Hong Kong, Shanghai and Singapore:

A battle for Regional Dominance - Mega-projects and state-led visions

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In chapter 10 we set out the key developments that have affected urban policy, and city priorities, in the pacific Asia region. We explored how these impacted on urban policy in Tokyo, focusing on the way that views of Tokyo as a world city have played a role in shaping this policy.

In this chapter we will examine the same issues in the other leading cities of the region. As Shin and Timberlake suggest above, these cities are competing to establish themselves as major regional centres and using the world city paradigm to underpin their strategic planning approaches. Hong Kong and Singapore are widely recognized as the major second-order cities in the region after Tokyo and in some respects, as we have seen, they are challenging Tokyo for preeminence.

Shanghai makes an extremely interesting case study as the government has been strongly promoting the city to spearhead china's attempt to engage with global economic processes and to establish Shanghai as a world city - great claims are made for the city's future role.

As the future of China will be so important for the future of this whole region, and because national policies are important in respect to both Hong Kong and Shanghai,

**Globalization, the state and Chinese cities**

The economic fortunes of china and the development of its major cities will have an impact throughout the region. The 'open door' policy since 1978 and the recent joining of the World Trade Organization indicate that the country is linking up the world economy and thus becoming more subject to the forces of globalization. China's economic growth in recent years suggests that it may be shifting its economic position in relation to other nations in the region, and its huge population provides a major potential market and incentive for foreign investment.

The new economy is not fully exposed to the forces of globalization as the state still plays a leading role. The open door policies were first tested out in Guangdong and Fujian provinces and four special economic zones were established there. The distance of these provinces for Beijing meant that any negative or political consequences could be limited and the industrial development there was of less significance than in the eastern and north-eastern provinces. It was also thought that the proximity of Hong Kong, Macau and Taiwan would aid the rapid and successful development of the special economic zones in this area. Later, in 1984, 14 ‘open coastal cities’ were designated, including Shanghai. However, it was not until around 1990 that Shanghai was given central state backing to pursue a globally oriented strategy.

At the same time as orchestrating this gradual economic reform the state has been embarking on a policy of decentralization. Meanwhile state-owned enterprises have been freed from the hierarchical control of the central state. They can make their own decisions on enterprise management and diversify into other activities. The increased autonomy enjoyed by local government and local enterprise produces a new system of local governance involving a more complex range of local actors. According to Wu, this creates a new form of governance that might be described as a Chinese form of urban growth coalition with the local state apparatus taking the lead role. Wu believes that the increased entrepreneurial approach taken by the local state can be explained not only by globalization but also by the new political arrangements that have been set up, in which local government has became more competitive as it responds to the ‘adjustment to governance capacities’

The new position of local government has led to the creation of a local developmental state oriented to economic growth but with a short-term agenda. A large part of the revenue for city governments now comes from exploiting the opportunities of urban renewal and real estate projects. There has been a shift from productive activity, such as industry, to the housing and office sectors, creating new patterns of urban development. Local governments have also become outward-looking as they seek to attract inward investment to boost their local economies.

Main point is that there are 2 kinds of land and two types or property and that property development is complex- this one talks about high risk behavior by agents and how that leads to complex issues with state owned property. China is communistand the Chinese government still controls the business sector. The state is encouraging people to be more entrepreneurial because, it creates jobs and boosts the economy. The GDP consists of 2 nominal and a real GDP, so if the government can't stimulate the economy they need to do this to lower the unemployment rate. This will happen in the bigger provinces in China because they want to remain in power by pleasing to businesses.

**Hong Kong: the gateway to China**

Hong Kong, transferred from Britain to china in 1997, has an advantage in developing as a global city as the international connections are already in place and the city plays a major gate way function in linking China to the new global economy. As the former governor has said, ‘for the overseas Chinese as well as for so many foreign businesses, Hong Kong is the reassuring and safe commercial base for doing business in china. As well as these external global connections, the city has also developed linkages with the surrounding Pearl River Delta and formed a region containing centres with different functions, including special economic zones and Guangzhou. (Pearl River Delta)– itself once a key international trading centre. Some argue that this region will become China’s first world city region comparable with London and New York or an example of a new kind of mega city based upon a network of linkages.

