galès, *supra* note 89, at 19. (“This signifies a new phase in the development of capitalism, whereby capitalism itself gains an advantage over national states.”).

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Le città globali, accentrando il potere decisionale dei conglomerati finanziari più importanti, stanno diventando le vere protagoniste dello sviluppo economico di un paese. I governi nazionali, mancando la necessaria flessibilità di adattamento al mutare delle condizioni di mercato, di tecnologia e di cultura . . . . A livello locale invece vi è una maggiore capacità di generare progetti di sviluppo . . . .<sup>118</sup>

Translation:

The global cities equipped with the power of decisionmaking with important financial conglomerates have become the true protagonists of economic development of the nation. The national governments lack the necessary flexibility of adapting to the conditions of the market, technology, and culture . . . . The local level offers a greater capacity for development.<sup>119</sup>

As global economic forces permeate social life and policy-making in European cities, local and regional cultures are overtaking national symbols and cities are becoming a source of identity.<sup>120</sup> Globalization has thus ushered in a renaissance of urban autonomy in Europe.

Brussels, as the capital city of the EU, and Frankfurt, as the home of its Central Bank and Eurex, have assumed major regional geopolitical and economic roles and have been subject to similar centripetal forces that shaped New York and London. They demonstrate how regional cities assume strategic positions as single actors on the national and international levels with distinctive identities.

## 1. Brussels

Brussels operates within three concentric levels of government, including: (1) the Brussels Capital Region, (2) Belgium's federal government, and (3) the European Union.<sup>121</sup> The national government oversees urban planning and uses Brussels as a ground to advance its national objectives, including courting international organizations such as the EU and NATO.<sup>122</sup> Throughout its history, Brussels has been subject to external and internal vicissi-

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<sup>118</sup> Fasciano, *supra* note 112.

<sup>119</sup> Translation by Mary Pennisi.

<sup>120</sup> Bagnasco & Le Galès, *supra* note 89, at 17; Giuseppe Dematteis, *Spatial Images of European Urbanisation*, Arnaldo Bagnasco & Patrick Le Galès, eds., in *CITIES IN CONTEMPORARY EUROPE* 34-49 (2000) ("It seems that the cities remain the only relatively fixed points in today's hypermobility of flows and actors. This is true as physical places and must be to some extent as institutional and political entities, if they want to play a role as collective actors."); see also BENEDICT ANDERSON, *IMAGINED COMMUNITIES: REFLECTIONS ON THE ORIGIN AND SPREAD OF NATIONALISM* (1983); Gerald E. Frug, *The City as a Legal Concept*, 93 HARV. L. REV. 1057 (1980); GERALD E. FRUG, *CITY MAKING: BUILDING COMMUNITIES WITHOUT BUILDING WALLS* (1999); Richard Ford, *Geography and Sovereignty: Jurisdictional Formation and Racial Segregation*, 49 STAN. L. REV. 1365, 1413-14 (1997); Richard Ford, *Law's Territory: A History of Jurisdiction*, 97 MICH. L. REV. 843 (1999).

<sup>121</sup> Observatoire de la Santé et du Social, Commission communautaire commune de Bruxelles-Capitale. *Statistiques sanitaires et sociales en Région de Bruxelles-Capitale. Fiche n°4 Commune de Bruxelles-Ville 4*, [http://www.obsevatbru.be/documents/graphics/fiches-communales/2006/04\\_bruxelles-ville\\_fr.pdf](http://www.obsevatbru.be/documents/graphics/fiches-communales/2006/04_bruxelles-ville_fr.pdf) (2006).

<sup>122</sup> ALEX G. PAPADOPOULOS, *URBAN REGIMES AND STRATEGIES: BUILDING EUROPE'S CENTRAL EXECUTIVE DISTRICT IN BRUSSELS* 159 (1996).

tudes from warring nations beyond its borders and its own conflicting Flemish and French communities.<sup>123</sup> Europeanization represents another stage in the city's development.

Europe's integration transformed Brussels into a cosmopolitan city with regional and global importance for the EU, NATO, NGOs, and other international actors.<sup>124</sup> Brussels' regional status appeals to firms seeking to enter the European market.<sup>125</sup> Europeanization ensured Brussels' prosperity in the post-industrial era by transitioning its economy from industrial to global service-based.<sup>126</sup> Through fiscal incentives and competitive rental prices, Brussels became one of the most appealing real-estate markets in the late 1980s.<sup>127</sup> However, Brussels' Europeanization demonstrates the continuing hegemony of corrupt unaccountable regimes that dominate its decision-making process.

