

Lesson 7

The economics of contemporary cities: boundaries, activities, clusters, transformations

Contemporary city:
descriptions and projects

Gabriele Pasqui

In the darkness on the edge of town
(Bruce Springsteen)

Some folks are born into a good life,
Other folks get it anyway, anyhow,
I lost my money and I lost my wife,
Them things don't seem to matter much to me
now.

Tonight I'll be on that hill 'cause I can't stop,
I'll be on that hill with everything I got,
Lives on the line where dreams are found and lost,
I'll be there on time and I'll pay the cost,
For wanting things that can only be found
In the darkness on the edge of town.

City boundaries

Where a city starts? Where it ends?

Where are (and how can we recognize) city limits?

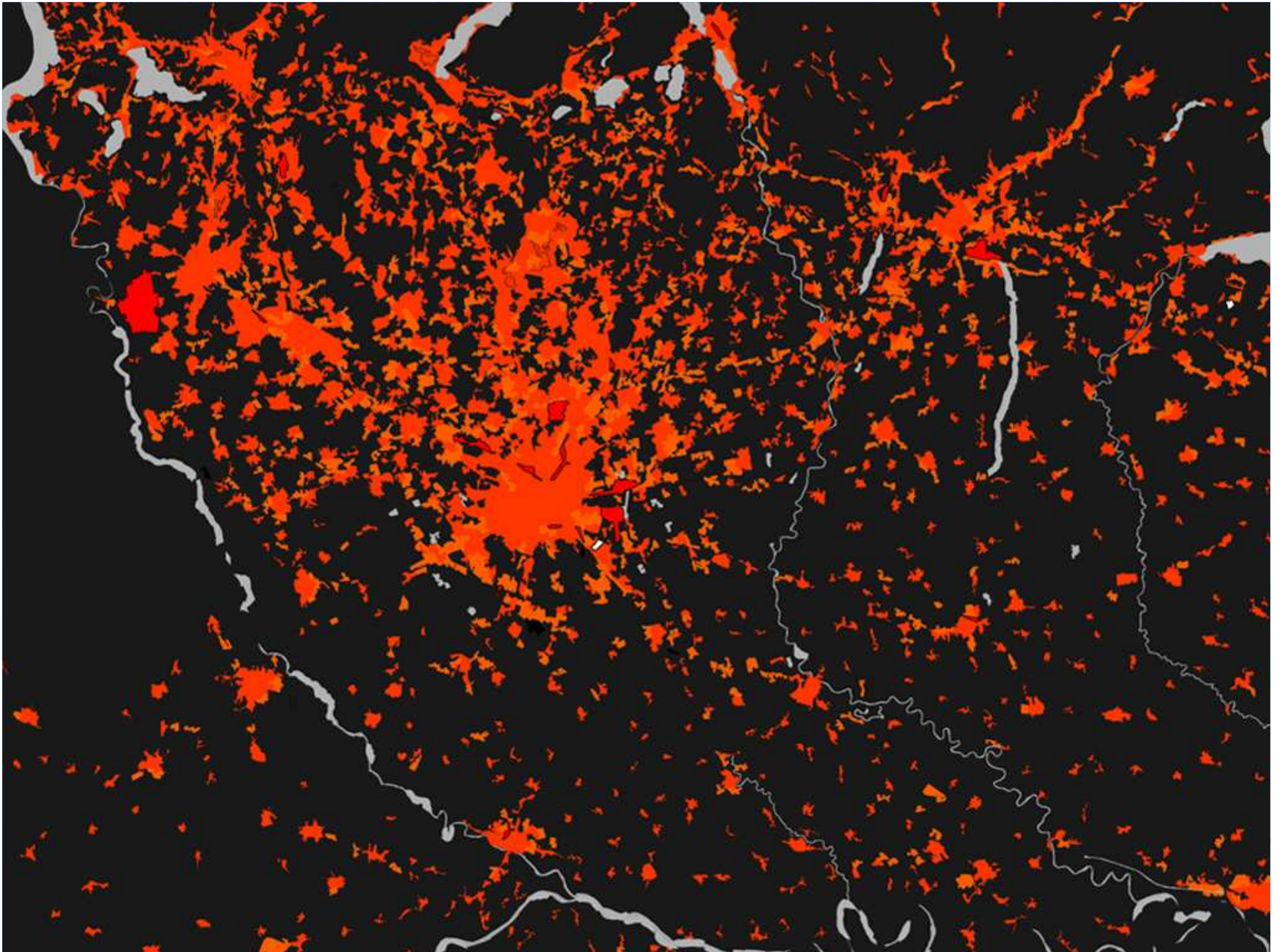
Images about patterns (historical centers, citadels, housing districts ..) show that sometimes it is easy to define boundaries...

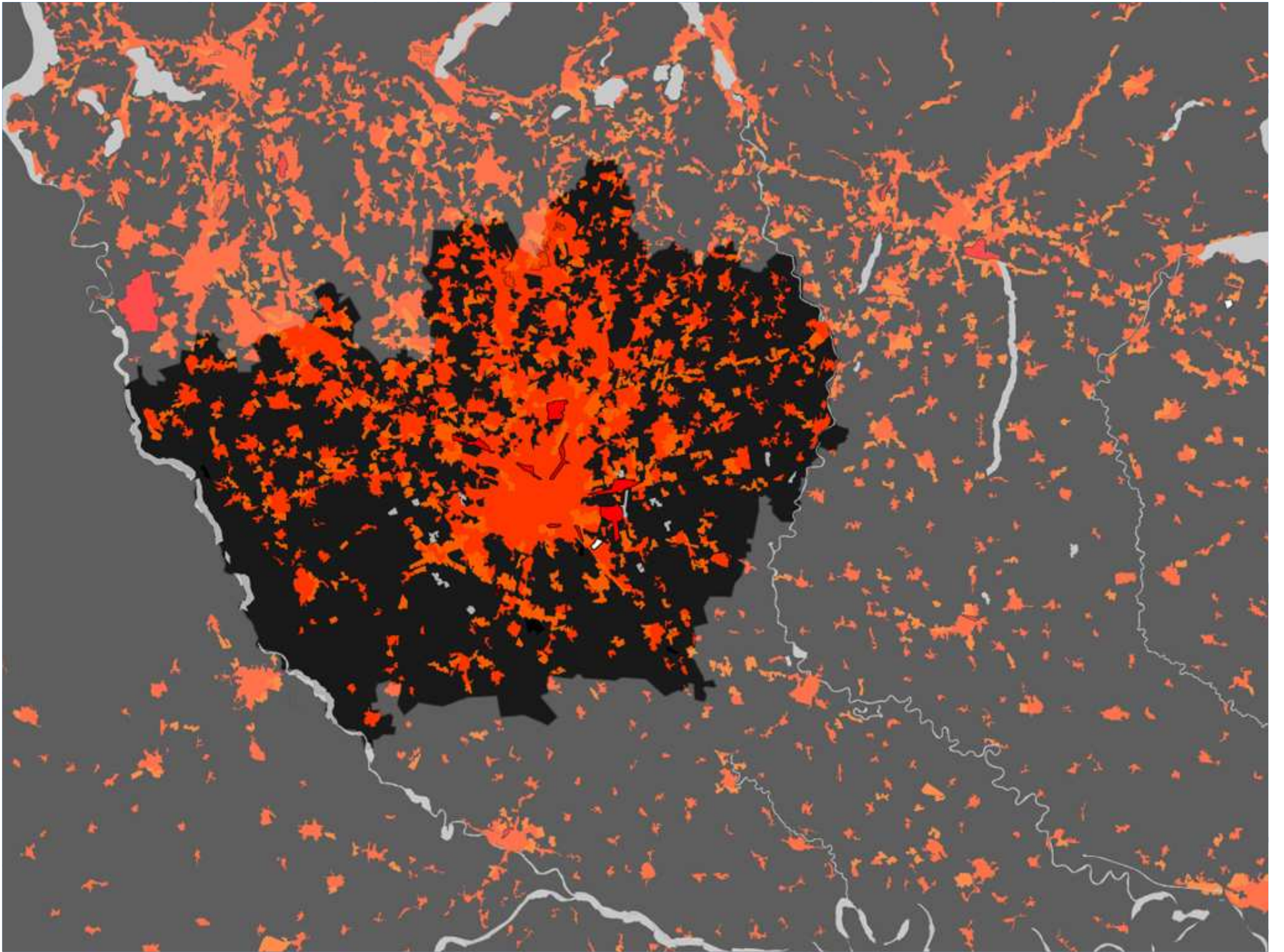
but

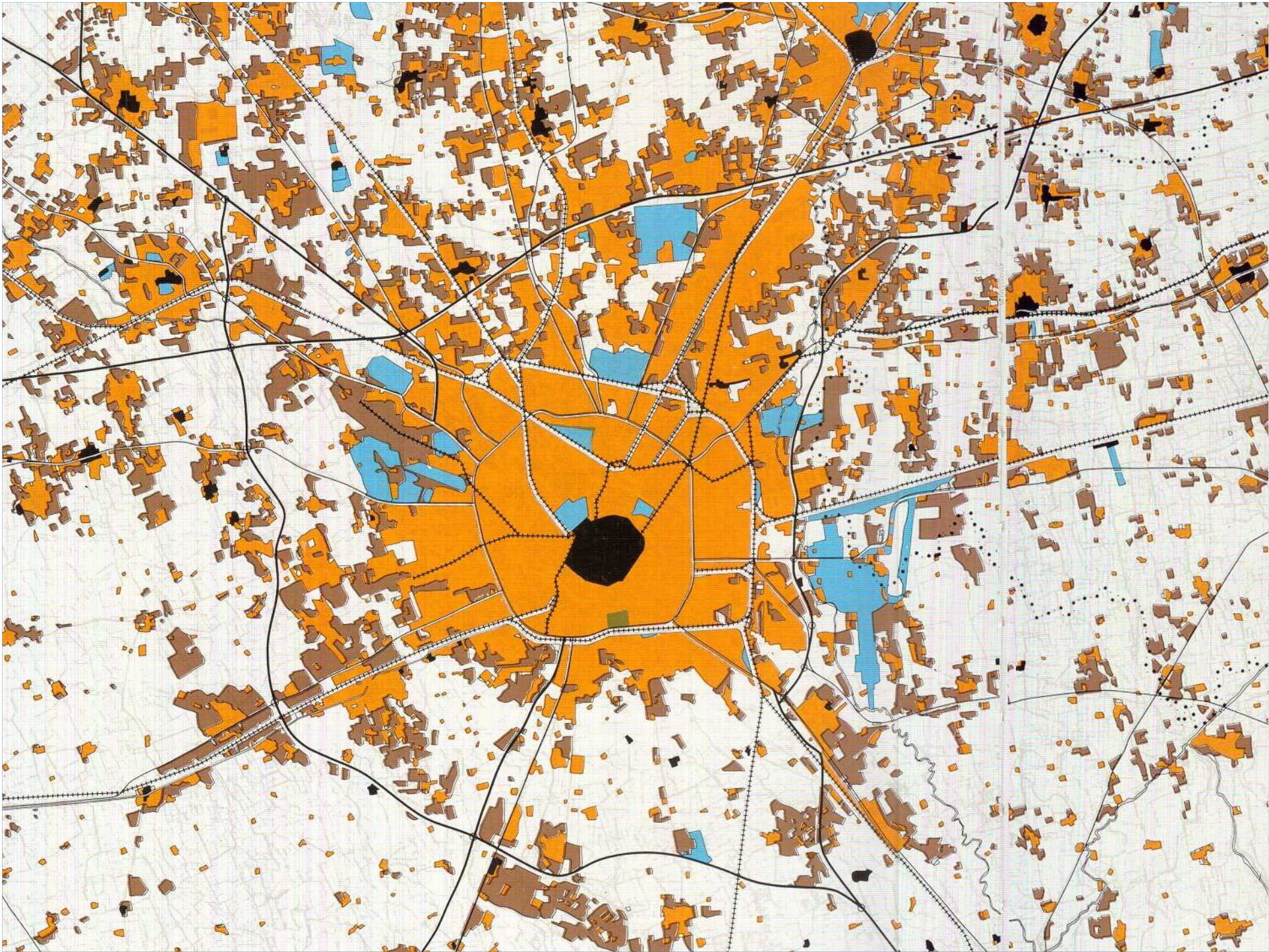
sometimes it is very difficult to “close” a city into defined boundaries (we will show the example about Milan)

