

SPATIAL SCALES, URBAN REGIONS AND THE ROLE OF THE STATE: CHALLENGES TO CONTEMPORARY DEVELOPMENT STRATEGIES ¹

RICARDO CARLOS GASPAR²

Abstract: The fast course of urbanization and technological changes occurred throughout the last decades is creating a new geography of power in the world, in which large cities and regions gain increasing importance at global economic level. The paper examines those transformations, arguing that the focus on urban spaces does not necessarily mean that national states are disappearing like political actors. Not even public sector becomes less relevant implementing and coordinating development efforts. Despite all changes, they remain – actually among other political spheres - a foundational support for multi-scale regional policies, hence giving sustainability to local growth strategies.

Key-words: global cities; political economy of urbanization; spatial scales; institutional structures; regional development policies.

JEL classification: R11

Foreword

Many substantial transformations are currently taking place in our daily lives due to the impacts of globalization. One of the prominent consequences affects the world urbanization trends. A recent United Nations report, published by the *United Nations Population Fund* (UNFPA, 2007), discloses interesting data and projections about the demographic growth of some of the world's largest cities. The document highlights the challenges posed to the humanity by the enormous influx of

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² PHD in Social Sciences, Professor of the Economic Department of Catholic University of Sao Paulo/Brazil (PUC-SP). E-mail: ricgaspar@gmail.com

urbanization related to the last changes in world economy. First of all, according to the study, worldwide population will jump from 6,615 billion in 2007 to 9,075 billion by 2050. Average increase tax per year will be 1.1 percent, from 2005 to 2010. Throughout the same period, the world's urban population – currently reaching half of the global inhabitants, unequally distributed among regions and continents – will register 2.0 percent of incremental taxes in our planet. Such increase will be 0.5 percent year after year in richer countries, 2.5 in developing regions and 4.0 in less developed countries. The large cities' population in Asian and African countries will double from 2007 to 2030 (see Table 1).

Table 1. Selected Demographic Indicators

	Population (millions)			Urban population	
	Total 2007	Projected 2050	Average growth rate (2005-10)	2007 %	growth (2005-10)
World total	6.615,9	9.075,9	1,1%	50%	2,0%
More-developed regions (*)	1.217,5	1.236,2	0,2%	75%	0,5%
Less-developed regions (*)	5.398,4	7.839,7	1,3%	44	2,5%
Least-developed countries (*)	795,6	1.735,4	2,3%	28%	4,0%

(*) More-developed regions comprise North America, Japan, Europe, and Australia – New Zealand.

Less-developed regions comprise all regions of Africa, Latin America and Caribbean, Asia (excluding Japan), Melanesia, Micronesia and Polynesia.

Source: UNFPA, 2007: 90.

This “second wave” of demographic transition (the first, related to the Industrial Era and covering two centuries, between 1750 and 1950) will bring deep social, economic and environmental consequences to the humanity as a whole.

Centered in public policies' recommendations aimed to make this urban growth, healthy and equitable, the report posits as insufficient the idea of trying to refrain – by itself – the rural-urban migration. In the opposite, it's important to act over causes of the high and natural increase of the cities' population, linked to huge levels of urban poverty, most of all in developing countries.

This article briefly discusses the diagnosis and propositions contained in the report, and try to open some new analytic and political perspectives to the contemporary urban debate. We adopt an explicitly social change approach and argue that three elements are foundational for correct understanding this thematic:

1. the renewed and transformed importance of the state, in a multiscale perspective, but giving priority to the national states;
2. the territoriality of globalization processes, centered around urban spatialities, and
3. the urgency of a new institutional framework, according to the contemporary geography and political economy of world power and the reality of mega urban-regions, which affects all mankind.

Rich diagnosis, poor propositions

UN report about global urbanization trends demonstrates that the year 2008 will be a benchmark in the complex and ongoing urban revolution. For the first time in history, more than fifty percent of the world's people will live in urban areas, most of it in developing countries. Anchored on these findings, the document advances public policies supposed to manage risks and optimize possibilities. Nevertheless, listed suggestions present a serious weakness: they are focused exclusively on local scales, when urban morphology – particularly with the global economic changes post-1970 – overwhelmed that scale and requires more comprehensive vision, politics and planning that take into account the enormous challenges brought by the globalization process. It brings to the fore the notion of a region-based economic and political organization, centered on city-regions as the motors of the world economy (Scott *et al.*, 2001; Keating, 2001).

