



## **Brexit, Global Cities, and the Future of World Order**

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### **Abstract**

*The emergence and role of global cities provide a rubric by which we can understand Brexit and illuminate the present tensions between those who favor open economic policies and those who favor closed economic policies. Economic inequality, political disenfranchisement, and social exclusion at the regional level are now driving a fresh interrogation of the relatively open world order that requires global cities – sites densely populated with institutions necessary for orchestrating global economic activity. While questions about the legitimacy of economic openness may undermine the economic output, political power, and cultural influence of global cities, those same cities may, if they harness economic output for broader regional benefits, demonstrate the potential of an alternative and newly legitimate open world order.*

**Keywords:** Brexit, cities, global cities, inequality, urbanization

### **The Brexit Map**

By now it is a familiar map of the United Kingdom – the one showing the geographic distribution of the June 2016 vote to “Leave” or to “Remain” in the European Union. Along with the majority in Scotland and a few mid-sized English cities, Londoners voted in large numbers to continue the UK’s membership in the EU. Twenty-nine of the city’s thirty-three boroughs voted to “Remain.” All told, roughly 60% of the total London vote favored staying in the EU. Notwithstanding the votes of its most populous and urbanized areas, the UK, as a whole, voted narrowly to leave.

This relationship between London, one of the world’s quintessential global cities, and the less densely populated, less wealthy parts of the UK, is one key to understanding Brexit. More broadly, the emergence and role of global cities, and specifically the fortunes of those cities and the misfortunes of their hinterlands, are an important lens for understanding both the post-Brexit landscape and the future of world order.

Whether or not Brexit foreshadows an even more dramatic turn in global political economy, it does suggest what some have described as “the new political divide,” the growing gap between those who favor open societies and those who favor closed societies (The New Political Divide, 2016). The emergence and role of global cities can illuminate this new division. An increasingly open economy has required global cities as platforms for orchestrating global commerce. Those cities have become the focus of economic activity, concentrating large numbers of “winners” in the open economy and attaining new levels of political influence. At the same time global cities are icons of inequity. The inequality between global cities and their regions – like that between London and the rest of England – threatens to undermine the political consensus surrounding open economies and global engagement, in favor of closed economies and isolationist disengagement. However, if cities can live up to their own claims of growing global political influence, they may be able to bridge this emerging divide. Specifically, bridging the gap between those who favor open economies and those who favor closed economies will require global cities to address regional economic disparities and to enfranchise and advance the interests of those beyond their borders. If they are up to this task, global cities may be the key to saving the open economy from itself.

### **Global Cities and their Discontents**

Over the past half-century, global cities, like London, have emerged as increasingly strategic sites and influential actors in global affairs. Global cities are not synonymous with large cities or multi-cultural cities. While many global cities are large and multi-cultural, some are not (see, for example, Zurich and Tokyo, respectively). Nor is “global city” simply another term for a locale with a disproportionately externally oriented economy. Rather, global cities represent a novel form of urban settlement organized around meeting the need to orchestrate economic activities that span borders and continents. Global cities are an artefact of a neoliberal economic order, a necessity of an open global economic system.

For all their concentration of people and institutions, global cities are the paradoxical result of forces of diffusion. Technological advances – such as transportation and information technologies that allow people to be anywhere, either physically or virtually – coupled with increasingly permeable boundaries and open trade, have been surprising forces of urbanization. While these technologies and policies undergird the opportunity for global dispersal of people and goods, they simultaneously demand institutions and organizations that coordinate geographically dispersed, but still socially concentrated, capital. Where it was once the case that a Chicago-based firm might own and operate a factory in Chicago, it is now the case that a Chicago-based firm might just as well own and operate a factory in Chennai or Chengdu. Such global operations often require the support of advanced producer and financial services firms -- global management consultants, accountants, import/export specialists, and the like. To take advantage of propinquity – the density of people and institutions in cities – firms that orchestrate global business activity have, over time, clustered in a select number of urban areas. These urban areas become hubs for efforts to coordinate global economic activity. As that activity becomes more global, these cities become more strategic (Sassen, 1991).

