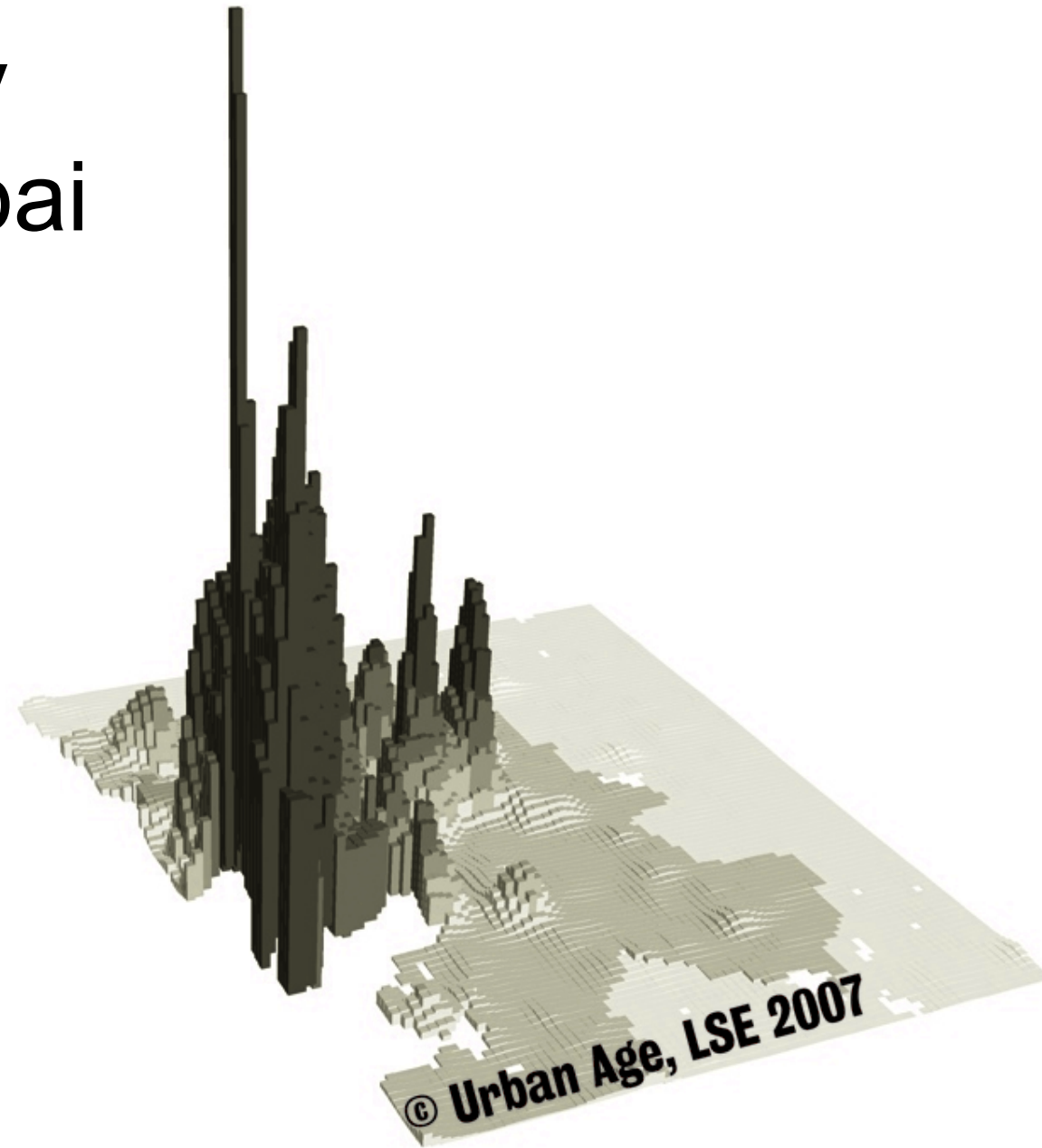


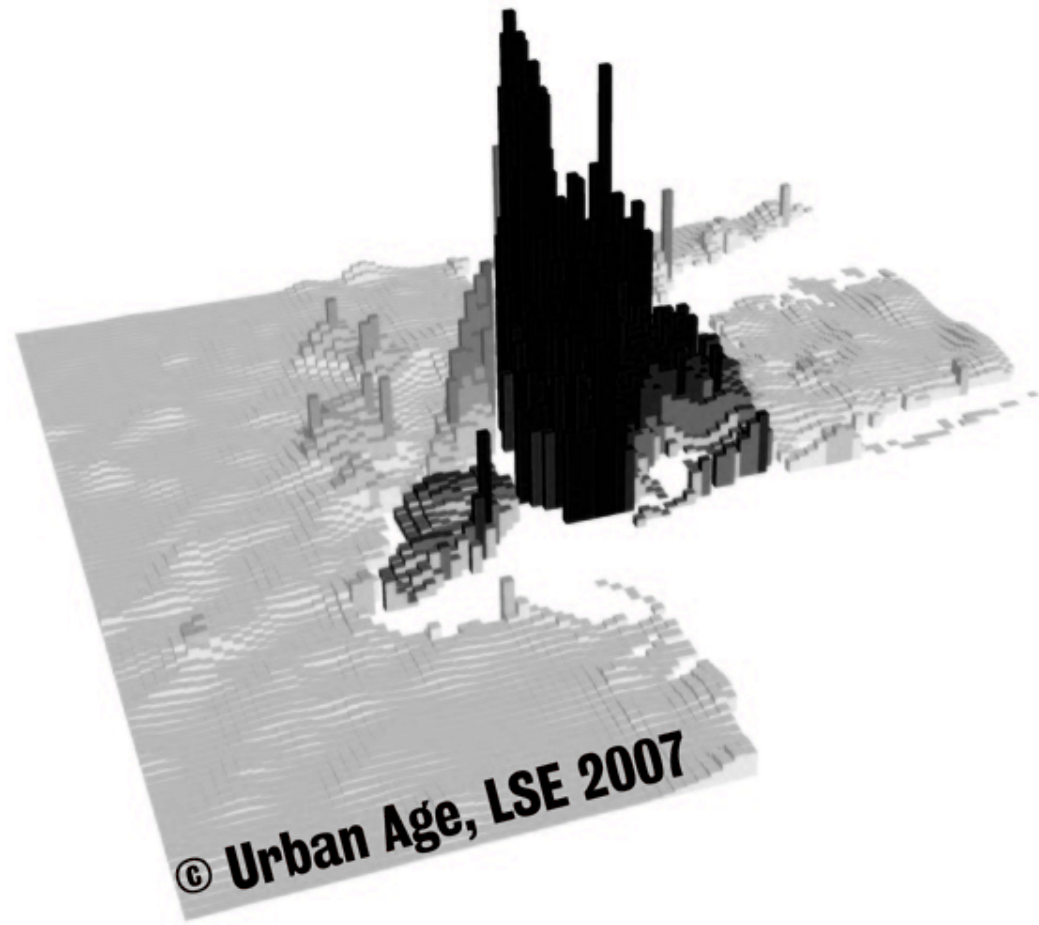
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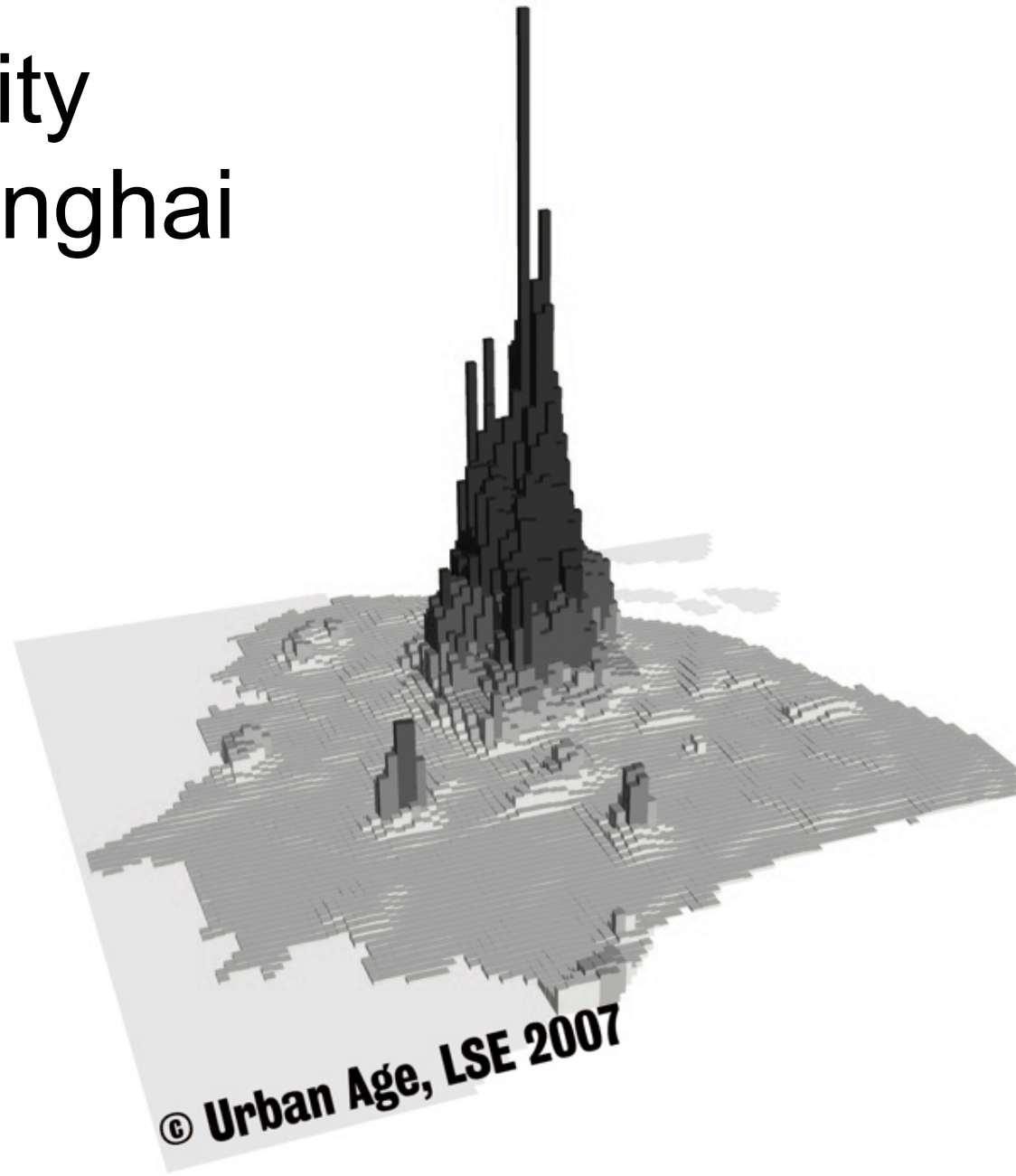
Density - Mumbai