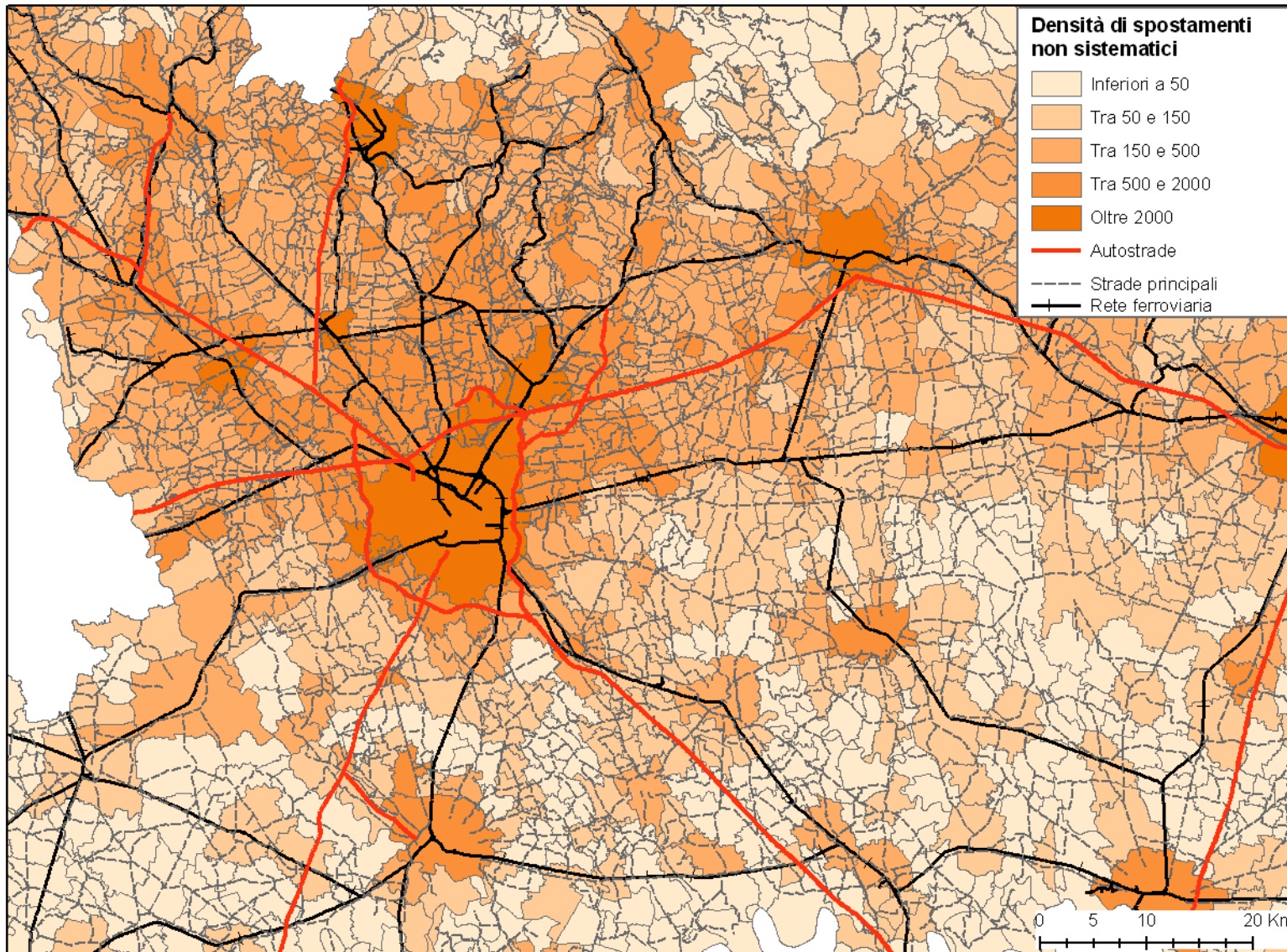
**Boundaries don't exist in nature:
they are social products,
depending on political, institutional and social practices**

(even if they are linked with physical possibilities and actions in space)

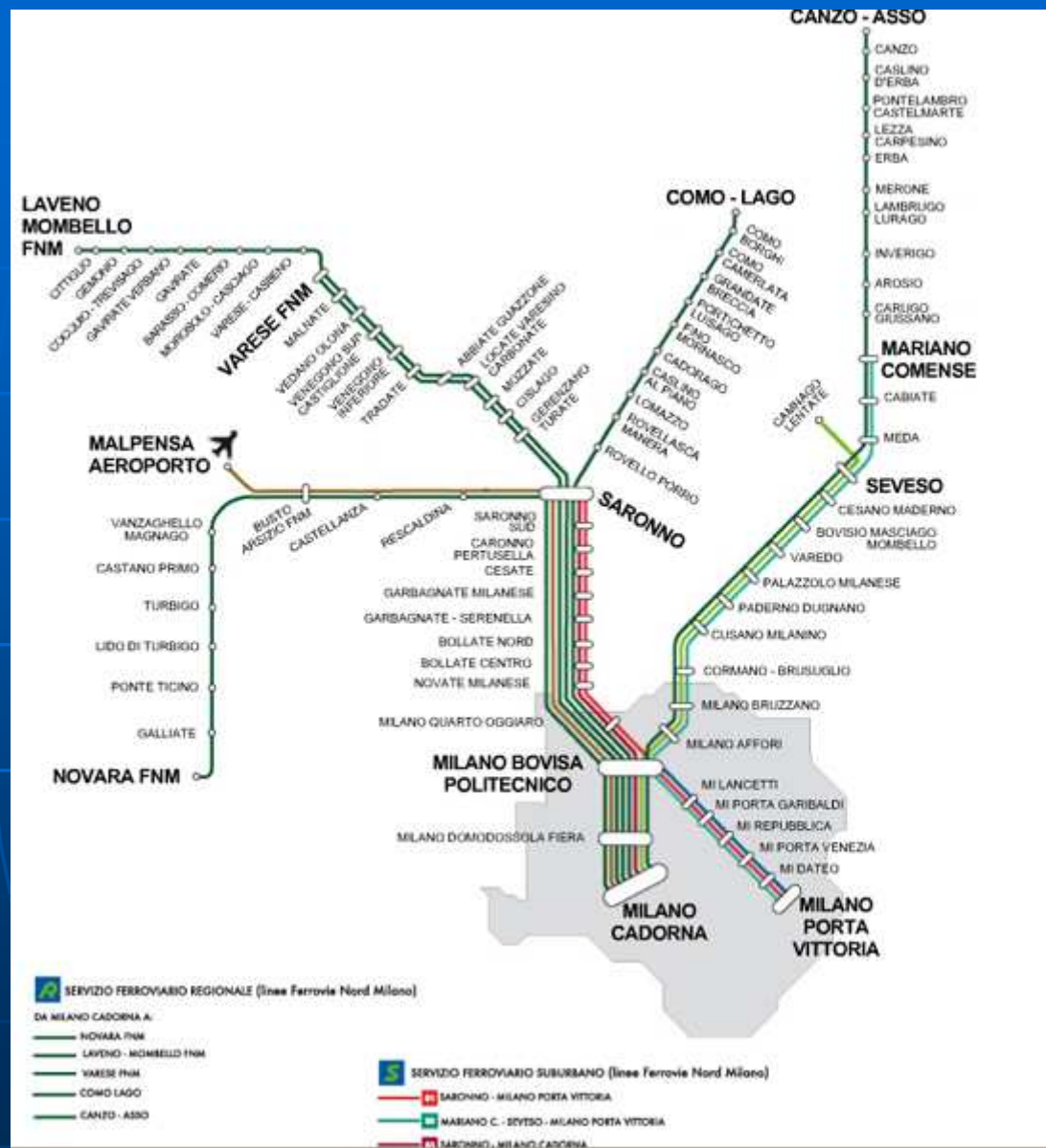












PIEMONTE

1h i autostrade
(AUTO)
MILANO - (AGHI)

v.l. Lombardia

20 min.
(AUTO)

2V/sett
Grov./Nev.

MILANO

v.l. FAENZA (AUTO
15 min)

CASA PALESTRA (A PIEDI
10 min)

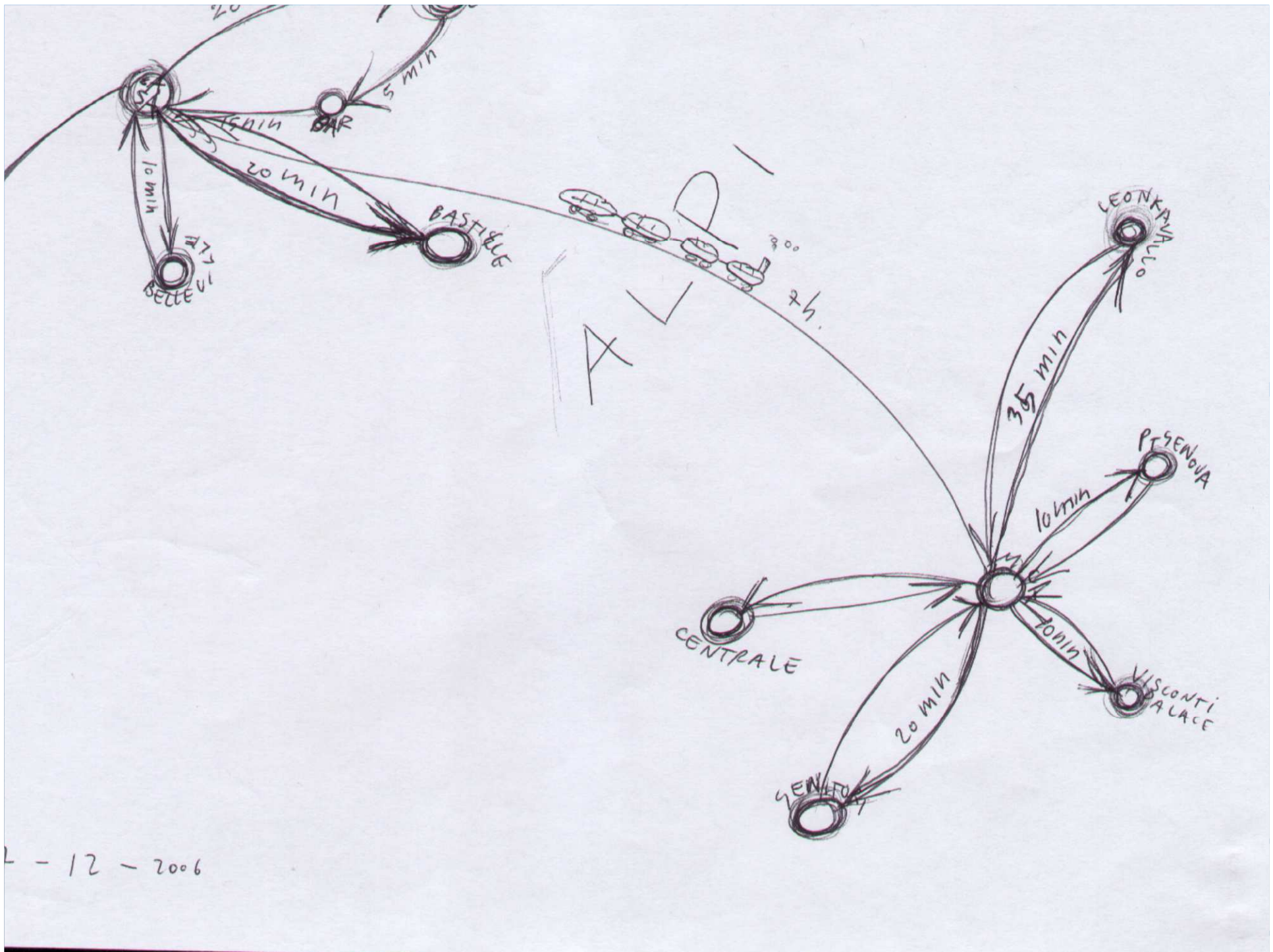
v. BRIOSCHI
MILANO

3V/sett
Cun/matt/mese.
30 min
(AUTO)

CESANO
BOSCONI

p.zza M. sig. Moute
IST. SACRA FAM.