By concentrating powerful institutions, global cities have reached new heights of economic prosperity accompanied by bifurcated labor markets and rising local inequality. As Saskia Sassen (1991) points out, global cities are home to the “global mobile,” a class of global elites who steer and profit from global political economic changes, and the “global immobile,” who toil in obscurity, perhaps

cleaning hotel rooms, offices, and airplanes for the jet-setting class, but are no less important to the day-to-day operations of the global economy. Global cities have what Janet Abu-Lughod (1999) has described, writing of Chicago, as “an elegant façade and a deeply shadowed backstage” (p. 100).<sup>1</sup>

At the same time, global cities are often both surrounded by and separated from economically distressed communities in their regions. Connected by telecommunication systems, transportation infrastructures and information technologies, and characterized by a certain division of labor – Hong Kong, London, New York, and Tokyo concentrate global financial institutions, while Shanghai and Chicago are leading centers for companies directing manufacturing – global cities have formed a global urban system that often eclipses national urban systems, disembedding them, to a certain extent, from their national context. While global cities follow idiosyncratic development paths – Paris and Seoul remain very different places despite their similar status in global affairs -- their fates are often more intertwined with each other than they are with other cities in their home countries.

The regional inequalities that accompany this disembeddedness are often as stark as global cities’ internal inequalities between elites and the dispossessed – and sometimes more hopeless. While global cities themselves concentrate both deprivation and opportunity, often in equal measure, their hinterlands often watch opportunities relocate to metropolitan hubs. As Richard Florida (2005) has noted, the global economy is “spiky,” with a disproportionate amount of prosperity and opportunity concentrated in select metropolitan areas. Because of this dynamic, Chicago may advance, economically, while the Midwest as a whole lags (see Longworth, 2009). Beijing, Hong Kong, and Shanghai can prosper while rural China, still home to almost half the country’s population, suffers. London may flourish while Leicester flags. While global cities *have* an elegant façade and a deeply shadowed backstage, they have in some ways *become* the elegant façades of their national contexts, accompanied by deeply shadowed regional backstages. This regional dynamic can lead to resentment of and alienation from global cities and the open global economic system that has fueled their rise.

### **Strangling the Golden Geese**

Though the growth of global cities has sometimes come at the expense of adjacent regions, and though their sometimes languishing hinterlands may resent the increasing divide between regional haves and have-nots, global cities are still often assumed to be engines of regional economic prosperity and channels by which those regions connect to their new economic lifeblood, global consumers and supply chains. Nowhere has this relationship been more complicated than it has been in England, where benefits of global connectedness have accrued to the southeast while other parts of the country have languished. Yet attenuating London’s economic boom has often been seen as a surefire way to trigger the next phase of the cycle – an economic bust. As a center of steady economic productivity and conduit to the world economy, London has often been compared to the goose that laid the golden egg (Massey, 2007). It has simply been too valuable to kill.

Until June, when the majority of UK voters decided to strangle the goose.

Though London has been a magnet for global business, the majority of UK voters no longer believe that the benefits of global interconnection and regional openness actually make their way north of London or, even if some of those benefits do make their way north, they do not outweigh inequality or any of the perceived downsides that come with the free movement of people and goods. The Brexit

movement mobilized distressed voters on the margins of the global economy. As Jürgen Habermas (2016) notes,

This goes with the other finding that poorer, socially disadvantaged and less educated strata voted more often than not for Leave. So, not only contrary voting patterns in the country and in the cities but the geographical distribution of Leave votes, piling up in the Midlands and parts of Wales – including in the old industrial wastelands that have failed to regain their feet economically – these point to the social and economic reasons for Brexit.

One thing the “Leave” voters realized: In an open global economy, in a world of global cities, like London, boom and bust are not only cycles, following one after the other, but adjacent places.

Among other things – and Brexit is clearly about *many* things, from nationalist sentiment, to cultural backlash, to political self-determination (see Inglehart and Norris, 2016) – Brexit is a vote of no-confidence in the very technological and political economic shifts that have propelled global cities from bit parts to leading roles in the drama of global politics. The Leave Campaign was a sustained interrogation of the legitimacy of an open economic order (see Darvas, 2016; Johnson, Jones, and Manley, 2016; Langella and Manning, 2016; Wren-Lewis, 2016).