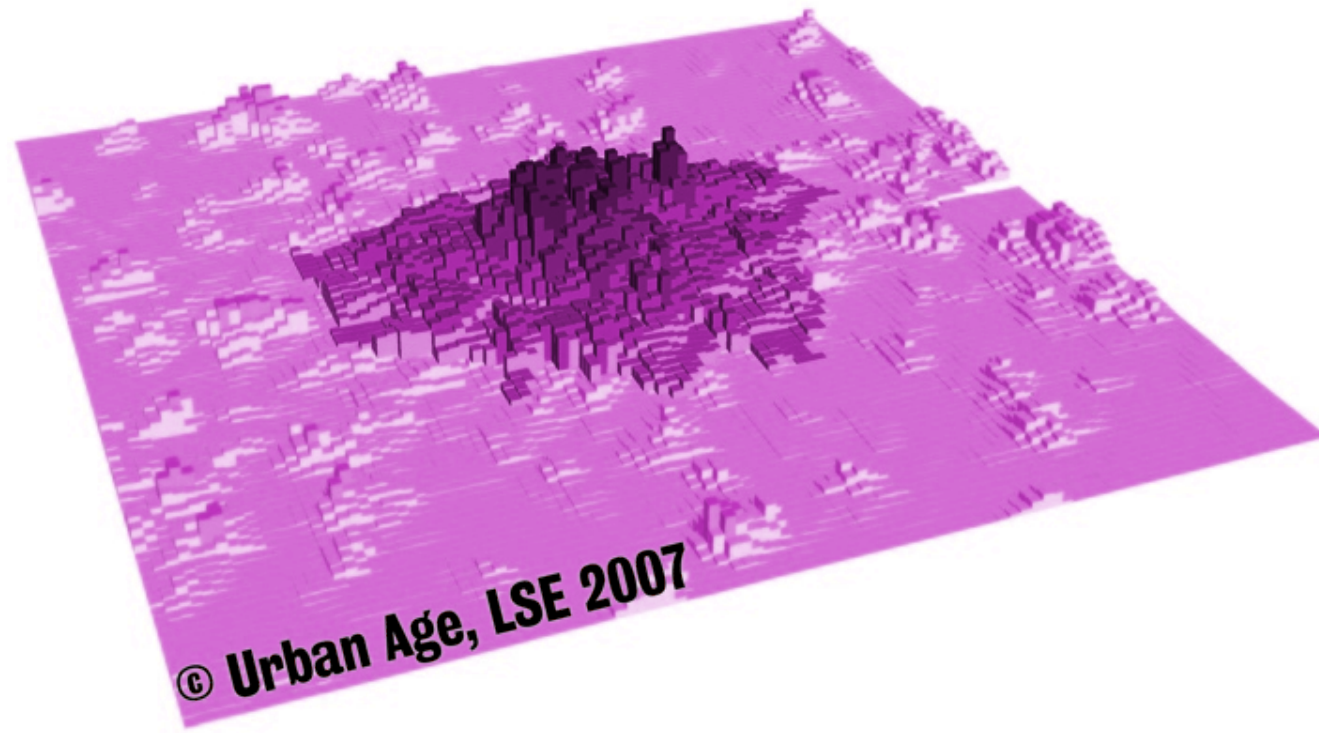
Density - NYC



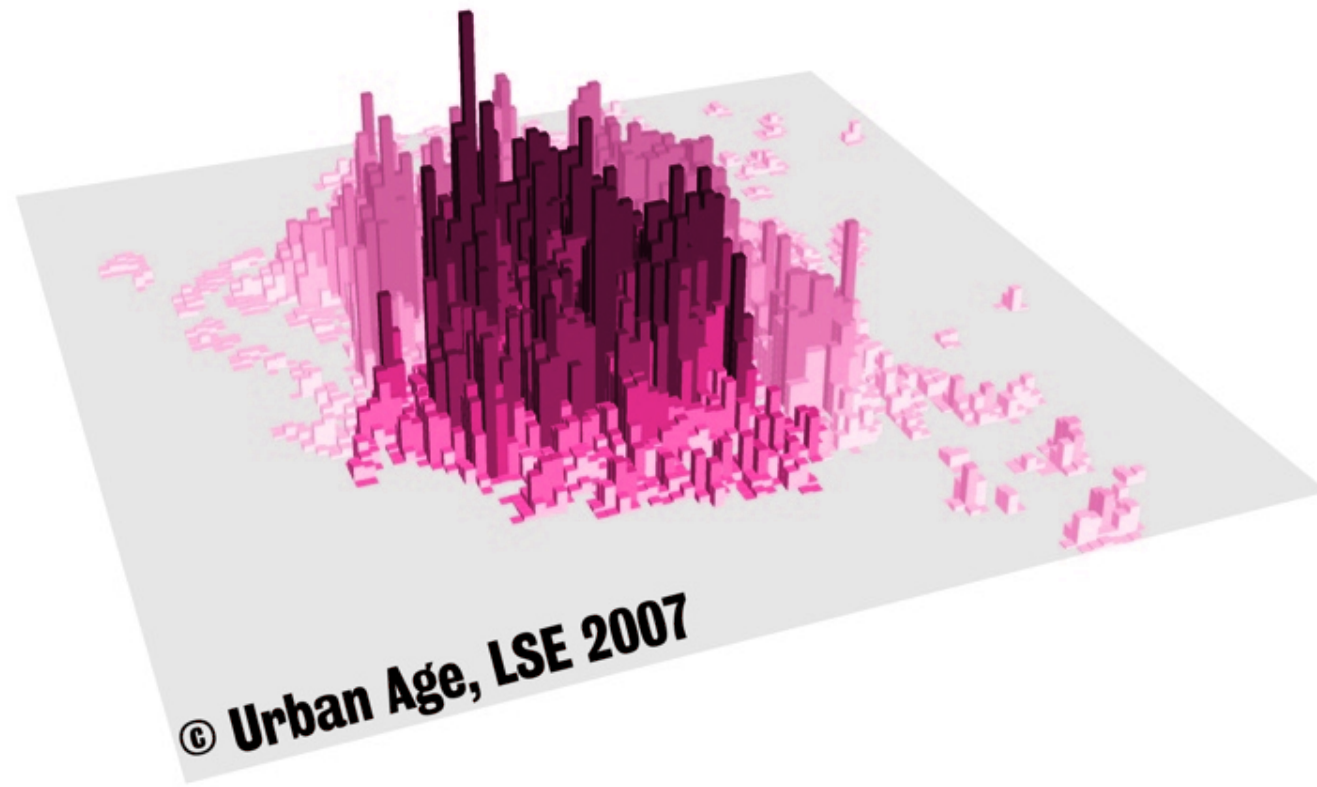
Density - Shanghai



Density - London



Density - Mexico City



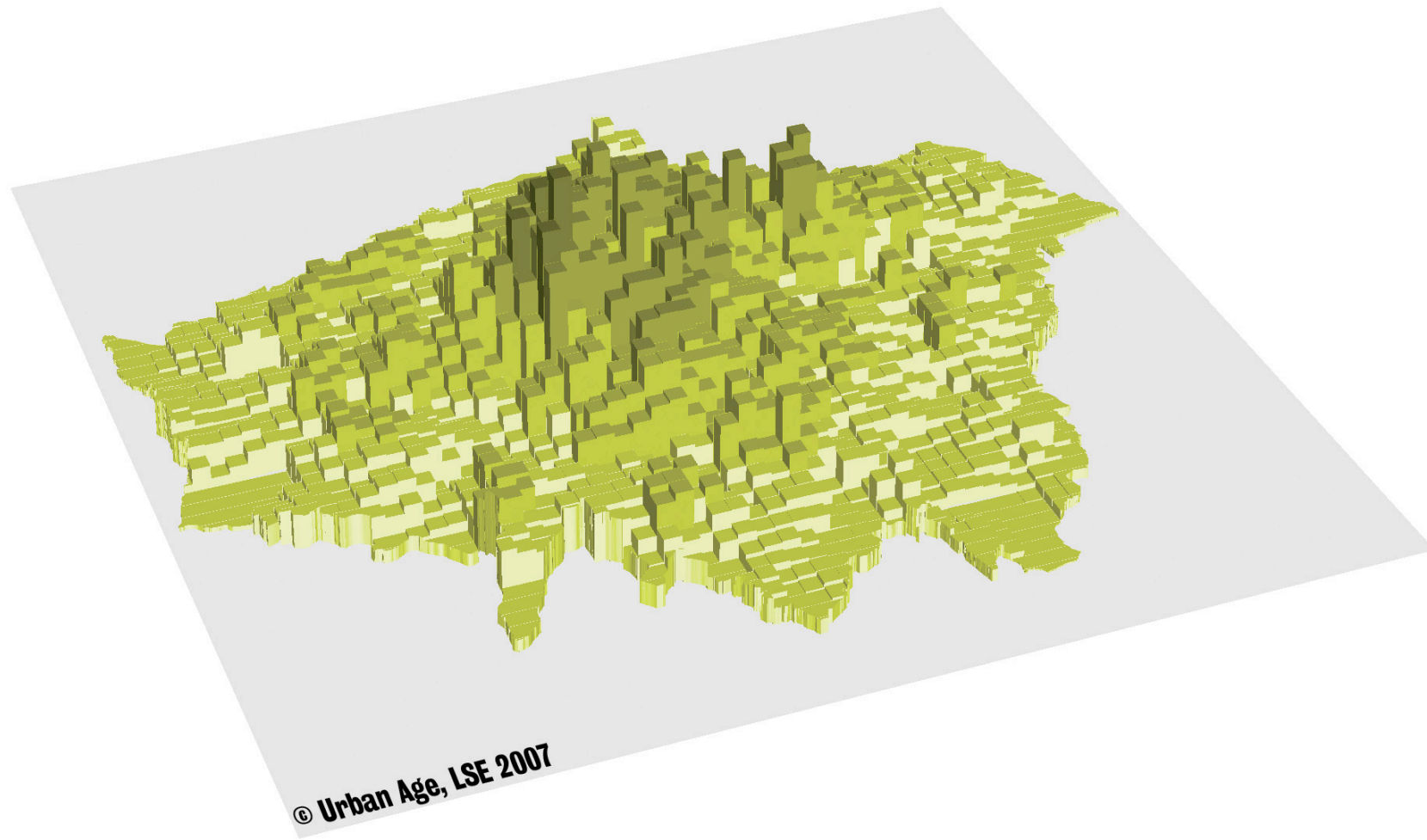
