

## **Hong Kong, Shanghai and Global Aspirations: Analytical Review and Lessons Learned**

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(Received 14/10/1430H.; accepted for publication 8/4/1431H.)

**Keywords:** Global city, Culture, Economy, Infrastructure, Hong Kong, Shanghai.

**Abstract.** Global cities are networked nodes, with multiple and intensive global flows of people, goods, services, ideas, and images. Given the myriad external linkages and orientation, this paper argues that the progress of some cities is not only aimed at economic and social emancipation; such advancements are only tools to attain global city status. This was often overtly expressed by the city authorities; in their quest for the status they have also competed with each other to attract economic and human resources by building necessary infrastructure, systems and spaces, and build up environmental and cultural infrastructure. This paper will specially highlight the aspiration of two Chinese cities, Hong Kong and Shanghai, for becoming global cities. This will compare their different contexts and backgrounds, and chart the ambitious path, mainly basing on secondary data.

### **1. Introduction**

Urban spaces, the outcome of spatial impression of the global economy, is a mixture of retail, infrastructure, industrial, leisure and residential facilities. Global cities require specific cultural capital too; thus iconic spaces and places as part of urban imaging strategies have been built to attract investment and tourism (Chang, 1997; Kearns and Philo, 1993), through the (re)invention of place-based heritage (Logan, 2001). Cities with such aspirations have thus increasingly strived to create more of such often monumental structures for supporting a vibrant cultural life that attracts and sustains global human and economic flows. The paper discusses their roles in marketing particularly two Chinese cities, as well as the confluences and contradictions between global city aspirations, national imperatives, and everyday lives. The first two sections discuss global cities in the Asian context before reviewing government vision, local aspirations, planning and development efforts geared towards achieving the coveted status, particularly after attaining certain economic progress by two Chinese cities. A comparative analysis concludes the paper.

### **2. Globalization**

Globalization is a process facilitated and enacted in strategic locations according to a hierarchy of importance in international finance and trade. The entity exerts a direct and tangible effect on complex global affairs through socio-economic means. Sassen (1991) first used the term for a process of increasing the connectivity and interdependence of the world's businesses and markets that transforms local phenomena into global by which the people of the world become one society to function together.

#### **2.1. Global city criteria**

Though New York, London, Tokyo and Paris were undisputed as the main world cities, the criteria based on a 'yard-stick value' or an 'imminent determination' can affect others. Such criteria include, among others, name familiarity, influence on world affairs, population, airport, transportation (highways, multi-mode system), international cultures and communities, foreign businesses and expatriate population, international financial bodies, law firms, head quarters (HQs) and stock exchanges, high-speed communication, world-renowned cultural institutions, lively culture (film festivals, thriving music/theater, street performers), cultural places (orchestra, opera,

galleries), influential media, a strong sporting community, major sports facilities, home teams, and experience to host international sporting events (Wikipedia).

Based on provision of advanced professional services into three main and several sub-ranks, the Globalization and World Cities Study Group and Network (GaWC) defined, categorized, and ranked global cities in 1998. The roster generally notes cities in which multinational corporations (MNCs) provide financial and other services, but ignores cultural, political, and economic centers. It redefined and re-categorized global cities in 2004 by adding new indicators but put economy ahead of political or cultural importance. The 2008 GaWC roster made categorized global cities into 'Alpha', 'Beta', 'Gamma', 'high sufficiency' and 'sufficiency' based on criteria that exclude other cities of global significance or elsewhere on the spectrum (see Table 1).

There are categorizations by others: well rounded global cities (very large contribution, small contribution with cultural bias, and incipient global cities), global niche cities making specialized socio-political and financial contributions, subnet articulator cities (cultural, political, social) and worldwide leading cities (economic global contribution, non-economic global contribution), on the basis of evidence of world city formation (strong, some, minimal), etc. (Wikipedia). In 2008, the *Foreign Policy Journal* in conjunction with the Chicago Council on Global Affairs published a city ranking by consulting experts, as "the world's biggest, most interconnected cities help set global agendas, weather transnational dangers, and serve as the hubs of global integration. They are the engines of growth for their countries and the gateways to the resources of their regions". It evaluated 24 metrics in business activity, human capital, information exchange, cultural experience, and political engagement, as shown in Table 2.

**Table 1. The GaWC's 2008 roster of leading world cities (*Asian cities in italic*)**

Alpha	+	London, New York City
	++	Paris, Sydney, <i>Hong Kong, Singapore, Tokyo, Shanghai, Beijing</i>
	:	Milan, Madrid, Moscow, Brussels, Toronto, Buenos Aires, <i>Seoul, Mumbai, Kuala Lumpur</i>
Beta	:-	Warsaw, Sao Paulo, Zurich, Mexico City, Dublin, Rome, Amsterdam, Istanbul, Lisbon, Vienna, Chicago, Frankfurt, Stockholm, Budapest, Athens, Prague, Caracas, Auckland, Santiago, <i>Jakarta, Bangkok, Taipei</i>
	++	Melbourne, Barcelona, Los Angeles, Johannesburg, Bogota, Washington D.C., Atlanta, Bucharest, San Francisco, Helsinki, Berlin, Oslo, Geneva, Cairo, Copenhagen, Hamburg, <i>Manila, New Delhi, Tel Aviv, Dubai, Riyadh</i>
	:	Luxembourg, Munich, Kiev, Dallas, Lima, Boston, Miami, <i>Bangalore, Jeddah, Kuwait</i>
Gamma	:-	Sofia, Rio, Dusseldorf, Houston, Nicosia, Montevideo, Nairobi, Bratislava, Montreal, <i>Beirut, Guangzhou, Karachi, Ho Chi Minh City</i>
	++	Panama City, Casablanca, Brisbane, Quito, Stuttgart, Vancouver, Denver, Seattle, Zagreb, Guatemala City, Cape Town, San Jose, Ljubljana, Minneapolis, Santa Domingo, <i>Chennai, Manama, Shenzhen</i>
	:-	Guadalajara, Riga, Antwerp, Rotterdam, Lagos, Philadelphia, Perth, Manchester, Detroit, Guayaquil, Wellington, Portland, <i>Amman</i>
	:-	Edinburgh, Porto, Tallin, San Salvador, St. Petersburg, Port Louis, San Diego, Calgary, Almaty, Birmingham, Vilnius, <i>Islamabad, Doha, Colombo</i>

Source: GaWC (2008); <http://www.lboro.ac.uk/gawc/world2008t.html>.

