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East Asian Urbanization: Patterns, Problems, and Prospects

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I. The Globalization of Urbanization

Two interwoven processes—urbanization and globalization—circumscribe contemporary social, political, and economic transformations taking place in East Asia.[1] While governments, businesses, and communities are caught up in one of the most intensive and condensed processes of urbanization in world history, the forces propelling much of the expansion of cities and urban networks now operate on an international plane. Urban-oriented investments in production for world markets, global intra-firm commodity trade within transnational corporate networks, and the hyper-circulation of finance capital are fundamental features of what has been summarized as the "local-global" context of development. Urbanization and globalization have become interdependent and mutually reinforcing: the shaping of urban form and the dominant activities within a given city reflect its mode of linkage with globalized circuits of capital; at the same time, these circuits require a structuring of the built environment to create the physical geography of international urban networks needed for real-time decisionmaking on a global scale.

As the world enters its first urban century, a fundamental feature of the current era along the Asian arc of the Pacific Rim will be the accelerated formation of very large urban agglomerations and connecting inter-urban corridors. Recent UN (1994) population research shows that the world's urban population is growing at a rate of 2.5 percent per annum, three times that of rural population (0.8 percent per annum). As a result, urban areas are absorbing 61 million people each year compared with 25 million for rural areas. Half of the world population will live in urban areas by 2005, and two decades later in 2025 more than three-fifths will be urban. Of the 2.5 billion people living in urban areas in the mid-1990s, two-thirds resided in middle and lower-income countries.

East Asia has become a major contributor to global urbanization trends (Tables 1 and 2). The expected annual growth rate of the urban population in East Asia from the mid-1990s to 2025 will be roughly four times that of the highest income countries. For East Asia as a whole, the urban population will double between 1994 and 2025, while the rural population will begin to decline in absolute numbers and the urban population will account for more than half the total population for the first time in history. With the industrialized economies of Northeast Asia having virtually completed their urban transition and now experiencing overall decline in national population growth rates, the fastest rates of urbanization are taking place in China and Southeast Asia, with cities in Southeast Asia expanding at rates five times faster than those in the OECD countries.

Over the next quarter of a century, East Asia will account for about 30 percent of the world's urban population increases, which in absolute terms represents an increase in urban population of almost 750 million people (Table 2). While China takes the lion's share of this growth, for many other countries the annual increases in urban populations register in the hundreds of thousands. By 2025 cities around the globe will account for an estimated total of 5 billion people. East Asia will be the home of almost 30 percent of this number. At ground level, these high-flying numbers mean that major urban regions will continue to annually absorb from 200,000 to 500,000 or even more additions to their populations every year.

Table 1. Changes in Urban and Rural Populations in East Asia and the World, 1994–2025

WORLD REGION	---------- POPULATION (thousands) ----------				% URBAN		(% gr./yr)
Country	------- URBAN -------		------- RURAL -------				1994–
	1994	2025	1994	2025	1994	2025	2025
East Asia	666,514	1,415,549	1,218,765	1,042,412	34.1	54.8	2.46
Northeast Asia	509,671	1,020,397	900,631	725,416	36.1	58.4	2.26
China	355,597	831,880	853,244	694,226	29.4	54.5	2.78
North Korea	14,308	25,094	9,175	8,292	60.9	75.2	1.83
Hong Kong	5,539	5,778	299	158	94.9	97.3	0.14
Japan	96,763	103,190	28,052	18,404	77.5	84.9	0.21
Macao	393	542	5	4	98.8	99.3	1.04
Mongolia	1,426	2,926	938	901	60.3	76.5	2.35
Republic of Korea	35,645	50,987	8,918	3,431	80.0	93.7	1.16
Southeast Asia	156,843	395,152	318,134	316,996	33.0	55.4	3.03
Brunei	162	308	118	117	57.7	72.5	2.09
Cambodia	1,999	8,567	7,969	11,119	20.1	43.5	4.81
Indonesia	67,024	167,392	127,590	108,205	34.4	60.7	3.00
Laos	999	4,316	3,743	5,372	21.1	44.5	4.83
Malaysia	10,422	22,942	9,273	8,635	52.9	72.7	2.58
Myanmar	11,774	35,759	33,780	39,805	25.8	47.3	3.65
Philippines	35,175	77,622	31,014	26,900	53.1	74.3	2.59
Singapore	2,821	3,355	-	-	100.0	100.0	0.56
Thailand	11,487	28,756	46,696	44,827	19.7	39.1	3.00
Vietnam	14,980	46,135	57,951	72,016	20.5	39.0	3.70
Highest Income Regions	867,803	1,040,049	294,643	198,357	74.7	84.0	0.59
World Total	2,520,510	5,065,332	3,109,122	3,229,007	44.8	61.1	2.28

Source: *World Urbanization Prospects: The 1994 Revision*, United Nations Population Division, Department for Economic and Social Information and Policy Analysis (1994).

A major force underlying this city-building, city-restructuring epoch is a host of factors summarized as "globalization." Globalization, here defined in economic terms as accumulation through the integration of the three major circuits of capital—production, commodity

trade, finance—at the global scale, is itself a process marked by historical transformations leading to new configurations in economic organization, in state-society-capital relations, and technological possibilities. While new epochs cannot be said to evolve to a higher order from a previous one, they nonetheless appear from crises intrinsic to previous pathways.

Since the late 1960s the global economy has entered such a new epoch.[2] Often referred to as the "post-fordist" era in Europe and the United States, the current phase of globalization is characterized by at least four elements that distinguish it from the "fordist" era and that have direct implications for urbanization in East Asia. One is the emergence of a new international division of labor marked by the shift of labor-intensive assembly operations to a select number of newly industrializing economies, most of which are now located in East Asia. A second is the rise of modern transnational corporations (TNCs) creating and integrating global systems of production, distribution, finance, and consumption that have became the major source of investment in cities in East Asia over the past three decades.

Table 2. East Asia Urban Population Increase 1994–2025

REGION/ Country	Urban Population Increase (1,000)	% Share World Increase
East Asia	749,035	29.43
Northeast Asia	510,726	20.07
China	476,283	18.72
North Korea	10,786	0.42
Hong Kong	239	0.01
Japan	6,427	0.25
Macao	149	0.01
Mongolia	1,500	0.06
South Korea	15,342	0.60
Southeast Asia	238,309	9.36
Brunei	146	0.01
Cambodia	6,568	0.26
Indonesia	100,368	3.94
Laos	3,317	0.13
Malaysia	12,520	0.49
Myanmar	23,985	0.94
Philippines	42,447	1.67
Singapore	534	0.02
Thailand	17,269	0.68
Vietnam	31,155	1.22
Highest Income Regions	172,246	6.77
World Total	2,544,822	100.00

Source: see Table 1.

Third, and most recently, is the shift away by TNCs from direct ownership of assets and the means of production and toward control of circulation. This is manifested by value-added chains using joint ventures with less than 50 percent equity, subcontracting, licensing, franchising, and strategic alliances to organize and contain distribution channels within what are in essence global intra-firm transactions rather than international trade among national economies. This shift has freed investment from deeply sunk costs in infrastructure and other employee-related encumberments such as health or pension plans in various localities where production plants are located.

The fourth new element is the integration of local with global finance markets, which in the case of East Asia has recently been carried out through currency markets that have been used by governments to funnel finance capital into urban land development and construction projects, particularly in the form of mega-infrastructure projects.[3] Even the buying and selling of large corporations has switched from the 1980s junk-bond syndrome of buying enterprises to sell off their assets and toward their treatment as short-term financial investments to be bought and sold as portfolio investments rather than as production and sales operations. In urban terms, this trend is one of the more exaggerated aspects of the emergence of "wired" informational cities and urban networks that are replacing the industrial city model of the past.

Amidst all of the discussion about this crisis, several points are most relevant to urbanization in East Asia. One is that local finance is now globalized and subject to high levels of volatility principally because investors have very short-term horizons and are capable of switching markets and locations at exceptionally fast rates through, for example, currency trading. Another is that although the IMF and others point their fingers at wasteful mega-projects that had become the major borrowers of funds made available to domestic banks through currency markets, the question now is from where will the funds come to build East Asia's cities that are doubling in population every ten to fifteen years? In most cases cities are already far behind in the provision of basic infrastructure. Finally, the finance bubbles that appeared throughout East Asia would not have been as extreme without the sustained growth of large cities, which virtually guaranteed that urban land price increases would steadily outpace most other economic growth rates, including per capita GDP, making the land investment-finance capital loop an exaggerated circuit of "fictional" capital (Harvey 1982) that eventually had little to do with productive investment.