Density

- Johannesburg

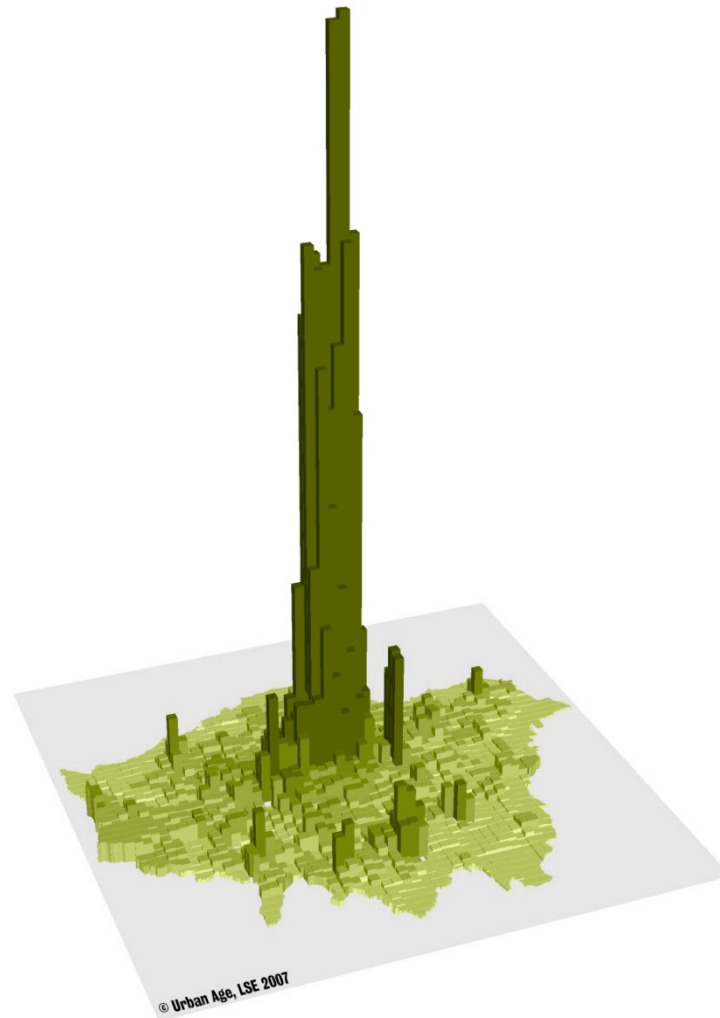


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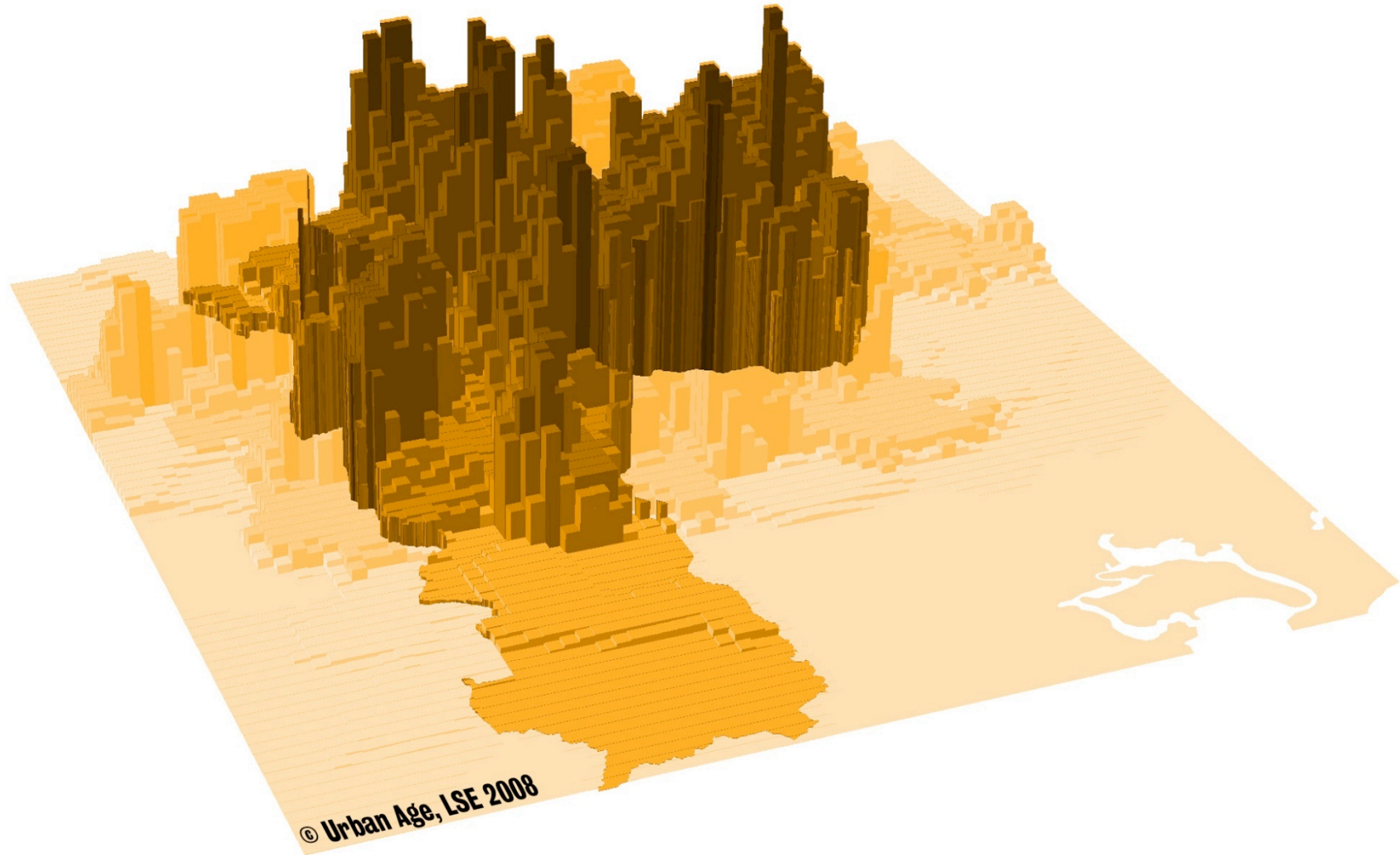
London (Population)



