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Indian Cities on a Growth Trajectory of Globalization: An Appraisal

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Abstract

Cities in the modern era have developed as the commercial, industrial and administrative centers and part of the development of national markets and the consolidation of nation states. The impacts of globalization are most broadly felt on the cities and they provide an opportunity for the study of local change linked to the global change. The cities have emerged as a critical site for analyzing dynamic and dialectic articulations of the global and local processes. There is an upsurge of a new spatial order based on the networks of global cities connected via digitalized infrastructure experiencing new transnational flows of people, power, and culture. Saskia Sassen argues that a new social order based on the network of global cities is emerging under globalization. The global cities are emerging as the new sites of the specialized services for the transitionally mobile capital. These cities are the cities or spaces that are a centres of the most important global resources and the providers of the essential global services. It is imperative to comprehend the nature of the global city in order to have an in depth understanding of the process of globalization. The advancement of IT, the upgrading of globalization and the new stage of urbanization has far-reaching impact on the development of global cities. The concept of global city introduces a strong emphasis on the strategic components of the global economy. The analysis of the city would assist in studying globalization in context to the growing inequalities, emerging networks and communication patterns, and the growing intensity and impact of globalization on the several sectors of the society – political, social, legal and cultural. The present paper attempts a deep understanding of the concept of global cities in context to the hypothesis of Saskia Sassen for a better understanding of the concept of globalization.

Keywords:- *globalization, global city, spatial order, Saskia Sassen, development, networks, communication patterns.*

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Operating at four distinct levels of the political, communicative, economic and the socio-cultural, globalization has led to integration not only in the economic or communicative sphere rather in all spheres of society that paved way for homogenization and heterogenization of cultural values, economics, markets etc. It is often labeled as hybridization of cultural styles and forms which, not only differentiates the nature of global culture from non- global ones but also opens up new insight of looking at society and its structure.

Digging deep into the stages of historical growth and development of global forces, one can argue that in every phase the world economy has raised specific concerns about the circumstances that have enabled it. The contemporary global phase is symbolic of increased information technology that has led to the enhanced mobility and liquidity of capital. The cross-border economic processes via flow of capital, labour, good, raw material and tourism within the inter-state systems have been characteristic of the society since ages but the processes of liberarization and privatization further augmented the opening of economy and global markets. This ultimately led to the strengthening of global forces and shrinking spatial boundaries and locations. Sassen (1991) believes that this loosening of world economies proliferated the growth of global cities and regions. Global forces focuses on the integration of societies thereby diminishing the spatial boundaries and locations. It is a process, wherein the local gets global and the global gets local. Moreover, as globalization involves integration and integration is interactional. Another noteworthy point in context to globalization is that it is a process which involves contraction of both time and space (Giddens: 1991), that is to say that in globalization geo- centric aspects or qualities gradually become trivial or insignificant. These merging new trends in the social structure of the city have been an influential factor in promoting the process of globalization. The Liberalization of the economy, blending of the local and the global culture along with the development of global means of communication and the enhancement of the internet and its usage are shaping the city into a globalizing city.

On reviewing the concept of globalization in detail it was noticed that, the cities have emerged as a critical site for analyzing dynamic and dialectic articulations of the global and local processes (Genis 2007). Crangs's (1999) analysis of globalization affirms that within globalization is inbuilt a spatial shift and one needs to focus on these spatial categories to understand globalization. In common parlance it is believed that globalization redefines the relationship between production and territoriality, economic organization, institutions and social processes but the need is to address the questions of what and how do transnationalized populations reorganize their spatial relations, from local to global scales? Sassen (1991) focuses on these spatial relations/ categories within globalization wherein she uses cities as an analytical processes to understand these spatial relations. She states that a new spatial order based on the networks of global cities connected via digitalized infrastructure experiencing new transnational flows of people, power,

and culture is emerging under globalization.

Genis (2007) asserts that the emerging global system of production is being socially and spatially articulated through a wide network of cities. Taking into account the efforts of the scholars like (Castells: 1989, Sassen: 1991, Smith: 1999), he comments that these studies have reflected upon the role of the cities in the process of globalization. There is an attempt to comprehend how globalization transforms cities and the cities rework globalization. There is a production and reproduction of the global forces in the society.