All of the four integrated trends noted above have broadened the global scope and velocity of every circuit of capital by enlarging the number of candidate locations for a given activity while, through intensified intercity competition for globally footloose investment, pushing the costs of hosting global investment onto the national and local state and society. Because of the diminished levels of sunk costs in specific locations, global corporations arguably have greater ease in abandoning production sites and moving to new ones. One extreme example is that of Nike, which produces no shoes in the United States but employs approximately 75,000 workers in Vietnam, Indonesia, and China through subcontractors that are mostly managed by Korean intermediaries (O'Rourke 1997).[4]

By 1990 TNCs were estimated to have reached $4.4 trillion in worldwide sales, which jumped to $5.2 trillion in 1993, exceeding the $4.9 trillion of world exports of goods and non-factor services in that year. During 1991–1993, the world DFI stock grew three times as fast as world output. In 1994 the total DFI outflows to all countries was estimated to be $224 billion (UNCTAD 1995), totaling $2.4 trillion in total investments held, with the industrialized countries as a whole accounting for about three-quarters of this.[5] Only thirteen nation-states have large enough national budgets to rank them among the top twenty-five corporations (Table 3).

In the mid-1990s, a new burst of transnationalization appeared as worldwide foreign direct investment inflows increased by $103 billion—or 46 percent—from 1994 to 1995, setting a new record, estimated at $325 billion (UNCTAD 1996) for a single year. A principal feature of this activity was an equally impressive wave of mergers and acquisitions. According to the United Nations (UNCTAD 1996), this unprecedented level of global foreign investment flows indicates that the speed of globalization of production by

transnational corporations has begun to accelerate at the same time that corporate strategies have been shifting away from ownership at the level of production and toward integration of worldwide distribution networks across a very wide array of products and sectors within single or cooperating corporations.

Table 3. States and TNCs Compared—Government Revenues and TNC Earnings (US$ billion)*

Name	Revenues	Year
USA	1,258	1994
GERMANY	690	1994
JAPAN	595	1995
UK	389	94/95
ITALY	339	1994
FRANCE	221	1993
Mitsubishi	184	1995
Mitsui	182	1995
Itochu	169	1995
General Motors	169	1995
Sumitomo	168	1995
Marubeni	161	1995
Ford Motor	137	1995
Toyota Motor	111	1995
Exxon	110	1995
NETHERLANDS	110	1992
Royal Dutch/Shell Group	110	1995
SWEDEN	109	95/96
Nissho Iwai	98	1995
SPAIN	97	1994
AUSTRALIA	96	95/96
Wal-Mart Stores	94	1995
CANADA	90	94/95
Hitachi	84	1995
Nippon Life Insurance	83	1995
Nippon Telegraph & Telephone	82	1995
AT&T	80	1995
Daimler-Benz	72	1995
Intl. Business Machines	72	1995
Matsushita Electric Industrial	70	1995
General Electric	70	1995
KOREA, SOUTH	69	1995
Tomen	68	1995
Mobil	67	1995
Nissan Motor	63	1995
Volkswagen	61	1995
Siemens	61	1995
BRAZIL	59	1994

Sources: Data on Corporations: "Fortune's Global 500. The World's Largest Corporations," in: *Fortune*, August 5, 1996. Data on State Revenues: *The World Factbook* by the CIA.

*The 25 largest corporations worldwide compared with the largest nation-states, ranked on a basis of annual revenues.

In sum, estimates range from two-thirds (UNCTAD 1995) to as much as three-quarters (Kaplan 1997) of the world circulation of commodities and services is now being carried on within transnational corporate networks. According to the United Nations (1994:xxii), this intra-firm trade now constitutes "the productive core of the globalizing world economy," with only about one-third of world trade subject to free-market–free-trade theories of arm's-length transactions.[6]

From the perspective of industrial organization, changing corporate strategies mark a shift from both stand-alone enterprises with concentration on ownership and simple integration with affiliates that provide inputs to parent firms to complex integration strategies driven by the "desire to exploit global economies of scale and a higher degree of functional specialization involving locating specific corporate activities in a number of locations around the world." This further results in a "corresponding division of the value chain into discrete functions and their location" to best meet "the overall needs of a firm" (United Nations 1994:xxi).

Urbanization and the physical, economic, and social restructuring of cities in East Asia can be seen as corresponding to the changing organizational structures of the global economy. Cities offer themselves to segments of global capital, using investments in the built environment as a means of trying to both capture and sustain its presence and benefits. Through these and other means, including direct subsidies and tax holidays, cities overtly compete for positions in a dynamic global spatial hierarchy of cities and linkages.

Transformations in the global economy are intertwined with the rise of East Asia as a core region in the world economy. As Latin America succumbed to the debt crisis following the flood of OPEC dollars into European and U.S. banks that were quickly recycled into massive but ultimately non-recovered loans to government regimes in the 1970s, the number of would-be newly industrializing countries shrank (Athukorala 1989; Douglass 1992). Combined with the simultaneously rise of Japan as a world economic power and the rapid industrialization of Korea, Taiwan, Hong Kong, and Singapore, a new vortex of transnationalization appeared on the Asian Pacific Rim. By the late 1980s each of these economies had become major sources of direct foreign investment, particularly in the form of relocating low-wage assembly operations in Southeast Asia.

In terms of annual levels of DFI, Japan became the leading source of foreign investment in the late 1980s. And although the "bubble economy" burst in the early 1990s, Japanese corporations continue to invest at very high levels in production, marketing, asset ownership, and financial institutions abroad. By 1996 yearly outflows of direct foreign investment from Japan had recovered to the same levels of the late 1980s. Almost all of the investment that involved offshore relocation of labor-intensive production went to East Asia. Japanese corporations have not been alone in taking this direction. Of the all-time-high $97 billion in direct foreign investment going to developing countries in 1994, about two-thirds was absorbed in East Asia, with China leading the way with 40 percent of the total (UNCTAD 1995).[7] Such magnitudes of investment combined with non-equity linkages through, for example, sub-contracting, franchising, and licensing, are having direct impact on changing urban and regional patterns of development in East Asia.

II. Emerging Urbanization Patterns in East Asia

Globalization of production, commerce, and finance capital requires a physical geography of cities, urban networks, and transportation and communications linkages to effect its reach beyond localities to a world scale. The making of this geography is the story of contemporary urbanization in East Asia.

Much has been written about the revolutionary advances in communications and transportation that have allowed the twin processes of globalization: centralization of

economic power in a few global centers and a decentralization of day-to-day sourcing, production, producer services, and administrative functions around the world to form a "real time" global network of information exchange and decisionmaking. The tendency in this literature has been to overestimate the "virtual cyberspace" dimension of telematics and to underplay the very real need for the construction of a built environment to host global functions, provide for elite lifestyles, and create world-class as well as more localized road, rail, and airport sites and linkages. Increasingly in the form of mega-projects, the creation of this built environment represents one of the most momentous—and politically contested—undertakings now taking place in East Asia.

A major force not only propelling the urbanization process but also creating the form and physical content of cities is an intensification of international intercity competition for global investment. As investment becomes increasingly footloose and transportation costs of shipping inputs and commodities have radically declined, a region's comparative advantage has shifted from a basis in natural resources and past industrial histories to a new focus on "created assets." In the broadest sense, cities themselves are the spatial arena for these created assets, which range from specific industrial requirements for reliable electricity and water supplies, diverse labor supply, and transportation infrastructure to higher order functions such as hospitals and universities, parks and amenities, and centers for hosting international conferences and spectacular world events.

The spatial transformations in and among Western Pacific Asian countries that are being wrought by the changing nature of global interdependence have been far-reaching and include six major trends (Douglass 1995, 1998a):

- Spatial (re-)polarization focusing on a few coastal metropolitan regions
- Formation of mega-urban regions
- World-city formation and urban restructuring
- Development of international development corridors
- Formation of transborder regions
- An emerging international spatial network

Spatial (Re-)polarization

Whether already highly urbanized or currently experiencing accelerated rates of urbanization, East Asian countries that are strengthening linkages with the global economy are all registering highly spatially uneven patterns of urban growth that focus on one or a very few larger urban centers. This includes Japan, the first-generation Asian newly industrializing economies (Asian NIEs—Korea, Taiwan, Hong Kong, and Singapore), the so-called next generation newly industrializing ASEAN-4 countries (Malaysia, Thailand, Indonesia, and the Philippines), and the so-called transitional economies of China and Vietnam. In Japan and those Asian NIEs with relatively large territorial scales, namely Korea and Taiwan, it is part of the process of transnationalization emanating from within and leading both to industrial decline in peripheral regions dominated by branch plant operations and fordist factory systems and to the rise of high technology manufacturing and international business and finance services in core regions.

The Korean experience is striking. Takeovers, mergers, and high business failure rates in the 1980s resulted in increasing centralization of capital and heightened concentration of

industry in Seoul. Beginning in the early 1980s, most medium-size cities and rural counties outside the capital city region experienced more plant closures than openings (Park, 1985). The sustained expansion of the Seoul metropolitan region reached a new threshold in 1988 when its population surpassed that of the combined population of all other provinces outside the "countermagnet" Pusan-Kyongnam region, which was itself experiencing a serious downturn in economic performance.