The Europeanization of the Leopold Quarter evinces the impact of regionalization on Brussels' urban planning. After founding the nascent ECSC, the European Community deliberated over which city it should seat its headquarters.<sup>128</sup> After a Belgian insurance company agreed to let its office in the Leopold Quarter to the European Economic Council, the EC selected Brussels to house the European Commission, the Economic and Social Committee, and the Parliamentary Secretariat.<sup>129</sup> European institutions rented 200,000 square meters of office space.<sup>130</sup>

When these institutions expanded in the late 1960s, the Belgian government centralized them in the Leopold Quarter. This project replaced residential neighborhoods with a massive mono-functional E.U. district.<sup>131</sup> The Leopold Quarter was a residential area created in 1837.<sup>132</sup> In the 1950s, developers built modest-sized offices in the area.<sup>133</sup> The city en-

<sup>123</sup> *Id.* at 159-160.

<sup>124</sup> In 2004, nearly one third of Brussels population was foreign. Observatoire de la Santé et du Social, *supra* note 121. A dynamic constellation of European Union cadres, lobbyists, lawyers, managers, tax consultants, venture capitalists, diplomats, government ministers, members of parliament, trading and industrial delegates, labor organizations, translators, computer programmers, librarians, secretaries, security, and maintenance personnel convene in the quarters of Leopold and Nord-Est. *Id.*

<sup>125</sup> Cushman and Wakefield, *European Cities Monitor 2006*, September 2006, available at <http://www.cushmanwake.com>. In 2006, Brussels was the fourth most attractive city in Europe following London, Paris, and Frankfurt. *Id.*

<sup>126</sup> PAPADOPOULOS, *supra* note 122, at 160-70. After World War II, the population began to steadily decline as former urbanites relocated to suburbs located along the periphery. *Id.* The EU's presence rejuvenated the economy, introducing construction, real estate agencies, catering agencies, hotels, tourism, transportation services, conferencing, and the media. *Id.*

<sup>127</sup> In Healey & Baker's *European Real Estate Monitor*, there is a clear indication that Brussels has emerged as a preferred location as the city rated fifth in Europe alongside London, Paris, and Frankfurt. Its real estate is even securitized.

<sup>128</sup> The Hague, Strasbourg, Luxembourg, and Liege were viable options. In the midst of fervent debates among France, Germany, and Italy, the three major players of the European Community, Luxembourg became the temporary host of the nascent European institutions, while Strasbourg would be the site of its General Meetings. PAPADOPOULOS, *supra* note 122. In 1965, a compromise was finally reached situating the European Parliament in Strasbourg and the Parliamentary Secretariat, European Court of Justice, and the European Investment Bank in Luxembourg. *Id.*

<sup>129</sup> *Id.*

<sup>130</sup> *Id.*

<sup>131</sup> *Id.* at 63.

<sup>132</sup> *Id.* See also Christian Kestleloot, *Brussels: Post-Fordist Polarization in a Fordist Spatial Canvas*, in *GLOBALIZING CITIES: A NEW SPATIAL ORDER* 191 (Peter Marcuse & Ronald van Kempen, eds., 2000).

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acted three regulations aimed at preserving residential districts,<sup>134</sup> but they proved weak in restraining the global forces of developers, institutions, and businesses that demanded office space. The European Parliament buildings were constructed in two residential zones.<sup>135</sup> The government and private sector purchased large residential blocks around Schuman Square and destroyed rows of houses.<sup>136</sup> The Berlaymont building was erected over the nineteenth-century Berlaymont cloister.<sup>137</sup> The Karel de Grote (Charlemagne) building replaced forty-four historic nineteenth-century residences.<sup>138</sup> The further extension of EU office buildings to the north of Schuman Square displaced three hundred inhabitants.<sup>139</sup>

The expansion of international office space was devoid of coherent planning and transparency. European institution bureaucrats could not outwardly purchase offices while negotiations among EC governments were still underway.<sup>140</sup> Developers instead executed plans covertly without public knowledge or input.<sup>141</sup> The Belgian government remained estranged from the process and provided developers with *carte blanche*.<sup>142</sup> Due to a lack of strategy, many of the blocks in northern Schuman Square remained desolate for years.<sup>143</sup> Plans for northern expansion were abandoned when the government decided to expand the European complex south because it would benefit a Belgian bank, which wielded clout over the Christian Democratic Party.<sup>144</sup> This decision displaced hundreds of residents.<sup>145</sup> Eighty-nine percent of the housing stock was destroyed, while successive blocks that were once part of city's rich historic fabric now represent the dominion of EU institutions.<sup>146</sup>

In the *Strategie pour une gestion regionale de la fonction administrative*, the Brussels Capital Region expressed a preference for high-density construction in the Leopold Quarter and authorized the private sector to lead the planning process. The plans were based on American and British cities, particularly the Docklands Project, calling for a dense office

<sup>133</sup> Guy Baeten, *Old Elites In a New City: Restructuring the Leopold Quarter and the Europeanization of Brussels*, in *THE GLOBALIZED CITY: ECONOMIC RESTRUCTURING AND SOCIAL POLARIZATION IN EUROPEAN CITIES* 130 (Frank Moulaert et al., eds. 2004).

