

Why do cities develop
at different rates?



Why do cities and regions develop at different rates and with different trajectories, and how can planning and development policy address issues of uneven development?

“ Development trajectories are not straight forward for local governments to solve” (Hall and Hesse, 2013), there are many reasons why cities and regions develop at different rates and trajectories. This essay aims to explore some of the theories behind uneven development trajectories such as is the world becoming flat and time - space compression or alternatively the fact uneven development does occur with competitiveness and knowledge industry. Secondly this essay will then explain some possible planning strategies and policies that address the issues of uneven development such as land ownership, zoning and bottom up governance.

Uneven development occurs across the world and there are many different reasons for different rates growth. some theorists however believe development is relatively even, Friedman (2005) describes the world as becoming flat, this is due to the technological advancements which have resulted in a globalised economy and “ the development of a common global culture” (Held, 2004: 88). The location of a company is no longer important; you can be successful anywhere in the world without having to move this is due to the ‘ Borderless economy created by technological improvements’ (Sander, 2005). Friedman describes this by stating ‘ when the world is flat you can innovate without having to emigrate’ (Friedman, 2005). Friedman’s view has been shared by other economists who describe the levelling effect on the economy to be even in many ways (Florida, 2005: 48). Even though borderless economies can improve regions and cities across the world

Mander and Barker (2002) question whether this development positively affects everyone by stating that “ Economic globalisation makes things worse for poor people not better” (Mander and Baker, 2002: 2).

Harvey (1989) also shared similar views to Friedman through the idea of time-space compression as a cause to the flattening of the world. Time space Compression is described by Harvey as time and space forced to alter due to technological advancements and capitalism which has “ sped up the pace of life” (Harvey, 1989: 240). It creates “ a significant acceleration of social, particularly capitalist, dynamics due to a new global communications network” (Stalder, 2006), Time-space compression simply refers to the “ Increased velocity of the circulation of goods, people and information” (Thrift and May, 2001: 106). It overcomes spatial barriers and opens up new markets through high speed communication, something that Leamer (2007) explains as being an important factor to creating even development. Good communication and technologies enables good knowledge transfer and therefore no need for agglomeration resulting in development that is spread equally.

Opposing the above arguments there is the argument that development occurs at uneven trajectories. Florida (2005) describes how there has been explosive growth in population numbers within cities, “ now in some advanced countries three out of four people live in urban areas” (Florida, 2005: 48). He explains that this has caused development across the world to be ‘ spikey’ due to the world being “ full of clusters where location matters, most notably in cities” (Feiock et al., 2008). Florida describes the idea of a ‘ creative class’ as a reason why many people migrate to cities as increasing

development is seen in these areas. Florida (2002) describes successful regions and cities as attracting the ‘creative class’, these people consist of “young, upwardly and geographically mobile professionals”. And many are often associated as being ‘bohemians’ and creative people (Stolarick and Florida, 2006), this is described by Millander et al. (2014) as a “creative milieu”. These people are attracted to the idea of community, the “attraction and retention of these individuals becomes a centrepiece of economic growth” (Feiock et al., 2008). The clustering of creative classes in cities and areas of technological advancement leaves uneven distribution of knowledge across a nation (Mellander et al., 2014) which often leads to regions having different development trajectories.

Nagle (1995: 14) Cited from Myrdal (1955) explains the concept of cumulative causation through a core- periphery model, this presents the “unfolding of events as a consequence of the multiplier effect” (Mayhew, 2009) Regional advantages attract investment creating a core region of development, “Skilled workers investment, new technology and developments gravitate from periphery regions to the core” (Nagle 1995: 14. Demand for goods comes from the periphery areas creating the backwash effect. Finally knowledge overflow and increased demand may create growth in periphery areas; this is known as the spread effect. A Perfect example of this is the silicon valley in California, here a business cluster of innovation and knowledge has resulted in enhanced competition and clustering, creating a core development region and at the same time has periphery regions.

The rate of development of a nation often refers to the nation as a whole; this is arguably out dated as “ nations-states were created to meet the needs of a much earlier historical period” (Hashimoto, 2013). Due to a the borderless economy that has been created as a result of globalisation it’s now suggested that nations states should be converted to regional-states, “ regional-states are natural economic zones which are drawn by the deft invisible hand of the global market” (Ohmea, 1995)

High levels of innovation create clusters of technology industries forcing greater competitiveness. Porter (2008) describes the importance of competitiveness in determining development trajectories of a certain region as Competitiveness is global as well as regional. “ Competitiveness of a region or nation has been a primary focus for governments wishing to seek investment and create jobs” (Porter, 2008), this is due to the potential development it can attract. Porter’s ‘ competitive advantage diamond model’ displays the economic benefits clustering can bring to regions through a range of factors contributing to competitiveness (porter, 1990). The model is used to analyse the competitiveness through four factors, for example customer characteristics etc. (Walker, 2004: 177). “ Improving competitiveness is central to raising the underlying rate of growth of the economy and enhancing living standards” (Shafaeddin, 2012), this therefore suggests that regions and cities which experience more competitiveness are likely to have greater development trajectories. Huggins and Izushi (2011) explain how Porters model can be used to create a competitive advantage; it is this advantage that arguably creates different rates of development in cities and regions. Competitiveness is vital for economic growth however

Prasnikar (2006: 325) explains it can sometimes lead to unsustainable development and therefore companies must maintain corporate social responsibility. Huggins and Thompson (2010) development index is a way of measuring competitiveness, “ competitiveness involves the upgrading and economic development of all places together, rather than the improvement of one place at the expense of another” (Huggins and Thompson, 2010: 4). This can be used by governments to monitor and assess the development of regions.