In the industrializing economies of Thailand, Indonesia, the Philippines and, more recently, Vietnam, polarization is more classically associated with the spatial concentration of direct foreign investment in the capital city and key international ports. In Indonesia the Jakarta Metropolitan Region of Jabotabek is expanding much faster than it did during the 1970s, with populations in the industrial areas in districts adjacent to the City of Jakarta reportedly growing in excess of 8 percent per year. Bangkok has been experiencing a similar burst of growth led by direct foreign investment. In the late 1980s approximately three-quarters of all foreign investment in Thailand accrued to the Bangkok Metropolitan Region (BMR) (Douglass 1995). Demographic changes have followed this pattern, with BMR adding more than 200,000 residents per year in the late 1980s. Urban-industrial growth in Saigon and Hanoi are now far outpacing government capacity to provide infrastructure and urban services.

Given its extraordinary size, polarization in China is taking place at a regional scale along the coast, with Beijing-Tianjin, Shanghai, and the Pearl River Delta dominating urbanization processes. Although special economic zones have been established mostly along the coast to both act as magnets and contain direct foreign investment, the more successful zones are located near the great metropolitan regions. Malaysia, with its historical development of Penang as a free port and the linking up of Johor Baru with Singapore, also offers counterpoles to the growth of Kuala Lumpur. Nevertheless, Kuala Lumpur and the heavily industrialized Klang Valley in its perimeter are experiencing many of the hyper-urbanization problems of other countries, especially with regard to pollution and environmental concerns.

Mega-urban Regions

Polarization is accompanied by another phenomenon: the extensive growth of core metropolitan regions well beyond administrative boundaries and into distant hinterlands. Made possible by modern transportation systems, these emerging mega-urban regions cover vast complexes of daily interaction that can reach 80 kilometers or more from the principal urban center. In Asia some of these regions have already reached "science fiction" sizes of more than 20 million people. Tokyo, Shanghai, and Jakarta (Jabotabek) will have reached 30 million in population by the early years of the twenty-first century, and the Pearl River Delta will have a massive extended metropolitan region of as many as 80 million people. The greater Seoul metropolitan region now accounts for 40 percent of Korea's population. Bangkok, once a compact city of canals, temples, palaces, royal government buildings, and Chinese shophouses, has now incorporated Ayutthaya in the north and Chonburi in the southeast in its expanding field of industrializing corridors.

In most countries, mega-urban region formation extends far beyond administrative boundaries of core metropolises and these regions are thus not routinely included in urban planning and management activities. Yet it is at the fringe of these expanding regions that many of the most rapid and disruptive transformations are taking place: decentralization of

heavily polluting industries, conversion of agricultural land to urban uses, new town development, land deals that undermine traditional village landholding rights, and spontaneous housing development. Acknowledging this process, the Thai Government now officially includes in its Seventh 5-Year National Economic and Social Development Plan an initiative to create a planning authority for the "Extended Bangkok Metropolitan Region" stretching northward to Ayutthaya and southward down the Eastern Seaboard to Chonburi. This mega-urban region is expected to garner a minimum of one-third of the total population increases in Thailand over the next two decades (Douglass 1995). Several other metropolitan regions, such as Jabotabek, have set up ad hoc bodies to coordinate government activities, but most have had limited success.

World Cities

A widely recognized feature of contemporary globalization is the centralization of global command functions in a few urban centers collectively called "world cities" (Friedmann 1986; Sassen 1991; Clark 1996; Douglass 1998a). Planned coordination within corporate networks is intrinsically hierarchical and requires a complementary spatial system to effect it. This relationship underlies world-city formation, the formation of global control centers that manage and service global corporate networks of production, trade, and finance. The mega-projects—high-rise business districts, global hub airports, supercontainer ports, ultra high speed rail transit, and expressways for trucking and automobile movement—are manifestations in the built environment of the intensity of the urban restructuring associated with competition for world-city status.

Although the term "world cities" was coined as early as 1915 by Geddes and was reintroduced by Peter Hall in 1966 (Clark 1996), as Sassen (1997) observes, these uses predated and thus could not incorporate the transnationalization processes that have been under way since the mid-1960s. In the contemporary globalization process, a select number of cities have become "massive concentrations of information" (Sassen 1997:12) about investment opportunities, markets, and management. Much of the restructuring of major metropolitan regions in Asia-Pacific countries has been directed toward creating this capacity.

As revealed in a study by Markusen and Gwiasda (1994) on New York, which is reported to have been losing many of its global functions to other cities in the United States and abroad, world-city formation is a dynamic process that suggests possibilities of both climbing up and falling from the ranks of world-city status. In asking, "As trade grows and economic power shifts towards Asia, will the Asian cities like Tokyo, Hong Kong and Seoul become loci for certain world functions. . . ?" (187), they inadvertently touch upon an intriguing phenomenon in Asia, namely, intentional world-city creation through government policy that is now occurring throughout the region. From Japan to Singapore and beyond, governments have begun to promote the advancement of selected cities—Osaka, Nagoya, Beijing, Shanghai, Taipei, Shanghai, Kuala Lumpur, and Singapore—as world cities.

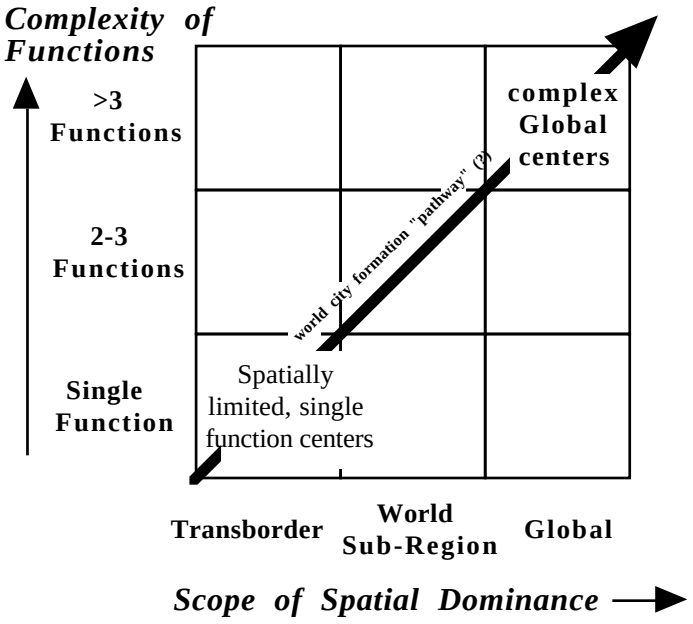
The motives for trying to intentionally achieve world status for major metropoles are many, including national pride, but for most governments it is seen as the answer to the critical question of how to make a successful transition to advanced, internationally competitive economies that are no longer able to rely on the export of low-wage labor-intensive manufactured and assembled goods as their cutting edge of development. Among the elements of this planned transition through world-city formation are shifts:

- from labor-intensive manufacturing goods suppliers to high-technology commodity production, producer and information service provision, global finance;
- from (a) centers of branch plants and subcontracted "downstairs" firms to (b) centers of control and command over investment and higher value-added segments associated with it;
- from (a) Third World to (b) First World status—an end to neo-colonialism and advancement to the equal among equals in national status;
- from political dependency to political ascendancy: economic power equals political power; world cities and the wealth they imply bring more political power;
- from cultural periphery to cultural core—world cities as loci of the production and dissemination of culture;
- regime maintenance—by sustaining economic growth, world cities will also legitimate the continuance of existing political regimes.

As implicitly suggested by Friedmann's (1986) statement that a city's position in a world system of cities is directly related to the relative degree of global economic power it hosts, governments have become preoccupied with restructuring key metropoles to become centers of world economic power. From this perspective, it is more useful to talk about world-city formation as an ongoing, dynamic process composed of two crucial dimensions: (a) spatial scope (geographical area of dominance), and (b) functional layering.[8] These two dimensions are shown in Figure 1. Along the axes of functional complexity, eight types of functions are commonly associated with world-city status (Short et al. 1996):

- finance (banks, stocks, real estate, insurance)
- transnational corporate headquarter functions (commodity production/distribution)
- global services (education, high tech, producer services)
- transportation (world hub airports, very fast trains, supercontainer ports)
- information (creation, processing, screening, dissemination)
- political/ideological ("correctness" of state-economy-society relations)
- culture (production/commodification/dissemination of cultural icons, practices, events)
- spectacular world events (Olympics, World Expo, conventions, music concerts)

Figure 1. World-City Formation: Spatial Scope and Functional Complexity



Data for some of these functions for the top fifteen cities of the world in each category are displayed in Table 4, which shows that six cities in East Asia have at least one global function. While the core elements of this system are what Castells (1989) has called the "informational city," the entire international network of cities should itself be seen as an increasingly information-processing system. This includes the electronic circulation of finance capital, negotiation over contractual agreements, decisions about production, and the buying and selling of commodities.

