



POWER: SHANGHAI, NEW YORK, LONDON

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The goal of being a global city dominates the consciousness of local government officials in New York, London, and Shanghai. Who has the power to define what this goal means? Who can redefine it and modify it? I want to talk today about how London, New York, and Shanghai now have little of this kind of power – and about how they might gain more of it. Many people have written about global cities, none more insightfully than Saskia Sassen and Deyan Sudjic. But their work is devoted to analysing the global city phenomenon, even criticising it. They are not responsible for the concept of a global city becoming a desire, for the fact that the development objective for so many cities across the world is to rise higher and higher on the list of global cities. Where is this desire coming from? It's not simply the result of the forces of globalisation, the demands of the marketplace, or the worldwide shifting of power from government to the private sector. If these forces were making the goal of becoming a global city inevitable, why are all three cities working so hard to achieve it? And they are working hard. Land-use is being structured, infrastructure is being put in place, whole sections of the city population are being re-located. London has its Canary Wharf and Thames Gateway; New York its Brooklyn Waterfront and World Trade Centre site. And Shanghai is organising a multitude of functionally defined special districts, building infrastructure at a dizzying rate, and restructuring housing for millions of people. All these concrete steps are decisions – not the involuntary adjustment to global forces.

We should try to understand these decisions by locating them within the culture and legal system of the different countries. There has been a long history – and not only in Shanghai – of accommodating international business and dividing the city into an upper quarter and lower quarter. Shanghai, New York, and London are making their decisions within a legal frame. In all three countries that legal frame is controlled by central governments and not by the cities themselves. The famous decision in the early 1990's to launch the Pudong New Area, after all, was made by the national leadership, not by Shanghai. The decentralisation of power in China was therefore itself a centralised decision. And there is nothing unusual about that. The extent and nature of

decentralisation is also a centralised decision in the U.K. and the United States, although in the United States it is the state government, not the national government, that is the source of city power. The crucial importance of income generated from the leasing of land for the Shanghai Municipal government, like New York's reliance on the property tax and the Greater London Authority's inability to generate its own income – these are all central government decisions. Shanghai's reliance on enterprise-related income, like the reliance on the property tax in the United States, creates an incentive to foster particular kinds of economic development.

The national government here also determines that foreign banks can deal in domestic currency only in the Pudong New Area, the length of the term of the city's land leases, how to cool down an overheated real estate market, and where else in the country to create special economic zones. In the U.K., the national government limits the powers of the Greater London Authority essentially to transportation and planning, and it is New York State, not the city, that controls the future of the World Trade Centre site. We should not use the word "autonomy" when we think about how cities exercise power. Intervention by the national governments in China and the U.K., and by state governments in the United States, is pervasive, and it is not going to go away. This is not to say that central governments have not empowered Shanghai, New York, and London. All three cities have been given power to make decisions by higher levels of government. But their power is greatest when they are implementing the global city ideal. They have much less of an ability to resist it. This is true even for Shanghai, which has the most authority of the three cities to determine how to implement the global city concept. The national government has given the Shanghai Municipal Government financial flexibility, decision-making authority over planning, the ability to build infrastructure at an enviable rate, and control over much more of its region than London or New York have. The national government has decided to promote Shanghai as a global city and has selected leadership that it thinks can deliver that result. London and New York City have nothing like the kind of trust and authority that Shanghai enjoys. The British government and the

state of New York are very suspicious of their cities. They micro-manage their decisions not just about whether to be a global city but about how to achieve that goal. They empower public authorities or quangos to do the business that the city might do. And they drain resources from the city rather than, as in Shanghai, significantly increase its ability to keep the revenue it generates. Moreover, Shanghai is divided into districts, like London into boroughs. But Shanghai's districts have more planning and operating authority than London's boroughs yet, unlike London's boroughs, they are responsible to the city-wide government. New York has nothing like this kind of decentralised structure. Those of us from Europe and the Americas can learn a lot from Shanghai about how to get things done.

But Shanghai can learn something from us too. It can learn how not to get things done. Sometimes, what the government decides to do is the wrong thing. In New York and London, citizen action and community organising – civil society – can slow things down. This annoys the city government, but it sometimes produces a better result. Citizen involvement has had a major impact on the way New York is developing, ranging from its recently failed effort to build a football stadium to its plans for the World Trade Centre site. And, because the Greater London Authority needs to be responsive to its own citizens, London is far more openly confronting the impact of the increasing division between rich and poor within the city than anywhere else. The differences between citizen opinion and official policy in London and New York often involve citizen opposition to city officials' attempts to implement their vision of being a global city. When we talk about how to empower city governments, then, we must recognise the interdependence between the central government, the local government, and the city's population. Only then can we begin to understand how cities can be empowered to think about and redesign the meaning of becoming a global city. Those of us involved in this Urban Age project are seeking to focus attention on the relationship between physical development and social development. On this point, the Mayor of London, on his own website, says this: "London's growth . . . is the root cause of many of its chronic problems – congestion, high prices, pollution, and a deep and growing polarisation between rich and poor." The same can be said, I suggest, about New York and Shanghai. In all three cases, as the Mayor says, the items listed are not just city problems. The cities' own actions are generating these problems. A city that focuses on its immigrants or its floating population would look different than a city

focused on international finance. But none of the three cities has the power to control immigration policy. A city that focused on the income disparity that divides its own population would be different than one that seeks to attract those who can afford gated communities. But none of the three cities has the power to confront the causes of their current income disparities. If one concentrates the mind only on being a global city, some parts of the city are favored at the expense of others. The choice of focus, however, is not now within the city's power to make.

I hope we can talk this week about how Shanghai, New York, and London can be empowered to think about these kinds of issues. To do so, we need to talk about empowering cities in a way that recognises both national concerns and the rights of local citizens. In my view, in order to gain power, Shanghai, New York, and London need to pay more attention to their own region and to other cities within their own country. They too often think of these other cities simply as competitors in the race to be a global city. They should think of them more as allies. Alliances with other localities can strengthen local voices in the national debate. The first place to find these allies is in the cities' own region. There's a lot of loose talk these days in urban circles about how the region, not the city, is the real urban centre. But there is no regional decision maker in any of the three countries that actually can plan for the region as a whole. The only entities in a position to make a policy for the region now are central governments. Regional co-operation can empower the cities to do so instead. The focus on ensuring one's place on the list of world cities also distracts attention from a city's own population. It seems to me very odd when people say that Shanghai is going to be the next New York or London. What could that mean? Even New York and London are not like each other. The only way you can think of these cities as being interchangeable is to focus on parts of the city – finance or commerce – at the expense of everything else. Very different kinds of people live in these three cities; very different kinds of people live in different parts of the same city. Taking the rest of the city – and rest of the region – into account does more than simply change the focus. It adds political strength to the city. In a world in which cities are never going to have autonomy from centralised decision-making, cities can gain more authority by building alliances with others in the region and with the local population. This path might do more than add flexibility: it might also lead to a very different future than a focus on a single global list.

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