**Table 2. The top 30 world cities ranked by *Foreign Policy Journal* (*Asian cities in italic*)**

	City	Best Category		City	Best Category		City	Best Category
1	New York City	Business Activity & Human Capital (1st)	11	Washington, D.C.	Political Engagement (1st)	21	Frankfurt	Business Activity (11th)
2	London	Cultural Experience (1st)	12	<i>Beijing</i>	Political Engagement (7th)	22	<i>Bangkok</i>	Political Engagement (13th)
3	Paris	Information Exchange (1st)	13	Brussels	Information Exchange (2nd)	23	Amsterdam	Business Activity (10th)
4	<i>Tokyo</i>	Business Activity (2nd)	14	Madrid	Information Exchange (9th)	24	Stockholm	Information Exchange (13th)
5	<i>Hong Kong</i>	Business Activity & Human Capital (5th)	15	San Francisco	Human Capital (12th)	25	Mexico City	Cultural Experience (9th)
6	Los Angeles	Human Capital (4th)	16	Sydney	Human Capital (8th)	26	Zürich	Information Exchange (8th)
7	<i>Singapore</i>	Business Activity (6th)	17	Berlin	Cultural Experience (8th)	27	<i>Dubai</i>	Information Exchange (14th)
8	Chicago	Human Capital (3rd)	18	Vienna	Political Engagement (9th)	28	Istanbul	Political Engagement (8th)
9	<i>Seoul</i>	Information Exchange (5th)	19	Moscow	Cultural Experience (6th)	29	Boston	Human Capital (9th)
10	Toronto	Cultural Experience (4th)	20	<i>Shanghai</i>	Business Activity (8th)	30	Rome	Cultural Experience (15th)

Source: *Foreign Policy Journal* (November/December 2008); [http://www.foreignpolicy.com/story/cms.php?story\\_id=4509](http://www.foreignpolicy.com/story/cms.php?story_id=4509).

Locations of the HQs of the MNCs, advanced services and information-processing are located in global cities. Sassen (1991), showing a world city as the locus for the critical servicing of global capital, put them in hierarchy using professional services as the main feature; as such New York, London and Tokyo were commanding the world economy as key locales for finance and specialist service firms, and also centers of innovations; they were also markets for the products and innovations (Frost and Spence, 1993). Castells (1996) advanced the theories of the world city network. Taylor (1997) noted their hierarchical tendency, engaged in complementary activities in a network despite competing within themselves for investments. Friedmann (1986) showed that the global cities with certain socio-economic structures accumulate and control the world capital. Reed (1981) identified hierarchically divided financial centers.

## 2.2. Investment, institutions

The global cities strive to attract investment through structural changes, using IT, and by becoming globalized. Global environment, effective strategy and organizational structure affect their competitiveness as the advantages are created and sustained (Porter, 1998). Kresl (1995) identified a dichotomy between economic and strategic determinants. Thus, city authorities and private sector entities can sharpen their competitiveness that enables to achieve desirable economic outcomes. However, the actors have to ensure coordination and interest in different sectors (Duffy, 1995). Foreign direct investment (FDI) flow is related to the stage and structure of a country's economic development (Dunning, 1993). Though all governments make efforts to attract such investment, these should strive to provide a congenial 'business environment' for the international companies (Dicken *et al.*, 1994).

The diversity of economic formations and organizational performances in various localities can be analyzed by the formal and informal 'rules' set by the existing social, political and legal institutions (North, 1990). The performance of local economies under globalization depends on the presence of chamber, local authority, bank, development agency, union, and such other institutions to provide a base for growing local practices and collective representations, high levels of interaction, development of dominating structures or patterns of coalition for collective representation, and a set of institutions with common agenda (Amin and Thrift, 1994). By establishing legitimacy and trust, this will encourage and foster entrepreneurship, and strengthen

the local industry. Places can attain the global status only by developing 'right' mixes of institutions (Amin and Thrift, 1994).

## 2.3. Infrastructure, culture

Global city status is not gained solely by economic development; product (cultural creations) and place-oriented strategy (cultural infrastructure and ambience) for development of cultural capital in the population (cultivating cultural producers and consumers) are also needed (Kim, 2001). Cultural institutions should sustain global flows by drawing investments and tourists who enrich lifestyle towards forming a global image. 'The power of cities' and their connectivity show Tokyo and Hong Kong as global command centers (Taylor *et al.*, 2002).

Cities with huge construction projects and iconic structures attract investors, professionals and executives as King (1996) identified that "It is the image of the building, not the diffuse and ungraspable city, and less the imagined community, which is used to fix our gaze". Thus a global city has striking buildings able to raise images by star architects, unique heritage buildings, world-reputed events and exhibitions, lively performances and entertainment scenes, and creative buzz in a highly livable space, branded for world's consumption with (Kong, 2007). These are vibrant cities lived and worked in by a mixed population.

The skyscraper has dominated the imaginations of authorities and designers, ensuring attention for their cities. Mega-structures have for long been used to symbolize corporate power, personal ambition and eminence, as according to King (1996), "The massive high rises are used by Asian countries as magic wand, stuck metaphorically into the terrestrial globe, to transform the Third World into the First." Unable to bring global status alone, they nevertheless "capture the public's imagination and a shared historical sentiment through novelty and size" (Tuan, 1974), and play a key role in making a city known.

According to Temelova (2005), significant, high profile prestigious developments play an influential and catalytic role in regenerating urban economy. A flag-ship development marks a 'change' for the city, extending it beyond its physical parameters, and contributes to the development and the economic and policy base (Smyth, 1995). It essentially is "a development in its own right", "a marshalling point for further investment" and "a marketing tool" (Smyth, 1995). This is often related to 'culture-led' regeneration

efforts that affect place image and attract visitors and businesses (OECD, 2005)<sup>(1)</sup>.