Table 4. Rankings of Cities among Top 15 Cities in Each Category

CITY (1)	BANKS (2)	STOCKS (3)	TNC HQ (4)	AIR TRAFFIC (5)	POPULA-TION (6)	OLYM-PICS (7)	RS WORLD TOUR (8)
EAST ASIA							
Tokyo	1	2	1	6	1	1	1
Osaka	6		6		6		
Seoul		12	5	13	4	1	
Beijing	8					1	
Hong Kong		8		4			
Singapore		14		8			
NORTH AMERICA							
New York	4	1	2	5	5		
Los Angeles			15	11	13	1	
Mexico City					2	1	2
Toronto	11	6		16		2	
Montreal	15					1	
OCEANIA (Sydney)						1	
EUROPE							
London	5	3	3	1			2
Paris	2	4	7	2		2	3
Frankfurt	3	5	13	3			
Amsterdam	12	9		7		2	
Brussels	7			17		2	3
Munich	9		9	20		1	
Zurich	14	7		9			
Madrid			12	18		2	
Milan	10	11					
Rome	13		10	12			
SOUTH AMERICA							
Buenos Aires					10		2
RUSSIA/CIS							
Moscow		10			11	1	

(1) includes cities ranked among the top fifteen cities in any two or more categories; (2) 100 largest banks' head offices, 1995; (3) major stock exchanges in the world, 1992; headquarters of the world's largest industrial corporations, 1993; (5) airports having the highest international passenger traffic volume, 1992); (6) largest population centers, 1991; (7)1= selected to host; 2= has applied to host; (8) Concerts of the Rolling Stones World Tour 1995. Source: drawn from Short, et al. (1996), Table 9.

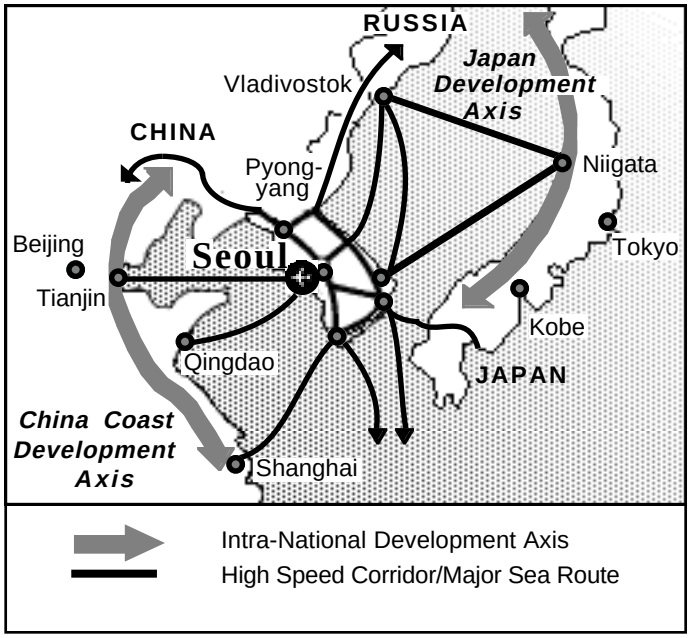
Figure 2 shows one configuration of intentional world-city formation in the case of South Korea, which is part of an explicit competition among megacities to attract foreign investment, headquarter functions, international institutions, tourism, and conventions (Kwon 1997:159). According to the Korea Research Institute for Human Settlements (KRIHS 1995:1), if Korea is to play a major role in the next century as the leader of the Northeast Asian Economic Bloc, Seoul must become a key global center.

Steps toward creating a spatial plan for this national project to enhance the global role of Seoul have identified a number of key mega-projects, several of which lie outside of the national territory of South Korea. These mega-projects include:

- a high-speed train that will cut the travel time between Seoul and Pusan from five to two hours;
- a railroad axis along the Yellow Sea Rim connecting development corridors in Korea to the Shanghai-Beijing-Simyang-Dandong axis in China;

- the connection of a Pan Yellow Sea Transportation Axis with (1) the Trans-China Rail that eventually leads to the European continent, and (2) the Trans-Manchuria Rail of China;
- the construction of pipelines together with the railroads and motorways to be able to transport abundant natural resources from China and Russia to Korea;
- the New Seoul International Airport with four 4,000 meter runways and the capacity to accommodate 155 airplanes through 24-hour operations to become the international air hub of Northeast Asia. Slated for completion in 2020, it is located on reclaimed land on an island off the coast 50 kilometers from Seoul. Compared with the existing Kimpo airport, which has a maximum capacity of 24 million passengers per year and is currently experiencing an annual passenger growth rate of 17 percent, the new airport is planned to accommodate 100 million when complete.

Figure 2. Intentional World-City Formation, Seoul, Korea



Source: Korea Research Institute for Human Settlements, "Emerging Northeast Asian Economic Bloc and National Planning Implication," *Space and Environment*, June 1995, p. 1, cited in Douglass (1998a).

Other mega-projects under consideration for Seoul include teleports, convention centers, and high-tech industrial parks (Kwon 1997:159). All of these investments are expected by Korean planners to place Seoul at the apex of a Northeast Asia network of urban-industrial development and international trade and investment for Korea's corporate giants, the *chaebol*.[9] Korea has already become a major source of direct foreign investment, officially registering more than $3 billion in 1995 alone, which was about four times the level of 1990. The repositioning of Seoul from a center of low-wage manufacturing to an informational

city and transnational control center is thus seen as being crucial to the growth and expansion of these corporations and the national economy they dominate.

Hong Kong and Singapore have variations of similar plans. A new world-class airport is being built in Hong Kong, which is already a major source of banking, movie production, and communications in East Asia. Singapore has put forth plans to become an information center of Asia and the world by creating "science habitats" comprised of "holistic and synergistic high-quality working-living-learning and recreating environments that attract and retain top talent" and the world's first telecommunications Finance Park for computer and communications systems in close global accessibility provided by Changi International Airport (Corey 1997:190).

One of the most rapidly growing aspects of global city formation and intercity competition is the hosting of expositions, festivals, and other world spectacles. In Japan, cities overtly compete for global attention through the hosting of international design expos (Nagoya), food festivals (Sapporo), flower expositions (Osaka), science expositions (Tsukuba), the World Exposition (Seto, near Nagoya, in 2005), and the Olympics (Tokyo, Nagano, Osaka [failed], Nagoya [failed]), just to name a few. Building showcase hotel–convention centers and hosting international conventions have become major sectors of metropolitan economies around the world.

Such events not only constitute a new direction toward local economic growth; they are part of an increasing global network of information exchange and decisionmaking that, despite the array of technologies they depend on, still thrive on face-to-face contact among people. The fact that people are now willing to travel thousands of miles for these encounters in "exotic" locations only heightens the importance of culture in this new dimension of urban economic growth and development. Cities are now busy filling urban spaces with often contrived cultural sites—relocated villages as museums with guides in "traditional" costumes, housing estates as gated theme parks—as a means to radically change the image of the metropolis from one of smokestack industrial landscapes with blighted worker housing to green, environmentally fresh and amenity-rich habitats for the urban middle class.

The hyper-realities created for would-be world cities have been taken to new heights in Malaysia with the promotion of "Cyberjaya," a new town slated for construction along the "Multimedia Super Corridor" (MSC) extending out of Kuala Lumpur (MDC 1998:1):

> The Dream City of Cyberjaya is the city of the future not only because of all the fittings and trimmings of technology but also because it will be built from scratch to suit the needs of its occupants. . . . The centrepiece of the Multimedia Super Corridor, Cyberjaya is purpose-built for multimedia companies and to create an atmosphere that will enhance the creativity skills of their knowledge workers. . . . The Government has set a target to make Cyberjaya a "near zero-emission city" where it will be the most eco-friendly area in the world.

At the head of the MSC is Kuala Lumpur, which is now the home of the world's tallest building, the 446-meter Petronas Twin Towers, and the planned 22-office-block City Center surrounding it. This development in total is one of the more openly ambitious in its attempts to catapult a capital city into world-city status. Launched in 1995, the entire MSC complex will, according to Prime Minister Mahathir, "one day emerge as a megacity comparable to other megacities like Tokyo-Yokohama" (MDC 1998:1).

There is no guarantee that any given city will be capable of achieving the functional complexity and spatial positioning of a top-rung world city. Competition among cities

becomes more intensive and the stakes are constantly being raised. Moreover, the array of possible successes and failures in this process is too rife to anticipate specific outcomes from generalized models. The current finance crisis raises somewhat ominous questions in this regard for all of East Asia. But failure to engage in globally linked mega-projects has high risks as well, namely sliding down the world urban hierarchy to peripheral status and declining economic fortunes.

