Globalization and the Role of Cities in Transnational Spaces

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Abstract
The contemporary globalization which is based on Post-Fordist Economy, was formed on the basis of informational capitalism, and has been differentiated from other concepts due to some characteristics like information economy, global economy, and network economic activities.

The characteristics of post-Fordist Economy create a situation where capitals and productions are changed from place-based to spatial flexibility. In these circumstances, cities play the role of spatial support in social network and inside the post-Fordist Economy as new actors of transnational spaces. Metropolises are trying to provide parts of their expenses from the contemporary globalizing situation by using city diplomacy. Today, managements of metropolises are eager to be linked to world cities, not only to earn their management expenses, but also to create job opportunities for their citizens. And, this becomes evident through the city diplomacy. As such, it can be said that new actors of political geography in the 21st century cities, the, are looking for their financial benefits. The current research deals questions such as: what are the contexts and how cities enter the transnational spaces as new players in the international system? Here, a descriptive - analytical research methodology has been applied.

Finally, the paper considers the theory of Peter Taylor, a famous political geographers who theorized globalization, world cities network, the entrance and performance of metropolises in transnational spaces; for instance, new players in the framework of conceptual model.

Keywords: Globalization; Post-Fordist Economy; World City; City Diplomacy; Metropolises.

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**Introduction**

"You cannot have a geography of anything that is unconnected. No connections, no geography" Peter Gould (1991: 4)

The study of historical backgrounds of the cities reveals that the formation of the human societies has always implied the concepts of civilization and urbanization. In fact, cities had played a great role in the formation and expansion of human civilizations.

At first, cities were limited by their surroundings and were mostly interacting with their hinterlands in local levels; therefore, each city had its own territory which provided its own food requirement (Soja, 2000:35).

With the emergence of big empires, cities gradually expanded their local trades to vast areas throughout empires; even they went further and expanded into international markets. There were lots of cities that could not only go neighboring empires but penetrated much farther to other empires. For example, a number of Chinese cities were connected to European cities especially Rome and through a chain of cities, to others like Samarkand, Tashkent, Tabriz, Bagdad (Fig.1). Rome was then the capital of Great Roman Empire which was far from the Empire of China (Taylor, 2004:9).

![Transcontinental Archipelago of Cities c.1300 (Derived from Abu-Lughod. 1989) Source: Taylor. 2004: 9](image-url)
Thus, Rome, Venice, Damascus, Tabriz, Baghdad, Mumbai, Beijing and Malacca were international cities and their currencies and goods were traded through roads and seas. Like a chain, these cities were always in contact and benefited from each other.

After the Treaty of Westphalia in 1648 and the formation of the Nation-States, countries and their ties became more important than the city relations. In fact, now onward, cities were overshadowed and the literature of international affairs was formed on the basis of relations between countries and; therefore, wealth and power became the center of attraction for states. It was after this treaty that countries were regarded as political units on the world geographical maps (Glassner, 1993:53-54).

With the Treaty of Westphalia, countries could play roles in international fields; and cities merely played economic, social and political roles under the control and supervision of these countries. After Westphalia, Nation-States were main actors of international system as Castells and Taylor call it a space of places (Castells, 1996:407; Taylor, 2000:158-159).

According to Castells and Taylor’s theory, the world was based on space of places until mid-1970s which was defined based on neighboring regions and countries. In this atmosphere, international affairs are defined by the presence and role of each country in international arena which is followed by international economy. Therefore, countries are the providers of political and economic security for their citizens (Scott, 2002:264). In this condition, certainly all the international affairs of state organizations should be observed and followed by governments and every government finds itself responsible for its people and country and that is why in such atmosphere, borders of a country are fatal for the national government and political unity. The Fordist Economy was dominant in this atmosphere but in 1970s it faced a crisis.

Research Question

Contemporary globalization caused cities to get more into the space of flows. Many theorists believe that prior to the formation of nation-states, cities in ancient empires were linked together within a network of communications and somehow the space of flows was already formed. But with the formation of Westphalia Convention and the emergence of the Nation States in 1648,
communications of cities were limited to nation-states and the relationships were more established at national arenas and accordingly, the national urban network was formed. Therefore, the transnational relations between cities were established within the nation-states framework.

With the formation of contemporary globalization and the Post-Fordism Economy which relied on the information economy and network, cities were considered as spatial nodes of network and the space of flows was formed. Many theorists believe that cities in the contemporary globalization could easily be converted into network nodes and play a role in the hierarchy of global cities network. But nowadays, many worlds’ metropolises, in spite of globalization could not still get into the transnational spaces. In this research, main question is: what are contexts and how they have entered the transnational spaces as new players in the international system?