- SVAGO A PIEDI
- CASA SENTORI
- FINE SETT
circa 10
ore fu
città.
CASA DI
VILVESSIA
in PIEMO



Many boundaries

There are many different boundaries that are relevant for understanding the relationship between space/place and society

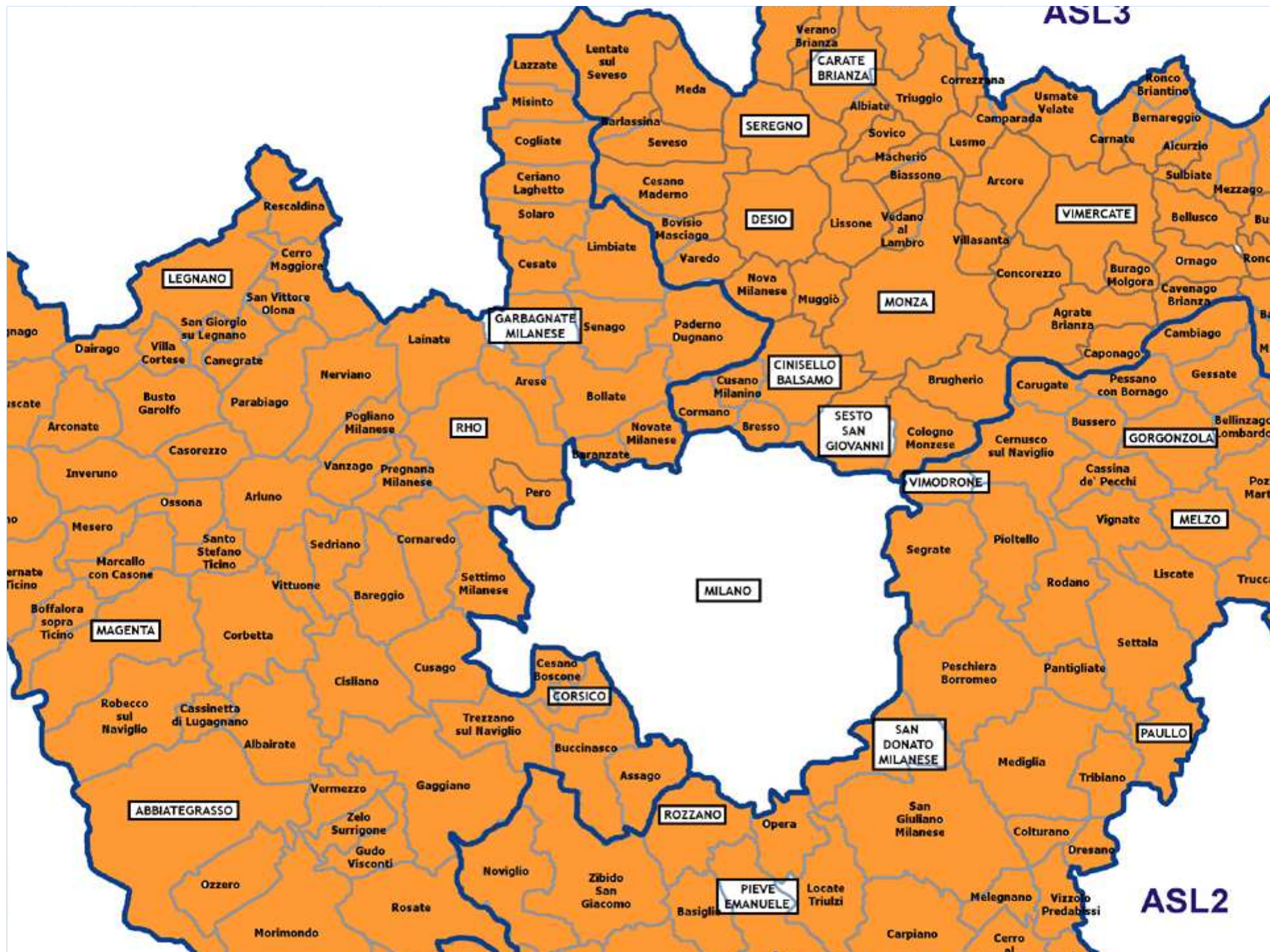
Examples

Institutional boundaries (for example: municipalities, but also other kind of institutional differentiations)

Social boundaries (ghettos, banlieus, gated communities)

Physical boundaries (in urban spaces there are some inviolable boundaries: infrastructures, walls, closed settlements, ..)

Symbolic boundaries (physical boundaries that have often a social and cultural meaning)







Boundaries and territoriality

Territoriality is the means by which space and society are interrelated

The most familiar uses of human territoriality are:

- establishing **political jurisdiction** (of a State, Region, Municipality);
- delimiting **private ownership** of land

Through the control of the territoriality, human beings may decide:

- to facilitate or not some relationships between people and places
- to establish different degrees of access to things and resources
- to state which behaviours are admitted in a place, and which are not
- to establish how the soil can and cannot be used for

Boundaries, inclusion and exclusion

Territoriality is a **form of appropriation of a space** that usually imply **also a form of communication**

This process may involve a marker in the space that is commonly found in a **boundary**

As boundaries are **both inclusive and exclusive**, the action of “drawing the boundary line” could be seen as a complex process intimately related to issues of :

- **power** (when boundaries are used to establish privileges or disadvantages for “insiders”, but not for “outsiders”)
- **identity** (when a boundary establishes who is part of a community, and who is not)
- **social control** (when a boundary is used to establish where some rules should be applied, and where should be not)

The break down of traditional cities' boundaries

The traditional cities' boundaries are breaking down. This does not mean that boundaries (inside the city, and between cities) are not relevant!

Some phenomena define new spaces (and new boundaries) in contemporary city within now routinely distanced networks of economic organisations:

- the space of **transnational corporations** (which have their own specific transnational boundaries)
- the geography of **place-based knowledge-based industries** (the example of fashion or design districts)
- The electronic space of **information flows**

New boundaries and new images of cities

These processes show that the traditional image of institutional boundaries as physical and symbolic delimitations of social and economic practices is now in crisis

Three examples:

- the **worldwide web** (www and possibilities of communication and exchange between people living in each part of the world)
- the **global financial markets** (see the example of the global financial and economic crisis we are living)
- the diffusion of english as a sort of “**global**” language for international communications

These phenomena bring new patterns and new images of cities

Global cities

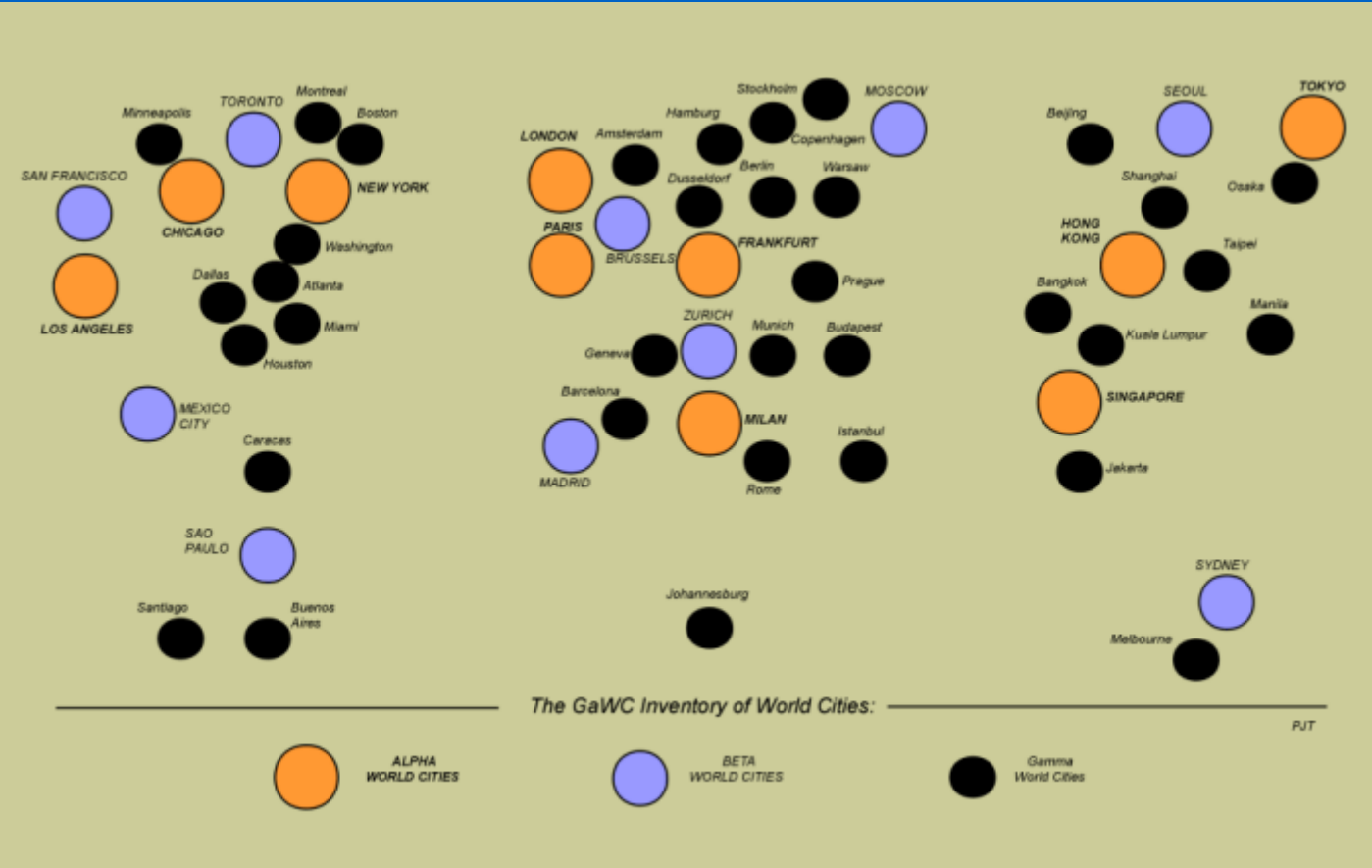
A **global city** is a city deemed to be an important node point in the global economic systems. The concept comes from geography and urban studies and rests on the idea that globalisation can be understood as largely created, facilitated and enacted in strategic geographic locales according to a hierarchy of importance to the operation of the global system of finance and trade. The most complex of these entities is the "global city," whereby the linkages binding a city have a direct and tangible effect on global affairs through socio-economic means

The criteria for identification tend either to be based on a "yardstick value" ("e.g. if the producer-service sector is the largest sector, then city X is a world city") or on an "imminent determination" ("if the producer-service sector of city X is greater than the producer-service sector of N other cities, then city X is a world city").

(Peter Hall, Saskia Sassen, Manuel Castells)

Characters of global cities

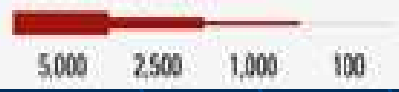
- International, first-name familiarity
- Active influence on and participation in international events and world affairs
- A fairly large population
- A major international airport
- An advanced transportation system
- several international cultures and communities
- International financial institutions, corporate headquarters international conglomerates and stock exchange
- An advanced communications infrastructure on which modern trans-national corporations rely, such as fiberoptics, wi-fi networks, mobile phones services, and other high-speed lines of communications.
- World-renowned cultural institutions, such as museums and universities
- A lively cultural scene,
- Several powerful and influential media outlets
- A strong sporting community, including major sports facilities,



Ranking	City	Dimension				
		Business Activity	Human Capital	Information Exchange	Cultural Experience	Political Engagement
1	New York	1	1	4	3	2
2	London	4	2	3	1	5
3	Paris	3	11	1	2	4
4	Tokyo	2	6	7	7	6
5	Hong Kong	5	5	6	26	40
6	Los Angeles	15	4	11	5	17
7	Singapore	6	7	15	37	16
8	Chicago	12	3	24	20	20
9	Seoul	7	35	5	10	19
10	Toronto	26	10	18	4	24
11	Washington	35	17	10	14	1
12	Beijing	9	22	28	19	7
13	Brussels	19	34	2	32	3
14	Madrid	14	18	9	24	33
15	San Francisco	27	12	22	23	29
16	Sydney	17	8	27	36	43
17	Berlin	28	29	12	8	14
18	Vienna	13	31	29	11	9
19	Moscow	23	15	33	6	39
20	Shanghai	8	25	42	35	18
21	Frankfurt	11	43	19	13	34
22	Bangkok	18	14	23	41	13
23	Amsterdam	10	38	25	12	56
24	Stockholm	25	33	13	16	27
25	Mexico City	34	23	32	9	11
26	Zurich	30	20	8	31	54
27	Dubai	21	19	14	44	44
28	Istanbul	32	13	34	43	6
29	Boston	37	9	35	33	50
30	Rome	31	30	30	15	22
31	São Paulo	16	36	31	27	23
32	Miami	33	21	26	39	21
33	Buenos Aires	40	16	43	25	12
34	Taipei	20	49	21	40	15
35	Munich	29	27	49	18	36
36	Copenhagen	36	41	16	42	28
37	Atlanta	38	24	39	21	32
38	Cairo	48	28	17	45	10
39	Milan	24	42	41	28	37
40	Kuala Lumpur	22	46	40	49	38
41	New Delhi	47	50	20	46	35
42	Tel Aviv	51	45	38	17	31
43	Bogotá	46	26	51	34	25
44	Dublin	41	39	48	30	48
45	Osaka	54	32	45	29	51
46	Manila	43	48	47	38	26
47	Rio de Janeiro	44	47	50	22	46
48	Jakarta	42	40	36	51	41
49	Mumbai	39	37	53	52	52
50	Johannesburg	45	55	37	48	45
51	Caracas	52	54	44	55	42
52	Guangzhou	49	53	54	50	30
53	Lagos	58	56	46	60	53
54	Shenzhen	50	59	57	56	47
55	Ho Chi Minh City	55	52	58	53	58
56	Dhaka	59	51	55	54	49
57	Karachi	56	57	52	59	55
58	Bangalore	53	44	60	57	60
59	Chongqing	60	60	56	47	57
60	Kolkata	57	58	59	58	59