#### 2.4. Asian cities

Tokyo has long been among the top world cities even before the concept emerged, by virtue of population, wealth and technology. According to various criteria, Singapore, Seoul and Hong Kong too have been in the top category. Other cities frequently making to the top 20 by various criteria, and often within the first 10 by individual criteria are Beijing, Bangkok, Jakarta, Taipei, Shanghai and Mumbai. Asian cities with potential and the aspiration to become a world city are Kuala Lumpur, Manila, Osaka, Delhi, Dubai, Riyadh and Tel Aviv. These are followed by Bangalore, Guangzhou, Shenzhen, Abu Dhabi, Ho Chi Min city, Colombo, Beirut, Manama, Amman and Tashkent. Figures 1 and 2 show the Asian cities deemed global by various criteria.

Mega cities with colorful cultural scenes are very common in China and India, and in some other Asian countries. Among the cities with large population living either in the city proper or within the metropolitan area are Mumbai, Shanghai, Karachi, Delhi, Seoul, Tokyo and Jakarta, which are in the same league with 5 other world cities. Hong Kong and Mumbai along with Tokyo made to the top 10 cities in terms of number of billionaires due to their strong investment, living standard and technology (Forbes, 2008). In terms of air and multi-modal mass transit, Tokyo, Osaka, Seoul, Hong Kong, Shanghai and Beijing made the top list along with 14 other developed world's cities. Singapore, despite having an efficient and busy mass and air transport system could not achieve the level because of smaller population and area.

In terms of proportion of foreign citizens, 7 Asian cities occupy the top 10 spots with all except Macau and Hong Kong in the middle-east (Dubai, Kuwait, Doha, Manama, Muscat). While the Chinese cities became multi-cultural because of colonization first and then developing as manufacturing and financials hubs, the reason for the gulf cities is their increasing prosperity and manpower shortage. Only two Japanese cities (Tokyo, Osaka) made it to the top

in terms of per capita gross product, indicating their innovative and industrious nature.

The reason why some Asian cities making the list is the high economic growth for long making improvements in infrastructure, basic welfare, human resource, and to often governance, society and culture possible. Poverty, lack of transport and IT infrastructure, technological backwardness, poor economy, low investment, and undeveloped service sector have precluded many Asian cities from making into the world city list. Asian mega-cities like, Karachi, Calcutta, Lahore, Dhaka or Tehran are falling behind in many counts.

The success of dynamic cities depend on their ability to draw capital from the region and the world, bring in visitors, business travelers, conference participants, and tourists, and attract MNCs to set up offices (Tamotsu, 2002). Once that is reached, dynamic Asian cities like Hong Kong and Shanghai compete to achieve global status by increasing their 'soft power'. Due to the visibility and materiality, the development of monuments offering tangible evidence of cultural capital was a strategy pursued by them towards the global status (Kong, 2007). Hence they have constructed iconic structures like Jin Mao Tower or West Kowloon Cultural District, amidst varied economic trajectories and different nation-building imperatives<sup>(2)</sup>.

### 3. Hong Kong

Since the merger with China in 1997, Hong Kong realised that without its international status and links, its survival would be at stake as just another Chinese city (Postiglione & Tang, 1997; Wang & Wang, 1999). Though the link with the mainland is crucial for reaching the world status, some fear that Shanghai or Beijing could downgrade HK (Forrest, et al., 2004; Skeldon, 1997).

The Commission for Strategic Development (CSD) that "Hong Kong needs to promote its unique position as one of the most cosmopolitan and vibrant cities in Asia to international audiences. A successful promotion can have a positive impact on its ability to achieve a number of key economic, social, and cultural objectives." Hence, the city sought to become 'Asia's world city by reinventing a positive and unique identity with a new logo and media campaign. However, the campaign aimed at gaining global

<sup>(1)</sup> Frank Gehry innovatively designed the Guggenheim Museum, a cultural flagship that rather than scraping the sky used symbolism and monumentalism, attaining architectural design and iconic status with goals to boost city competitiveness. A source of civic pride and social cohesion, it brought economic regeneration too, as millions throng to the hitherto obscure Bilbao. The same is true for the Petronas Tower in Kuala Lumpur, symbolizing a progressive and developing society with deep cultural roots, contributing to the economy too.

<sup>(2)</sup> Hong Kong as a Special Administrative Region (SAR) is still shaking off economic problems. It is also not a part of the national project. Shanghai is the most outward-looking Chinese city with much foreign influence, which is a rival to Beijing.



Fig. 1. Asian cities with global or near-global status.