**Research Methodology**

A descriptive- analytical data has been considered here. Initially, data were collected from the political geography and urban sociological theories and then, they were analyzed taking into mind as how cities entre into transnational spaces as new players in the international system.

**Definition of Concepts**

*Metropolises*: Major cities that include the chief city of a country or region (www.thefreedictionary.com/Metropolises)

*Spaces of Flows*: A high-level cultural abstraction of space and time, and their dynamic interactions with digital age society (Castells, 1996:146).

*Spaces of Places*: The geographic spaces and communities of everyday life in cities (Castells, 1996: 8)

*World City*: A city generally considered an important node in the global economic system and also, a city widely recognized as a centre of economic and political power within the capitalist world economy (Taylor, 2000:12)

*City Diplomacy*: It could be defined as an institution and a process by which cities engage in relations with actors on an international political stage with the aim of representing themselves and their interests to one another (Pluijm & Melissen, 2007:11)
Theoretical Debate: New World and Role of Cities in Transnational Spaces Fordist Economy

The theorists of School of Keynes believe that years 1945-1973 could be defined as Fordist-Keynes era. In other words, those were the years when mass production and consumption had logical interaction. The interference of government in economic matters was a helpful to keep this balance. Since, Ford was the pioneer in the type of technology which helped mass production of costly goods that people had always dreamed of, and in addition, he was the one who paid an almost high salary which in its own way was stimulating consumption, this whole system was named after him.

Following are noticeable features and specifications of the aforementioned era:

1. Mass production of goods was the norm.
   In engineering fields, car and electrical appliances manufacturing and finding standard products could be produced through a common process (production line) and in great numbers (like: refrigerators, vacuum cleaners, television sets, clothes, etc) was considered practical and economical by owners of companies. In that period, industrial factories were usually gigantic among which the Ford Factory was one of the biggest in Detroit with about 40000 workers enjoying a worldwide fame. To meet the needs of mass production on those days and to be financially beneficial, Ford Factory had to be gigantic.

2. The dominant workforce in that era was the industrial laborers.

3. In all those years, mass consumption turned to a criteria by the help of high and increasing wages, reduction of the real prices of goods, high rate of employment, installment plans and credit facilities and of course a motivation created by advertisement and TV personnel had an easy access to hygiene products, fashionable clothes, vacuum cleaners, proper carpets, refrigerators, radios, TVs and even cars. In this process, mass consumption was a drive for stable mass production. The increasing purchase power was a symbol of a healthy economy; therefore, consumption became a virtue.

4. All along this period, the national government played the main role in economy and inside the organization; commonly, there were some parts under the control of multi-polar markets.
5. The planning variable defined and demonstrated other issues like welfare state. On the other hand, the Fordist Economy enjoyed the support of majority that felt the need of supporting government, especially, the educational system and health systems (Fig. 2). Despite all these, the Fordist-Keynes Economy confronted a crisis in mid-70s, a crisis which changed its principles radically and gave birth to the contemporary globalization. Meanwhile, a new trend has been domineering all economic matters, called “Post-Fordist Economy” (Webster, 2006:65-68; Harvey, 2001:177-179).

Post-Fordism

Post-Fordism came into existence, after the 25-year period of Fordist Economy faced a crisis as a new solution. Post-Fordist Economy could save the capitalism and gave it security and stability once more.

1. The first characteristic of the Post-Fordist Economy was mass dismissal of workforce as a necessary response to the slump which was received well by the industry owners. Lots of them acted to follow this motto “minimization”. To meet this, many firms could prove their capability in “developing without creating new jobs”; therefore, the general characteristics of the post-Fordist economy is to increase production by hardworking laborers or applying new technology or both so that the expansion and development of economy is accompanied by the reduction of workforce.

2. The second characteristic of this economic approach was companies’ dispersal and the participation of other people and cheap, skilled workforce in different phases of production line. This came possible because of Information Technology. In this period, companies started splitting up increasingly and they launched their branches despite of long geographical distances. This solution was really appropriate for minimization, because they needed a few skilled people mainly managers in the headquarters and other workers or engineers worked in other places. This trend still goes on. In this condition, workers have no permanent contract anymore.

3. This vertical dispersal is only possible if there is a proper infrastructure, communication facilities, and suitable
computer systems-hi-tech enough to provide supervision over various activities. These specifications make it possible to enjoy minimization by running branches all over the word through a central office. For instance, the production line can be in Manila, tool supply can be transferred to Taiwan, the marketing offices can be in London, and the headquarters can design and attract investments in New York and manage the whole system from there.