<sup>134</sup> Brussels' Regional Plan of 1979 aimed to preserve its residential zones, green spaces, and historic buildings, but ten blocks of the Leopold Quarter were later destroyed to make way for EU institution buildings. *Id.* The 1988 Space Brussels-Europe Study designated nine Primary Intervention Zones to further protect residential areas. *Id.* The 1995 Structure Plan additionally defined functional zones as "housing conservation areas," which reinforced the 1979 zones and took into account the European Parliament area. *Id.*

<sup>135</sup> *Id.*

<sup>136</sup> The Europeanization of Brussels occurred within a matrix of power relations between the public and private sectors. Corruption is pervasive in the urban planning process. PAPADOPOULOS, *supra* note 122. The national government sought to position Brussels the city as Europe's capital, especially because the future of the Social Christian Party (PSC/CVP) hinged upon the project's success. *Id.*

<sup>137</sup> *Id.*

<sup>138</sup> *Id.*

<sup>139</sup> *Id.*

<sup>140</sup> *Id.*

<sup>141</sup> *Id.* at 171. Local authorities' salaries were dependent upon the number of residents in Brussels and their incomes. *Id.* The public finance system thereby induced public officials to gentrify the area. Kestleloot, *supra* note 132, at 205-06.

<sup>142</sup> Baeten, *supra* note 133, at 125-144.

<sup>143</sup> *Id.*

<sup>144</sup> *Id.*

<sup>145</sup> *Id.*

<sup>146</sup> *Id.*



sector with skyscrapers.<sup>147</sup> By January 1992, the vast structures of the Banco di Roma overshadowed row-house protestors on the rue du Marteau seeking to preserve their neighborhood. The government thereby sold the Leopold Quarter and other antiquated hamlets of Brussels to institutions “collapsing trade barriers.”

Because the private sector dictates urban planning, a small hegemonic group of influential business leaders have shaped Brussels as a global city. Unaccountable “elites” hold economic and political clout with a monopoly over the decision-making process.<sup>148</sup> Urbanist Alex Papadopoulos describes Brussels as a “laissez-faire” paradise where private actors enjoy a planning vacuum and residents’ calls for effective regulations go unheard.<sup>149</sup>

## 2. Frankfurt

Frankfurt plays a strategic role in Europe’s banking and financial landscape.<sup>150</sup> It operates within Germany’s multi-nodal system of cities and has been subject to an array of historical and economic forces.<sup>151</sup> Frankfurt gained prominence after Berlin fell in WWII and companies relocated from West to East Germany.<sup>152</sup> Frankfurt is now home to thirteen prominent national banks, two-thirds of Germany’s foreign banks, Eurex, and the European Central Bank.<sup>153</sup> The city has therefore become the site of European monetary policy.<sup>154</sup>

Frankfurt’s banking industry helped transform it into a regional city. After WWII, the American and British governments relocated the Bank Deutscher Länder to Frankfurt.<sup>155</sup> The Central Bank attracted other banks, including Germany’s three largest banks, credit unions, and the Bank für Gemeinwirtschaft.<sup>156</sup> During the late 1950s, the city profited from the German capital market’s internationalization.<sup>157</sup> After the fall of the Bretton Woods agreement in 1973, Frankfurt experienced growth in its international banking sector.<sup>158</sup> By 1999,

<sup>147</sup> PAPADOPOULOS, *supra* note 122, at 90.

<sup>148</sup> Baeten, *supra* note 133.

<sup>149</sup> PAPADOPOULOS, *supra* note 122, at 92.

<sup>150</sup> Saskia Sassen, *Global Financial Centers*, FOREIGN AFFAIRS, January/February 1999, available at <http://www.foreignaffairs.org/19990101faessay953/saskia-sassen/global-financial-centers.html>.

<sup>151</sup> Germany is comprised of cities that evolved from a “coordinated market economy” with manufacturing traditions that originated from Rhineland system of capitalism pervasive and have created a different trend of globalization. Dieter Läßle, *German Metropolitan Networks – An Alternative To The Global City*, in URBAN AGE 2 (2006). Omar Akbar describes the German urban system as “polycentric,” devoid of a central capital but containing numerous medium-sized cities that comprise its urban network. Omar Akbar, *Towards A European Urban Form*, in GERMAN CITIES 1 (2006). The multi-nodal structure also created communication and transportation networks that receive global flows of Eurocrats, internationals, goods, and information. Eike W. Schamp, *From Industry to Services; The Changing Basis of the Frankfurt/Rhein-Main Metropolitan Economy*, in EMERGING NODES IN THE GLOBAL ECONOMY: FRANKFURT AND TEL AVIV COMPARED 12 (Daniel Felsenstein, Eike W. Schamp & Arie Shachar, eds., 2002).