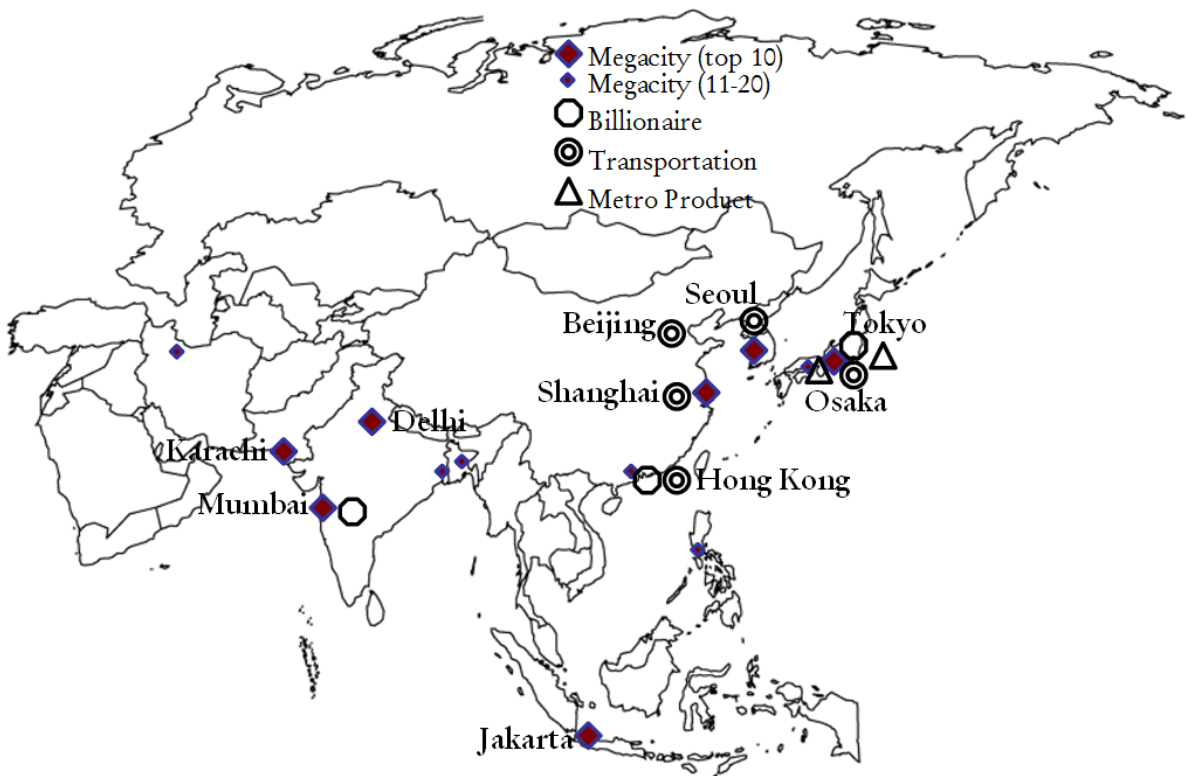


Fig. 2. Asian cities among world's top 10 in various categories.

status raised debates on language ability, internationalization, and environment and democracy records.

### 3.1. Economy and housing

Rabushka (1979) depicted Hong Kong as “just one big bazaar, [it] has no public, moral, artistic, cultural or ethical purpose as a society”. Thus the stock market index, the property market and the price of gold remained the popular media topic and focus of discussions by many in Hong Kong. Its economy has been in the top 5 ‘freest’ in the world for many years (Cullinane and Cullinane, 2003)<sup>(3)</sup>.

Hong Kong’s per capita GDP doubled between 1990-2000 to 24,400 USD, recovering from the Asian financial debacle. Yet a 0.53 Gini coefficient indicates income disparity and growing poverty (SCMP, 1.8.2000).

HK enjoys an edge as a commercial center from its colonial past-sophisticated services, stable society and reliable legal process. Its banks are free of problems that burden banks in other Asian countries<sup>(4)</sup>, administration is accountable and incorrupt, and the press is free<sup>(5)</sup>. While big cartels dominate its international and professional services, the domestic sector is led by the small and medium enterprises, weakened by the lack of competition, high price and mediocre quality (Maruya, 1998). In 1980, utilities, manufacturing and construction made up 31.6% of GDP, reduced to 14.3% in 2000 (HKCSD, 2002). In 2000, the service sector represented 85.6% of GDP using 83.4% of the labor.

The economy of Hong Kong cannot be isolated from that of South China (Sung and Wong, 2000), as “HK and the Pearl River Delta (PRD) is one single entity economically” (HKSAR, 2001) that surpassed mainland’s phenomenal economic growth<sup>(6)</sup>. Until two decades back, HK had a manufacturing-based economy (Sparrow, 1988)

before the service sector started to grow. Relocated to PRD, manufacturing now accounts for only 5.9% (GIS, 2002) as Hong Kong has become more of a showroom (Cullinane and Cullinane, 2003). This was a result of migration from HK to PRD fuelled by wage difference and the availability and cost of land.<sup>(7)</sup> About 64% of overseas buyers buy Chinese-made products through companies in Hong Kong<sup>(8)</sup>.

Speculative investment in construction and property development was transforming the skyline and pushing growth in the 1980s in HK. However, the market started to fall after the peak in 1997, which left 200,000 losers (Cullinane and Cullinane, 2003). The government as the largest landowner, could influence property price and land value. But the decline in property and stock value, and high unemployment, led to the Hong Kongers losing faith in the government’s ability (Wang and Wang, 1999).

Hong Kong’s highly market-oriented property sector is mature now, while enjoying advanced regulations and international standards. It has been named the most competitive city in the country by the Chinese Real Estate Association such as based on real estate development, growth index, greenness and soft environment (China Daily, 5.2.2010); Shanghai and Beijing ranked second and third.

Despite better indicators than those of China, Hong Kong looked to its ‘motherland’ to drag it from the spectacular economic collapse (Cullinane and Cullinane, 2003). Even tourism was gearing towards attracting a greater number from the mainland, who were a third of the 13.7 million visitors to Hong Kong in 2001 (HKTDC, 2002).

### 3.2. Infrastructure and environment

The busiest in the world Hong Kong Port with efficient freight and men transport is competing with Singapore (Cullinane, 2002, 2003; Dorfman, n.d.). Hong Kong’s unemployment rate (4.9%) is

<sup>(3)</sup> Hong Kong leads the Asian economies with a purchasing power close to that of USA. It is the 9th largest trading economy (415 billion USD or 254% of GDP in 2000, HKTDC, 2002).

<sup>(4)</sup> It is the world’s 10th largest banking center and has Asia’s second largest stock market (GIS, 2002).

<sup>(5)</sup> Voted the “freest” in Asia by Paris-based Reporters Without Borders (SCMP, 24.10.2002).

<sup>(6)</sup> PRD with 46 million people, the fastest-growing part of the fastest-growing province in the fastest-growing economy in the world (Enright and Scott, 2002), is a huge industrial region that affects global trading pattern and investment flow (Anon, 2002). Between 1980 and 2000, it grew annually at a rate of 16.9% against 13.8% for Guangdong and 9.6% for China. 40% (50 billion USD) of industrial investment in Guangdong, that alone produces 10% of the total economic output of the PRC, was outsourced (Dong, 2002). Its annual GDP increased at about 30% during 1991-1995, and then at around 10% till 2000.