In this situation, flexibility is the best solution of post-Fordist economy which compared the limiting Fordist systems is standard, well-organized and more practical. Flexibility solution in post-Fordist economy has three main principals:

1. **Flexibility with Workers:** It means a post-Fordist worker is someone who doesn't believe in strict definitions of a job and doesn't believe he is capable of doing one job in his whole life. Thus, above all, workers should be flexible. Finding the right profession and training is one of the aspects of flexibility. Flexibility in wages (tendency to pay workers according to what they do not based on a fix priced settled before), flexibility in jobs (changing the occupation every few years, based on which contemporary employment is skyrocketing), flexibility in time (part-time employment is increasingly growing as well as floating working hours, working on shifts and working at weekends) is of great importance.

2. **Flexibility in Production:** With this approach, the factory won't start before getting orders. The expression "flexi-time" is used for this method; therefore, there is no need to warehouses and unsold products. However, these systems have to be flexible enough in meeting the needs of the customers since they won't wait for a long time for their orders.

3. **Flexibility in Consumption:** It means that the electronic technology provides the opportunity for the factories to produce more various goods in comparison with the mass production of Fordist era. In flexibility of consumption, the customer’s orders is taken and the details are sent to the firm, it means a place which has been designed to meet the individual needs and there, some workers with different skills produce what is needed as quickly as possible (Harvey, 2001:177-179).
By studying all these trends, we come to this conclusion that in the post-Fordist era, the mass production is fading out. Instead of gigantic, concentrated factories, there are scattered smaller units in which maximum hundreds of people work. The post-Fordist economy greatly changes the geography of the world as well. In this process there won’t be any gigantic factories with permanent workforce but there will be scattered places in different cities of the world each of which can play a role in the process of production by benefiting from Information Technology (Fig. 2).

Thus, geographic locations have a noticeable position in the flow of capital in the new economy. That is why you can see that personal computers are designed in a particular location, the parts are produced in a different place and finally they are assembled in the sales market which has been specified before design. In fact, the post-Fordism is based on flexibility in production, consumption and is mainly supported first, by Information Technology and second, the cities which provide a suitable bed for this type of economy (Ibid; 68-89) (see Fig.2)
Contemporary Globalization

Globalization is one of the core concepts defining fortunes of cities (Neman and Thornley, 2005: 12). According to Castells (1996), the most important factor that made the capitalist system confronts changes was a crisis in Fordism and also the formation of Information Technology in early 1970. In other words, a revision in capitalism created a new technological-economic system named information capitalism. It was one of the most important final changes of the 20th century that introduced new conditions to the world. The information capitalism has interconnected the world so complexly that economic systems, societies and their culture have never been so interlaced. In this new atmosphere, the capital is like an uneasy child who cannot calm down even for a moment. This is what Harvey calls the post-Fordist economy. Compactness of place and time are the characteristics of this system inside which exist the “fast world” accompanied by flexible production and complex consumption pattern. In other words, Harvey calls the new situation the post-Fordist economy (Harvey, 2001:125).

It is the nature of information capitalism to connect departments and wealthy people to each other and makes them work in a lucrative production line. On the other hand, this economic system abandons poor departments, markets and people (Castells, 1996:18). What is called globalization in most discussions is in fact this new situation that David Harvey calls it the post-Fordism and Manuel Castells calls it the information capitalism based on network. That’s why most thinkers add the term contemporary to globalization to avoid taking it for the old concept of globalization by mistake.

Basically, the contemporary globalization has three characteristics which identify it from other definitions of globalization:

1. **Informational Economy**: in which the benefit and competition between companies and trade agencies, economic regions and countries need knowledge, awareness, information and technology to process this information including the technology management and managing the technology more than ever.

2. **Global Economy**: this economy is characterized by connecting rich departments, markets and people to each other and abandoning poor ones.

3. **Network Economic Activities**: these
activities are regarded as a new form of organizations which are considered the specification of the universal economy. These types of organizations expand their logic gradually, and dominate the other organizations. This organization either consists of different parts from various companies and agencies or is the outcome of internal divisions of a huge agency (Castells, 1996, 12-16).

Actually, based on these characteristics, the contemporary globalization is formed on a kind of inner dynamism that can’t stand any limitations or boarder lines and is extremely flexible, expandable and, growing. At the same time, the contemporary globalization is placed on the logic of network which consists of many nodes, similar to synapses of nerve system, in which, the capital flows and the whole network system is under their control. The presence of this system divides the whole population of the world into two poles: the members and the non-members. When the second class is gradually vanished and become extinct, they might face crisis in their identity and they may do rough, violent things to avoid becoming extinct. That is what Castells calls the network society and the atmosphere of flows (Castelles,1996:14-19).