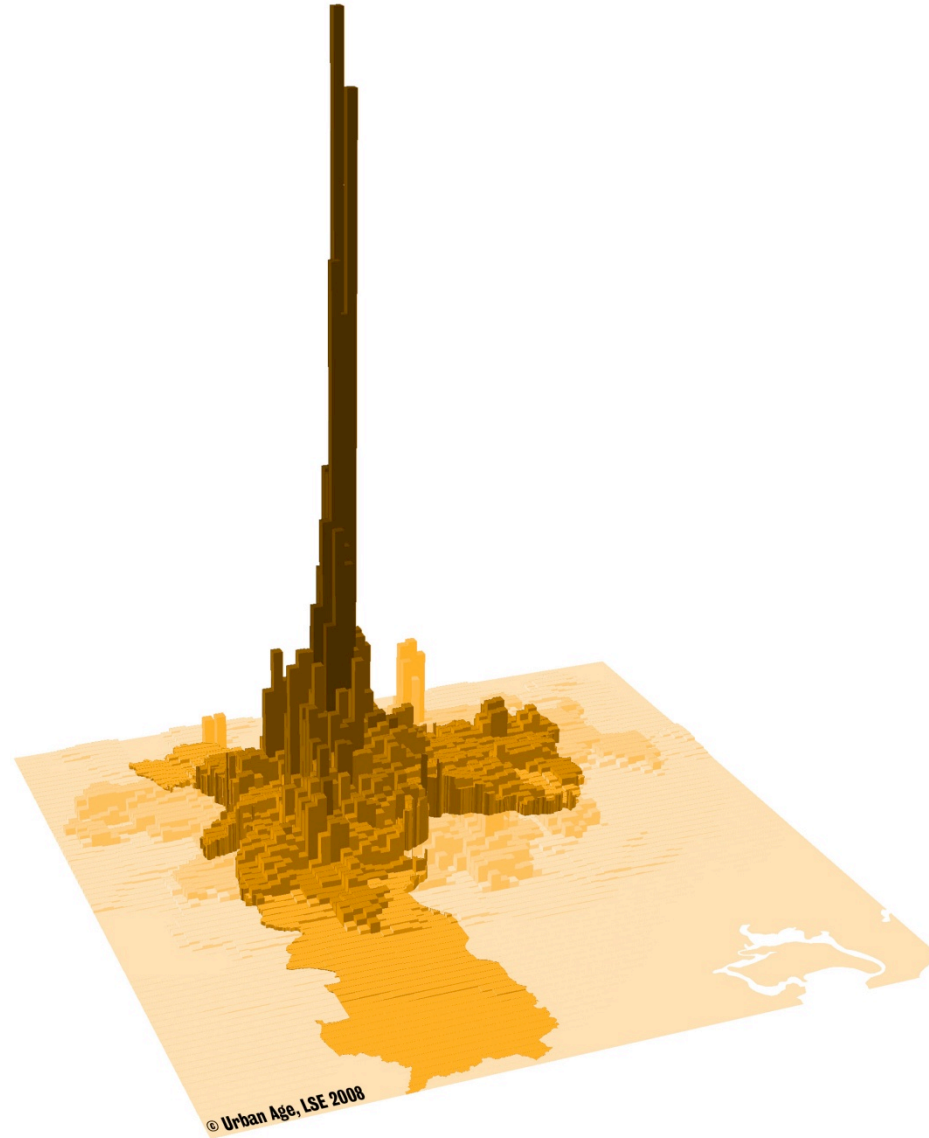
London (Workplace)



Sao Paulo (Population)



Sao Paulo (Workplace)





There is no perfect global city

- When firms go global they tend to locate operations in multiple cities that function as entry points into national economies.
- This bridging capacity is critical: the multiple circuits connecting major and minor global cities are the live infrastructure of the global economy. It indicates, again, that cities do not simply compete with each other.
- A global firm does not want one global city, even if it is the best in the world. Different groups of cities will be desirable to different types of firms, even if some of

Overall
 Ranking:
 WCOC Index,
 Top 20

1	London	79.17
2	New York	72.77
3	Tokyo	66.60
4	Singapore	66.16
5	Chicago	65.24
6	Hong Kong	63.94
7	Paris	63.87
8	Frankfurt	62.34
9	Seoul	61.83
10	Amsterdam	60.06
11	Madrid	58.34
12	Sydney	58.33
13	Toronto	58.16
14	Copenhagen	57.99
15	Zurich	56.86
16	Stockholm	56.67
17	Los Angeles	55.73
18	Philadelphia	55.55
19	Osaka	54.94
20	Milan	54.73

None of the leading cities ranks at the top in everything.

- A large study of 75 cities rates the top cities for worldwide commerce. Not one of them ranks at the top in all of the 100 factors, and not one gets the perfect score of 100.
- London and New York, the two leading global cities, rank low in several aspects – neither is in the top ten when it comes to starting a business, or closing a business.
- If we consider a critical variable in the ‘ease of doing business’ indicator, part of which is ‘ease of entry and exit’, London ranks 43rd and New York 56th. London ranks 37th on ‘contract enforcement’ and 21st on ‘investor protection’.
- It is Singapore that ranks number one in relation to all three variables.
-

Indicator 3: Ease of Doing Business

- Subindicators
- Starting a Business
 - ✧ Conventions/Exhibitions/Meetings
 - ✧ Banking Services
 - ✧ Ease of Entry and Exit
 - ✧ Investor Protection
 - ✧ Corporate Tax Burden
 - ✧ Contract Enforcement
- Employing Workers
- Getting Credit
- Closing a Business
- Conventions/Exhibitions/Meetings

Ease of
Doing
Business:
Top 20

	City	Dimension 3 Score
1	Singapore	82.82
2	Hong Kong	80.37
3	London	79.42
4	Toronto	76.24
5	New York	75.91
6	Dublin	75.71
7	Edinburgh	75.29
8	Vancouver	74.89
9	Montreal	74.60
10	Chicago	73.81
11	San Francisco	73.68
12	Sydney	72.39
13	Los Angeles	72.34
14	Boston	71.89
15	Washington D.C.	71.78
16	Copenhagen	71.72
17	Atlanta	71.69
18	Miami	71.51
19	Melbourne	71.34
20	Dallas	71.32

▪

- In the global South, cities like Mumbai and São Paulo are in the top group for financial and economic services, but are brought down in their overall score by their low rankings in factors related to the ease of doing business and livability, given their especially low levels of well-being for vast sectors of the population.

Indicator 4: Financial Dimension

- Subindicators
- Financial Services Network:
 - Banking/Financial Services Companies
 - Insurance Companies
 - Investment/Securities Firms
- Total Value of Equities Trading
- Total Value of Bond Trading
- Total Number of Derivatives Contracts
- Total Number of Commodities Contracts

Financial
Dimension:
Top 20

	City	Dimension 4 Score
1	London	84.70
2	New York	67.85
3	Frankfurt	52.88
4	Seoul	52.76
5	Chicago	52.51
6	Tokyo	48.95
7	Mumbai	47.32
8	Moscow	47.27
9	Shanghai	46.54
10	Madrid	44.60
11	Singapore	42.15
12	Paris	41.85
13	Hong Kong	39.61
14	Sydney	39.47
15	Milan	38.45
16	Sao Paulo	34.92
17	Amsterdam	34.44
18	Copenhagen	33.24
19	Taipei	33.04
20	Zurich	31.93

Indicator 5: Business Center Dimension

- Subindicators
- Traffic Through City Ports
- Air Passenger and Aircraft Traffic Through City Airports
- Air Cargo Traffic Through City Airports
- International Air Passenger Traffic Through City Airports
- Volume of Commercial Real Estate Development