<sup>(7)</sup> About 5 million Chinese workers work for around 36,000 companies in Guangdong where Hong Kong’s interest is huge (HKSAR, 2001). Labor cost in Hong Kong is seven times higher than that in the mainland (Guttman and Frey, 2000). HK dollar pegged to the US dollar made cost reduction difficult. Government effort in salary reduction was fiercely opposed.

<sup>(8)</sup> Around 97% of foreign agents are located in HK to deal with PRD-products. Hong Kong made 62.4% of 275 million USD foreign investment in Shenzhen in 1999 (Shiu and Yang, 2002). The population of Shenzhen, highest in Guangdong, has increased to over 7 million. “Downtown Shenzhen looks like the cityscapes in ‘Bladerunner’ whilst its western suburbs look like Silicon Valley” (Anon, 2002). Its average annual GDP growth rate was 31% or 15.7% per capita during 1979-1999 (Shiu and Yang, 2002). Shenzhen now has the highest average GDP per capita of all mainland cities (HKSAR, 2001).

continuously easing since the late-2008 economic downturn (China Daily, 19.1.2010). Decreases in unemployment were mainly found in the export-import, financing, housing and construction-infrastructure sectors. Employment in the construction sector will improve more as projects like the Hong Kong-Macao Bridge and the Guangzhou-Hong Kong Express Rail, pick up. These may facilitate Hong Kong's finance, tourism, trading, logistics and professional services to reach the west of the PRD.

Despite the means, HK paid little attention to environment; pollutants exceeded the WHO standards<sup>(9)</sup>. But its adverse effect on tourism or investment was not considered. The economic priorities further deteriorated the environmental quality, evident in the government linking environmental protection with economic prosperity (Chan and Loh, 2002). The EIA outcomes were hardly followed because of inadequate resources, limited enforcement and lack of co-operation from authorities, as Lo and Yip (1999) put that the government's support for environmental governance stops at the rhetoric. Water pollution, sewage and rubbish disposal record was also appalling<sup>(10)</sup>.

Figure 3 is a view of the waterfront Cultural Center on the mainland portion of HK in the foreground, and the iconic skyscrapers across the Victoria Harbor, all are major tourist attractions. Figure 4 shows scores of Philippine housemaids flock to city center on a Sunday.



Fig. 3. Architectural and cultural icons of Hong Kong.

<sup>(9)</sup> 2000 people a year die from environment related causes costing 4 billion HKD a year in health expenses and production loss (GIS, 1999).

<sup>(10)</sup> Nearly 80% of water is bought from mainland and sterilized. Most of the sewage discharged into the harbor goes through preliminary screening only. Garbage disposal has problems, severe penalties are rarely enforced; public places are strewn with rubbish, increased by the cleaners.



Fig. 4. Expatriate laborers relaxing under HSBC building.

### 3.3. Society and culture

Ng and Hills (2000) identified it as "a city of workers, not for citizens. Security is built on monetary wealth rather than social relationships". The Hong Kongers lack in social cohesion, community space and political interest. Many of them living in traditional areas were displaced due to housing construction. Immigration from the mainland acculturated HK and China (Hook, 2000). The influx of an unskilled mainland people considered 'underclass' (Ng and Hills, 2000) weakened the social capital by polarizing the economy. In a tech-savvy society, a 'digital divide' in the labor force put the less educated and less skilled into disadvantage (SCMP, 1.8.2000)<sup>(11)</sup>. Merger with China having employment crisis amidst the Asian financial downturn increased the pressure on Hong Kong's welfare system.

Hong Kong's global aspiration was stated in the Chief Administrator's 1999 Address on the need for a long-term plan to make it the 'World City'. Bringing the Vision to Life, Hong Kong's Development Needs and Goals (2000) suggested strategies to attain the vision and strengthen its position within PRD. These also aimed to enhance HK's competitiveness, improve the quality of life, and reinforce its identity and image.

Thereafter, studies were undertaken that identified the potential role of art, and advocated to

<sup>(11)</sup> In 2003, the government cut welfare by 11.1% to reduce the number of mainland claimants (SCMP, 14.3.2003). University funding was cut by 10% (1.9 billion USD) in 2001-2004 and more lately. Schools reduced recruitment by 10% and reviewed the system to rationalize expenses. The health service facing similar rigor was privatized. Even the housing policy reached a hiatus with high ownership and government damping property values. Due to about 70 billion HKD deficit in budget and the government's poor performance, it retrenched the housing policy to improve the negative equities (Taylor, 2002).



use culture to transform the commercial giant to a world city, trigger economic development, attract investment, enhance living quality and promote tourism. It can work as a “cohesive agent in building an identity, allowing local citizens and visitors to feel the spirit of Hong Kong” (HKADC, 2000). It’s colonial past helped HK to grow as a well-placed cosmopolitan city (Kong, 2007), best in financial services, infrastructure, IT and tourism (Tsang, 2005), and also garnering a reputation as a place where deals are sealed (Fung, 1999). It also worked towards higher value-added outputs through innovation and increases the knowledge content of the economy to sustain development (Tung, 2005).

Urges are there to attract world-renowned tertiary institutions, enhance entertainment facilities, improve environmental quality, and review immigration laws to attract and retain world-class talents (Dorfman). These set the scenario for urban strategies of Hong Kong and the development of West Kowloon Cultural District (WKCD) that aimed to stimulate a lack-luster economy, and assure HK’s global position (Kong *et al.*, 2006)<sup>(12)</sup>.

‘Project Hong Kong’, a prominent civic group called for developing local talents, rather than setting the hardware. International art critics did not see WKCD as a cultural hub (SCMP, 15.8.2004); others criticized the planning without citizen’s participation (AFP, 29.4.2004)<sup>(13)</sup>. The Harbor Chief questioned the need for another cultural district clustered tightly (Kong, 2005), as the area already housed 90% of all arts, entertainment, cultural, financial and commercial facilities (SCMP, 17.6.2004).

Not inspired by the Chinese identity, HK’s global connections are constantly negotiating its local identity (Fung, 2001). These underscore a political culture where the ‘nation’ and ‘national’ do not feature in its cultural-global strategy. It is consistent with ‘exceptionally outward’ Hong Kongers with an ‘unpatriotic’ anti-nationalistic orientation, considering themselves “citizens of the world, first; then of the SAR; and finally of the PRC” (Degolyer, 2001) (Fig. 5).