Additionally, the report's recommendations contain a high degree of *wishful thinking*, which is clearly not enough to make things happen differently and to open way towards changes (this kind of analysis also appear in many other publications from multilateral organisms – see, for instance, IMF, 2007).

Yet, this bias typically derives from the analytical orientation of the UN's international organisms system. In other words, despite of their renowned *expertise*, they are inefficient bureaucracies to face the great dilemmas of our time. They look like heavy and slow state apparatuses, experiencing deep identity crises and dramatic losses of operational capabilities. The political importance of an institutional framework of international governance is undeniable, as well as the excellence of the technical support and the work of collecting data and producing extensive surveys. But they claim for urgent reform. That's regrettable, but *targeting the urban poor* becomes nothing more than a slogan, a piece of rhetoric that doesn't resonate on people livings, while slums multiply themselves everywhere (Davis, 2006).

The stressed localism of the diagnosis, as well as its so-called solutions, passes through the text. "Think globally, act locally" appears to be an innocuous refrain. However, it turns to exceptions when, reading the report, one finds out that "solving

current problems can help mitigate the impacts of global environment change - but only if the interactions between local urban problems and regional and global processes are explicitly considered” (UNFPA, 2007: chapter 5.2). But the analysis does not move forward, and a crucial aspect of the effective sustainable development remains unexplored.

In fact, more important they are, cities lack crucial mechanisms of macroeconomic control. Politically, despite growing ascendance, cities are subordinate stakeholders. Due to that, in spite of all boasting about global cities, mayors from New York, Paris, London and Tokyo, altogether, doesn't value the political importance of a head of state from any small Centro American or African republic.

It requires a decisive theoretical and political upgrade to organically incorporate regions in the contemporary urban thematic approach. It makes no sense the old polarization between cities and their rural hinterlands. Today, rather than that, big cities expand their political and administrative borders, constituting a large complex of extensive urban centers and cross-border networks, articulated and integrated around certain political and economic hegemonic poles (Mattos, 2004; Carbonell and Yaro, 2005; Gaspar, 2007a). Equally, real estate development reveals convergence among great cities, creating international image patterns and attracting large amounts of foreign capitals (Haila, 2006). Global cities become spatial correlates of economic concentrated power, characteristic of current globalization (Sassen, 2007: 138-9).

Nonetheless, the world has been testimony of good examples focusing the urban theme. Yet, it is necessary to take the crucial step: to update urban politics, adding intrinsically the regional dimension. That does not mean that local actions should be discarded, but it's important to note that, alone, they don't have the power to solve big problems of the globalized era, which require structural changes, integrated approaches, including dynamically multiple territorial scales, as well as targeting effectiveness in development policies and positive social and environmental impacts. A Brazilian investigator calls this trend toward urban regionalization as “spatial metropolitanization process”, which extends to larger territories exclusive characteristics of metropolitan regions (Lencioni, 2005).

In United States, there is a good example of an initiative focused on strategic planning for the future of the country. “America 2050” is a coalition of regional planners, scholars, and policy makers concerned to develop a framework for the nation's prospective growth that considers, most of all, the emergence of mega-regions – large network of metropolitan areas, where most of the population and economic growth by mid-century will take place. They comprise multiple, adjacent metropolitan areas connected by overlapping commuting patterns, business travel, environmental landscapes and watersheds, linked economies, and social networks.

Economic regeneration strategies are being deployed at this scale – in USA, Europe and Southeast Asia, mainly -, to transition former industrial regions to the new informational economy (Regional Plan Association, 2006).

The city and province of Shanghai, China, is another good example of large urban planning, taking into account a broader region outside the city core and municipal jurisdiction, providing that local and regional strategies have been coordinated with national policies (Shanghai, 1999).

Thus, we agree that “mega-city region expansion appears to indicate that ‘global cities’ are generating large polycentric regions with multiple connections into the world economy” (Taylor and Pain, 2007: 65). The United States see no more than ten metropolitan areas become “America’s economic engines: centers of technological and cultural innovation where the majority of immigrants who are driving population and economic growth will assimilate into the economic and social mainstream” (Carbonell and Yaro, 2005: 18).