Business
Center
Dimension:
Top 20

	City	Dimension 5 Score
1	Hong Kong	72.25
2	London	67.44
3	Singapore	62.58
4	Shanghai	60.30
5	Dubai	59.34
6	Tokyo	58.15
7	Paris	57.73
8	New York	54.60
9	Amsterdam	48.00
10	Seoul	47.33
11	Frankfurt	46.73
12	Los Angeles	44.47
13	Bangkok	44.21
14	Chicago	40.52
15	Miami	39.23
16	Taipei	37.78
17	Madrid	37.71
18	Milan	36.46
19	Beijing	35.07
20	Atlanta	33.69

Knowledge Creation and Information Flows: Top 20

	City	Dimension 6 Score
1	London	62.35
2	New York	59.02
3	Tokyo	52.06
4	Paris	51.65
5	Seoul	51.31
6	Zurich	47.84
7	Chicago	46.31
8	Geneva	45.28
9	Stockholm	44.15
10	Los Angeles	43.08
11	Osaka	40.87
12	Boston	40.58
13	Copenhagen	39.57
14	Singapore	39.45
15	Berlin	39.41
16	Amsterdam	39.11
17	Atlanta	38.21
18	Philadelphia	37.80
19	Washington D.C.	37.46
20	Taipei	37.00

Overall
Ranking:
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▪

- Whether all of this is good or bad for the larger social fabric of these cities and their countries is a complex matter, and the subject of many debates.
- The fact that global firms need cities, and groups of cities, should enable the political, corporate and civic leadership in those cities to negotiate for more benefits for their cities from global firms.

▪

- This could lead to overall positive outcomes if the governing classes can see that these global economic functions will grow better in a context of a strong and prosperous middle class rather than the sharp inequality and polarity that exists among a growing share of households.
- European global cities have done better than global cities in the United States precisely for this reason.

▪

- The trends in the new rising global cities of the South resemble trends of the North: growing numbers of very rich and of very poor, and the impoverishment of the old middle classes.
- What there will be less of in these cities is the modest middle classes and the modest-profit making economic sectors that once were the major presence in these cities.
- Having a large middle sector is important for the urban economy, because their