<sup>152</sup> Schamp, *supra* note 151, at 11.

<sup>153</sup> Michael H. Grote, *Frankfurt – An Emerging International Financial Center*, in EMERGING NODES IN THE GLOBAL ECONOMY: FRANKFURT AND TEL AVIV COMPARED 81, 81 (Daniel Felsenstein, Eike W. Schamp & Arie Shachar eds., 2002).

<sup>154</sup> *Id.*

<sup>155</sup> *Id.* at 91.

<sup>156</sup> *Id.* at 91-92.

<sup>157</sup> *Id.* at 92. From 1957 to 1959, the first foreign currency and foreign Deutsche Mark bonds also emerged in Frankfurt. *Id.*

<sup>158</sup> *Id.* at 94.

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two-thirds of all foreign bank branches moved to the city.<sup>159</sup> Foreign exchange markets also positioned themselves in Frankfurt.<sup>160</sup> Most domestic banks seeking to conduct business with the Frankfurt Stock Exchange opened offices in the city.<sup>161</sup> Eugenio Domingo Solans, a Member of the Executive Board of the European Central Bank, identified “three pillars” of Frankfurt’s banking industry that have contributed to its global city status, including (1) its concentration of major domestic banks, (2) the presence of foreign bank representatives or branches, and (3) the headquarters of the Deutsche Bundesbank and the European Central Bank.<sup>162</sup> Indeed, the city was ranked second among banking financial centers in Europe.<sup>163</sup> The European Central Bank led Frankfurt to become a city of “monetary politics.”<sup>164</sup> Banks open branches in Frankfurt because it is Europe’s symbolic financial center and offers a network of traders, bank officials, and capital.<sup>165</sup>

Frankfurt underwent massive deindustrialization in the late 1980s.<sup>166</sup> Similar to Brussels, this shift diminished unskilled industrial jobs occupied by immigrants who now work in the informal economy.<sup>167</sup> The conservative urban governments of the 1980s actively advanced Frankfurt’s global city status.<sup>168</sup> During Wallmann’s mayorship, policymakers focused on developing Frankfurt’s core into a Eurometropolis.<sup>169</sup> It regarded the periphery as a “container of problems” for elite housing.<sup>170</sup> Upscale residential space and office parks were constructed to serve the specialized labor market.<sup>171</sup> Real estate prices in the city center skyrocketed as the service sector demanded office space. Roger Keil and Klaus Ronneberger identify two growth patterns, including (1) “vertical and horizontal expansion” in the center engendered by the financial service sector’s expansion<sup>172</sup> and (2) “peripheral expansion” to

<sup>159</sup> *Id.* at 95. Financial employment rose from 2 percent in 1950 to 12 percent in 1999. *Id.* at 94.

<sup>160</sup> *Id.* at 94-95.

<sup>161</sup> *Id.* at 92.

<sup>162</sup> Eugenio Domingo Solans, Speech at the Conference of the Association of Foreign Bank Representatives in Germany, Frankfurt am Main, (Sept. 17, 2002) available at <http://www.ecb.int/press/key/date/2002/html/sp020917.en.html>. “I find the exchange of information and views between the members of these ‘three pillars’ of the Frankfurt banking community extremely useful and interesting. I also think that events such as this enhance the role of Frankfurt as a world financial centre, which is something of interest to all of us: the success of our city as a financial centre is also, to a certain extent, our own success. Although most of us were born in other places and countries, we are citizens of the city where we live and work. Therefore, we are all Frankfurters.” *Id.*

<sup>163</sup> Grote, *supra* note 153, at 95-96.

<sup>164</sup> *Id.* at 101.

<sup>165</sup> *See id.* at 151.

<sup>166</sup> Between 1987 and 1984, industrial jobs declined from 130,000 to 80,000. Roger Keil & Klaus Ronneberger, *The Globalization of Frankfurt am Main: Core, Periphery and Social Conflict*, in *GLOBALIZING CITIES: A NEW SPATIAL ORDER* 228, 230 (Peter Marcuse & Ronald van Kempen eds., 2000).

<sup>167</sup> *See id.* at 232-42.

<sup>168</sup> *Id.* at 238.

<sup>169</sup> *Id.*

<sup>170</sup> *Id.* “By reclaiming the urban in its cosmopolitan world city incarnation as a positive force, these strata served as translators of global dynamics into local space.” *Id.*

<sup>171</sup> *See id.* at 238-42.