**Space of Flows**

The most important advance in our understanding of the new global hierarchy has come from the *Globalization and World Cities* (GaWC) Study Group and Network at Loughbrough University, led by Peter Taylor. Building on the insights of Castells, they represent a fundamental criticism of previous urban research and argue that in contra-distinction, future work should be based on *flows* rather than *attributes*, and that it should take a global rather than a national perspective (Hall and Pain, 2006:7). The space of flows has been formed through numerous global economy links, relations and communications along with the space and in parallels with information economy. The fourth is Castells's immensely influential concepts of a “space of flows” in the network society (Castells, 1996:407). He contrasts our traditional concern for space of places (such as countries or cities) with contemporary transnational movements of people,
commodities, and especially – information, which he calls spaces of flows. This space of flows is today found at a range of different geographical scales up to and including the global scale. Cities within networks and as city regions are the critical hubs and nodes of the space of flows (Hall and Pain, 2006:14).

According to Peter Taylor, the famous political geographer, space of flows basically consists of dimensions: the first one is infrastructure and the second is organization, the first one is the cable world that had connected hardware to software and it makes sending electric information to all the world possible. The second level consists of social models that connect people and organizations to the network society. In the first level or the cable world, the network nodes are the structure of places that are created in the cities. If a node is of more importance than the others in a network, the physical equivalence of a node which is city turns to take an international role and will appear as World Cities in the hierarchy of a network society. (Taylor, 2002:6-9).

**Advent of World Cities**

Based on Renée Short’s definition, a city can be counted international as far as it is part of a network (Short, 2004:2). Actually, world cities as places that gather a huge amount of capital from all over the world. The cities are main nodes of the network. In practice, if a node acts better and maintain closer city diplomatic relations with the other nodes, it will attract capital and investment of multinational companies. Then the capital will enjoy the benefits of this situation and easily provides the facilities for a city to take advantage of development opportunities in the world. Therefore as soon as facilities are provided and the situation is suitable for a city to join the network, companies can provide the city with facilities to invest in the factories and help it with the regulations and free training or Subsidy to improve the rank of a city in the hierarchy of a network and create a lot of opportunities for the citizens of that city. That’s why World Cities are now the new centers of power (Fig. 3) and competitiveness with each other hard because change in the node of a network means change in urban locations and therefore the appearance and collapse of them in the structure of the network.
Fig 3 Global Cities as Economic Centers and their Geopolitical Realm (Source: Taylor, 2000)
That is why; locations as the node of the network in competitiveness with other nodes might become weak and the consequence would be economic, social and physical collapse (see Fig. 4).


Short believed in the global political geography. To him, a global city can allocate a role to itself as the basis of
information economy production in space of flows. Based on this definition, World Cities have nothing to do with population or income but it is defined by its rank in the network structure on the space of flows (Ibid, 2). According to Taylor, in the age of information technology, knowledge presents power which is in world cities more than ever. Concentration of knowledge especially in advanced production services like accounting, advertising, bank and commercial matters, insurance, income, managerial consulting has made the global economy appear powerful. (Taylor et al., 2001:214-216). In the model of Taylor, world cities divided to the three levels in the hierarchical network. First level is Alpha, second level Beta and third level Gamma (see figure 5). Cities in the Alpha level are major center of the global economy and other levels like Beta and Gamma, have important role in the world city network (Beaverstock et al., 1999, 456-458).

![Fig. 5 World Cities in Three Levels: Alpha, Beta and Gamma (Source: Beaverstock, Smith, Taylor, 1999)](image-url)
City Diplomacy and Transnational Role of Metropolises
The most recent discussion in the 20th century between the metropolises or megacities was about the city diplomacy. The city diplomacy parallels with diplomacy of higher level, diplomacy of the governments and in relation with other countries, was formed and nowadays many metropolises and world cities use this a mean to reach their economic, cultural and social goals serving the national benefits of their country (Pluijm & Melissen, 2007:12-13).

City diplomacy is one of the most important means of management of metropolises to enter the international arena. In fact, with the formation of the post-Fordism economy and the space of flows, cities are acting as location supports for international arena. When a metropolis steps into the international arena equipped with the city diplomacy and finds its own place in a network of space of flows in fact, it changes from metropolis to the world city and by moving inside the network and finding it own place as a city in Alpha Level (Taylor, Hoyler, Walker, Szegner, 2001:220), escalates to a top rank world city or as it is called to a Global city which is the center of managing the post-Fordism economy. What makes a metropolis advance to a world city is the city diplomacy in which the city management becomes active in international spaces and communicates with other world cities and multinational companies and serves the city management as modern means.