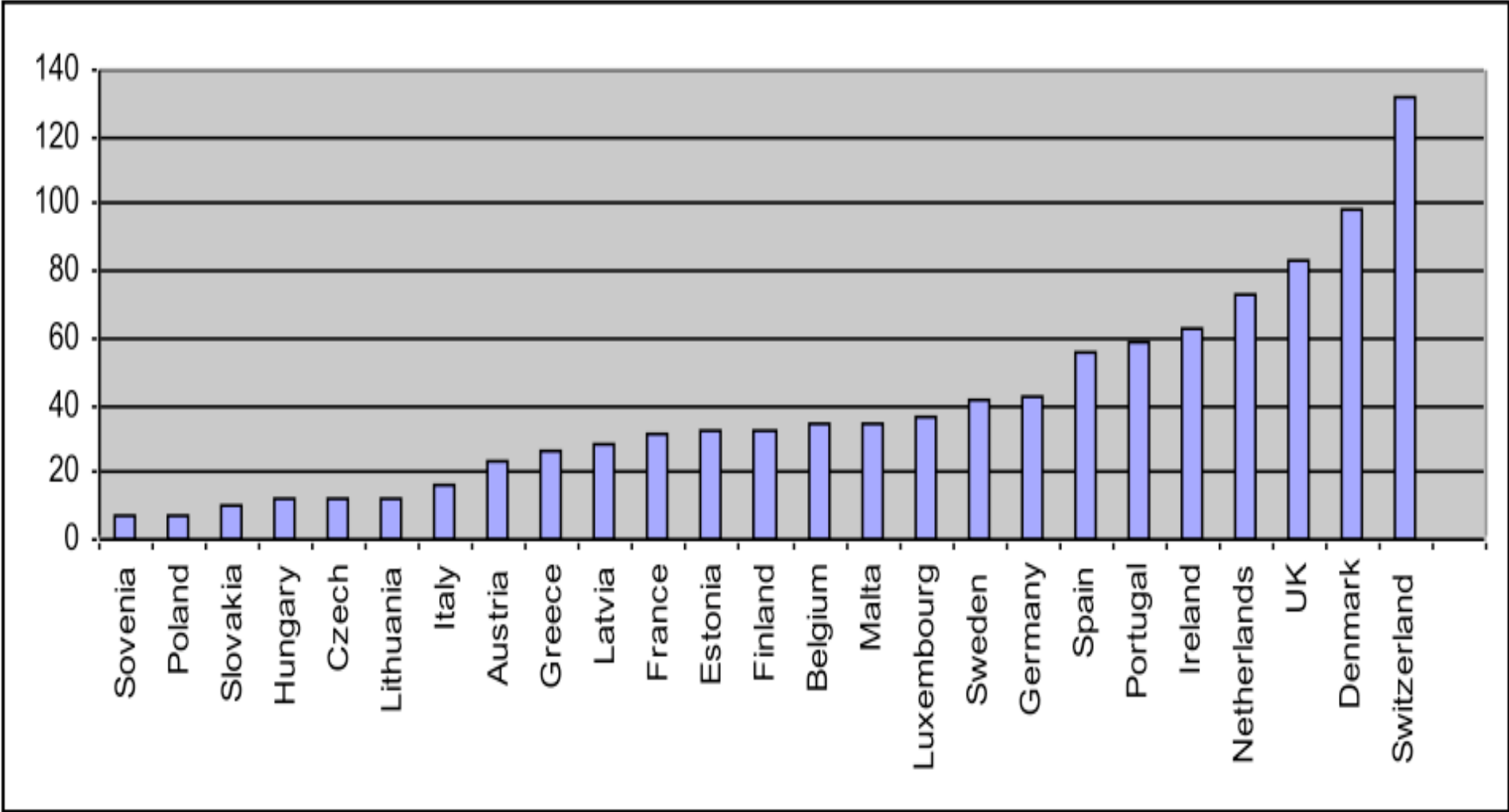
New global frontiers for finance

- We should worry

When modest income neighborhoods become part of global finance

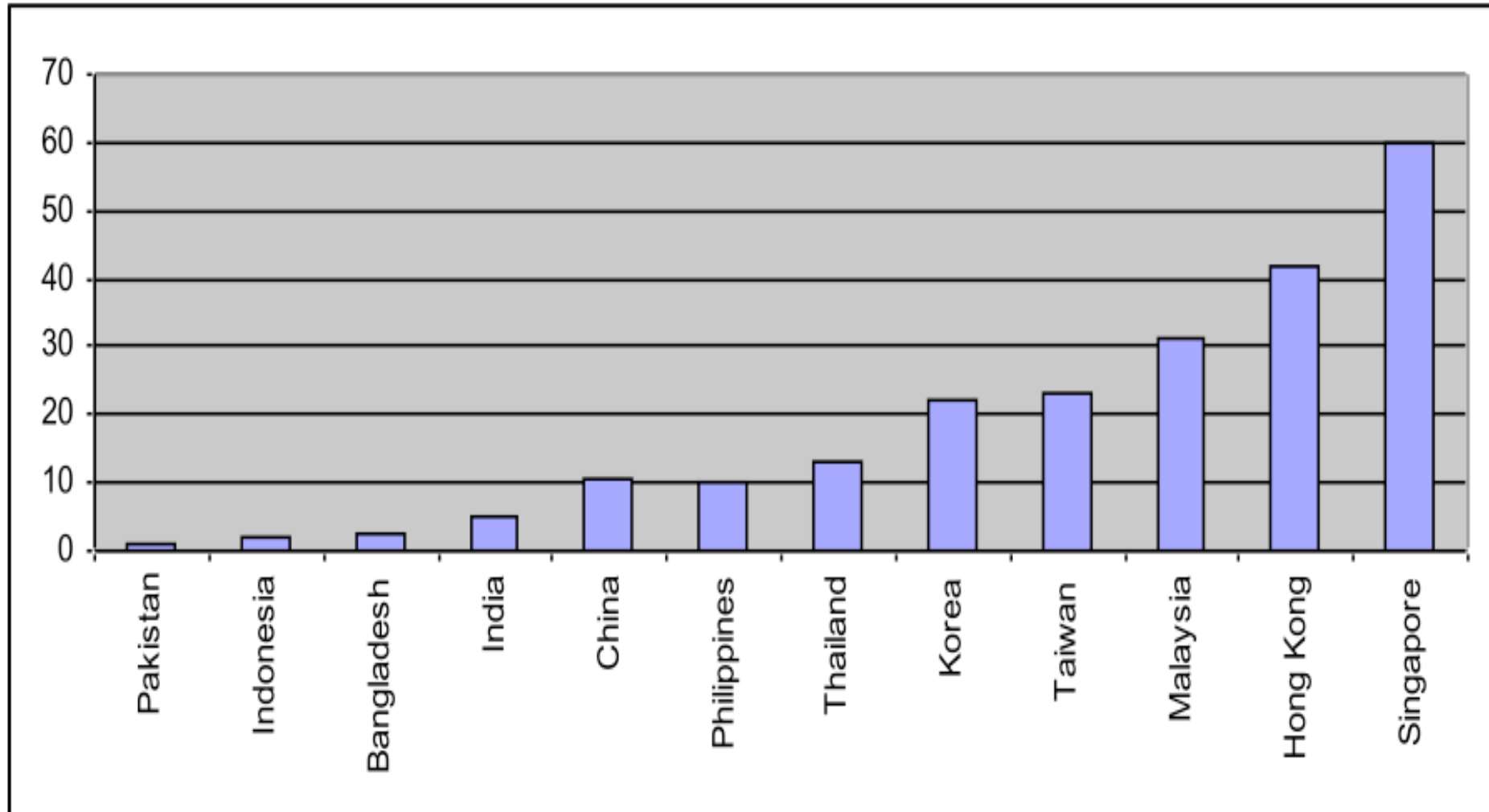
- 1. The key is that the source of profits for financial firms of sub-prime and other mortgages for low- and modest-income households is NOT payment on the mortgage.
- The source of profits is the bundling of a large number of these mortgages to sell them on to investors, including banks and foreign investors. It worked because they were mixed up with high quality debts of all sorts.