<sup>172</sup> *Id.* at 230-31. Over the 1990s, 4.2 million square meters of new office space were constructed downtown. *Id.* at 232. Ten new gargantuan office towers were added to the central business district. *Id.* The vertical expansion of office space extended from the traditional banking district at the Neue Mainzer Straße to the western city in accordance with the *Fingerplan* and other designs set forth in the general plan of 1983 envisioned by Albert Speer Jr. *Id.* The developments of the Mainzer Landstraße, the Theodor-Heuss-Allee, and

accommodate back-office and housing needs.<sup>173</sup> The Frankfurt Airport in the periphery also provided a post-industrial source of employment and catered to international elites' transnational lifestyles, which Akbar describes as a "form of global nomadism" that requires travel among global urban nodes.<sup>174</sup> The airport, the City West, and Kaiserlei are "insular spaces in Frankfurt-Rhein-Main."<sup>175</sup> The expansion of the global financial service sector thus reconfigured Frankfurt's spatial structure.<sup>176</sup>

### C. Social Bifurcation and Housing

This part addresses the social implications of "global city" status in major urban centers, including trends in housing gentrification, social polarization, at-risk youth, and income inequality.

Glocalisation has caused income inequality. "The particular industrial and occupational structure of global cities produces a bifurcated earnings structure that in turn creates the outcome of the 'disappearing middle.'"<sup>177</sup> For instance, during the 1990s, New York experienced an influx of high-income professionals accompanied by an eighty percent rise in poverty.<sup>178</sup> The average household income of the upper fifth percent nationwide escalated to \$137,490, ten times higher than that of the lower fifth of families, which had an average income of \$12,990.<sup>179</sup> From 1998 to 2000, New York suffered from the widest income disparity in the US and displayed the second largest discrepancy between its middle- and high-income residents.<sup>180</sup> The income disparity resulted from "globalization, the decline of manufacturing jobs and the expansion of low-wage service jobs, immigration, and the weakening of labor market institutions . . ."<sup>181</sup> High-end professionals created a demand for low-wage service labor, especially in personal services.<sup>182</sup> London is also characterized by extremes in

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*Museumsufer* near the Main River exemplify the horizontal growth of the city, which also highly impacted traffic congestion, neighborhood networks, local community economies, and the housing supply. *Id.*

<sup>173</sup> *Id.* at 231. "In recent years, significant parts of the regional world city economy have been established in the peripheries of Frankfurt-Rhein-Main." *Id.* at 233. Investment in the real estate market has been drawn to the center with a small amount trickling down to the periphery. *Id.* "Office Cities" such as Niederrad and Eschborn also emerged to serve the back office needs of banks and businesses. *Id.*

<sup>174</sup> See Akbar, *supra* note 151. As the second largest airport in Europe after London Heathrow, the Frankfurt Airport further exemplifies the importance of the periphery in the city's economy. Keil & Ronneberger, *supra* note 166, at 234. It facilitates the global transport of individuals, goods, and information, and provides over 52,000 jobs in nearly 400 companies. *Id.*

<sup>175</sup> Keil & Ronneberger, *supra* note 166, at 234.

<sup>176</sup> *Id.* at 230.

<sup>177</sup> Susan S. Fainstein, *Inequality in Global City-Regions*, in GLOBAL CITY-REGIONS: TRENDS, THEORY, POLICY 285 (Allen J. Scott ed., 2001).

<sup>178</sup> See, e.g., SASSEN, *supra* note 1.

<sup>179</sup> Jared Bernstein et al., *Pulling Apart: a State-by-State Analysis of Income Trends* ix (Center on Budget and Policy Priorities. Economic Policy Institute, 2000), available at <http://www.cbpp.org/archiveSite/1-18-00sfp.pdf>.

<sup>180</sup> Jared Bernstein et al., *Pulling Apart: a State-by-State Analysis of Income Trends* 12-13 (Center on Budget and Policy Priorities. Economic Policy Institute, 2002), available at <http://www.cbpp.org/archiveSite/4-23-02sfp.pdf>.

<sup>181</sup> *Id.* at xi.

<sup>182</sup> Fainstein, *supra* note 177, at 285-287.