Traffic Flows (Mbps)



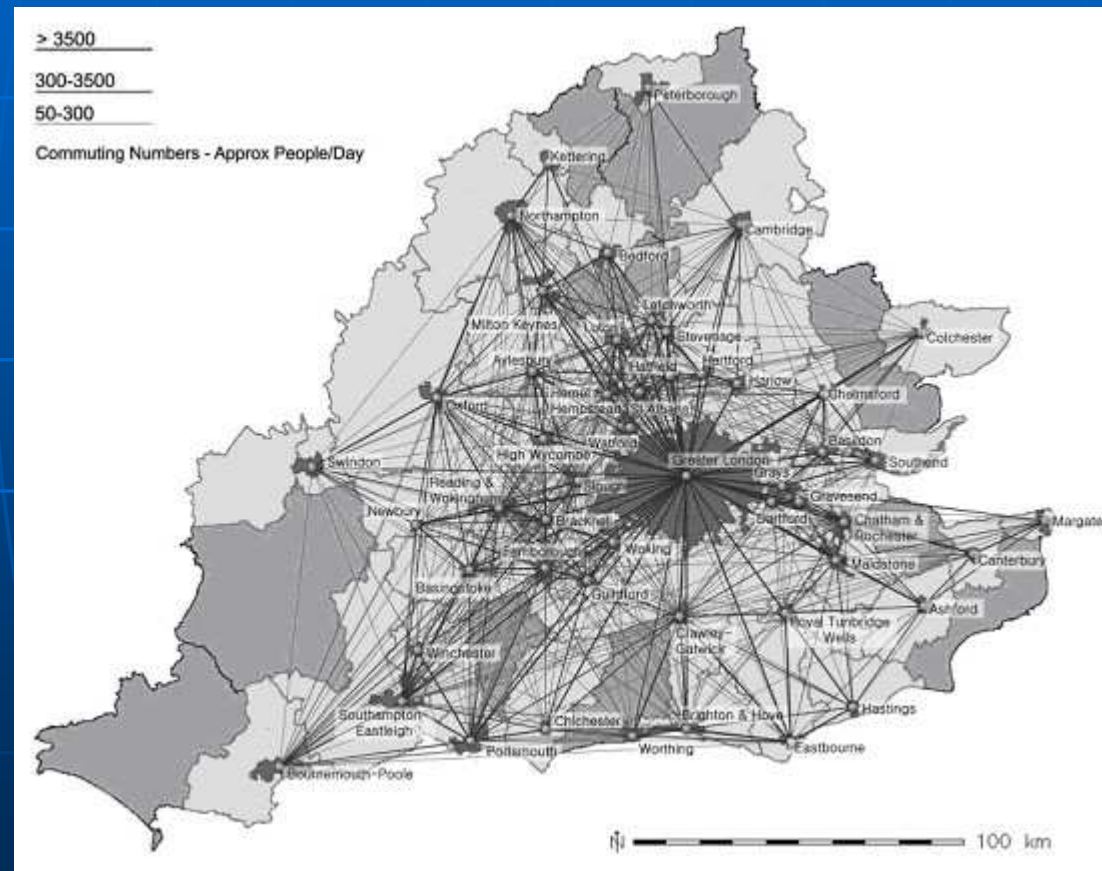
Polycentric mega city regions

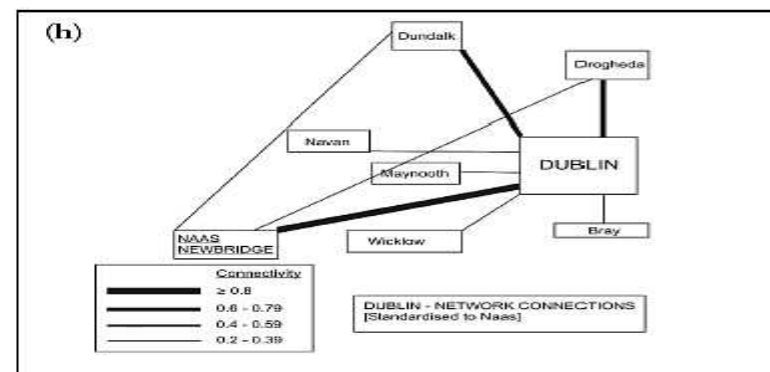
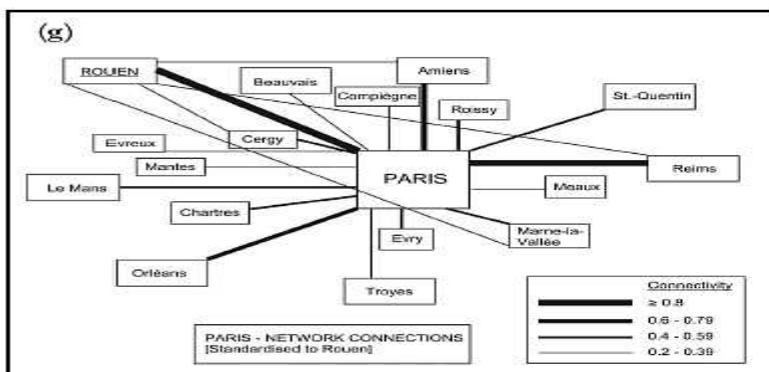
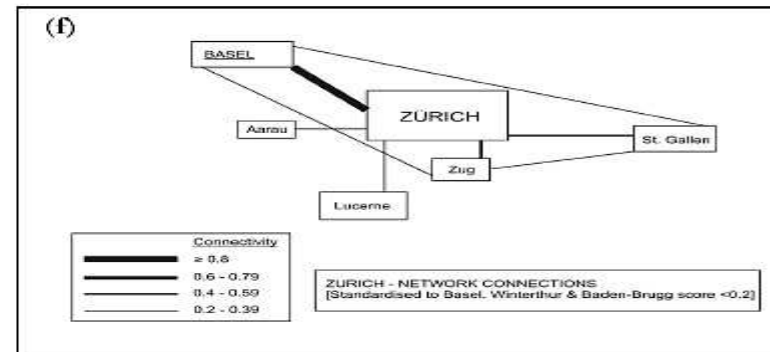
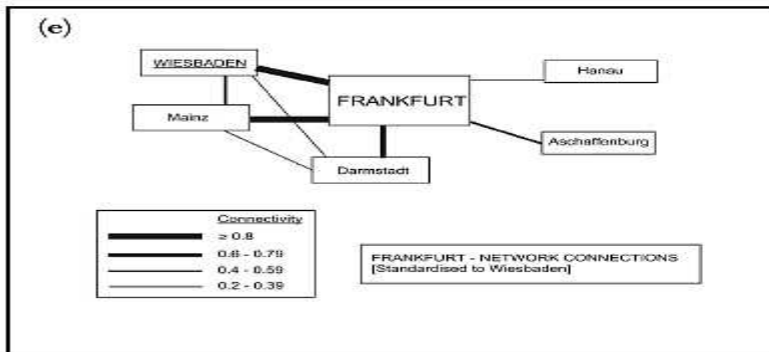
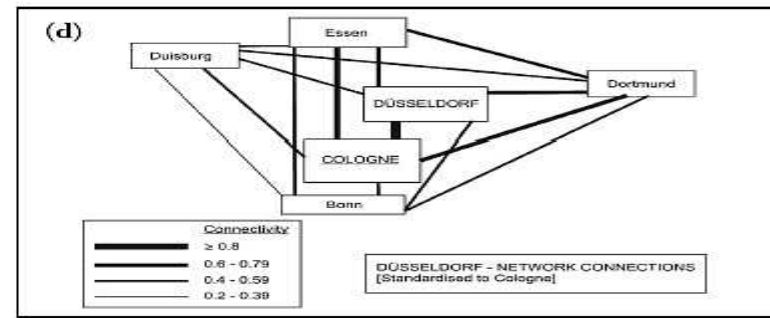
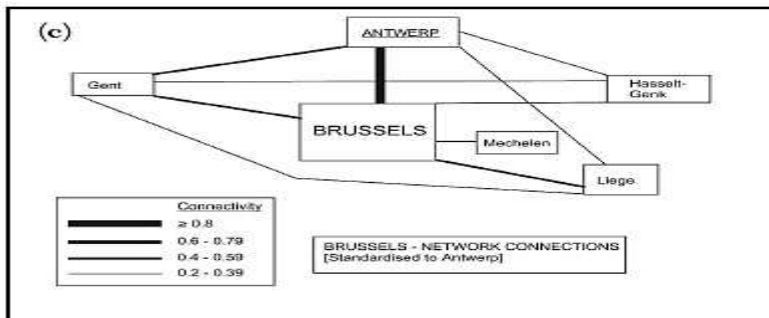
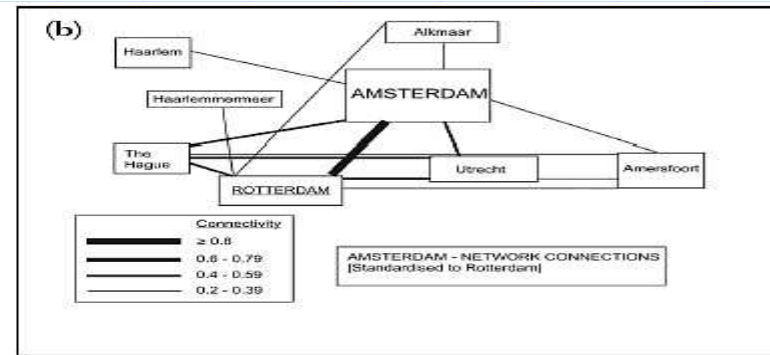
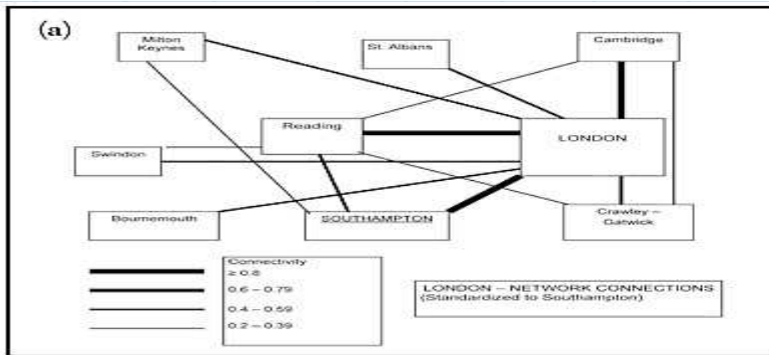
If global cities are defined in terms of their external information exchanges, polycentric global megacity regions (MCRs) can be defined in terms of their internal linkages (Hall, Pain)

The passages from global cities to MCRs:

- **World city hierarchy** (command and control, competition for scarce resources, concentration of functions and activities; NY, London, Tokio)...
- **World city networks** (organisational structure of the global economy: cooperation and competition between cities)...
- **Global city regions** (complex urban regions, encompassing several cities, networked in a polycentric structure)
- **Space of flows** in the network society (cities within networks are hubs and nodes in the space of flows)

London Mega City Region





Functions and places

The relevance of functions in the interpretation of world cities and MCRs

- Finance and high level services
- Culture, media, research and knowledge based activities
- Logistic and transportation

Functions have their own geography, their own boundaries, their own spatial organisation

What are urban functions?