- Credit-worthiness of

Table 1: Ratio Residential Mortgage Debt to GDP (Select countries/end 2006)



Source: <http://www.germany-re.com/files/00034800/MS%20Housing%20Report%202007.pdf>

Table 2: Ratio Residential Mortgage Debt to GDP: Emerging Asia



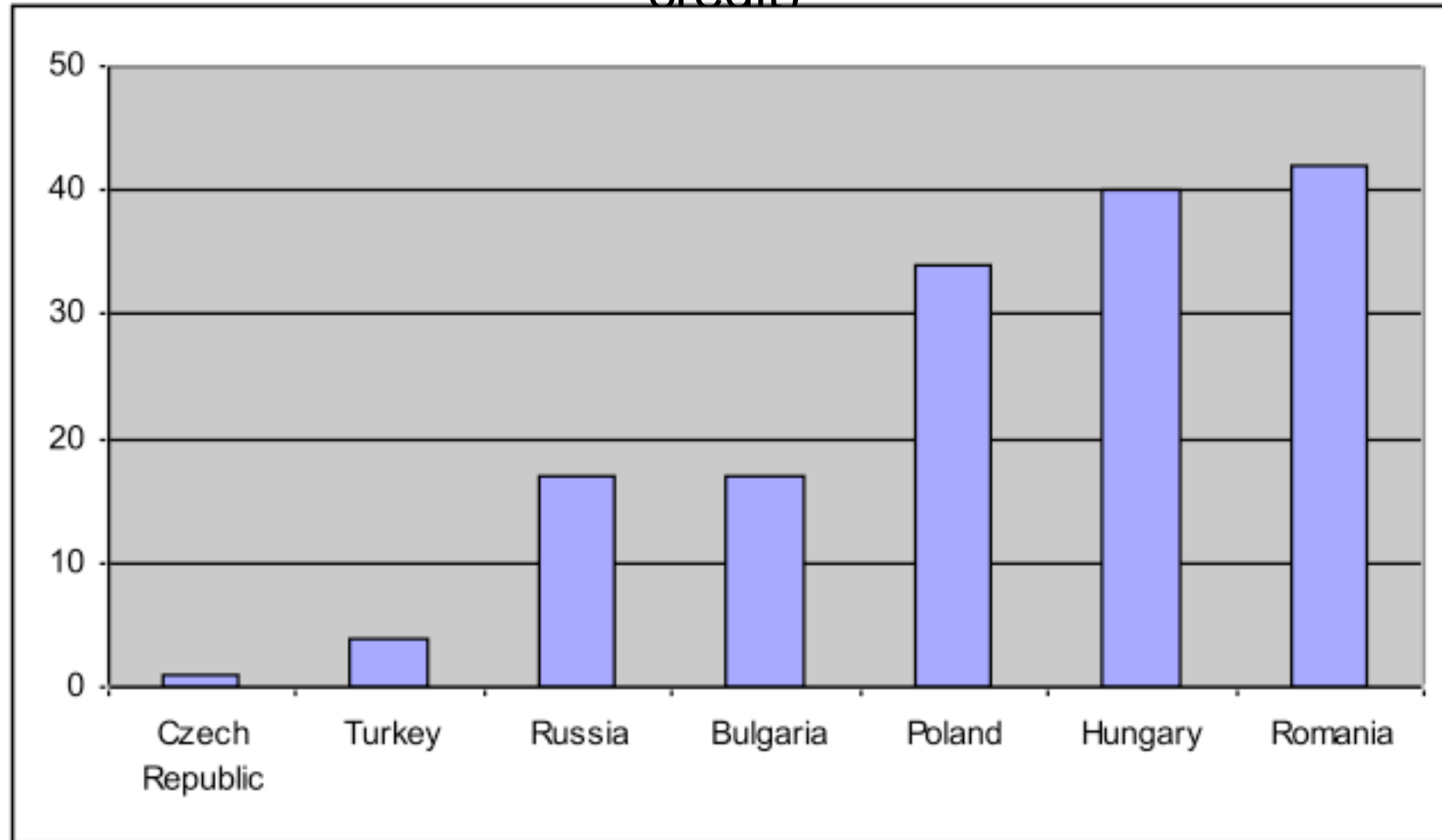
Source: Warnock, Veronica Cacdac and Warnock, Francis E., Markets and Housing Finance (February 2008). Available at SSRN: <http://ssrn.com/abstract=981641>, retrieved 24 August 2008.