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wealth and poverty.<sup>183</sup> By 2001, the ratio between the earnings of its top and bottom eschelons quadrupled.<sup>184</sup> Similarly, in Brussels, the presence of the EU exacerbated income inequalities as the average salary of EU employees triples that of an average Belgian resident.<sup>185</sup>

Deregulation, trade liberalization, and the fall of the welfare state further exacerbated income inequalities in global cities. The relocation of goods manufacturing facilities abroad reduced the availability of higher-wage industrial jobs to individuals lacking higher education.<sup>186</sup> Furthermore, workers are more likely to accept a lower wage while facing threats of outsourcing and relocation.<sup>187</sup>

In addition, the deluge of high income professionals gentrified cities. This gentrification skyrocketed housing prices and displaced local residents. Several areas of London such as Little Venice, Clerkenwell, and Notting Hill were previously occupied by lower-income individuals and gentrified over the past three decades.<sup>188</sup> In Brussels, nefarious planning schemes displaced thousands of residents as the government sought to cater to the needs of the city's elite global citizenry.<sup>189</sup> In Frankfurt, despite protests from inner city groups, Westend, Bockenheim, Gallus, Gutleut, and Bahnhofsviertel quickly gentrified and displaced many industries and residents.<sup>190</sup>

In New York, gentrification is most visible in Greenpoint, a north Brooklyn neighborhood. In the early twentieth century, Greenpoint's housing served the needs of its industrial base.<sup>191</sup> From 1969 to 1990, over 800,000 industrial jobs disappeared and factories fell into dereliction.<sup>192</sup> Despite the industrial decline, many blocks along the waterfront and inland were zoned for industrial use.<sup>193</sup> Nevertheless, with its comparatively inexpensive rent,

<sup>183</sup> SASSEN, *supra* note 1, at 200-207; *see also* 2005 Annual Survey of Hours and Earnings (ASHE), Table 3.1a, United Kingdom National Statistics <http://www.statistics.gov.uk/>. From 1981 to 1989, the disposable income of the upper tenth increased by 38 percent, growing five times faster than that of the lower tenth at 7 percent. *See* Andrew Cooke, Economic Development Strategy Investigative Committee, *Inward Investment in London: a Discussion Paper for the London Assembly* (25 Oct. 2002), available at [www.london.gov.uk/assembly/past\\_ctees/econmtgs/2002/econdec11/econdec11item6a1.rtf](http://www.london.gov.uk/assembly/past_ctees/econmtgs/2002/econdec11/econdec11item6a1.rtf).

<sup>184</sup> Cooke, *supra* note 183. *See also* SASSEN, *supra* note 1, at 140. In 1998, finance and business services constituted 35 percent of London's £13 billion Gross Value Added (GVA), while manufacturing only comprised 11 percent. United Kingdom National Statistics, *Gross Value Added, Total Household Income and Gross Disposable Household Income, London* (June 25, 2003), available at <http://www.statistics.gov.uk>. In 1999, London had a £17,000 Gross Disposable Household Income per individual, which was 20 percent higher than the national average of £13,000. United Kingdom Focus on London National Statistics, *London: a City of Wealth or Deprivation?* (June, 25 2003) available at <http://www.statistics.gov.uk/cc/nugget.asp?id=393-22k>.

<sup>185</sup> PAPADOPOULOS, *supra* note 122, at 128.

<sup>186</sup> Bernstein, *supra* note 180, at 34.

<sup>187</sup> *Id.*

<sup>188</sup> SASSEN, *supra* note 1, at 265-73.

<sup>189</sup> PAPADOPOULOS, *supra* note 122, at 70-71.

<sup>190</sup> Keil & Ronneberger, *supra* note 166, at 232.

<sup>191</sup> *Id.*

<sup>192</sup> Aaron J. Yowell, *That's Where We Print The Money: Trading Increased Density For Public Amenities*, 15 N.Y.U. ENVTL. L.J. 493, 504 (2007).

<sup>193</sup> Popular residential lofts, such as those located at 184 Kent Avenue, are being illicitly built in areas zoned for industrial. Marwa Emam-Fawaz et al., *Greenpoint/Williamsburg East River Waterfront: Striking a Balance Between Housing, Industry, Transportation, and Open Space* (2005), available at <http://www.waterwire.net/nyu-wagner2005/greenpoint-williamsburg/Final.pdf>; Amy Widman, *Replacing Politics With Democracy: A Proposal For Community Planning In New York City And Beyond*, 11 J.L. & POL'Y 135, 163-164 (2002).

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Greenpoint became popular during the 1990s.<sup>194</sup> After its population expanded and vacant factories attracted developers, Greenpoint now faces an affordable housing crisis.<sup>195</sup> Developers harbor grand visions of the area's future that are not necessarily aligned with the community's interests.<sup>196</sup> Consequently, the fabric of the community is beginning to unravel as property values skyrocket.<sup>197</sup> The government adopted a comprehensive rezoning plan to meet housing demands and promote development.<sup>198</sup> However, residents fear that it will further squeeze housing. They advocate for a plan that mandates a specific percentage of affordable housing instead of promoting it merely through tax incentives. The changes underway in Greenpoint reflect a trend of gentrification that has befallen many global city neighborhoods.