Clusters of activities, linked to economic and social dynamics, that generate their own boundaries and spaces/places, hubs and nodes

The endless city

For Milan urban region in northern Italy has been used the image of “Infinite city”. The image gives the idea of a city spread in the territory, without clear boundaries.

- the Infinite city has not definite boundaries (not only from the administrative but even from the economic and social point of view);
- its economic structure is “glocal” (that is to say: locality rooted but open to global market dynamics);
- its inner areas have complex relationship with the urban region.

But remember: also an infinite city, based on fluxes and functions, is made of spaces/places, patterns and landscapes, practices of everyday life.

Cities as economic systems

Cities can be considered economic systems

But...

what is the economy of a city?

In urban economy we can recognize different dimensions:

Location (of economic activities)

Production (of goods and services)

Consumption (connected to local and global dynamics)

Economic institutions and policies (local and non-local)

Location

The reasons for localisation of urban activities have dramatically changed

Traditional localisation theories are not completely usable for contemporary cities

Traditional localisation factors:

- Land price
- Access to labour and other productive factors market
- Accessibility, infrastructure and industrial services supply

New localisation factors

- Immaterial services
- Urban environment
- Quality of life
- High skilled human capital

Location (2)

but...

as Amin and Thrift show “the views of businesses about key location factors or their type of activity tend to emphasise basic issues of accessibility and the cost / availability of relevant kinds of labour and premises, rather than more sophisticated aspects of the business milieu, which tend to be significant only for small minorities of business”

This means that the analysis of the new relationship between economic activities and space should be specified

Production

The spatial organisation of production has changed in connection with many economic processes

- interaction between goods and services
- deindustrialisation
- fragmentation of firms' size
- delocalisation
- role of ICT

This does not mean that industrial activities are not relevant in urban areas...

but the traditional spatial concentration of production is over (see the phenomenon of huge industrial sites now abandoned)

Consumption

Cities are agglomerations of people, buildings, technologies, communication networks, offices, homes, parks, services.

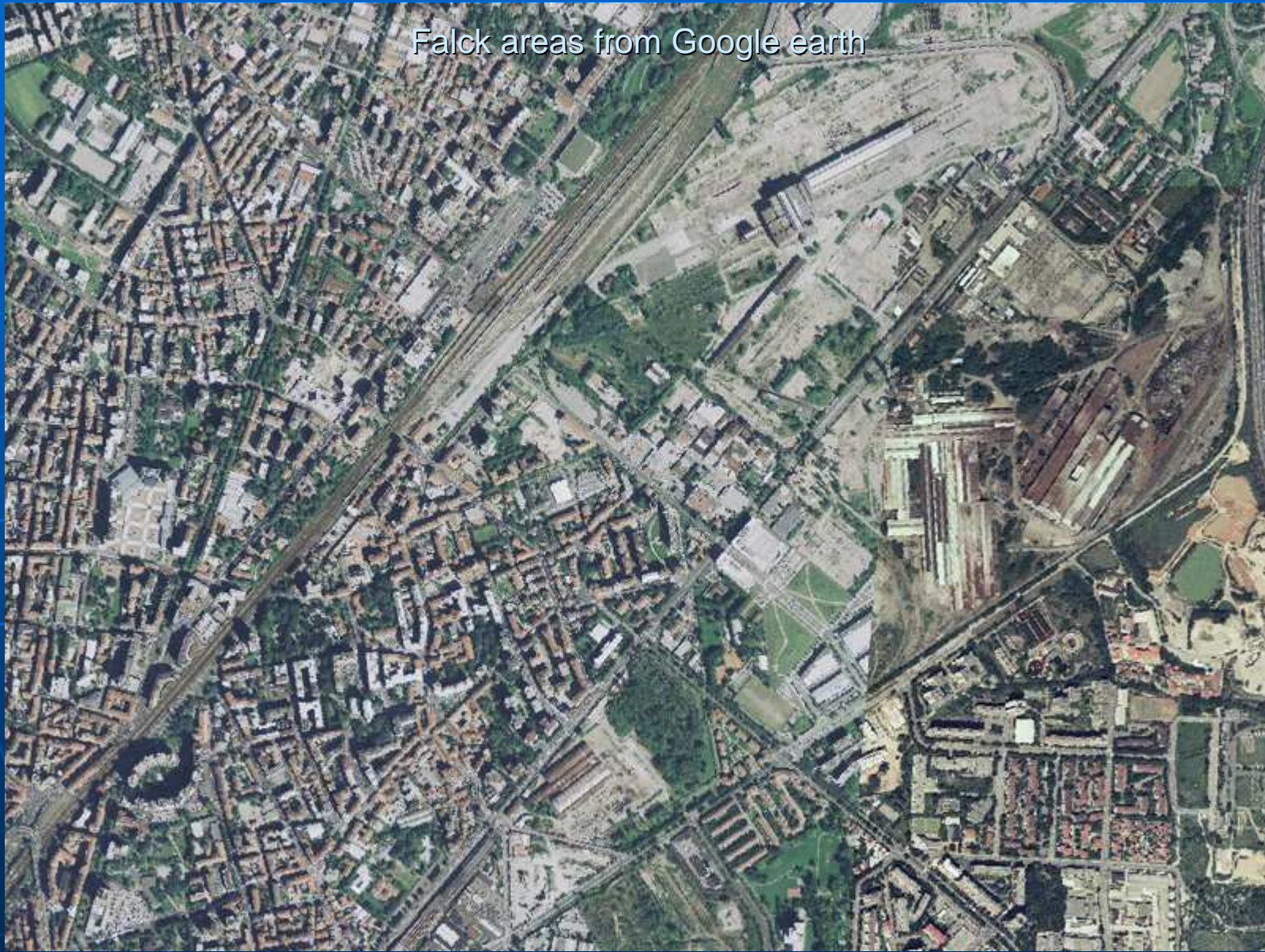
This dense ecology can be explained also in terms of the economy of consumption

Four urban amenities mark the city as a consumption site:

- rich variety of services and consumers goods
- aesthetics and physical setting
- good public services
- quick mobility

*A case study: the transformation of Falck areas
in Sesto San Giovanni (Milano)*

Falck areas from Google earth



Location of the project



Studio delle maggiori aree industriali del bacino di Sesto S. Giovanni
Localizzazione delle aree:

1 Ansaldo Componenti	5 Ercole Marelli Trazione	9 Falck Concordia e depuratore Falck TRAC
2 Breda Fucine	6 Ercole Marelli Componenti	10 Falck Unione
3 Dalteiser	7 Magneti Marelli	11 Falck Vulcano
4 Ercole Marelli E.M.G.	8 Falck Vittoria	

Elaborazione grafica computerizzata Studio Abitare s.r.l.



The interest of the case

- **Market factors**

- Unitary ownership—changed in time
- Significant costs of land remediation
- Long term (uncertain) return horizon

- **Political factors**

- Municipality of communist origins nostalgic of industrial past
- Lack of local services and lack of public money to address fundamental issues
- Risk of socio-economic| electoral shift

- **Social issues**

- Significant intervention impact on local quality of life
- Nostalgic civic groups
- Strong symbolic value





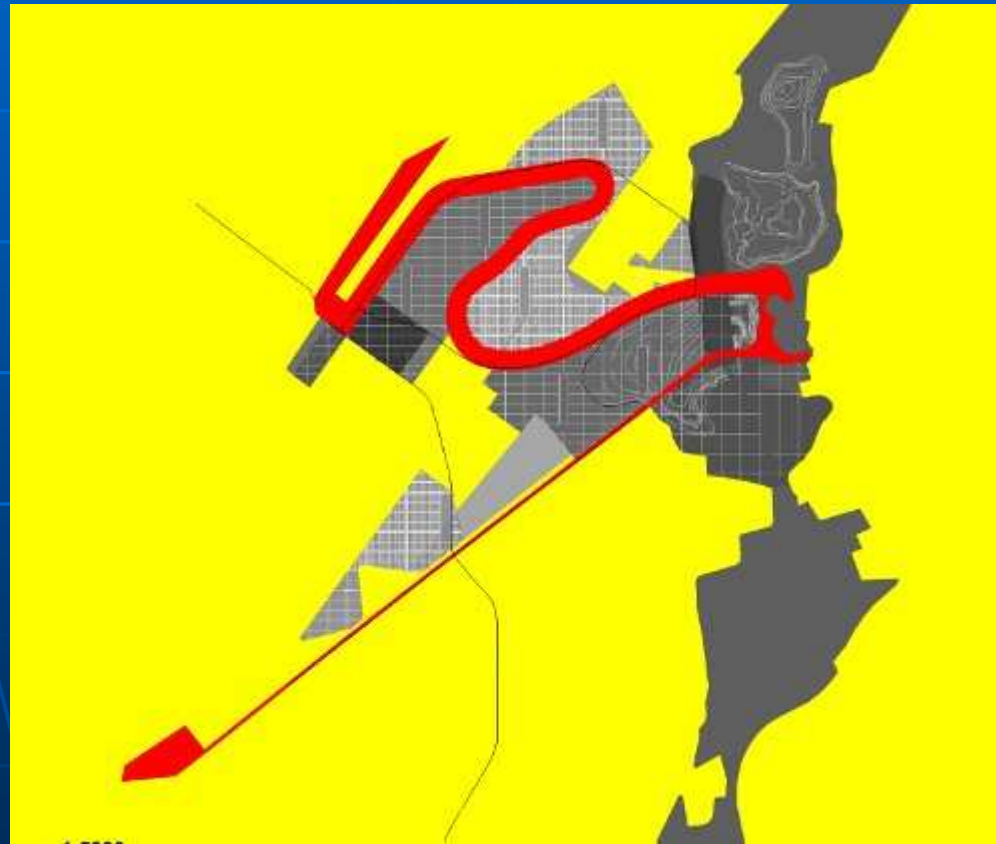


The process

- First phase (80s-1995) - Falck industrial activities suspended
- 1995 – First project (Kenzo Tange)
- 1997 – first land use change in Sesto SG plan (from industry to services, housing and park)
- 1998 – competition organised by ASNM (winner: Paola Viganò project)
- 2000 – Falck areas are sold to a local developer (Pasini) for about 190 Meuro
- 2001 – Master plan by a group coordinated by Mario Botta
- PII proposal by Pasini
- 2004 – New land use plan (PRG) approved, with a reduction of the volumes
- 2005 – Pasini sells the areas to a national developer (Risanamento, owned by Zunino) for 218 Meuro
- 2006 - First Master plan proposal by Renzo Piano
- 2008 – PII proposal by Risanamento
- 2010 – Risanamento sells the areas to a new developer (Sesto Immobiliare). Value: 405 Meuro
- February 2011 – New PII proposal based on a revision of Renzo Piano master Plan
- July 2011 – Inquiry on corruption episodes, involving developers and the Municipality
- September 2011 – PII approved

- AND NOW ???