Table 8: Ratio of Household Credit to Personal Disposable Income (2000-05)

	2000	2001	2002	2003	2004	2005
Emerging Markets						
Czech Republic	8.5	10.1	12.9	16.4	21.3	27.1
Hungary	11.2	14.4	20.9	29.5	33.9	39.3
Poland	10.1	10.3	10.9	12.6	14.5	18.2
India	4.7	5.4	6.4	7.4	9.7	...
Korea	33.0	43.9	57.3	62.6	64.5	68.9
Philippines	1.7	4.6	5.5	5.5	5.6	...
Taiwan	75.1	72.7	76.0	83.0	95.5	...
Thailand	26.0	25.6	28.6	34.3	36.4	...
Mature Markets						
Australia	83.3	86.7	95.6	109.0	119.0	124.5
France	57.8	57.5	58.2	59.8	64.2	69.2
Germany	70.4	70.1	69.1	70.3	70.5	70.0
Italy	25.0	25.8	27.0	28.7	31.8	34.8
Japan	73.6	75.7	77.6	77.3	77.9	77.8
Spain	65.2	70.4	76.9	86.4	98.8	112.7
United States	104.0	105.1	110.8	118.2	126.0	132.7

Source: IMF Staff estimates based on data from country authorities, CEIC, OECD, and Bloomberg

Table 11: Share of Foreign-Currency-Denominated Household Credit, End-2005 (In percent of total household credit)



Source: IMF 2006. "Global Financial Stability Report: Market Developments and Issues." *IMF: World Economic and Financial Surveys*. September, 2006. Retrieved August 26, 2008. [<http://www.imf.org/external/pubs/ft/GFSR/2006/02/pdf/chap2.pdf>] p. 54

Table 13: Rate of Subprime Lending by Borough, 2002 - 2006

	2002	2003	2004	2005	2006
Bronx	14.2%	19.7%	28.2%	34.4%	27.4%
Brooklyn	9.2%	13.9%	18.4%	26.1%	23.6%
Manhattan	1.3%	1.8%	0.6%	1.1%	0.8%
Queens	7.7%	12.6%	17.8%	28.2%	24.4%
Staten Island	7.2%	11.1%	13.9%	19.9%	17.1%
NYC Total	7.0%	10.8%	14.9%	22.9%	19.8%

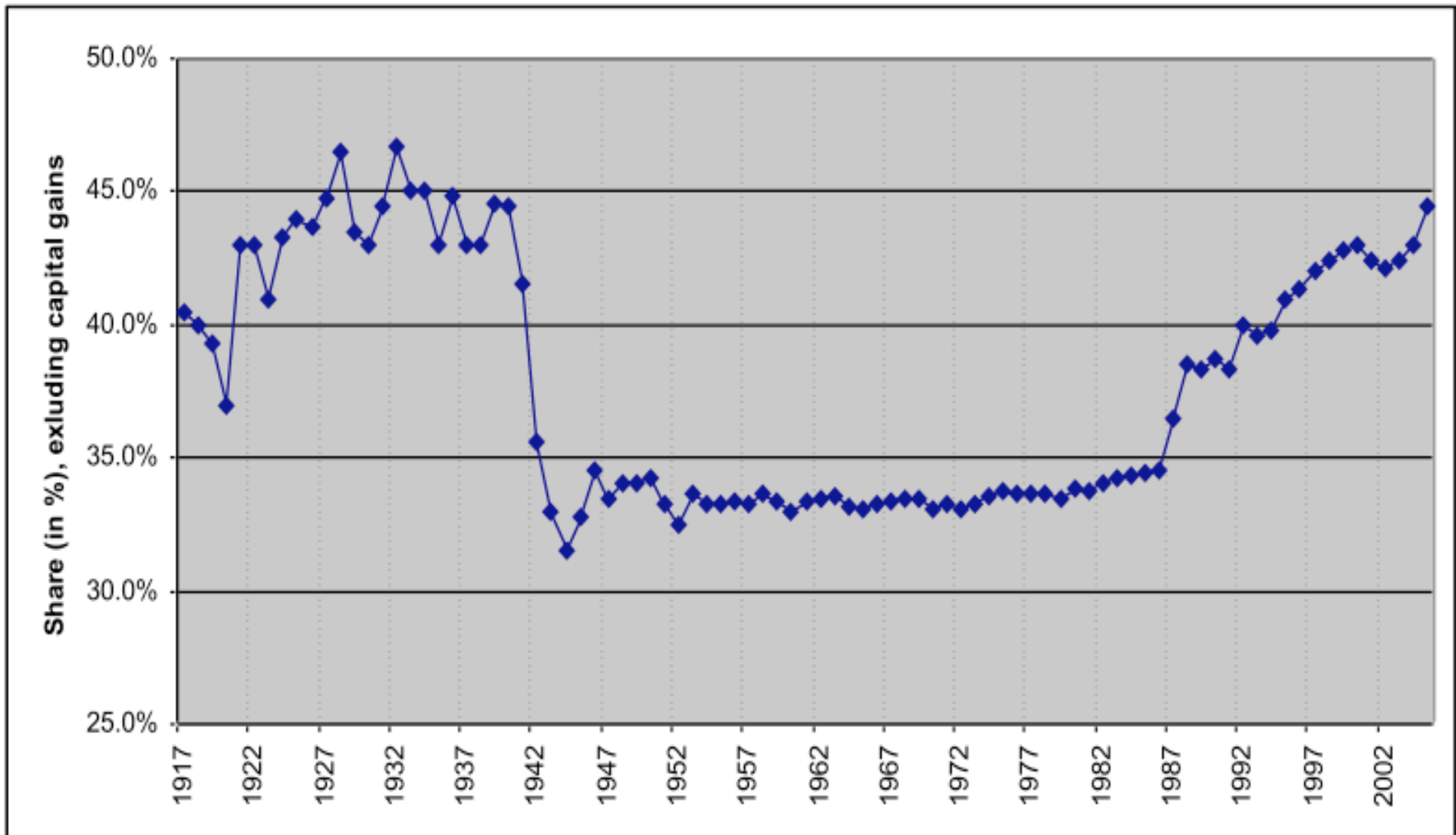
Source: Furman Center for Real Estate & Urban Policy, 2007

Table 15: Rate of Subprime Lending by Race in New York City, 2002 - 2006

	2002	2003	2004	2005	2006
White	4.6%	6.2%	7.2%	11.2%	9.1%
Black	13.4%	20.5%	35.2%	47.1%	40.7%
Hispanic	11.9%	18.1%	27.6%	39.3%	28.6%
Asian	4.2%	6.2%	9.4%	18.3%	13.6%

Source: Furman Center for Real Estate & Urban Policy, 2007

Table 20



•*Income is defined as market income but excludes capital gains

•Source: Mishel, L. 2004. "Unfettered Markets, Income Inequality, and Religious Values." Viewpoints. May 19, 2004. Economic Policy Institute. Retrieved July 26, 2008 [[www.epi.org/content.cfm/webfeatures_viewpoints_moral_markets_presentation.](http://www.epi.org/content.cfm/webfeatures_viewpoints_moral_markets_presentation)] [kgb1]



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