The city diplomacy owns another dimension among world cities which is more in the framework of benefits of investing and multinational companies. In the city diplomacy, city management comes to inter-cities in boarders of international arenas parallel with international relationships of metropolises of various countries and seeks its own city benefits with making professional relationships which is mainly defined in economic framework in other metropolises. Therefore, as you can see, in the new situation some of the income of a city can be earned from other cities. On the other hand, the management of metropolises starts being active with other – regional – economic organizations in international arenas by city diplomacy and take advantage of the potentials of these organizations in economy (Pluijm & Melissen, 2007:14-16).

Conclusion & Final Model
Since long time, cities have been the centers of human developments. They not only were in contact with their hinterland but
gradually linked to other cities in a hierarchy of economic and commercial fields. After the Treaty of Westphalia (1648) and the formation of Nation States, the role of cities faded away and they were mainly replaced by countries. It was not until the end of 20th century in the context of Fordism but later on due to dramatic changes in capitalism and the renovation of Fordism to post-Fordism, cities earned credit once again in the international fields. With such trends, some scholars interpreted it as space of flows which is truly the basis of the contemporary globalization.

The contemporary globalization is based on a renovation in the structure of capitalism, logic of network and space of flows which is embodied in location node of a hierarchical network, the world cities. Nowadays, the city managements earn high benefit for their citizens by entering the space of flows network and working in transnational arenas and besides this earning they also supply part on their national expenses through this newly born situation. In addition, city management has provided a proper condition for regional economic organizations and multinational companies to settle down their cities and consequently job opportunities are provided for the citizens. In this atmosphere, cities are like countries and they compete with each other in the network and they do their best to attract more capital and investment. If a city owns some special advantages, it can go in transnational arenas and by investing in projects of other cities, finds more benefits and sends skillful workforce to other projects to provide its citizens with more jobs. A look on the geographical map of metropolises indicates that in Middle East, unfortunately, except for the metropolis of Istanbul no other cities have reached the standards of a world city, according to gamma division. Therefore, despite all the advantages of the cities and the possibility of having a rank in the network of world cities, they still have not entered it. The city diplomacy equipment indicates how cities could enter transnational spaces and be a world city (Fig.6). This trend has caused the metropolises to face with lack of national resources and this pressure is transferred to their citizens.
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References
جهانی شدن و نقش شهرها در فضاهای فراملی

مرتضی تورچی، محمدضاها حافظ نیا، زهرا احمدی پور، محمدباقر قلییان

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جهانی شدن معاصر که بر بیان اقتصاد پست فوردیستی و سرمایه‌داری اطلاعاتی شکل گرفته است، دارای ویژگی‌های هموار اقتصاد اطلاعاتی، اقتصاد جهانی و فعالیت‌های اقتصاد شیکه‌ای می‌باشد. ویژگی‌های اقتصاد پست فوردیستی وضعیت‌های ایجاد کرده است که سرمایه‌آور کلاه‌ها و تولیدی از جمله مکان‌ها به حالت انعطاف‌پذیری فضایی تغییر کرده‌اند. در این شرایط شهرونه به عنوان نقش حمایتی در شکایت اقتصاد جهانی دارند و همچنین در دوران اقتصاد پست فوردیستی به عنوان بارگران جدید فضاهای فراملی هستند. کلانشهرها در این وضعیت سعی می‌کنند که بخشی از هزینه‌های خود را با استفاده از ایزدان دیلماسی‌های شهری و از فضاهای فراملی کسب کنند. امروز مدرنیت کلانشهرها مشتق‌های مستند نه تنها برای مدرنیت کردن بازی یکی از هزینه‌های خود بلکه جهت ایجاد فرصت‌های شغلی مناسب برای شهرداران خود به شکل شهرهای جهانی بی‌پرونده که همه آنها برای دیلماسی‌های شهری می‌باشند. در حقیقت، می‌توان گفت که بازیگران جدید جغرافیای برون‌جلسه، از دوست و یکم شهرها هستند و آنها همراهه منافع مالی خود را در این فضاهای جشن‌جوی می‌کنند. سنوالت مطرح شده در این پژوهش، عبارتند از: جنگ های دیپلماسی و چگونگی ورود شهرهای فراملی به عنوان بارگران جدید نظام به عملیات چه عاملی هستند؟ همچنین روش تحقیق بکار رفته در این پژوهش توصیفی - تحلیلی می‌باشد.

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