Sparkling proposal by Paola Viganò

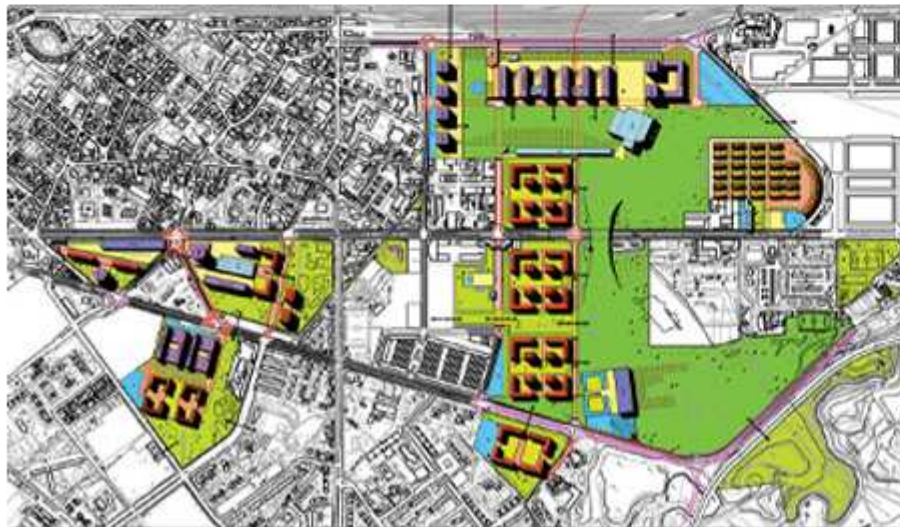
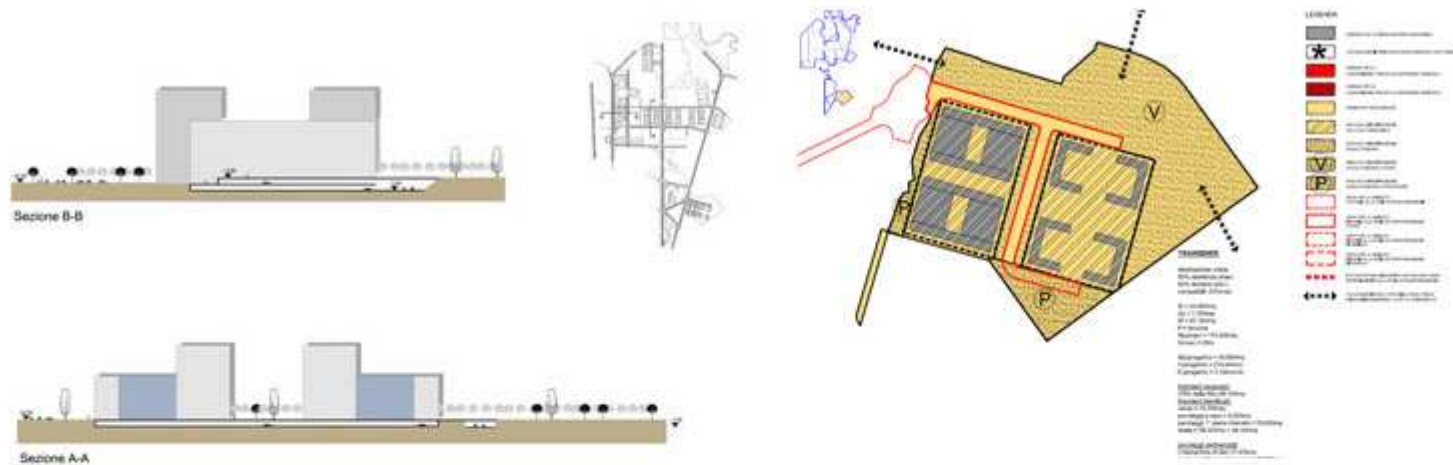








Mario Botta Master Plan proposal



Renzo Piano proposal: general overview

- Localisation: Sesto San Giovanni (MI)
- Master Plan: Renzo Piano Building
- Planning tool: PII
- Total surface: 1,400,000 smt
- SLP 1,030,000 smt
- Density 0,68 smt/smt