Cities developed in the modern era as commercial, industrial and administrative centers and part of the development of national markets and the consolidation of nation states. Robinson (2009) analyses that the impacts of globalization are most broadly felt on the cities and they provide an opportunity for the study of local change linked to the global change. Cohen proposed the concept of “global city” was first proposed by Cohen (1981) but the credit of the formal theorization of the concept of global city however, goes to Saskia Sassen (1991). She argues that a new social order based on the network of global cities is emerging under globalization. The global cities are the sites of the specialized services for the transitionally mobile capital. She further argues that it is in the global cities that numerous inputs, services and amenities are present. Pengfei and Shen (2021) argues, that global cities are the cities or spaces that are a centres of the most important global resources and the providers of the essential global services. Going by Sassen’s (1991), logic it is imperative to comprehend the nature of the global city in order to have an in depth understanding of the process of globalization. The advancement of IT, the upgrading of globalization, and the new stage of urbanization have far-reaching impact on the development of global cities. The concept of global city introduces a strong emphasis on the strategic components of the global economy. The analysis of the city further helps in studying globalization in context to the growing inequalities, emerging networks and communication patterns, and the growing intensity and impact of globalization on the several sectors of the society – political, social, legal and cultural. She mentions that the global cities around the world are the terrain where multiplicities of globalization processes assume the concrete localized forms. (Sassen: 2005: 40).

In this context, Sassen (1991:28) outlines the following hypotheses on the basis of which she organizes and theorizes her concept of global city:-

1. The geographic dispersal of economic activities that marks globalization, along with the simultaneous integration of such geographically dispersed activities, is a key factor feeding the growth and importance of central corporate functions. The more dispersed a firm’s operations across different countries, the more complex and strategic its central functions— that is, the work of managing, coordinating, servicing, financing a firm’s network of operations.
2. These central functions become so complex that increasingly the headquarters of large



Source: Original

global firms outsource them: they buy a share of their central functions from highly specialized service firms—accounting, legal, public relations, programming, telecommunications, and other such services. While even ten years ago the key site for the production of these central headquarter functions was the headquarters of a firm, today there is a second key site: the specialized service firms contracted by headquarters to produce some of these central functions or components of them. This is especially the case with firms involved in global markets and non-routine operations. But increasingly the headquarters of all large firms are buying more of such inputs rather than producing them in-house.

3. The specialized service firms engaged in the most complex and globalized markets are subject to agglomeration economies. The complexity of the services they need to produce, the uncertainty of the markets they are involved with either directly or through the headquarters for which they are producing the services, and the growing importance of speed in all these transactions, is a mix of conditions that constitutes a new agglomeration dynamic. The mix of firms, talents, and expertise from a broad range of specialized fields makes a certain type of urban environment function as an information center. Being in a city becomes synonymous with being in an extremely intense and dense information loop.
4. A fourth hypothesis, derived from the preceding one, is that the more headquarters outsource their most complex, unstandardized functions, particularly those subject to uncertain and changing markets, the freer they are to opt for any location, because less work actually done in the headquarters is subject to agglomeration economies. This further underlines

that the key sector specifying the distinctive production advantages of global cities is the highly specialized and networked services sector. Empirically it may still be the case in many countries that the leading business center is also the leading concentration of headquarters, but this may well be because there is an absence of alternative locational options. However, in countries with a well-developed infrastructure outside the leading business center, there are likely to be multiple locational options for such headquarters.

5. The specialized service firms need to provide a global service which has meant a global network of affiliates or some other form of partnership, and as a result we have seen a strengthening of cross border city-to-city transactions and networks. At the limit, this may well be the beginning of the formation of transnational urban systems. The growth of global markets for finance and specialized services, the need for transnational servicing networks due to sharp increases in international investment, the reduced role of the government in the regulation of international economic activity, and the corresponding ascendance of other institutional arenas—notably global markets and corporate headquarters—all point to the existence of a series of transnational networks of cities. A related hypothesis for research is that the economic fortunes of these cities become increasingly disconnected from their broader hinterlands or even their national economies. We can see here the formation, at least incipient, of transnational urban systems. To a large extent major business centers in the world today draw their importance from these transnational networks. There is no such thing as a single global city—and in this sense, there is a sharp contrast with the erstwhile capitals of empires.
6. The growing numbers of high-level professionals and high profit making specialized service firms have the effect of raising the degree of spatial and socio-economic inequality evident in these cities. The strategic role of these specialized services as inputs raises the value of top-level professionals and their numbers. Further, the fact that talent can matter enormously for the quality of these strategic outputs and, given the importance of speed, proven talent is a benefit, the structure of rewards is likely to experience rapid increases. Types of activities and workers lacking these attributes, whether manufacturing or industrial services, are likely to be caught in the opposite cycle.
7. The result of the dynamics described in hypothesis six, is the growing informalization of a range of economic activities, which find their effective demand in these cities, yet have profit rates that do not allow them to compete for various resources with the high-profit making firms at the top of the system. Informalizing part of or all production and distribution activities, including services, is one way of surviving under these conditions

Taking into consideration, the above hypotheses on global city, it can be stated that the increasing transnational migration and transnationalization of capital have led to the emergence

of transnational spaces that are characterised by the increased flow of workers, capitals, goods and information. These transnational migrations restructures the economy of the developed countries thereby generating a new role for the urban centers popularly known as the Global cities. These urban centers are characterized by: These cities are typified with the visible expansion of the luxury zones, fancy offices and residences, accompanied by an almost invisible expulsion of the working classes and modest middle class families from locations where they may have lived for several generations. In this reference, Sassen claims that New York, London and Tokyo are emerging as the global cities and they play a functional role in enhancing the process of globalization. She further asserts that the transformation and changes in the cities ranging from Paris to Frankfurt to Sao Paulo are also emerging as the global cities in the light of the above hypotheses. (Hill and Kim: 2000).