Social polarization is also markedly high in global cities. In Brussels, for example, "ethnicity, age, family size, income, and occupation increasingly define social and spatial boundaries between the affluent and the needy."<sup>199</sup> A clear socio-ethnic segregation pattern has emerged on the city map. Italian and Turkish immigrants reside around the Pentagon in dilapidated housing complexes.<sup>200</sup> Moroccan and Tunisian nationals dwell in the poorest quality housing in the northern and western industrial areas.<sup>201</sup> In contrast, opulent elites of the European Community concentrate themselves in the Eastern and South Eastern internationalized areas of the city. Frankfurt features a similar "segmented diffusion" with concentrated homogenous "pockets" of rich and poor areas.<sup>202</sup> The local labor market has become polarized by the dialectical demands of the global city economy calling for a highly educated workforce and a low-skilled temporary employment sector.<sup>203</sup>

Finally, segments of the young population in global cities are often "at-risk."<sup>204</sup> For instance, in Brussels, thirty-one percent of youngsters aged zero to seventeen reside in house-

<sup>194</sup> Widman, *supra* note 193, at 161-162.

<sup>195</sup> *See id.*; see also Seth B. Cohen, Note, *Teaching An Old Policy New Tricks: The 421-A Tax Program And The Flaws Of Trickle-Down Housing*, 16 J. L. & Pol'y 757, 800-14 (2008).

<sup>196</sup> *See* Cohen, *supra* note 195.

<sup>197</sup> *See id.*

<sup>198</sup> New York City Department of City Planning, *Greenpoint-Williamsburg Land Use and Waterfront Plan: Planning Framework* (Feb. 22, 2006), <http://www.nyc.gov/html/dcp/html/greenpointwill/greenplan1.shtml>. *See also* Jason McCann, *Pushing Growth Share: Can Inclusionary Zoning Fix What Is Broken With New Jersey's Mount Laurel Doctrine*, 59 RUTGERS L. REV. 191 (discussing New York's inclusionary housing program and rezoning in Greenpoint); *See generally* Pratt Institute & PolicyLink, *Increasing Housing Opportunity in New York City: The Case For Inclusionary Zoning* 28 (Fall 2004), available at <http://www.prattcenter.net/report/increasing-housing-opportunity-new-york-city-case-inclusionary-zoning>.

<sup>199</sup> Christian Kesteloot, *Three Levels of Socio-spatial Polarization in Brussels*, 20 BUILT ENV'T no. 3, 212 (1994).

<sup>200</sup> *See id.*; see also Observatoire de la Santé et du Social, Commission communautaire commune de Bruxelles-Capitale [Health and Social Observatory, Joint Community Commission of Brussels], *Rapports sur l'état de la pauvreté en Région de Bruxelles – Capitale [Reports on the state of poverty in Brussels]*, BAROMÈTRE SOCIAL, December 31, 2004.

<sup>201</sup> *See* Kesteloot, *supra* note 199; *see also* Observatoire de la Santé et du Social, Commission communautaire commune de Bruxelles-Capitale, *supra* note 195.

<sup>202</sup> Keil & Ronnenberger, *supra* note 166, at 238-42.

<sup>203</sup> *See id.*

<sup>204</sup> Observatoire de la Santé et du Social, Commission communautaire commune de Bruxelles-Capitale [Health and Social Observatory, Joint Community Commission of Brussels], *Rapport Bruzellois sur l'état de pauvreté [Reports on the state of poverty in Brussels]*, BAROMÈTRE SOCIAL (2006) ("Trop de personnes vivent dans la pauvreté dans notre société riche.").

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holds without paid employment.<sup>205</sup> Over one in five individuals between the ages of eighteen and twenty-four years old have dropped out of school with at most a lower secondary education certificate, while over one third of the young labour force remains unemployed.<sup>206</sup>

### III. THE GLOBAL CITY AS A MICROCOSM OF GLOBALIZATION

This part will explain how the particular policies adopted by urban governments have transformed certain urban environments into global cities. Globalization has rescaled economic activities and detached them from the rigid boundaries of nation-states. A vanguard of global cities have subsequently emerged as powerhouses of global capitalism.<sup>207</sup> However, the cases of New York City, London, Brussels, and Frankfurt demonstrate that the development of today's global cities was not solely propelled by the neo-liberal globalized economy, but resulted from the policies adopted by their governments in response to economic changes.