Housing 629,000 smt

Commerce 100,000 smt

Offices 148,000 smt

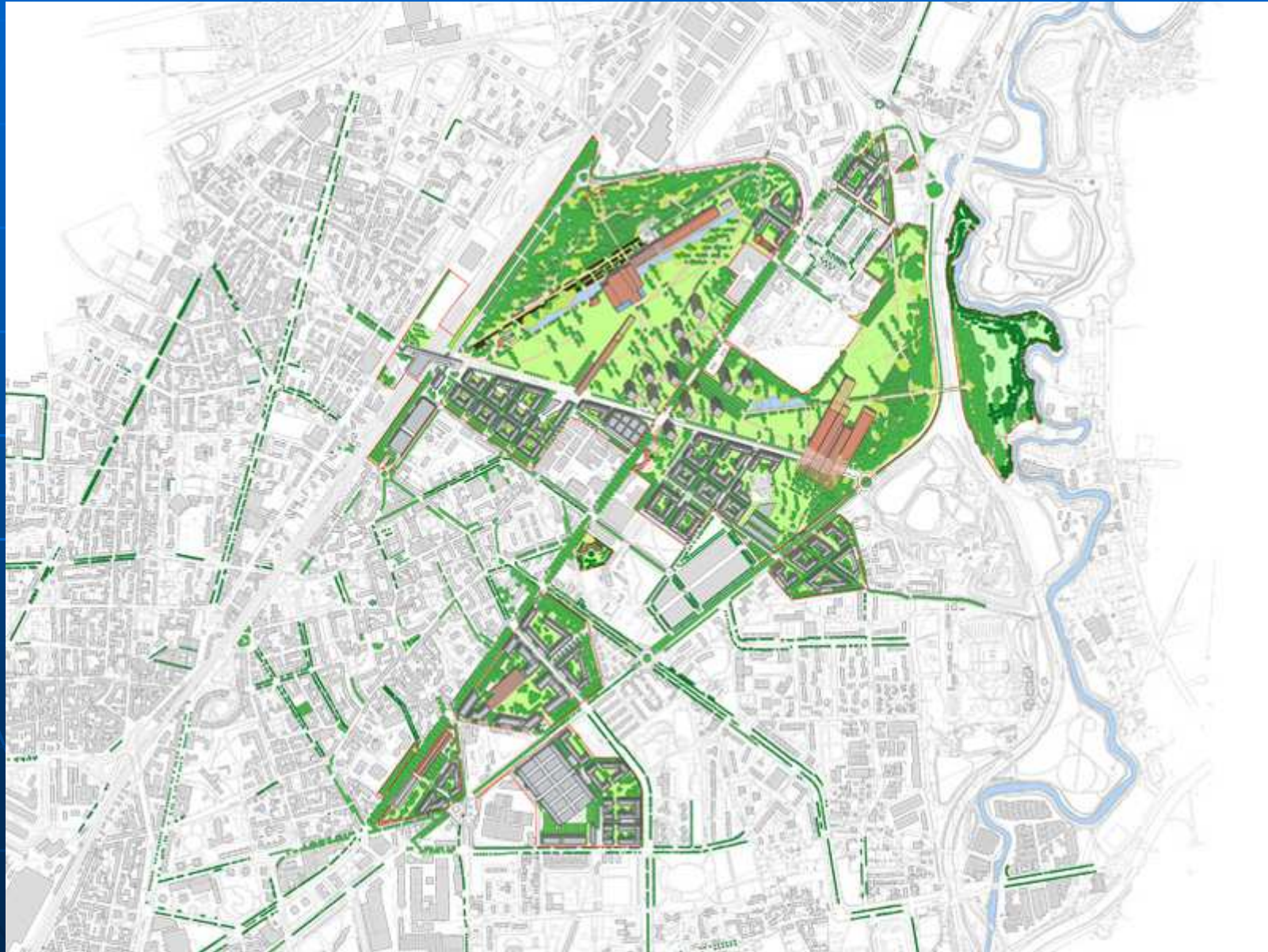
Private services 76,000 smt

Productive 81,000 smt

Public services and spaces 768,000 smt

Parks 389,000 smt

The concept of Renzo Piano Master Plan



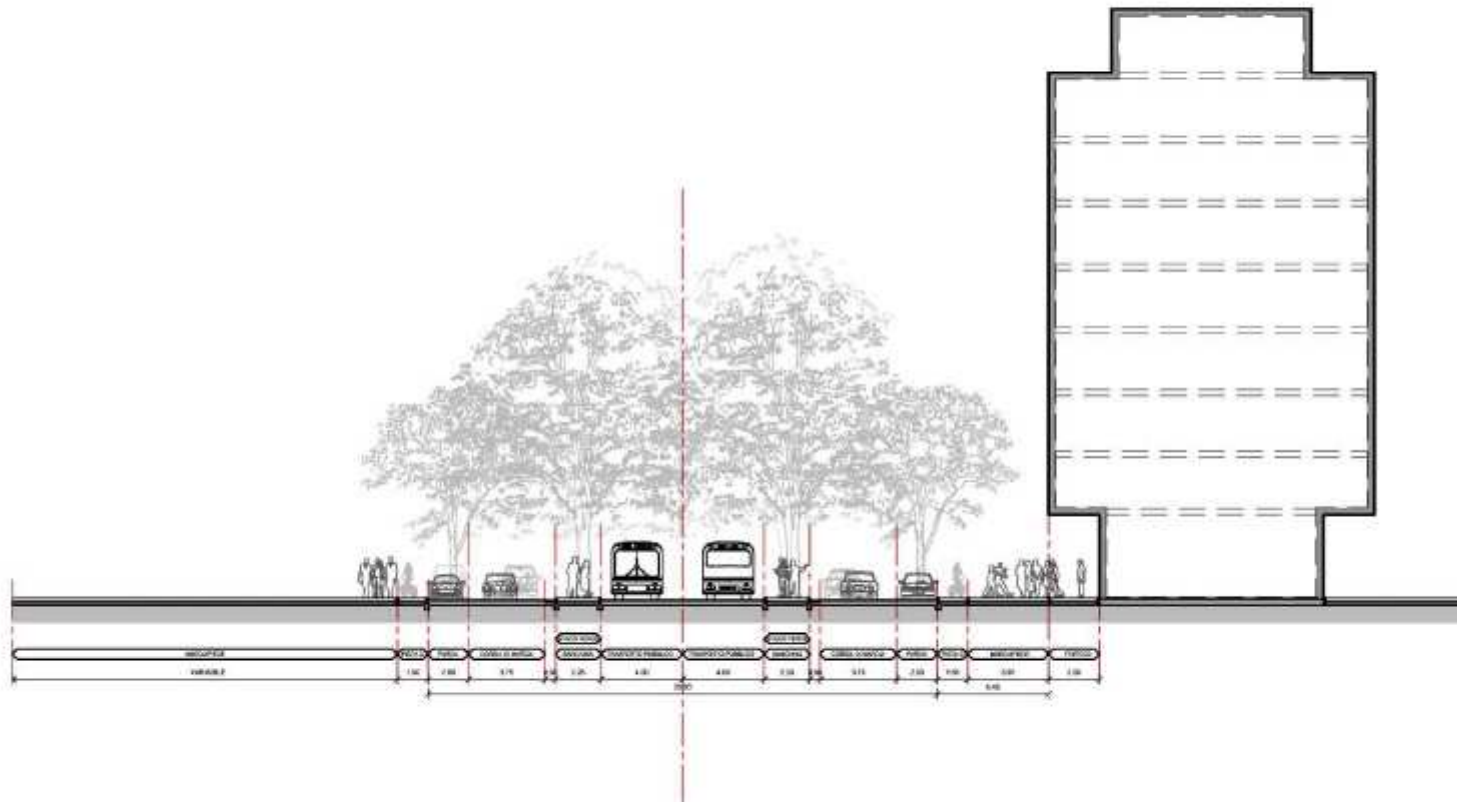


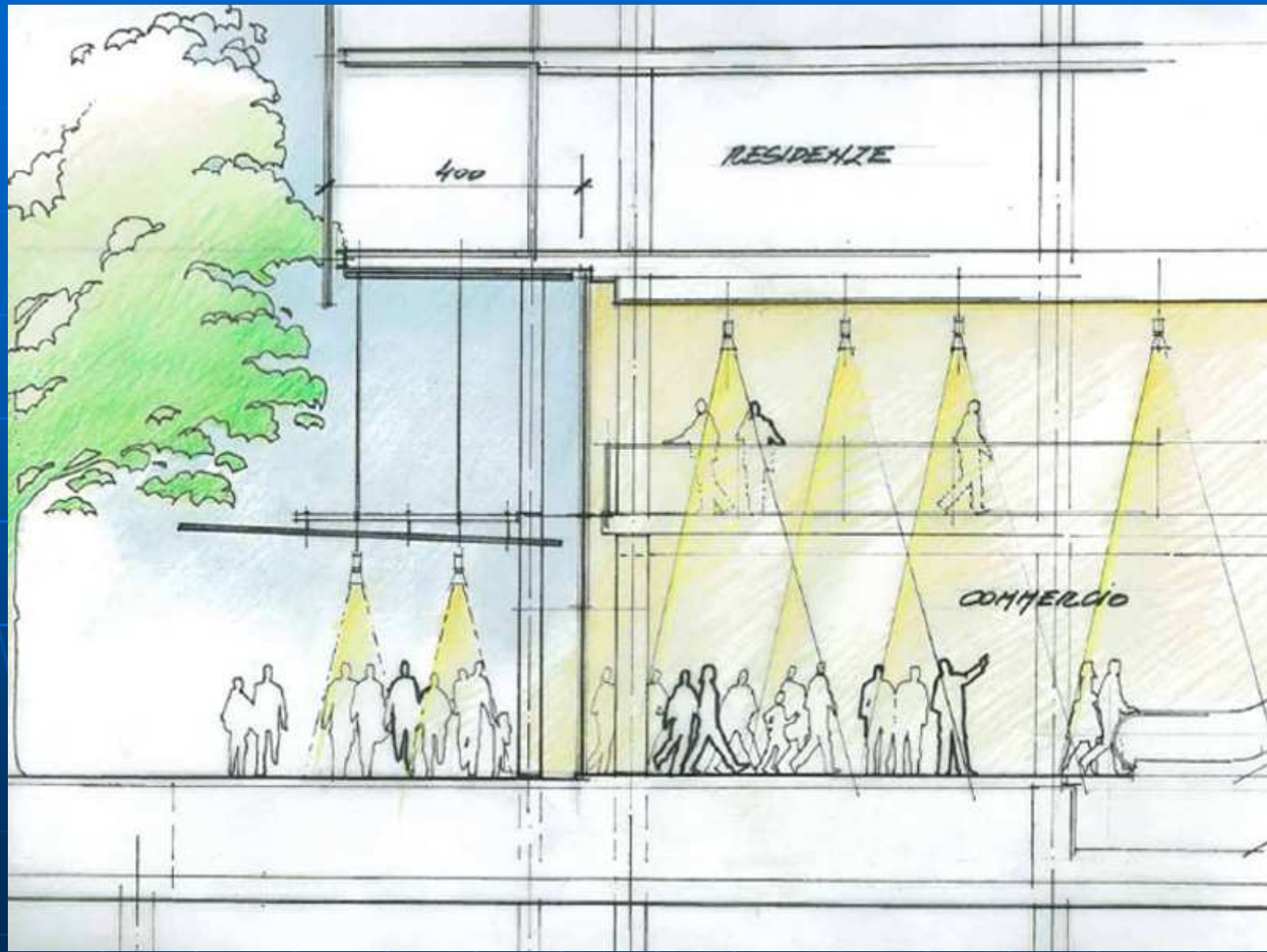
The central section of the Master Plan



Viale Italia, the central axis





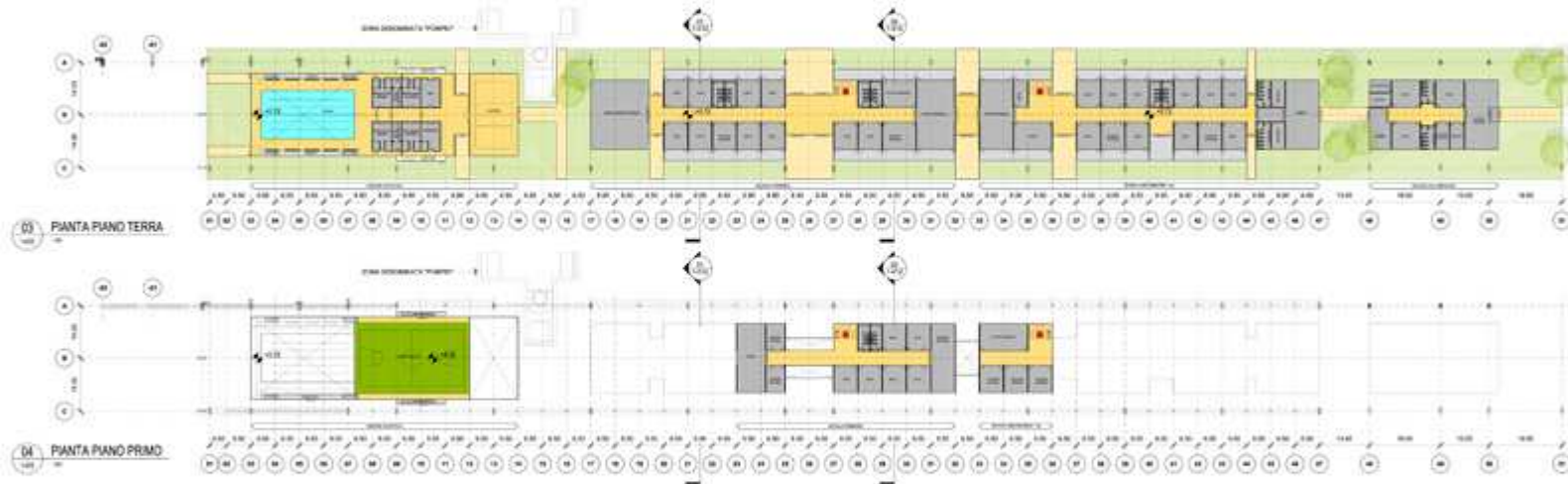


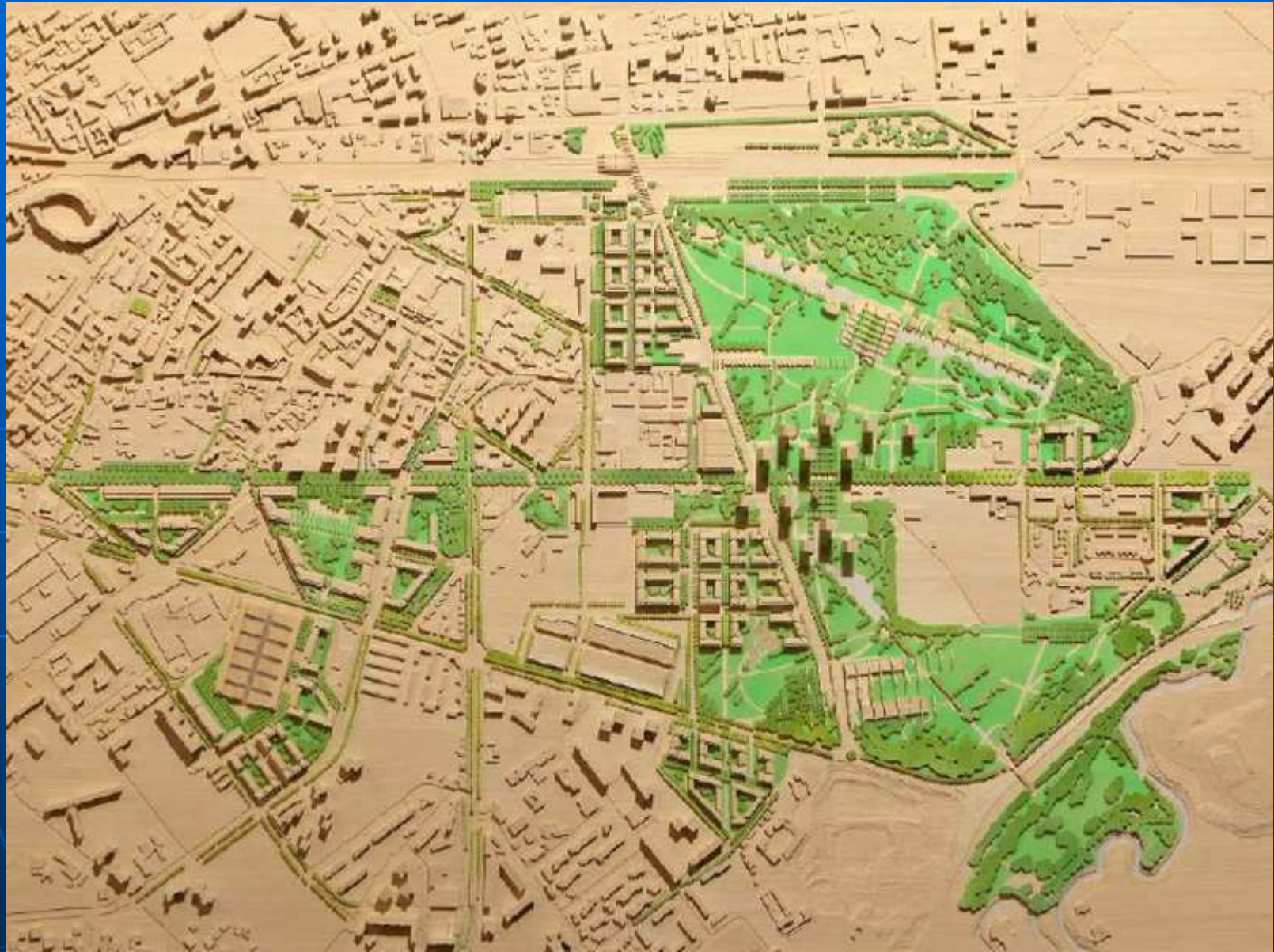
Existing buildings

Edifici esistenti



Design of the reuse of existent building

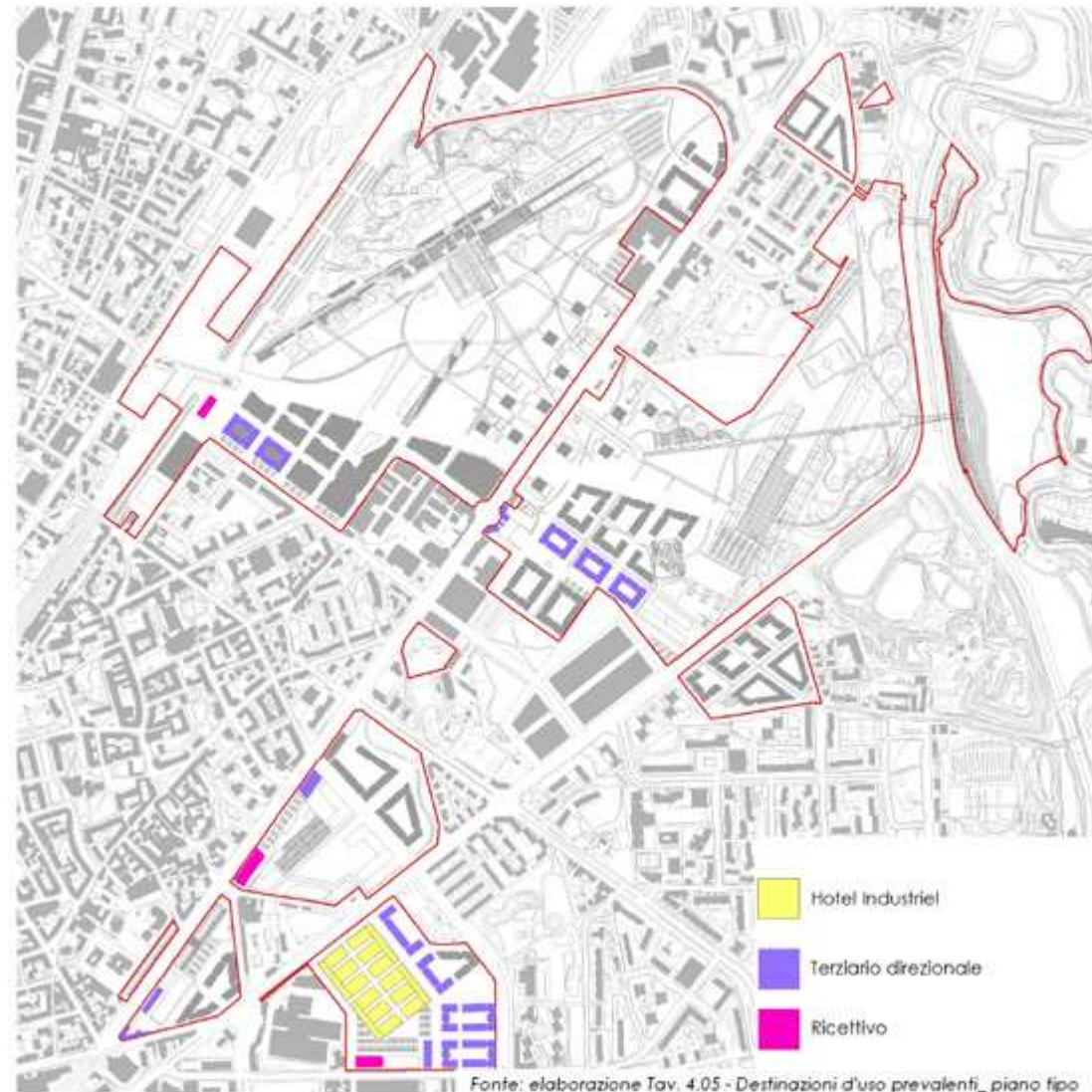






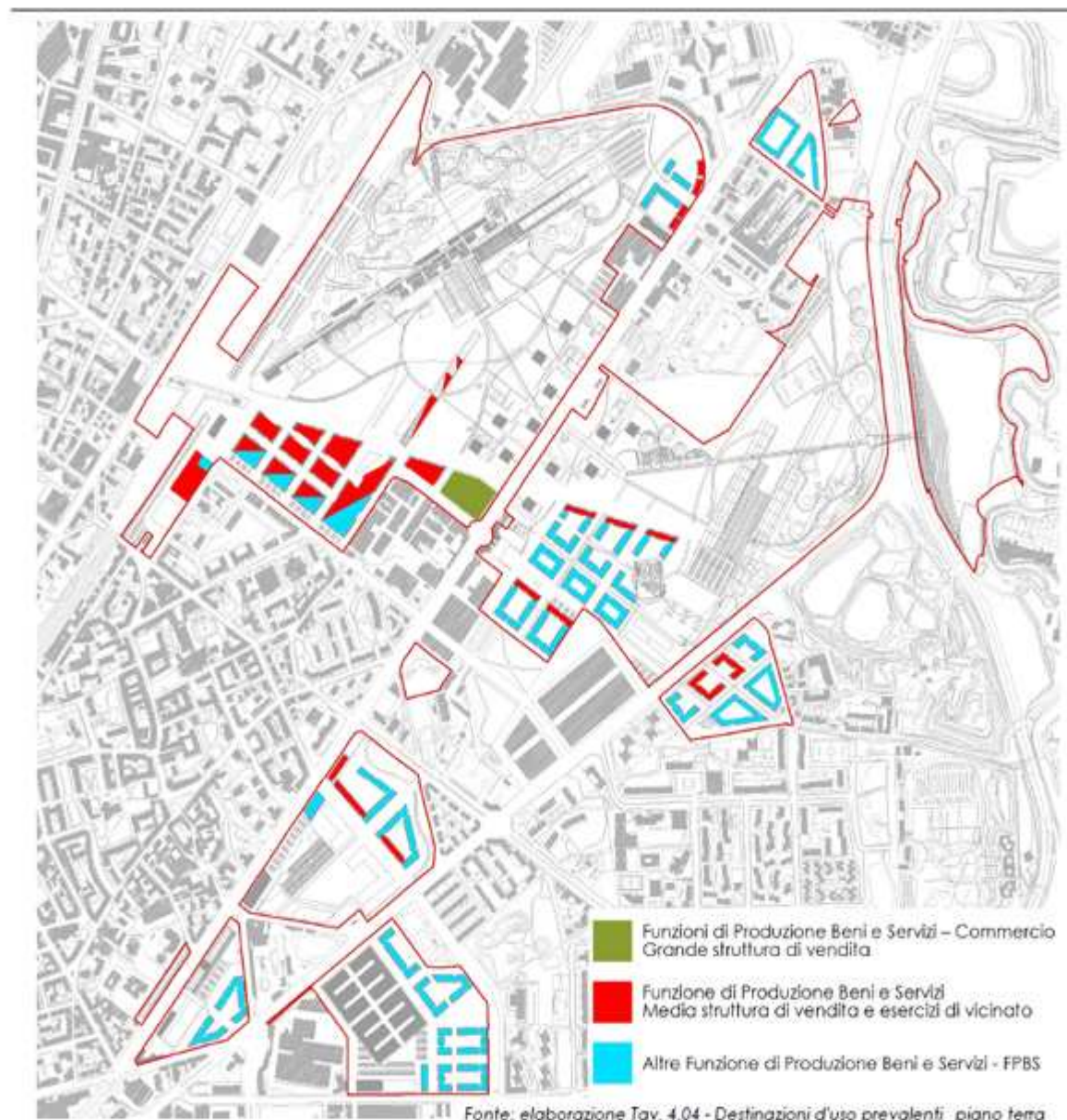
Private services

FUNZIONI PRIVATE



Private functions

FUNZIONI PRIVATE



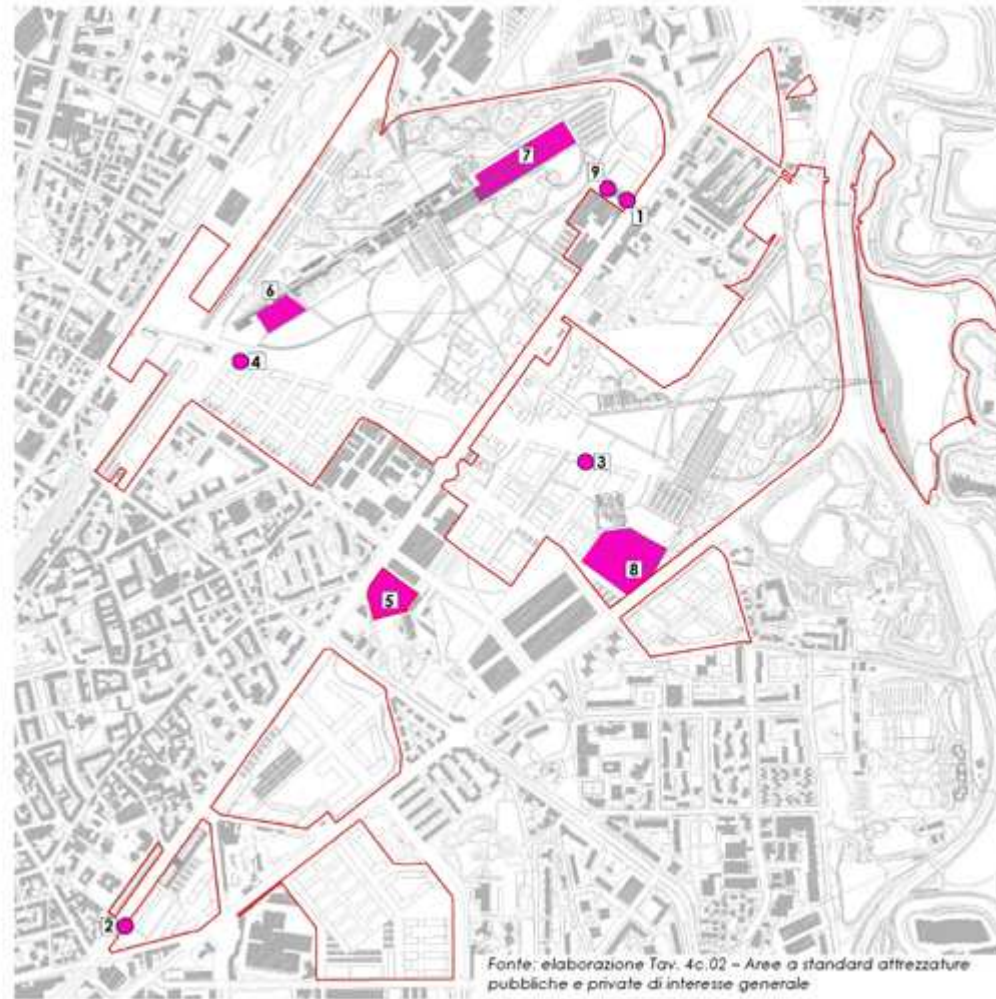
Fonte: elaborazione Tav. 4.04 - Destinazioni d'uso prevalenti_ piano terra

Public city



LA CITTA' PUBBLICA

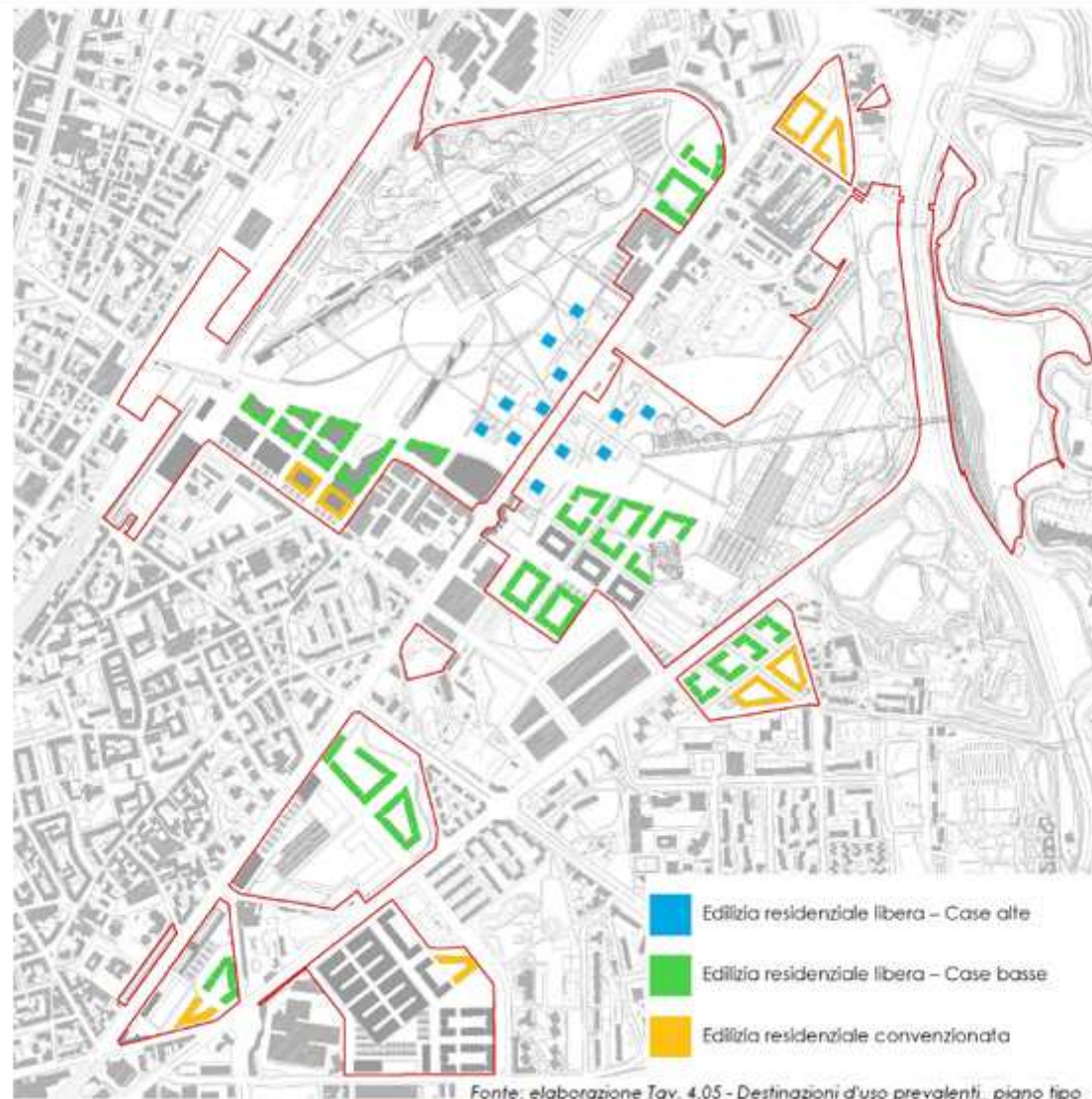
Istruzione	
1	Asilo Nido (Superficie Costruita - SC - mq. 510) Servizio realizzato su area fondiaria. Opera per standard qualitativo in project financing (€ 758.632)
2	Asilo Nido (SC mq. 554) Servizio realizzato su area fondiaria. Opera per standard qualitativo in project financing (€ 758.632)
3	Asilo Nido Servizio realizzato su area fondiaria. Risorse a garanzia della realizzazione da definire.
4	Asilo Nido Servizio realizzato su area fondiaria. Risorse a garanzia della realizzazione da definire.