**Shanghai: a state-led world city**

From around 1990 Shanghai experienced a stunning explosion of development in its attempt to become a global city. In 1999 Time magazine was labeling Shanghai as a rival to New York for the title of ‘Centre of the World’ in the twenty-first century. Historically buildings in the city were generally no more than ten stories high but by the end of the millennium the skyline had dramatically altered with new developments of over 50 stories, often adorned by ‘space-age’ architectural details. Which the state is seeking to achieve its goal is to open the city up to market processes, and thus a major theme to explore is the nature of the state/market interaction. However, Shanghai does have a history as an international city, enjoying a golden age from the end of the nineteenth century to 1927. It was the financial and cultural capital of the Orient and by the Second World War was ranked the seventh largest city in the world.

About three million laborers from the provinces flocked to the city to take part in ‘one of the biggest building sprees the world has ever seen’. Overseas companies and joint ventures are the main purchasers of these high-quality apartments that tend to cluster in certain parts of the city, such as to the west of the centre or Pudong. They want to move into property development and Shanghai presents greater opportunities than Hong Kong, where a few major companies control development.

The importance of good relations between the city mayor and central government is illustrated by the favorable treatment the city got from central government once their previous mayors Jiang Zemin and Zhu Rongji became national Party Secretary and Premier. However, the complexities of the large number of land deals and development projects were beyond the control of one municipal authority and so they in turn had to decentralize many property rights and planning powers to the district level.

**Singapore: city state and archetypal world city**

As a city state Singapore is free from the complexities of intergovernmental relations between national and city levels. The important aspect of this response was the central role taken by the state in determining the economic direction for the territory, and the outward-looking strategy that was adopted because of the lack of any alternative given the restricted size of the country.

Very soon after independence politicians were formulating the idea that Singapore should be a ‘global city’ and it can be said that the new city state ‘reconfigured itself as a “global” city, before the emergence and popularization of the concept in social science’.

Over the period the state has led a number of structural transformations of the country’s economy. At the time of independence there was high unemployment and an economy based upon [entrepôt](http://frdic.naver.com/fkEntry.nhn?entryNO=26834) trade. The state decided to adopt a strategy of industrialization through attracting international interest and so from this early period the state consciously chose an alliance with foreign capital.

One of the most important bodies was the Economic Development Board (EDB), an arm of government that developed strategies to attract potential investor. This concluded that Singapore should become a ‘total business centre’ and focus on developing its service sector. It should seek to attract multinational offices and develop tourism, banking and offshore-based activities.

It believes it needs to keep one step ahead of trends and is now promoting Singapore as the ‘intelligent island’ with a focus on computer and telecommunication technology. Thus since independence the economic role of Singapore has been very consciously planned by a state that has been trying to keep one step ahead of global economic changes. Economic growth has always been our most pressing concern. It still is, even though Singapore is already a major centre in terms of commerce, industry and finance. After conducting studies of other world cities a major extension of the existing financial district is planned, through extensive land reclamation schemes. One of the new features of the plan is a broader conception of what contributes to economic success. This conception includes high-quality residential provision, a good environment, leisure facilities and exciting city life (URA, 1998). It has also been appreciated that Singapore’s economic success has led to such rapid physical change that its varied built heritage has almost been lost.

A start is being made to tackle this dilemma through the preparation by the URA, with selected public consultation, of a series of Identity Plans for key areas to cultivate local emotional attachment in the face of the homogenizing global forces. The environmental policy is oriented to the ‘beautification’ of Singapore – for example, creating green zones between settlements and along transport corridors. However, a very pragmatic approach has been adopted, focusing on issues that affect the economic growth of the city such as restriction on traffic to limit pollution, dealing with waste efficiently, and protecting water supply areas as the city is vulnerable with 60 per cent of its supply still coming from Malaysia.

The aim in this new quarter is to producer an integrated working, living and recreation area contributing to the emphasis on good overall quality of life. A significant feature of the approach taken in Singapore is the state’s approach to social integration. Baum shows that in Singapore there is no ‘social polarization in the sense portrayed in the work of Sassen and others, but instead strong trends towards professionalization and growing middle- and upper-income strata’. The private-build sector is currently small in overall terms but there has been substantial growth in recent years, especially in lower-density luxury housing. A major role of government has been to determine the economic strategy for the city, which has moved from industry through regional office headquarters and financial services to computing and technology. Throughout, these strategies have been formulated within a conscious understanding of the city’s relationship with the rest of the world, and global communications and networking have been a central feature.