Global cities do not simply emerge from the international capital flows. The history of global city policymaking parallels the deregulation of the financial market. Today's global cities were shaped and continue to be sustained by their government's policy choices aimed at attracting global businesses. Cities have thereby positioned themselves on the global economic map and become vehicles of hypercapitalism. The resultant hierarchy of global cities with the network of New York, London, and Tokyo at its apex constitutes the new geography of globalization.<sup>208</sup>

The global city structure has reproduced itself in urban areas worldwide. It is similar in second tier global cities, which confront forces of regionalization and international trade agreements. The emergence of the European supranational level of policy-making further altered the framework within which cities operate.<sup>209</sup> The "ever-closer" union is also "ever-changing," as it deepens vertically and widens horizontally. It spurs competition and planning policies that strive to attract a larger share of eurocrats, internationals, and actors in the integrated and global markets, but often neglect long-standing urban electorates.<sup>210</sup> The cases of Frankfurt and Brussels demonstrate how Europeanization accelerates glocalisation in urban settings and prompts policymakers to adopt planning schemes with the goal of attaining regional city status.<sup>211</sup> The cases reveal how cities adopt these policies at the expense of the democratic process and public's interests.<sup>212</sup>

While city governments strive to survive amid the ebbs and flows of unrestrained global financial forces, the resulting gentrification, social polarization, and income inequality reveal the by-products of globalization on the local level of developed countries. The exclusion of local residents in the Greenpoint rezoning initiative, the London Docklands Redevel-

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<sup>205</sup> See *id.*; see also Observatoire de la Santé et du Social, Commission communautaire commune de Bruxelles-Capitale, *supra* note 121.

<sup>206</sup> See Observatoire de la Santé et du Social, Commission communautaire commune de Bruxelles-Capitale, *supra* note 204; see also Observatoire de la Santé et du Social, Commission communautaire commune de Bruxelles-Capitale, *supra* note 121.

<sup>207</sup> See *supra* Part II.

<sup>208</sup> See *supra* Part II.A.

<sup>209</sup> See *supra* Part II.B.

<sup>210</sup> See *supra* Part II.B.

<sup>211</sup> See *supra* Part II.B.

<sup>212</sup> See *supra* Part II.C.

opment Project, and the Quartier Europeen-Leopold demonstrates how global forces eclipse and inhibit residents' right to determine their future.<sup>213</sup> This demonstrates the great extent to which globalization dilutes the influence of the worldwide public and undermines the social contract between the demos and its government. In developing nations, these oppressive global forces are manifested in the unscrupulous practices of multinational corporations that exploit the labor and resources of communities, while their governments remain powerless bystanders or accomplices. In the global city, these disenfranchising forces are embodied in eager developers and the international corporate sector that manipulate public finances as governments attempt to attract firms. Meanwhile, urban electorates remain estranged from the decision-making process. A pattern of income inequality emerges as high-income professionals along with low-income service workers replace middle-income residents that characterized capitalism formerly propagated by nation-states.<sup>214</sup> This democratic deficit and social polarization is the price that leading international financial centers pay for their "global city" status.

Global cities have assumed a socioeconomic form akin to that of the contemporary globalized world and thereby serve as microcosms of globalization.<sup>215</sup> They produce and reproduce globalization on the local level with a divided structure including a ruling corporate core, impoverished periphery, and disempowered demos. On the global level, they buttress the global economy by acting as vehicles fostering hypercapitalism. City governments currently adopting policies to achieve full-fledged global city status should thus strive to depart from the standard global city structure and pursue measures to mitigate the social by-products of "glocalisation" and protect their communities' rights.

## CONCLUSION

The interplay between globalization and urban institutions produced global cities. Globalization encouraged urban governments to adopt particular policies to ensure their cities' survival in the post-industrial era. Indeed, a select group of cities have even become engines fuelling the momentum of globalization on the local level. However, the institutions' specific policy choices and strategies directly shaped global cities and led them to assume strategic positions on the map of the global economy.

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<sup>213</sup> See *supra* Part II.A-B.

<sup>214</sup> See *supra* Part II.C.

<sup>215</sup> Convention on the Rights of the Child, Nov. 20, 1989, 144 U.N.T.S. 123 (noting the economic disparities between the Global North and the Global South); U.N. Dev. Programme, Human Dev. Report 1998, 29-34 (1998), available at <http://hdr.undp.org/en/reports/global/hdr1998/chapters/>; Obijiofor Aginam, *Global Village, Divided World: South-North Gap And Global Health Challenges At Century's Dawn*, 7 Ind. J. Global Legal Stud. 603, 606-08 (2000); John Enriquez Andres, Note, *The Raiding Of The Pearl: The Effects of Trade Liberalization on Philippine Labor Migration, And The Filipino Migrant Worker's Experience*, 10 RUTGERS RACE & L. REV. 523, 549 (observing how "continuing global economic pressures and disparity between the global north and the global south has helped spur the recent exodus of labor migration"); Jean-François Durieux, *Protection Where? – Or When? First Asylum, Deflection Polices and the Significance of Time*, 21 INT'L J. REFUGEE L. 75, 78 (2009) (noting the disparity between the global north and global south); See also DENNIS PATTERSON & ARI AFILALO, *THE NEW GLOBAL TRADING ORDER: THE EVOLVING STATE AND THE FUTURE OF TRADE* (2008).