However, Sassen's concept and elements of the global city can be considered as a lopsided image of the world where she is just catering to the needs and requirements of the developed nations like England, Japan and the U.S.A. Moreover, her analysis treats globalization more of an economic process affecting the geographical dispersions and the socio-economic inequalities. The time when Sassen analysed the model of the global city may also be regarded to be quiet old. She may have been responding to her times as in 1990s when Sassen was addressing the notion of global city, the process of globalization was shaped much on the economic parameters. But, in today's time the global forces have their roots in all dimensions of the society – economic, political, cultural and the communicative.

People work in global cities and when they communicate and contact with people using the new media they not only communicate on personal issues but this communication pattern latently helps in spreading of the global culture via the new media. In this way, if not global the cities are definitely connected globally. Those residing in the global cities communicate with their parents, kinship ties, friends and relatives, this help in the global exposure of these commuters and the spread of the global cultures and ideologies. It is more like a city coming to a village. They come with their own ideologies and cultures and therefore there emerges a serious question on Sassen's hypotheses. The analysis of global processes therefore, demands an overall understanding of the societies in all dimensions and when analyzed in context to the developed nation only the projection cannot be representative of the process. The expansion of globalization and global forces have moved beyond the geographical dispositions and the found their roots in the interactional and communicative patterns of the societies. There is an emerging pattern of the interactions with the people moving out at global centres thereby generating a need to focus and attend the on-going global predisposition and tendencies all around the world.

City is catering to the needs of these interactive patterns and systems. Though they may be at the periphery but are definitely in the process of becoming global. There at certain manifest

and interactional aspects involved at these centres, and when this global section of the society moves out, they bring along with them not only the economic but also the new cultural patterns. These new patterns are, enlarged and envisaged via networks of friendship, kinship and familial ties. These networks help in generating global streaks within the society and there emerges new trend of culture and ideology in the society. This shapes the society along the lines of global culture and society thereby defining the society in terms of globalization and global propensities.

Through these hypotheses she attempts to unfold the emerging dominant global discourses in the 1980s conceived the end of cities as an important economic units. She visualizes the existence of a global economic system as a given, a function of the power of transnational corporations and global communications. There is a need to actualize the capabilities for global operations, coordination and control present the new information technologies and the transnational corporations. This would enable us to comprehend the practices that constitutes of what we call economic globalization and global control. In addition, a focus on these practices will enable us to include the categories of place and work process into the analysis of economic globalization. In this context it can be asserted that the analysis of global city enables us introduce a strong emphasis on strategic components of the global economy. It helps us to highlight on the following crucial points:-

- The questions of power and inequality and the actual work of managing, servicing, and financing a global economy.
- A focus on the city in studying globalization will tend to bring to the fore the growing inequalities between highly provisioned and profoundly disadvantaged sectors and spaces of the city, and hence such a focus introduces yet another formulation of questions of power and inequality.
- Third, the concept of the global city emphasizes on the networked economy due to the nature of the industries like finance and specialized services, the new multimedia sectors, and telecommunications services located there. These industries are characterized by cross-border networks and specialized divisions of functions among cities rather than inter-national competition. It is a de-facto global system. (Sassen:1991)

A focus on networked cross-border dynamics among global cities also helps us to capture the growing intensity of transactions in the political, cultural, social, and criminal domains. The multiplicity of globalization processes assume concrete, localized forms in these Global cities. City, is strategic site for a whole range of new types of political, economic, "cultural," subjective operations (Sassen:1991).

The Globalization and World Cities Study Group and Network (GaWC) based at Loughborough University in Loughborough, Leicestershire, England. in 1999 attempt to define and categorise the world cities. The roster was outlined in the GaWC Research Bulletin 5 that ranked cities on the basis of the provision of "advanced producer services" such as accountancy, advertising, finance and law, by international corporations. The GaWC inventory on the basis of

the offices of certain multinational companies providing financial and consulting services rather than other cultural, political, and economic centres identified the following three levels of world cities and several sub-ranks:-

- I. Alpha world cities (full service world cities)
- II. Beta world cities (major world cities)
- III. Gamma world cities (minor world cities)