International Development Corridors

World cities and other mega-urban regions, export processing zones and high-technology industrial parks, sites for spectacular world events, and information systems are all being linked together through the development of international transportation and communications corridors that may eventually form an integrated trunk route reaching from Tokyo to Sydney (Rimmer 1995). Although many years from being realized as a fully integrated international corridor, major elements are already being constructed or are in advanced stages of planning. Several, such as hub airports and high-speed trains, have been mentioned above. The list of components includes:

- new international and world hub airports in Osaka, Nagoya, Seoul, Hong Kong, and Kuala Lumpur;
- new rapid rail service from Pusan to Seoul, and from Hong Kong to Shanghai;
- a land bridge running from port cities in central Vietnam through Laos and Thailand to the Burmese border;
- rapid rail service across Malaysia, focusing on the MSC and links with Kuala Lumpur.

The land bridge linking coastal ports in Vietnam with Thailand and, potentially, Myanmar could prove to be one of the most spatially transforming of all these developments. By breaking the hold of Bangkok and the Eastern Seaboard as the only major surface linkages to the rest of the world, it has the potential of fostering the growth of new industrial corridors in the northeast region of Thailand, traditionally its poorest region, by both opening international transportation to the east and allowing for cheap labor from Laos and Cambodia to work in factories in that region.

Added to these major projects is the multitude of national programs to build highways and communications systems that will eventually have international linkages. As with many other aspects of globalization, this emerging network signals the increasing orientation of local infrastructure development toward global linkages, which are also key elements of inter-city competition. These same networks foster increasing concentrations of control in a few key urban centers in the world.

The Multimedia Super Corridor extending from Kuala Lumpur is promoted to enhance Malaysia's international competitiveness through the creation of a "digital" urban complex (Corey 1997). High-tech and hardwired with state-of-the-art telecommunications infrastructure, it is projected to cost US$8 billion. A centerpiece of this is a new international airport, which is designed to serve as the hub for all of Asia, with, for example, flights to Japan from the United States expected to land in Malaysia, then switch passengers to shorter-distance aircraft for the journey onward to Tokyo. With an area of 15-by-50 kilometers (9-by-30 miles), this massive corridor is larger than Singapore.[10]

Transborder Regions

At the other extreme of new types of spatial constructs being created by globalization are transborder regions—regions that span two or more nations to create selectively deregulated international economic spaces. In East and Southeast Asia, designating new international growth triangles that integrate sub-national areas across national boundaries has become increasingly popular among governments. Figure 3 shows a few of the major transborder regions (TBRs) officially sponsored by governments. Although each of these TBRs has very different configurations and prospects, their commonality is found in a fundamental redefinition of the border from the traditional notion of a defense barrier for national security to an integrated economic zone with national borders acting to create a "mini-"international division of labor.

In revealing the apparent paradox that national borders have become more important as the nation-state itself has been severely weakened by the globalization of capital, TBRs also illustrate that historical differences among nations still matter greatly and, more importantly, global accumulation feeds off territorial complexes and the striking differences that national boundaries continue to demarcate. Thus the Singapore-Johor-Riau Growth Triangle, which is based on the shift of lower-wage factory work from Singapore to Johor and Riau, would not be viable if, for example, labor across the border in Malaysia or Batam received the same wages as labor in Singapore. The border also ensures that Singapore's environment can remain clean while more polluting industries are relocated across the border, which also shows how territorial differences are not found just in the cost of labor, but equally in costs imposed on investors and amenities made available to them, which vary greatly among even neighboring countries.

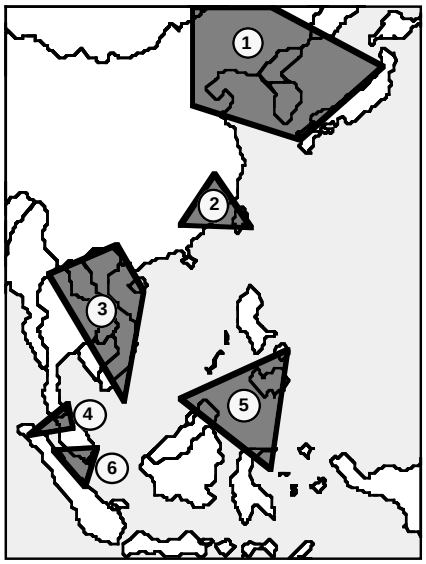


Figure 3

Emerging/Proposed Transborder Regions

(1) Northeast Asia TBR: Includes Tumen River Basin: Russia, China, N. Korea, S. Korea, Japan.

(2) Taiwan-Fujian TBR

(3) Mekong TBR: Vietnam, Laos, Cambodia, Thailand.

(4) Northern Growth Triangle: Sumatra [Medan], Malaysia [Penang], southern Thailand [Songkhla/Hatyai])

(5) Eastern Growth Triangle: Mindanao, North Sulawesi, Brunei, Sabah.

(6) Sijori Growth Triangle: Singapore, Johor Baru, Riau.

Source: Douglass (1998a)

Transborder regions represent just one type of what can be called emerging "transnational spaces"—geographies that are detached in varying degrees from normal regulation by the nation-state. The more classic form of transnational spaces has included export-processing zones that have special corporate tax holidays, dispensations from import duties, and even

"relaxation" of labor laws and wages. Post-office corporate headquarters located in tax-free havens are another, with global financial transactions in cyberspace being the ultimate form of deregulated space.

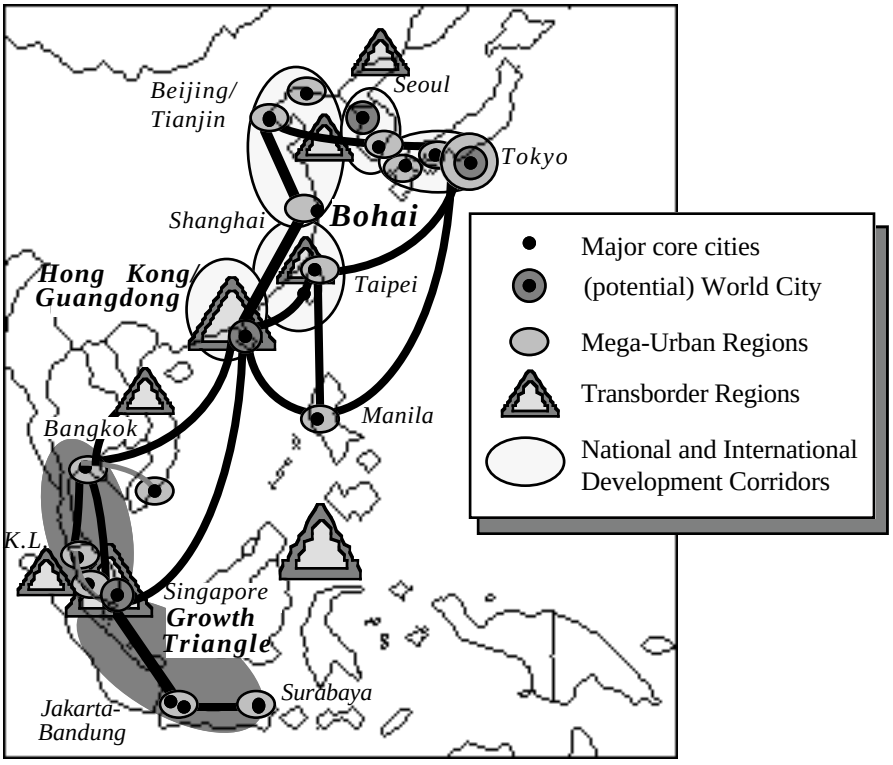
In addition to the Sijori Growth Triangle, which was initially promoted by Singapore to integrate the economies of Johor State in Malaysia and Indonesia's Riau Island of Batam directly into its economy to allow it to sustain labor-intensive assembly operations, several other TBRs exist. Hong Kong's economic integration with Guangdong, although now within a single nation, still represents an integration of areas with very different levels of income and welfare into an economic platform for global production.

Less obvious examples include economic integration on the Yellow Sea Rim bringing the Bohai (Yellow Sea) region of China into a complementary orbit with the southwestern provinces of Korea. This is potentially linked to one of the largest transborder regional programs being undertaken, which is the UNDP-sponsored Tumen River Area Development Programme that has at least five active country participants: China, Mongolia, the Democratic People's Republic of Korea (DPRK), the Republic of Korea, and Russia. Rich in natural resources—timber, minerals, coal, grains, and other food products—it also has a large supply of low-cost labor, deep all-weather port facilities, and rail, road, and ocean links to the large overseas markets of Europe and Japan. With a population of 300 million people, a potential market the size of the European community; 20 percent of Asia's land mass; a collective GNP of US$3 trillion; possession or access to the world's richest financial markets; and almost one-third of the world's trade. Most of the investment has been in port, road, telecommunications, and other infrastructure, with high proportions also going to tourism, hotels and services, and banking and other financial services.

The formation of cities taking place in East Asia is thus nested in global spatial dynamics. The emergence of the Asia Pacific Rim as an integrated economic region in the global system has only served to make these dynamics more apparent by initiating intensive competition among governments within this region for global positioning in the spatial matrix and urban hierarchy.