In South America, the Brazilian Government led by President Lula, has already taken two key steps on the way to address the urban and regional issue accordingly. As a first step, the Cities Ministry was created and further strengthened. As a second step, came the incorporation of the regional thematic like central criteria for the Growth Acceleration Program, launched in the beginning of this year. The Program reassures the centrality of national state addressing planning issues. Even though is necessary, from now on, to integrate those two territorial dimensions, recognizing the big cities’ roles in the economic and social development, but tackling their problematic in the context of the polycentric urban fabrics, involving a lot of municipalities and differentiated local realities (Gaspar, 2006 and 2007b). Acting like this could prevent fragmentation trends in urban interventions, superseding the polarization between metropolitan and regional governance versus local autonomy (Polèse, 2000).

Either scattered master plans or traditional urban planning will not solve our deep problems. Connectivity and urban sprawl has superseded old parameters. Otherwise, we are not talking about large urban projects, strategic plans or modern real estate enterprises. Rather, we are concerned about development, sustainability and inclusiveness. At local level, concluding intensive efforts, best practices lead to disappointments or to land values fast increases, which benefit the same and well known winners.

State, economics and geography

The multifaceted dimension is what expresses the actual global power's diagram. Such political conglomerate remains getting the Nation-State as its gravitational axis, even though the Nation-State has been meaningfully changed by global transformations after 1970 and parts of it have been converted into the main agent of the globalization (and the liberalism) within all countries (Sassen, 2006 and 2007).

This kind of issues concerning the role of the state leads us to the debate involving economics and territoriality, and the question of geographical scales. First of all, capital and coercion, or the power of territorial states and the finance, are rooted on the beginnings of the capitalist world-system (Tilly, 1996). Since its beginnings, state was never an autonomous political entity; states developed and were constituted like parts of an interstate system (Wallerstein, 2001: 49). Their contradictory relationship has accompanied the capitalist system historic evolution: in spite of the conflicts, territorial power and finance can not live without the other. Secondly – coming to the contemporary times -, the concept of global city brings new theoretical and empirical dimensions to the understanding of actual global economy. “Global cities are places but they are so in terms of their functions in specific, often highly specialized networks” (Sassen, 2001: 350).

A common discourse on globalization posits the end of cities as important economics units or scales. The importance of the global cities model resides precisely to argument, forcefully, that “the capabilities for global operation, coordination and control contained in the new information technologies and in the power of transnational corporations need to be produced” (...) “A focus on the production of these capabilities shifts the emphasis to the *practices* that constitute what we call economic globalization and global control” (Sassen, 2001: xxii). That is to say, brings to the center of scene questions involving work processes, cultural schemes and political divides. Most of all, the fundamental theme of the public space is revealed, which points out again the presence (or absence) of politics concerning the people's lives: “Abstracting from the locations of real events and social relations removes an entire dimension of political relationality” (...) “the respatialization of our sense of the public brings the opportunity of a more complete repoliticization of the public than otherwise be available” (Low and Smith, 2006: 7).

Therefore, it's important to consider costs to transactions, economies of scale and increasing returns as determinants of the geography of concentration of economic activity present at the world scale (Krugman, 1991). Equally, the place/node interaction and the symbolic role of such cities must be considered (Camagni, 2001: 96). A classic book written by Lewis Mumford already advised, decades ago, that

inner metropolitan center renewal would be impossible in the absence of a much greater transformation, in a regional and interregional scale (Mumford, 1969: 606).

New spaces of centrality emerge: a correlate to economic concentrated power in the corporative world. The regional grid of nodes, pointed out by Saskia Sassen, represents in her analysis, “a reconstitution of the concept of region”, “embedded in conventional forms of communication infrastructure, notably rapid rail and highways connecting to airports” (Sassen, 2001: 124). This relation between telematics and geography, as well as the place-ness of the global-city, needs to be integrated in a broader space and connected with a multi-scale interactivity for correct comprehension of the phenomena and appropriate political prescriptions. Here, perhaps, we can find a remarkable pitfall on the global city concept: the emphasis dedicated to the core dynamics of the urban regions (represented by the highly specialized producer services and finance activities) lacks a more comprehensive consideration of the broad territorial scale, which has been inserted into the policentricity of the current metropolises (or mega-urban regions).