Development rates can differ due to the amount of inward investment a region attracts. Opposing Harvey and Friedman, globalization has arguably been a main cause of uneven development as it “ has been governed in ways that are undemocratic and have been disadvantageous to developing countries” (Stiglitz, 2002). It is therefore vital that correct planning and development policies are put in place to ensure cities and regions can develop as one sustainably. It’s important to note that countries promoting the best policies in addressing uneven development use a “ wide range of actors, key participants and influences... which are in almost all cases built upon public - private partnership” (Huggins and Izushi, 2007: 118).

There are several specific development policies that can be put into place in order to address issues associated with uneven development. “ Good development policy is context specific” (World Bank, 2003: 9), this means a policies effectiveness may vary between regions and cities and therefore policies chosen must address specific issues of the region. Globalisation has given way to multinational corporations having large amounts of power due to their size and global reach, “ multinationals and governments competing

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for control over operations during market expansion” (Luo, 2002: 73). As a result many multinationals can gain leverage over governments. As rates of development vary due to context, development should therefore be controlled regionally resulting in differing policy and development plans. The use of governments “ top-down, Centralising, ‘ one size fits all’” (Bradbury, 2008: 132) policies contradicts the importance of context specific initiatives as policy are likely to prove ineffective in some regions. It is therefore suggested that bottom-up planning is introduced; this is more effective as it offers bespoke policies relevant to the characteristics of a region. Das (2005) Explains this will devolve power to regions and cities increasing democracy, as a result this should enhance conditions for sustainable development. A great example where Bottom up planning is being put into action is in England where the introduction of neighbourhood plans through the localism act of 2011 has made way for planning that is more deliverable and realistic in achieving sustainable development (Chetwyn, 2013).

Land ownership within development planning is also vital for sustainable development, it’s important that correct development and planning policy is created to ensure arbitrate land use conflicts between social, economic, and spatial use are dealt with (Linchfield, 1980: 8). This is specifically important in developing countries where often land rights are distributed unfairly and leave land owners sceptical as to whether or not they will be able to retain their land. By granting Land ownership this creates enterprise, motivation and promotes innovation (Lipton, 2009: 2), the uncertainty of land rights can often stall development as investment is reduced which Fatas and Mihov (2009: 7) described as one of 4 factors contributing to the economic

development of regions. Government intervention plays an important role in the creation of successful development policies; another way of improving the rate of development across a region sustainably is to introduce taxes on land. Shirazi and Shah (1991: 140) suggest that this will provide additional revenues to central governments allowing them to invest in infrastructure which would attract investment, “good infrastructure attracts investment by connecting firms to their customers and suppliers” (OECD, 2006: 59). In Tanzania and many African nations have seen success from land ownership, it has “spurred economic growth and improved shared prosperity for the country’s population” (All Africa, 2013)

The use of successful development plans is essential in addressing uneven development. There are several aspects such as bottom-up planning already discussed that can contribute to reducing uneven development. Land use zoning is another strategy that is efficient in addressing uneven development. Zoning plans are designed by the government and decide “what kind of buildings can be built and where in the community they can be built” (Euchner and McGovern, 2003: 155). The use of zoning separates different land uses that could perhaps conflict such as “residential, business and industrial uses” (Soule, 2006: 30). It controls new sustainable development that doesn’t affect any existing development. Zoning is able to create even development as it regulates where certain types of development can take place, this can replace previous systems where “restrictive land use policies have discouraged new companies and new job creation (Baily and Kirkegaard, 2004: 8). By using a zoning scheme “specific beneficial incentives can be offered in return for specific contributions by the

developer” (Silberstein and Maser, 2000: 35). This would attract investment to areas of a region as well as improving infrastructure and creating jobs, encourage the creative classes to locate to these areas resulting in more even development. The United States of America has seen “ Great success of Euclidean zoning” (Soule, 2007: 27), zoning can be found as the foundation of many American development plans such as Chicago.

With population numbers rising and a globalising economy; development is set to increase, it therefor vital sustainable planning policies are operating. This essay has displayed some possible reasons for why cities and regions might develop at different rates though theorist such as Florida (2005) and porter (2008), they suggest that Creative classes and competitiveness create uneven development. Friedman (2005) and Harvey (1989) argue against this idea of development being ‘ spikey’ and suggest due to globalisation and a borderless economy; location is not important allowing development to take place at the same rate. Planning and development policy can play an influential role in addressing uneven development as well as maintaining sustainable development. This essay has displayed several effective policy schemes such as Bottom-up governance, land rights, taxation and land use zoning that have proved effective in tackling uneven development. In conclusion uneven development is occurring; it is possible to tackle uneven development though successful policy however it must be remembered that many regions develop at different rates. Many of these are located in less economically developed countries which lack effectiveness in delivering successful policy. As a result its vital that these countries have the support form supra-national bodies such as The United Nations and World Bank in

order to achieve development that addresses uneven development and is sustainable for future generations.

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