5	Scuola Materna - Montessori (SC mq. 1.834) Recupero ed ampliamento struttura esistente su area in cessione. Opera per urbanizzazione secondaria (€ 1.861.648)
6	Scuola Materna - "Casa Direttore Unione" (SC mq. 1.754) Recupero ed ampliamento di edificio storico - documentale, su area in cessione. Opera per urbanizzazione secondaria (€ 2.097.445)
7	Plesso scolastico (materna, primaria e secondaria di primo grado) - "Treno Laminatoio" (SC mq. 5.234) Servizio realizzato in struttura edificio storico - documentale, su area in cessione. Opera per urbanizzazione secondaria (€ 8.979.974)
8	Plesso scolastico (materna, primaria e secondaria di primo grado) "Concordia" (SC mq. 8.635) Servizio realizzato su area in cessione. Opera per urbanizzazione secondaria (€ 11.840.437)
9	Scuola (secondaria di secondo grado) - "Centrale termoelettrica" (SC mq. 2.497) Servizio realizzato in struttura edificio storico - documentale, su area fondiaria. Risorse a garanzia della realizzazione da definire.



Fonte: elaborazione Tav. 4c.02 - Aree a standard attrezzature pubbliche e private di interesse generale

Housing

FUNZIONI PRIVATE



Fonte: elaborazione Tav. 4.05 - Destinazioni d'uso prevalenti_piano tipo

What can we learn

- Role of politics and values
- Role of symbolic dimensions
- Role of market dynamic
- Role of financialisation processes
- Role of property and banks
- Role of public administration
- Role of the architects
- Conflicts, negotiations, corruption

- A project is a project if....