East Asia Spatial System

Figure 4. The Emerging East Asia Spatial System



Source: Douglass (1998a)

All of the above dimensions and levels of spatial transformations taking place in East Asia are schematically shown in Figure 4. Although still rudimentary in many of its aspects, the total picture is one of a rapidly emerging integrated spatial system that is hierarchical in structure and nationally transcendent. Spanning the arc of East Asia and reaching from Japan to Indonesia, it comprises the spatial framework for flows of goods, services, and information, migration, economic impulses, global-local linkages, and the creation of living spaces for the majority of the region's population. It is also the spatial template for intercity competition in East Asia for status and position in the world economy.

The intensity of the urbanization processes under way that are creating the East Asia spatial system is made possible by a formidable level of human investment and commitment of natural resources. Within the next few decades, the complex of cities and regions now being created and integrated will reach a scale that is likely to be significantly less malleable to policy interventions and, in many instances, prohibitively costly to fill in gaps now appearing in many areas. There is thus an urgency to devising ways to address key issues now. In most instances, accomplishing this will require a greatly augmented institutional capacity.

III. Key Issues

That cities and regions continue to function in the heady atmosphere of "creative destruction" and reconstruction now under way is a signal accomplishment of the peoples of the region. The stresses and strains are nonetheless readily apparent and raise key issues not only in the realm of urban planning and management, but also in state-civil society relations, environmental sustainability, and a host of issues related to economic growth and social justice. Concerning the ongoing urbanization processes in East Asia, five issues emerge from the foregoing discussion:

- Governance
- Livable cities and environmental management
- Sustainable economies
- Social justice and urban poverty
- Unbalanced spatial development and rural neglect

Governance

The intensive, seemingly chaotic processes of urbanization and urban restructuring taking place in East Asia have called to the fore the question of governance—"the processes by which public decisions are made and implemented" (Friedmann 1998)—in politically managing the emerging complex forms of human organization summarized as "cities." One of the key dimensions in this question has been the rise of civil society as a potent force in the politics of governance (Douglass and Friedmann 1998), which also entails the emergence of both a broad urban middle class and, in a much more variant manner, the political organization of a growing wage labor force. Globalization has not only contributed to the formation of these classes through urban-industrial growth, and thus to urban class divisions as well, but equally in the form of greater access to information by the general public about their own countries as well as to education and living experiences abroad. Urban populations in East Asia are now able to know much more about their own governments and alternative perspectives—even in situations in which governments continue to try to suppress such information.

Knowing more about the world has been one source of popular sentiment moving beyond the desire for higher material welfare to include aspirations for accountable governments, democratic practices, and translations of economic gains into more livable urban habitats. In several countries these aspirations have been translated into political reforms that appeared to be impossible just a decade or so ago. Fundamental political reform in Korea and Taiwan that institutionalized elected governments, including multi-party systems and the election of local government officials; the return to elected governments in the Philippines; the placing of the military at arm's length from government in Thailand; and the erosion of the hegemony of the ruling party in Japan are among the most notable advances in the region.

While citizens are politically mobilizing to demand better housing, less dangerous cities, and cleaner environments, key international agencies and private-sector interests are becoming more effective in insisting that governments move away from overt regulation of land development and other urban activities, with privatization, deregulation, and state–private

sector "partnerships" as the new mechanisms for urban management. On both counts, past posturing of strong-arm regimes offering economic growth as an apology for suppression of political freedoms and popular voice in government no longer serve to legitimate their hold on state power. Increasingly, governments must legitimate themselves through other means, which include not only democratic reforms but also an end to the ways in which cities have been built through exclusive and opaque decisionmaking processes, collusion between government officials and developers, and a lopsided focus on economic gain over livable habitats.

Variations in government responses to the rise of civil society have, however, been great. In several countries, such as Thailand and the Philippines, non-government organizations have flowered and have taken on positive mediating roles between state and citizens. In others suppression continues, but even in these cases there is growing popular resolve for political reform and more participatory governance. Where political reforms have been most cavalierly ignored or countered, such as in Myanmar and Cambodia, political crisis continues to overwhelm and forestall improvements in all other development issues.

Livable Cities

As transnational capital moves through circuits of trade, finance, and production across national territories, its requirements for new types of urban spaces are as profound as the economic restructuring that it induces. As detailed above, among these requirements have been the creation of Manhattan skylines for corporate and finance functions, mega-infrastructure projects creating world-class transportation centers, massive export-processing zones, and automobile-centered transportation corridors. Taken together, these forms of restructuring the built environment of cities have had deeply intrusive impacts on urban living and working in an exceptionally short period of time. Older communities and small-shop districts in central cities have disappeared. Housing in the city has become prohibitive in cost for the majority of urban workers, resulting in long commuting hours and chronic traffic congestion. Slums coalesce around environmentally degraded zones and trash landfill sites. They also form in the urban fringe along with the construction of new towns and massive suburban "bedtowns" for salaried workers, while exclusive gated housing communities for the rich rise in pockets throughout expanding urban regions.

In the current epoch of urbanization not only has the charming ambiance of most of these pre-colonial/colonial cities been irreversibly lost; the city as nested "life spaces" for urban households has been supplanted by networks of "economic spaces" with global reach (Friedmann 1988). In Bangkok by the mid-1980s there were more than 1,000 slum areas with a total population ranging up to 1.5 million. The building boom driven by sudden infusions of direct foreign investment in export-oriented manufacturing and textiles from Japan, Korea, Hong Kong, Singapore, and Taiwan during the same period saw high-rise commercial development displace more than 100,000 people within a ten-mile radius from the center of Bangkok from 1984 to 1988. In Seoul, the hundreds of land development projects completed over the past decade are credited with displacing more than 3 million people, or nearly 30 percent of the population of the metropolis (Douglass 1998a).

Resistance to the massive restructuring of the urban habitat required of cities trying to link with and gain higher positions in the global space-economy occurs daily in the metropolises of East Asia. The collapse of a bridge over the Han River as Seoul celebrated its 600th anniversary in 1994 led to the fall of three successive mayors of the city and

widespread moral outrage against collusive practices between government and corporations. Although with mixed outcomes, struggles against slum demolition, destruction of older petty capitalist business-neighborhoods, conversion of rich agricultural lands to urban zones, loss of open spaces, and longer commuting distances for hapless wage workers have become routine in urban political life.

An undeniably central dimension of livable cities is a clean environment, which includes access to safe drinking water, clean waterways, effective solid waste disposal and management, clean air, and unpolluted land. Green spaces, smoothly flowing transportation systems, and greatly reduced traffic congestion are also often viewed as being part of a good urban environment. In East Asia, with the possible exception of Singapore, the record is far from the ideal image. Rivers, land, and air have been polluted beyond all minimum standards set by governments for health and safety. The uncontrolled growth in the use of the automobile is severely affecting both traffic congestion and the environment. Moving through traffic across a major city can take as many as three or four hours. Breathing in lead from congested gasoline-burning traffic has been linked to as many as 500,000 cases of hypertension and 400 deaths a year in Bangkok. The human health and economic costs of air and water pollution are estimated to be around US$120 million each year in Manila (Douglass and Lee 1996). Air pollution in Seoul is detrimental to health on most days of the week (Kim and Jun 1994). Death rates from lung cancer are four to seven times the national average in cities in China (Williams 1994).

In most urban regions environmental conditions are getting worse (Douglass and Lee 1996). Waterways do not support life; air is dangerous to breathe; land around residential areas is heavily polluted by toxic wastes; human waste seeps into drinking water supplies; acid rain is affecting plants and human health. For many urban residents, and especially the urban poor, the urban environment is life-threatening. The leading source of infant mortality rates in Asia's cities is water used for drinking, food preparation, and bathing (Douglass 1993). Sewerage systems are virtually nonexistent in most metropolises.

Cities are also running out of sources of water as well as locations for landfill sites for solid waste disposal. Some cities, such as Bangkok and Jakarta, have high rates of land subsidence due to the unsustainable depletion of ground water. Sea water has already intruded into the ground water of central Jakarta, making the traditional use of wells for households and enterprises now impossible; the piped city water supply is itself limited, subject to contamination, and not infrequently out of service.[11]

Despite the mounting levels of environmental degradation of cities, most of the world's concern, including that of global environmental NGOs, remains focused on rural and natural resource regions. The discovery of the urban environment has recently gained some momentum, but it is still oriented toward urban-wide problems and has yet to give much attention to environmental management at the community level, especially with regard to slum and squatter settlements where the focus continues to be placed on housing and jobs.[12] There is thus a need to bring urban environmental issues more into policy focus at the city and community scales.

Sustaining Urban and National Economies

As proportions of people living in cities climb over the halfway point in East Asia, urban areas will also account for increasing shares of national economic growth. Even now in almost all countries, one or a few mega-urban regions account for very large shares of the

GDP. Given that their economic health is part of an intensive international intercity competition for investment, cities face a number of difficulties in sustaining their economies. With comparative advantage now being created through large-scale urban restructuring and infrastructure projects, intensifying intercity competition continuously raises the scale and financial requirements for them. Other incentives such as tax holidays and the creation of deregulated spaces—export processing zones, transborder regions, industrial parks—are also requiring higher state subsidies.