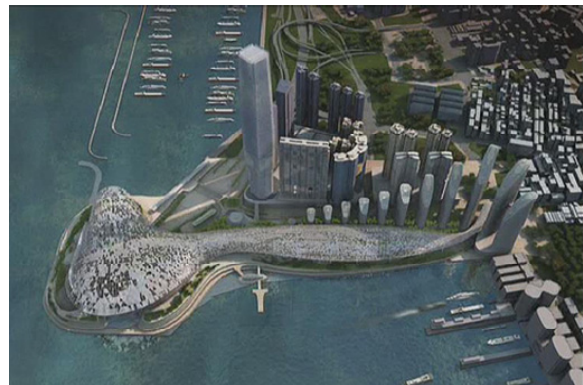


Fig. 5. Artist’s impression of the WKCD mega-project.

#### 4. Shanghai

Shanghai is the largest urban conglomerate and seaport of China in the most densely populated area with a rich hinterland<sup>(14)</sup>. The big (6340 km<sup>2</sup>), dense (22,700 persons/km<sup>2</sup>), and economically important city is the leading industrial center and seat of professionals, banks, and the first modern university in China. In 1999, *Time* magazine predicted that Shanghai would be New York’s rival as the ‘Center of the World’ in the next Millennium. The ‘regional aspirant’ with “reasonable long-term prospects” (Yusuf and Wu, 2002), “not a truly global city” (Wu, 2002) yet, has clear aspirations to gain the status by reviving the 1920s’ glory<sup>(15)</sup>.

##### 4.1. Economy and housing

In 2009, Shanghai’s economy experienced difficulties and challenges of unprecedented intensity, severity and complexity ever since the reforms were launched and Pudong was opened. It is now picking up steadily in a critical moment after withstanding the global financial crisis last year (China Daily, 28.1.2010). It resorted to the 2010 World Expo to transform economy, while improving people’s living standards, social harmony and stability.

<sup>(12)</sup> Global ambition of the landmark project was to set a “cultural oasis to enrich lives”, to “enhance HK’s position as a world city of culture; by attracting internationally acclaimed performances and exhibitions; nurture local talent and create opportunities for groups; enhance international cultural exchange; put Hong Kong on the world culture map; provide state-of-the-art venues and museums; offer more choices to patrons; encourage creativity; enhance the harbor front; attract overseas visitors; and create jobs” (Development Bureau, 2010).

<sup>(13)</sup> The ‘Citizen Envisioning a Harbor’ were concern that community needs were ignored while planning for the WKCD. Professionals and artists were critical of little consultation. Fears were that it might benefit developers caring less about culture (Shanghai Star, 18.3.2004).

<sup>(14)</sup> In terms of city-proper population, it is only second to Mumbai in the world, while the metropolitan population is within the top 10, expected to rise to 27 million by the year 2025 from around 18 million (Brinkhoff, 2009), within the greater agglomeration of Yangtze River Delta containing 87 million urbanites.

<sup>(15)</sup> Started as a fishing village in the 10C, Shanghai became a county in 1074. It became part of the coastal trading system, and grew to be a regional commercial center. By 1853, it surpassed Guangzhou as China’s top trading city (Yusuf and Wu, 2002). The industrialization of Shanghai started in the late-19C. It boasted the most developed urban amenities after Tokyo before 1949. The foreign officials who managed the city’s International Settlement and French Concession built infrastructure equal to Europe. However, after the communist takeover it suffered neglect and disinvestment over 30 years.



Urban property prices in China climbed 7.8% in 2009 (China Daily, 15.1.2010). The China Daily (1.1.2010) reported that prices of new residential units in Shanghai have exceeded 50%, more than five times the rate of growth of local economies. Fearing an asset bubble hurting the country's economy, the government took measures like hard credit for second property buyers and more supply of affordable houses for low and mid-income families to rein in speculation while maintaining economic growth (China Daily, 15.1.2010). Since the reform, property development has boomed. Strong demand and scarce land resources have driven up prices, as more people move to Shanghai. The stress of home-buying has twisted the values of some people, especially the young, who were often forced to give up their independence and self-reliance<sup>(16)</sup>.

Shanghai has for the last three decades depended on 5 million migrant people for building their homes, running their assembly lines, and delivering all sorts of roadside services (China Daily, 31.12.2009). In recognition of their contributions to cities, *Time* magazine named Chinese migrant workers runners-up for its Person of Year award in 2009 (China Daily, 1.1.2010).

Shanghai faced an acute housing shortage due to no investment till the reform era. The city center had a large number of dilapidated pre-communism housing and factory buildings built by the French. The lack of a proper planning led 4,000 industrial enterprises on a quarter of the land, and factories and houses located randomly (He, 1993). Industrial uses were posing health and safety hazards. Inefficient transports constrained their performance, aggravated by the government policies of self-sufficiency and land allocation (Hodder, 1996)<sup>(17)</sup>. These constrained the city's global aspirations.

Shanghai decided to improve housing through innovative financing in the 1980s. Instead of municipality building houses on its own, opted for commercially viable joint ventures. A double digit annual growth in economy enabled nine times more of what was spent during 1949-1980 to be invested in housing in a decade (Chiu, 1996); but it did not solve the problem of the poor. In 1991 the China Construction Bank introduced a self-supporting

supply system through rent subsidies and discounts by creating a public fund reserve (Wang and Murie, 1996; Shen, 1994)<sup>(18)</sup>. The Municipality provided a further US\$ 843 million to phase out public housing through a secondary market by reforming mortgages in 1998 (China Daily, 25.5.1998). But redevelopment was slow and costly as compensation was not realistic (Wu, 1999)<sup>(19)</sup>. This also put flashy high-rise blocks and crumbling houses side by side.