What does this mean for London? On the one hand, the vote to Leave, the decision to swing the pendulum back toward a more closed economy, does not mean that London will somehow fall off the map. In one sense, London was a global city long before anyone knew the term, and borders and barriers are sometimes boons to urban development (Polese, 2011). For the immediate future, a number of initiatives – such as the effort to retain EU passporting and free movement of labor for the financial elite – seek to maintain London’s status as a hub of European and global financial markets. On the other hand, Brexit would seem to herald London’s greater embeddedness in the UK’s own urban system, closer and more equal relationships with other English cities, and slightly diminished role in global affairs. In the long run, we might see ripple effects that further reshape the urban system of Europe. For example, Frankfurt and Paris are already positioning themselves as alternative sites for key financial institutions. Moreover, a possible Scottish vote for independence from the UK, in favor of continued membership in the EU, would likely further diminish London’s role and propel Glasgow to new levels of significance in Great Britain and Europe. However, as long as Brexit is an outlier in an otherwise ongoing trend toward continued global connectivity, we should not expect dramatic changes in the fortunes of London or other global cities.

But what if Brexit is not a blip? What if our future holds more franken-words, portentous portmanteaux like Departugal, Italeave, Czechout? Richard N. Haass (2016) has already suggested that several more countries are likely to leave the EU in the next five years. Some analysts consider that a conservative estimate.

If Brexit is the beginning of a trend toward more closed and modestly scaled economies, we will likely witness a winnowing of global cities. Absent an open global economy demanding the concentration of globally influential institutions that orchestrate business activity in far-flung corners of the world, some cities will lose their strategic importance in global affairs as they become increasingly re-embedded in their national systems. Liberal economic policies made global cities, and more restrictive policies will, to a certain extent, unmake some of them. More cities will matter – this will put pressure on once-proud and long-forgotten places as cities with decaying urban infrastructure regain

population and clout – but fewer of them will be essential nodes in the global economy. We will see a leveling of the urban playing field within countries, but greater gaps between countries.

A movement toward greater regional equality by means of a more closed economy would come at least in part at the expense of global cities. In a sense, global cities have been the biggest mega development project of a globalizing economy, and curbing the economic forces that have led to their growth could leave the world dotted with the biggest white elephants in history – misfit cities bigger and more complex than closed national economies demand, better fits to the open global economy that drove their growth. For example, in a world of more restrictive trade and movement, Luanda is less likely to persist in its role connecting West Africa to the global economy, less likely to benefit from ties to other global cities, and less likely to continue its run as one of the most expensive cities in the world – West Africa's San Francisco or the Lusophone London – and more likely to develop closer connections with, affinities to, and resemblance of other Angloan cities.

Widespread withdrawal from global interconnectedness may lead to less “spiky” national urban systems – with fewer and smaller differences between the prosperity of cities within a given country – but it will not reverse the multi-century trend of global urbanization. Some capabilities and characteristics of global cities are here to stay. Decades of free movement of goods and people have made global cities some of the most diverse places on the planet. Cities will still have to deal with the advantages and challenges that come with multiculturalism and political pluralism. While the global political economic system that has undergirded the growth of global cities is in some question right now, the technological infrastructure of telecommunications, transportation, and information that has built them is not going anywhere. Even in a more closed economy, technological infrastructure will support many of the opportunities and vulnerabilities of openness.

### **“A Politics of Place Beyond Place”**

While global cities are shaped by forces beyond their control, they are not only passive artefacts of world order (Curtis, 2014, in press). While they once were merely results of an open world order constructed largely by nation states, global cities, along with other actors in that order, have cultivated capabilities and inherited influence in global governance – such that some now suggest cities are not only strategic sites, but are uniquely poised to take the lead in addressing the most pressing global challenges (see Barber, 2013; Bloomberg, 2015). If global cities are partly constitutive of world order and influential in it, they may be poised to help bridge the gap between “Open” and “Closed” by stemming the tide of resentment that otherwise could, theoretically, lead to fundamental shifts in a political economic system that has undergirded their development.

To do so, they must assume an entirely new posture that rescales their interests and prioritizes the difference they can make beyond their municipal or metropolitan limits. For all the appearances of globalism, the rhetoric surrounding the emergence of global cities has shrouded a paradoxically localist posture, often favoring unhindered movement of people, goods, and services because that allows *those global cities* to concentrate wealth and amass influence. But to address the aggrieved, global cities must adopt what Doreen Massey (2007) has described as “a politics of place beyond place,” a politics that meets the needs of global cities but “addresses head on the responsibilities of ‘powerful places’” (p. 15). This politics of place beyond place resonates with Lawrence Summers’ (2016) recent call for a “responsible nationalism” that acknowledges the obligations of a state to seek its citizens’ economic wellbeing while circumscribing its ability to damage the interests of others.