In addition to these classifications, PJ Taylor in 2004 made an effort to further classify the Global cities into well rounded global cities and Global niche cities - specialised global contributions. The Global Cities Conference at the university in a conference at Liverpool Hope University aimed to spell out the meaning of the term Global city in context to its images, narratives, economics, planning and people's experiences. A city's global nature is determinant of its size, possibility for diversity and complexity. The emerging megacities of Asia are not necessarily truly global, moreover, most of today's global cities like London and Istanbul are Old World cities that reinvented themselves as they already portrayed complexity and diversity. Nonetheless, the newer- world cities like Miami have also emerged as the global city. Owing to it developed and advanced infrastructure. A Global City is one which concentrates high level activities having worldwide influence. These activities can be political (UNO in NY), commercial (Port), financial (investments) or cultural (cinema or monuments) or all together. At this juncture it becomes pertinent to analyse the concept in context to India and Indian cities. Indian cities like Delhi, Mumbai, Bengaluru have been contextualized as global cities but their real nature in reference to the above features is yet to be tested and confirmed. These Indian cities—capital Delhi, financial centre Mumbai, and tech hub Bengaluru—came lowest in a ranking of global cities in terms of inclusivity and equality in The Prosperity and Inclusion City Seal and Awards (PISCA) index (2019). The ranking, is based on the holistic development of major global cities inclusive of factors like affordability of housing, access to education and healthcare, and GDP per capita. But these Indian metros are struggling to provide their inhabitants with affordable housing, access to higher education, healthcare, and a liveable environment. Cities like Bengaluru, New Delhi, and Mumbai are not only lagging behind cities in developed countries but are also trailing behind major cities in other emerging markets. The poor air quality and lack of educational facilities are the main causes of the poor performance of the Indian cities. New Delhi's persistent smoggy woes have disrupted life in the Indian capital that has many a times enforced school closures and has raised health alarms all over the world. Mumbai's notoriously high rents continue to present real challenges for urban Indians to be socially mobile. Congested roads, an overworked labour force and inadequate public transport all present a challenge for Indian metros before they can catch up with cities such as Zurich and Vienna, which topped the PISCA index. For more Indian cities to perform better on global indices, administrators have to look beyond crude economic growth figures. Despite the fact that Mumbai is the 10th richest city in the world in terms of billionaires, this prosperity is extremely lopsided and

is a replica of growing inequalities.

In an interview with Mint published on 07 Jan 2015 Sassen, however affirmed to have examined the data on Indians buying land abroad, as well as on India as a recipient of foreign capital in exchange for land. She labels 2008 because despite the financial crisis India witnessed enhanced land investment wherein Indian companies were acquiring quite a bit of foreign land—more than nine times the size of Delhi— and that India was among the top 10 countries buying land abroad and also a large proportion of the agricultural land was being disposed to real estate development in India. The investments in urban properties in India came from Indian firms hailing from wealthy families and companies and having a vast concentration of capital. In this context, she draws a similarity between India and USA. There are firms from the US, the UK, Austria, and Germany are buying urban land in India mainly in Mumbai, Gurugram and Bengaluru. These cities have appeared as the main destinations and are, ranking somewhere in the middle of the distribution of the top 100 cities receiving investments in urban properties. As per the ,UK-based provider of industry insight and cross-border expansion, FDI intelligence report of 2021-22, Bengaluru is the only Indian city to rank among the 25 global cities of the future. Gunjan Krishna, Commissioner for Industrial Development believes that Bengaluru is emerging as a leader in the new-age technology firms and part of the global supply chain and the analysis of Globalization is incomplete without taking into account the analysis of Bengaluru. Apparently, Gurugram, the financial and technology hub of India has become a worldwide metropolis in its own right, with a considerable increase in its population, infrastructure, and economy over the last few decades. The city with a strong real estate business inclusive of includes various elegant residential and commercial developments is home to several foreign enterprises and big Indian companies. The building of Global City Gurugram by Haryana State Industrial and Infrastructure building Corporation (HSIIDC) will add add another feather to its cap as it would eventually lead to attracting investment in the areas of industry, commerce, and trade.

It imperative to make a mention of the Ravi Shankar's recent article entitled *Which Are The 3 Indian Cities in Prime Global Cities Index 2023* published in the Times of India in May 2023 that affirms the presence of Delhi, Bengaluru and Mumbai in the Prime Global Cities Index. These reports and arguments open up a new debate in the world academic forum that call for the analysis and interpretations of the changing nature of cities in the developing nations. Indian cities in the contemporary times are heading towards bigger and dynamic development models that have enabled them to corroborate with Sassen's assumptions of a global city to an extent whereby Delhi, Bengaluru and Mumbai have emerged as the torch-bearers.

Nonetheless, Mumbai and Gurugram may lag behind because of the nature of their political economy Both at the policy level and the nature of production process they might not grow in the global indices, however, Hyderabad and Pune have the political-economic potentials to grow as global cities in near future besides Bengaluru.

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