Eventually, the central and local authorities introduced innovative packages to invest heavily on redevelopment and employment<sup>(20)</sup>, with commercial growths, real estate value also grew. Windward placing of the industrial areas precluded certain industries that were relocated to new industrial parks; but many could not afford costly self-funded sites. To offset the problem, smaller districts were created, each for a certain trade. This changed Shanghai's spatial structure by diverting growth in a planned way. Priority was given to those using advanced technology, like ventures with Pepsi, Xerox, Seagram, Squibb, Johnson & Johnson, and Coca-Cola.

#### 4.2. Infrastructure and environment

Shanghai contributed 25% in the country's revenues (Lin, 1994); yet its infrastructure and utilities got little attention (Wu, 1999)<sup>(21)</sup>. Maintenance and improvement of infrastructure was neglected as the industrial sector used up most of the capital, limiting money available for housing, utilities, amenities and transport. The century-old infrastructure had gravely deteriorated by the 1970s. Yet, Shanghai sought "multinational investment, tourist income and flowering of the arts" (Wu, 2002) in this backdrop to regain the world status<sup>(22)</sup>. It

<sup>(16)</sup> According to Xinhua (2009), the city's average per person annual income in 2008 was \$6,546, while apartments were priced at an average \$2300/m<sup>2</sup>; an 80 m<sup>2</sup> apartment's price is equivalent to two earners 15 years salary.

<sup>(17)</sup> About 100,000 residents who lost their homes to new freeways and high-rise buildings did not want to be relocated even in better housing as services and employment opportunities were not ample.

<sup>(18)</sup> About 500,000 m<sup>2</sup> were to the employees through a hire-purchase system. By May 1998, about 18 billion Yuan reserve had been raised from thousands of enterprise-accounting for 20% of all such funds in China (*Xinmin Evening News*, 3.6.1998), used for new construction, rebuilding of old, endangered housing, and as mortgage loans for commercial units.

<sup>(19)</sup> New units were 2-6 times more valuable than the old units and the relocation cost was 17-70% of the project redevelopment cost (Dowall, 1994).

<sup>(20)</sup> About 10 billion USD in 1991-1996 (Yatsko, 1997). The government paid for a vast modernization of public works. During 1991-2000 it gave 0.3 billion Yuan and guaranteed 0.1 billion USD in foreign loans and 0.2 billion USD from the Bank of China yearly (Wu, 1999).

<sup>(21)</sup> A Shanghai resident has 3.9 m<sup>2</sup> paved road on average compared to 7.3 m<sup>2</sup> for all urban Chinese; below 94% of them have access to piped water while in Beijing all have it; he enjoys only 1.7 m<sup>2</sup> open space on average when the urban mean is 21 times higher (Wu, 1999).

<sup>(22)</sup> In 2003, it aimed to meet the global city standard of 5% foreign population (Farrer, 2005). According to a government

invested huge sums on big re-development and relocation projects, infrastructure and many skyscrapers (Kong, 2007)<sup>(23)</sup>. Figure 6 shows some of these structures. However, such large spending considered unproductive in the 1990s was restrained by strict planning procedures and rigorous investment management (Wu, 2002)<sup>(24)</sup>.



Fig. 6. Modern structures recently built in Shanghai.

A series of crucial infrastructure projects were undertaken to make Shanghai a global economic city<sup>(25)</sup>. Its ambition to regain the industrial, financial and trading leadership of Asia pinned on developing Pudong Special Economic Zone<sup>(26)</sup>, buttressed by its industrial, scientific and technological capabilities that were the best in China.

Instead of the saturated old city center, Shanghai created a new CBD with a number of service backbones to regain its image of a modern city. Foreign consultants prepared the plan following its long-term ambitions (Olds, 1997), facilitating financial institutions, HQs and

officer: "Shanghai won't be a centre just for China—that's too small; but a world leader" (Yatsko, 2001).

<sup>(23)</sup> The fast changes (late-1990s) forced authorities to print a new city map every quarter (Lu, 2002). Old neighborhoods were flattened, elevated highways, flyovers, roads, light rail system, digital telecom, a new international airport and cultural complexes were constructed. Old factories were moved out and replaced with commercial buildings. Neon lights and billboards emerged abundantly. Pudong's new financial district is a shining edifice for financial and business services that is the backbone of the city's quest for global status.

<sup>(24)</sup> In 1978, infrastructure investment in Shanghai was only 0.45 billion Yuan. Seven times more than in 10 years in the 1980s was invested on infrastructure in 1992-1997 (Yatsko, 2001).

<sup>(25)</sup> These include bridges and tunnels, an inner ring road, an elevated way, a new subway built quickly with the help of a German consortium, berth container port, a new airport. The pace was like building the Brooklyn and Manhattan Bridges and the Lincoln and Holland Tunnels all in 5 years.

<sup>(26)</sup> Pudong within 15 km from the old centre is laid on 522 km<sup>2</sup> transformed into a district with tax incentives to relieve the pressure on old Shanghai, and expand trade using new transport capacity.

commercial and cultural activities, and also resorted to architectural conservation, as a key strategy to develop the tertiary sector (Fig. 7)<sup>(27)</sup>.



Fig. 7. Adapted reuse in historic buildings along the Bundh.

The World Bank (WB) just approved 500 million USD loans to China to assist a railway project and 40% of it for the Shanghai environment improvement program that began in 2003. It will focus on increasing secure supplies of good quality water, reducing untreated pollutants discharged into water sources, and facilitating sustainable investment in environmental infrastructure in the suburbs (Xinhua, 26.6.2009). Earlier, the WB invested in several key infrastructure projects in Shanghai and helped promote institutional and policy reforms in water supply, sewage treatment and solid waste disposal.

In Shanghai, the air quality has been improving steadily; it aims to improve the record of over 90% of the days having 'fair' or 'good' air quality in 2009 (China Daily, 29.1.2010). In 2000, it started a campaign by investing about 3% of its GDP growth into citywide environmental initiatives. Iron, steel, chemical and construction industries within 300 km of Shanghai in the Yangtze River Delta will be subject to production control or even shutting down if the city's air quality falls below standards (China Daily, 29.1.2010). People are encouraged to take buses and subways in Shanghai's efforts to mitigate climate change and encourage green economy.