In the process of urban restructuring and the provision of subsidies to investors, there is a danger that short-term attempts to win investment may result in declining comparative advantage for a given city or country in the long term. For example, while not charging industries for the environmental costs of their operations may be an important incentive in the context of intercity competition for investment, as concluded by the World Bank (1993), urban regions that cannot successfully sustain their environments may begin to be abandoned in favor of other "new" regions where environmental deterioration is not as great. In some cities, such as Bangkok, Manila, and Jakarta, there is growing awareness and concern that deteriorating environments have already resulted in a decline in the capacity to continue to attract investment. This awareness is not confined to highly urbanized regions but is equally applicable to more peripheral regions where extraordinary rates of deforestation, uncontrolled mining operations, and practices of agribusiness have left eroded landscapes, polluted rivers, and unusable land on vast scales. The dilemma, therefore, is how to maintain a long-term capacity to host citizens and businesses alike while also meeting the short-term, highly competitive demands for deregulation, subsidies, and other give-aways to would-be investors.

Social Justice and Urban Poverty

Progress has been made in many East Asia cities in terms of lessening some of the worst aspects of basic needs poverty, especially with regard to food, primary education, and basic health care (UNESCAP 1993). Deficits nonetheless remain large along other dimensions of poverty, particularly in those related to habitat issues such as housing and serviced land (piped water, drainage, sewerage, electricity, lanes, waste pickup) for housing and communities. In addition to the persistence of these forms of poverty in Asia's cities, relative deprivation and income inequalities have been increasing in almost all cities (Douglass 1993). A principal source of widening economic disparities is land-price increases moving far ahead of wage and income increases for especially lower-income households, resulting in widening economic stratification based on patterns of land ownership.

A problem standing in the way of better understanding the underlying sources of absolute poverty and relative deprivation is the widespread practice of governments to focus only on the lowest level of basic needs poverty—caloric intake as measured by a hypothetical basket of goods purchased by various income strata—while ignoring both rising inequalities as a social justice–poverty issue and, more broadly, a fuller concept of poverty as extreme vulnerability (Harvey 1992) caused by lack of access to the bases of social power (Friedmann 1992; Douglass 1998b).[13]

When poverty is understood from this latter perspective as being part of a socially constructed system of entitlements (Sen 1990) rather than simply characterized as an outcome of people not being able to command a living wage due to the unlimited supply of their labor power, the struggles of poor households take on a different light. When they are

expressed in their attempts to assert rights to better housing, access to environmental services such as clean piped water, or protests against being evicted from land, they do not reveal themselves as being "radical" or even anti-statist, but rather are demands for voice inclusion in governance and an equitable provisioning of society.

Particularly for the larger cities and candidate world cities, an added dimension to social justice issues is the growing presence of foreign workers, many of whom are illegally residing and working in these cities and are thus subject to extreme forms of exploitation at the workplace as well as in housing markets. By the late 1980s, Japan and other industrialized countries of East Asia began experiencing waves of immigration of super-exploited low-wage workers that have brought about xenophobic reaction by the government, the popular media, and society in general. The state execution of a Filipina maid in Singapore served to display the vulnerability of hundreds of thousands of the Philippine diaspora working in other Asian countries, including immigrant female sex workers in Japan, who are now being matched in numbers by male immigrant workers in the construction industry and in hazardous and demanding production work. New foreigner worker quarters have begun to appear in some sections of Tokyo, Seoul, and Taipei. An estimated 100,000 foreigners work in Seoul, with as many as half the garment factories in that city dependent on Filipino workers (Douglass and Roberts 1998).

While in Southeast Asia tensions have run high in this arena since European imperialism brought coolie labor into their colonies there, in Northeast Asia the huge influx of foreign workers, mostly from Asia or of Asian descent, is novel and is seen by large portions of these societies as a direct threat to national culture and identity. Even in Southeast Asia, where fundamental sects of certain religions have gained large followings, ethnic-based struggles over the built environment are occurring. Recent physical clashes between Hindus and Muslims over the construction of a Hindu temple near a mosque in Penang, Malaysia, is but one example. Social dissatisfaction with the economic collapse in cities in Indonesia is also being manifested in violence against Chinese businesses.

Illegal migrants face the worst forms of exploitation, social discrimination and, almost by definition, harassment by governments. They are without basic legal rights or protection in most instances even in cases of severe injustices that contravene the laws of the host country. Yet despite these difficulties, such immigrants still attempt to settle into cities, to form "ethnic" neighborhoods, and to carry on with the raising and education of their children.

How East Asian societies will deal with these growing numbers of people will be a critical element of their urban habitats and economies in the coming century. Whether it is maids in Hong Kong and Singapore, women brought for prostitution in Japan, or low-wage blue-collar workers in Taiwan and Korea, if they continue to ignore the reality of this global process, the result may well be the formation of foreign worker ghettos that will, in some instances, reach very large proportions of major cities.

Exploitation of insecure immigrant labor adds layers of extreme vulnerability to the emerging "heteropolis" of East Asia. Specific constellations of the poor, vulnerable, and powerless appear in each society and its cities. In China the largest segment is the 100–200 million "floating population" of migrants to cities from the countryside who, although working in important sectors of the city such as construction, are not officially allowed to establish residence in it. Over time this population has itself become more diverse and now includes beggars and absolute homeless along with itinerant semi-skilled craftsmen and construction workers. In Korea and Japan, the elderly, especially women, and foreign

workers, including illegal entrants, are among the most exploited workers. In most of Southeast Asia, the poor are among the millions coming to cities from rural areas and from the urban slums that are now expanding on their own terms and less from rural-urban migration. In Malaysia they include the millions of illegal immigrant Indonesians, and in Hong Kong and Singapore it is the household servants coming as strictly regulated (e.g., not allowed to marry or stay if pregnant) contracted workers from the Philippines. Whatever the context, even high rates of economic growth have not eliminated the various forms of urban poverty; in some ways, such as the recruitment of illegal foreign workers to "stay competitive" in international markets, economic prosperity and globalization perpetuate it.

Unbalanced Spatial Development and Rural Neglect

Just as contemporary processes of urbanization are socially uneven, they also continue to be spatially uneven. Governments in East Asia have given increasing attention to mega-urban regions and less to rural and peripheral regions. In the case of China, the rediscovery of the city as an engine of economic growth in the post-Maoist years is perhaps the most striking case of the ideological shift from rural to urban bias that has unleashed pent-up forces that are now spurring the growth of the great coastal urban regions. But elsewhere the patterns are equally uneven.

Unbalanced spatial development may not appear to be problematic in the short term. The efficiencies of giant urban agglomerations are widely touted to be superior to more dispersed patterns of economic organization, and given the relative recency of much of East Asia's industrialization, whether or not initial patterns of urban-industrial polarization will automatically lead to a spatial "trickle-down" of development impulses cannot be automatically dismissed—no matter how unlikely they may appear to be (Douglass 1995). But some countries already show the consequences of uneven development in the long term. In Japan, and to a lesser extent Korea, rural areas have been depleted of youth and basic urban functions such as bus and rail transportation; and schools are disappearing, leaving an extremely aged population to manage much of the agricultural economy. Although household incomes may be adequate or even very good, regions remain poor in terms of basic infrastructure, services, and economic potential.

The city is also dependent upon the sustainability of the rural economy for food, agricultural inputs to industry, natural resources, and energy. Rural-urban linkages are, however, often one-way flows to the city without renewing rural economic potential or its resources. As cities reach further and further afield for water, the deforestation of rural areas and pollution of rural water systems result in the declining ability to provide it. As revealed by the recent forest fires in Southeast Asia, which were largely set by urban-based plantation developers, rural destruction can come to plague the city as well. There is thus a need to return to currently forgotten concerns about rural-urban linkages and how to make rural-urban relations more reciprocal and mutually beneficial if the longer-term sustainability of economies and societies is to be secured (Douglass 1998c).

IV. Prospects

While policies often treat each of the principal issues discussed above in isolation from the others, the reality is that all are interrelated. As the record already indicates, in many instances there are direct trade-offs when pursuing one over another. While accelerated economic growth through the adoption of incentives and practices to host global capital, for example, has raised the incomes of very large proportions of the population, it has been detrimental to the environment, the continuity of urban neighborhoods, and the daily life spaces of many urban residents. It has also overwhelmed the capacity to keep pace with needs for urban infrastructure and services.

There are many proposals advanced to improve the balance between the city as an engine of economic growth and as a livable habitat for increasing proportions of East Asia's population. The new planning doctrine coming from major international lending agencies exhorts governments to simply improve the management of cities by moving away from direct control and regulation and toward a role as facilitator or partner with citizens and private-sector enterprises. They also admonish governments to end subsidies and other price distortions, to create more transparent and simple regulatory processes, and to recover costs through user fees for government programs.