Accepting this responsibility means developing strategies and platforms for global engagement that move beyond claims to cultural relevance, political influence, and economic importance to acknowledgements of responsibility to other places (Massey, 2007). Global cities must pursue their own interests without exacerbating inequality within, or undermining the economic wellbeing and political enfranchisement of, their regions. They must be capable of what we might describe as a “benevolent devolution.” In response to Brexit, for example, London mayor Sadiq Khan has held a “devolution summit” exploring possibilities for further devolution of authority to London – greater power over taxation, housing, immigration, planning, transportation, public health, and criminal justice policy. Khan has insisted that London is not seeking a “bigger piece of the British pie,” but is, instead, seeking to enhance the position of the whole UK economy. The future of global cities, and the future world order, depends upon the credibility of precisely this kind of claim. The devolution of authority must be used to bridge the gap between the haves and the have-nots of the open economy.

### **Cities Can Lead the Way**

Given the present interrogation of and challenges to the legitimacy of the hitherto prevailing political economic pattern of global integration, global cities cannot count on structural forces alone to position them for influence in this ongoing debate. Present uncertainties put a premium on leadership. Contrary to assumptions that global cities simply emerge from the ether of global political economic changes, there is a legacy of city leadership positioning urban areas, sometimes well and sometimes poorly, for a role in global affairs. Some cities have failed in their bids to become global cities because of leadership shortcomings, and others have succeeded because of strong leadership. This leadership should be harnessed to reshape a still open and integrated, but more equal, global economy.

If they want to reshape openness and restore confidence in integration, global city leaders must develop strategies and platforms for global engagement that are rooted in a desire to drive regional prosperity. In other words, global cities should be centrifugal forces for flourishing, spinning out the benefits of economic interconnectedness and political influence to their regions. This might mean redirecting political attention and economic development resources away from, say, splashy mega events that draw attention to the city, and toward regional transportation and infrastructure initiatives that reflect and raise the stakes of less populous and wealthy areas in their hinterlands. It can cost as much as \$50 billion to host the Olympics, an investment that returns chiefly ephemeral and highly localized benefits. That level of investment could furnish a region with between 900 and 2900 kilometers of high speed rail, a durable infrastructure the benefits of which accrue to an entire region (Ollivier, Sondhi, and Zhou, 2014).

While leaders who have become accustomed to cooperation with peers around the world will need to emphasize afresh cooperation with and accountability to other others in their regions, none of this means that mayors and others should abandon global collaborations and networks in favor of strictly local and regional interests. On the contrary, existing levels of economic interdependence dictate that the future of any given global city is not dependent only on their own region’s or country’s disposition toward an open or closed economy, but on the dispositions of those around the world. The relative openness of the global economy can only be sustained if a large number of nations and regions are behind it. Practically speaking, Chicago’s status as a global city does not depend only on the dispositions of the Midwest and the United States, but on the dispositions of those around the world. If bridging the gap between “open” and “closed” economic visions is a worthwhile endeavor, then global

city leaders should wield their hard-won national and global influence not to push back against calls to level the playing field, but to take the lead in that movement. So global city leaders should commit to and collaborate on a systematic reduction of regional inequities, leveraging transnational municipal networks and clout with national governments in order to promote both interconnectedness and equality.

The importance of leadership assumes the contingent development of global cities and the global political economic order in which they endure. World order is not on auto-pilot. Indeed, it may be in a period of lurching change, the outcome of which will be determined by a handful influential institutions and individuals. If the Brexit vote proved anything – if the Leave and Remain campaigns shared any one assumption – it was that the economy has been shaped by, and can be reshaped by, people with real influence who know that there are, indeed, alternatives. If that is correct, then perhaps the leadership of global cities can also reshape global interconnectedness in a way that diminishes regional inequality and drives regional benefits. Whether they do or not will prove whether their leadership is merely technical – helping us to do the same old things more effectively and efficiently than before – or political – helping lead the way to a new, newly equitable, and newly legitimate, world order.

## Endnotes

<sup>1</sup>While Abu-Lughod first uses this term with reference to the 1890s, her analysis suggests this is an enduring characteristic of the city.

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