Territories are not passive locational objects. They are synonymous of human space, livable spaces, a lesson learned from the great Brazilian geographer Milton Santos (2005: 138). Moreover, they become “important economic operators, performing the crucial tasks of enhancing the static and dynamic efficiency of local firms” (Camagni, 2001: 102). UN-Habitat recognizes the broadened scope of the contemporary urban thematic, but do not go further, translating it in practical political measures and instrumental tools: “Analysis of metropolitan spatial development trends reveals that urban-regional dynamics have become more prominent and that significant shifts from city-centred to regional forms of urbanization are currently taking place” (UN-Habitat, 2004: 65; see also Habitat Agenda: UNCHS, 2007: chapter 1).

Capitalists are aware about the importance of public support to territorial infrastructure and logistics to private investments. Although not admittedly, they claim for it: “(...) the national states of the post-Keynesian, neoliberal era have been restructured substantially to provide capital with many of its most essential territorial preconditions and collective goods at other spatial scales, including both the supranational and the subnational” (Brenner, 2006: 263).

By the same way, the active role of the state is required, both coordinating and planning regional policies, and constructing new institutional arrangements. Moreover, the nation-state is a piece of resistance to avoid market explosive nature (Boyer and Hollingsworth, 2000: 447). If we can assert that “innovative activities often are facilitated by collective effort, including, among other things, state support”, i.e., that “entrepreneurship has increasingly become a collective effort”, public sphere activities in times of globalization are based upon the role of the state

as entrepreneur, which has two components: “firstly, its position as the central agent imparts it with a crucial role of providing a vision for the future in a period of transformation. Secondly, its role as an institution builder allows it to give institutional reality to its vision as well as institutionalizing the emergent coordination structure” (Chang, 2003: 34-5 and 69).

A new geography of power is taking place in the world, with a multiplicity of political agents: a post-Westphalia order. Instead of most current opinions, national state remains decisive, though undergoing great changes. The national state, due to its complexity and enormous capture of society and the geopolity along the last century, becomes “a strategic site for the transformation – the latter cannot simply come from the outside. What this categorization [denationalization] does not entail is the notion that the nation-state as a major form will disappear but rather that, in addition to being the site for key transformations, it will itself be a profoundly changed entity” (Sassen, 2006: 423).

The material basis of the digital economy demands territorialities reinforced by technological and logistics requirements of systemic competitiveness. In most countries, it can be aggregated to the urgent social relief. Likewise, financial schemes to sponsor large infrastructural projects must include creative arrangements within which, regional and national public sector should play strategic roles.

Such purposes imply new institutional designs, both creating other governmental structures and integrating existing local authorities. Anyhow, to avoid sprawling settlement patterns that “impose an increasing burden on the territory in terms of irreversible car dependency and the extension of commuting catchment areas” (...) polycentric networks of compact centers can represent a viable alternative spatial pattern for avoiding a dramatic fall in the quality of metropolitan territories” (Camagni, 2003: 115).

Concluding remarks

Most world city researchers have conceived urban regions as the relevant scale on which the city’s global functions are realized. The politics of mega-cities continuously transcends the downtown city core, which has traditionally been the focal point of urban economic studies. This means that the politics of the global city are, in practice, actually metropolitan and regional politics, and connected with national strategies, the last an important issue that has been lost somewhat in discussions about urban problems.

Global cities model lacks social change perspective – in a broad sense -, due to its exclusive concentration on the *core* of the actual urban transformations connected

with global hegemonies. Adopting a larger territorial approach allow us to visualize alternative fields of land use patterns linked to economic and social assemblages, as a result of the inclusion of industrial restructuring effects and the role of infrastructure investments in a region competitive performance.

Here the public sector should play a crucial role. That's an enormous challenge, although with absolute priority. In short, a prime task is to reinforce large urban regions like effective engines for the countries' economic acceleration and promoters of sustainable regional development. New governance structures imply huge efforts to strengthen citizenship, likewise to enhance multi-scale linkages and political empowerment, recovering regional planning in a long term commitment framework. The challenge of climate change also requires, as a condition of efficacy, actions focusing regional adequacies of land use patterns. In response to these issues, it's an urgent matter to search such comprehensive urbanization strategies in ways that are economically sound, environmentally desirable, politically feasible and socially acceptable. Only by this means it will make really possible to "unleash the potential of urban growth".

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