While some of these recommendations may have merit, they are also politically naive in their underlying assumption about both state–corporate economy and state–civil society relations, i.e., their implicit belief that the state is autonomous from both the exigencies of powerful economic interests and the influence of urban elites and that political reform is in the interest of regimes in power. In the real world, the prospects for addressing urban issues vary greatly from setting to setting, depending on shifts in power alignments, specific configurations of crises at hand, and historically developed socio-cultural and political institutions.

Some general comments can, however, be ventured. In terms of governance, although many governments remain resistant to authentic democratic reforms, once these reforms are made it is extremely difficult in contemporary times to turn away from them by reinstating authoritarian regimes. Where reforms have taken place—Korea, Taiwan, Thailand, and the Philippines—and even in the current period of economic retrenchment, citizens remain unwilling to allow martial law or other mechanisms giving extraordinary powers to government in the name of crisis management. In other countries the crisis may have even strengthened the social resolve for fundamental political reform. And while for some countries the direction is less obvious, educated urban middle and working classes are nonetheless increasingly dissatisfied with strong-arm rule that is essentially unaccountable to them. Continued resistance of entrenched or new regimes is likely to be less sustainable over time. This does not necessarily mean that liberal democratic governments will appear, but it does suggest that managing legitimization crises will call upon government regimes to adopt institutional innovations that will be more responsive to civil society.

Governance and political reform is invariably caught up in urbanization, which is not only the source of day-to-day civic concern, but is also inextricably involved in expanding flows of information. Governments of Malaysia and Singapore, for example, have openly acknowledged that attempts by the state to control global communications through the Internet would be futile. As major metropoles become linked to computer-based global information flows, the capacity of governments to shield citizens from information about the world at large or about their own countries will diminish. There is of course much

controversy about whether informational linkages are potential sources of grassroots empowerment or repression by powerful interests, including those that control information systems. Yet casual observations in these cities suggest that more and more types of information are less and less subject to government surveillance and censorship—at least at the level of individual access. Newspaper and mass media can still be controlled, but even here governments are having to adopt clearer policies rather than cavalierly shutting down publications without a logic that appeals to significant sections of the population.

A key aspect of legitimization issues will be the question of livable cities. With labor organizations relatively weak at sites of production and urbanization and urban restructuring a major factor in the daily lives of both working and growing middle classes, much of the energy expended in state-labor relations is channeled through state-civil society relations in the form of struggles over the built environment. These, in turn, become vehicles for social movements for political reform. These dynamics are resulting in new urban politics and agendas. Multiculturalism and (anti-)immigration are overlaid on gender, class, and race to make policy debates more complex. At the same time, limited government resources relative to rising citizen and corporate demands has combined with scandal-intensive media to increase financial pressure on and cynicism toward government in many countries. Without mechanisms for consensus-building and state-citizen collaboration across a wide spectrum of the population, the danger may be that the urban agenda will be dominated by fragmented struggles that reproduce disparities in the city.

The acting out of the major stresses in East Asia is occurring in the matrix of an emerging spatial system that, while globalizing, is localized in its daily forms. Economic restructuring, movements for political reform, and urbanization are all intertwined but are also animated in strikingly different ways among cities and regions. Just as the future of Indonesia cannot be posed as the future for Thailand or any other society, efforts to secure the longer-term sustainability of cities will rest greatly on building local capacities to meet the challenges posed by globalization. Enlarging this capacity will in turn call for a sharper focus on cities not simply as economic agglomerations, but also as arenas for the formation of political communities that can meaningfully address issues of livability, environment, social justice, and inclusion.

Notes

[1] In this paper the term “East Asia” is used to include Northeast and Southeast Asian countries and territories located along the Asian arc of the Pacific Rim running from Japan to Indonesia.

[2] The transnationalization of capital in the form of offshore production began to take off in the 1950s but was essentially contained within the North Atlantic as U.S. oligopolies moved production to Europe to maintain market access and leadership. European corporations also began moving operations to the United States. The 1970s witnessed the advent of the “new international division of labor,” which, for the first time, saw the relocation of labor-intensive assembly and manufacturing operations to selected Third World countries (Douglass 1998a).

[3] By pegging national currencies to the U.S. dollar, opening banks to foreign clients, and offering high interest rates to depositors, quick arbitrage profits were virtually guaranteed to investors willing to hold their funds in local currencies in Asian banks (Bello 1997). The rush of investment over the past decade has been phenomenal, but the inundated banks and corrupt government–private sector practices were unable to translate the largesse into productive loans, resulting in massive shortfalls and collapse of key finance institutions throughout East Asia over the past year.

[4] Employment has been declining per dollar of direct foreign investment worldwide, while at the same time it has been increasing among subcontractors and other nominally independent but TNC-linked local producers (UN 1994). The total number of jobs associated with the top 500 TNCs at the end of the 1980s was lower than in 1980, and it is likely to have further declined since. Yet while TNCs directly employed 10 percent of the world's and 20 percent of the OECD non-agricultural labor force in the early 1990s, actual employment generated through TNCs is much greater. Capital deepening and labor-saving technologies plus the spread of national and international subcontracting arrangements that generate employment outside of TNCs account for the seemingly slow employment growth directly under TNCs themselves.

[5] The United States was both the largest source of outward investment ($46 billion in 1994) and inward flows ($49 billion in 1994). DFI of U.S. TNCs was $610 billion (9 percent of its GDP) or about a quarter of the world DFI stock (UNCTAD 1995).

[6] As summarized by the UN, "By placing their affiliates worldwide under common governance systems, they interweave production activities located in different countries, create an international intra-firm division of labor and, in the process, internalize a range of international transactions that otherwise would have taken place in the market" (UN 1994:xxi). This allows for transfer pricing and other schemes to avoid paying corporate taxes to governments, especially where production sites are in high-tax locations. According to the UN, the world's TNCs—40,000 parent firms and 250,000 foreign affiliates—account for two-thirds of the world trade in goods and services, one-third in intra-firm transactions and the other one-third in inter-firm transactions. This is according to UNCTAD's *World Investment Report 1995* (UNCTAD 1995).

[7] All other developing country regions were lagging behind their previous records, and the recent resurgence in selected Latin American countries is attributed to the selling off of publicly owned assets through privatization programs rather than to the creation of new assets or production potential (UNCTAD 1995).

[8] Markusen and Gwiasda (1994) opine that achieving and maintaining world-city status has three requirements: (1) a multiplicity of functions, (2) no significant domestic competition from other cities, and (3) a strong national economy shoring up the city's economic sustainability (185). The third element proves to be somewhat circular in argument in that for many countries creating world cities is the source of a strong national economy.

[9] Seoul's new role in servicing and financing international trade, investment, and headquarters operations has brought "intense city-center office development" involving "advanced information and telecommunication techniques [that] will have a strong impact on the spatial organization of Seoul" (Kwon 1997:158). Concentration in Seoul is propelled by the growth of producer-oriented services, which include banking, finance, insurance, real estate, legal services, accounting, economic consulting, design, printing, and advertising, that are

replacing the manufacturing base of the metropolitan region and the nation as a whole. Seoul accounts for 45 percent of all producer services in Korea.

[10] The MSC is expected to bring together three key elements of a global center: a high-capacity global telecommunications and logistics infrastructure built upon the MSC's 2.5–10 gigabit digital optical fiber backbone, the massive new international airport, and an attractive living environment in which careful zoning plans integrate infrastructure mega-projects with green reserves to create environmentally friendly, "intelligent" urban development. To attract firms to the MSC, firms that gain MSC status are entitled to operate tax free for up to ten years or receive a 100 percent investment tax allowance, and enjoy other incentives and benefits backed by the Malaysian Government's Bill of Guarantees.

[11] World Bank estimates are that infrastructure needed to begin to meet environmental standards requires annual investments of US$1 billion (World Bank 1993). It further states that with the exception of Singapore, every East Asian country will have to substantially step up the provision of infrastructure if its economy is to be sustained. Few have been able to do so.

[12] Part of the reason for the continuing neglect of environmental issues in low-income communities is the persistence of the view that the poor are "too busy being poor to care about the environment," even though research and actual community experiences reveal that managing the environment is as important as the economy for slum and squatter households in Asia's cities (Douglass 1998a).

[13] For Harvey (1992:591), vulnerability has five faces: exploitation in the work and living place; marginalization (e.g., chronically unemployed by the labor system); powerlessness (inability to express political power); cultural imperialism by a dominant culture over another; and violence, an increasingly major part of the contemporary city. For Friedmann, the lack of power has several critical dimensions: lack of surplus time over that needed for daily subsistence; inability to maintain social networks of mutual support that also connect households with the larger society; lack of knowledge and skills; lack of instruments of work; inadequate financial resources; and, most directly relevant to the city as a socially constructed environment, a lack of a defensible life-space, which includes immediate shelter needs as well as neighborhood and daily pathways through the city.

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