Shanghai relies more on coal for energy; its public transportation experiment with new energy vehicles and the tightening of emissions are the

<sup>(27)</sup> An impressive skyline has emerged along the riverbank. The CBD, link between the old central city and Pudong, helped rebuild the Bund (China's 'Wall Street') with over 100 pre-1949 financial buildings. A special institution helped to relocate government offices in the historic buildings, and preserve other 1920s buildings (old Shanghai Club, Cathay Hotel, HSBC building).

positive measures towards mitigating air pollution (China Daily, 19.8.2009). While improvement on safe disposal of waste has been achieved, there is a need to develop a more comprehensive waste reduction strategy for the city. The real test for Shanghai is whether long-term changes are accelerated and scaled up, because this is the only way it can ultimately improve the quality of life, said an UN Under-Secretary-General who applauded China's move toward a greener economy—not out of obligation, but out of choice (China Daily, 19.8.2009). The stimulus package has a major green element in it.

To continue to develop into a global financial and shipping center, Shanghai just realized that development of a modern service industry was necessary (China Daily, 28.1.2010). Therefore, it encourages development of professional services, e.g. accounting, law, information, media, etc. Companies are encouraged to use high-tech products, and increase research and development by providing incentives.

#### 4.3. Society and culture

Beyond the economy, cultural and heritage structures put Shanghai at par with a global city (NYT, 2004). It focused on iconic projects to renew the cosmopolitan legacy<sup>(28)</sup>. Yatsko (2001) quoted the City Mayor as saying “We not only want to improve our economy. More important is to raise cultural level. We can't be a rich city in a cultural desert.” Shanghai with cultural ambitions and economic motivations aims to be the best in the world, not only in China<sup>(29)</sup>. It recognized the value of ‘creative capital’ through increasing cultural assets to attract the talents (IHT, 20.1.2005). Placing a museum and theatre on expensive city center land near the main government offices reflects the emphasis and recognized the role of culture in planning<sup>(30)</sup>. Engaging foreign expertise to construct the Grand Theatre (Fig. 8) shows their growing acceptability for infrastructure building.



Fig. 8. Shanghai Grand Theatre at the City Center.

Shanghai's aspiration contradicts the use of art for national propaganda by the state<sup>(31)</sup>. Cultural and funding agencies were moved to Beijing; arts institutions in Shanghai were run by bureaucrats (Yatsko, 2001). While individuals and private bodies organize cultural events in Beijing, the government does that in Shanghai (Shanghai Star, 29.9.2000); hence creative works hardly complement the monuments<sup>(32)</sup>. Shanghai's cultural renaissance was made hollow by the ‘leftist throwback’ (Napack, 2001) as economic growth shows this chasm too: “Shanghai's fixation on building the hardware of an international economic hub” has not been matched by “the necessary software, like an effective legal system, access to accurate information, and market-oriented corporate incentives” (Yatsko, 2001).

Yet rivalry with Beijing<sup>(33)</sup> and Hong Kong meant Shanghai pursues revival and national pre-

<sup>(28)</sup> 600 million USD spent on new cultural infrastructure in 1990-1995 was doubled during 1996-2000. Since the early-90s, the city government alone invested 230 million USD on such establishments (IHT, 2005); nine times more was spent by others to develop Shanghai's cultural infrastructure to make it China's commercial as well as cultural center (Wang and Ye, 2000).

<sup>(29)</sup> “Our museums and cultural centers not just aim to be the best in China, but competing to be among the best in the world” (IT, 2000).

<sup>(30)</sup> Reminiscent of the placement of the “great public altars dedicated to the worship of the cult of ancestors and the gods of agriculture” in central sites, “consolidating the base of political power, accompanying and reinforcing it” (Clément, 2004).

<sup>(31)</sup> At the 1996 opening of the Shanghai Museum, the government said that culture was a Communist Party tool; during the Ninth Five-Year Plan, it planned to build more facilities to symbolize Shanghai's image, and to become the base of promoting cultural knowledge and patriotic education (Yatsko, 2001). The Party controlled the movie studios, broadcasting stations, performing arts troupes, etc.; all cultural events had to be approved by the Shanghai Culture Bureau (IT, 2000).

<sup>(32)</sup> The Shanghai Grand Theatre represents the best and worst of the authority. The state-of-the-art facility does not support artistic pursuit. For years the city hasn't had a film or TV drama to excite audience. In 2003, the city won only one out of 58 prizes in “5-1 project”, a nationwide project for exemplary creative works. Film stars, TV stars and producers are leaving Shanghai for other prospective areas (Shanghai Star, 2004).

<sup>(33)</sup> For example, Beijing constructed a 420 million USD National Theatre, designed by Paul Andreu, to match the Shanghai Grand Theatre that unlike other regional theaters receives no government subsidies. Beijing, the home of the country's best symphony and ballet, the leader in “alternative, edgy arts like avant-garde painting, abstract modern dance, underground cinema, experimental theatre, rebellious punk rock, and unconventional performance and installation art” (Yatsko, 2001), attracts more artists as the film industry center. Beijingers believe that competing Shanghai poses no threat (Shanghai Star, 2000).

eminence for a global status (Yusuf and Wu, 2002). Its Museum is buying back China's historic treasures from the international dealers (IT, 13.11.2000). The arts events tried to become 'international' around 1999. A sense of cultural freedom has become apparent<sup>(34)</sup>; but the productive burst may have more negative effects on cultural creativity if the scale is not carefully tended (Kong, 2007)<sup>(35)</sup>.

### 5. Tale of Two Cities

Hong Kong, Shanghai and Beijing are the top three Chinese cities. Highly connected gateways, and international financial centers, HK and Shanghai command their regions (Taylor *et al.*, 2002). They had different economic strategies—*laissez-faire* in Hong Kong and centrally planned in Shanghai. Yet like New York, London and Tokyo, they have become not only economic powerhouses, but also centers of socio-cultural influences in the world (McDowell, 1997; Amin and Thrift, 1994).

Strategically located on the global transport and communication network with high quality producer services, rich socio-cultural amenities, and skilled labor, HK was a location chosen for regional HQs (Yeung *et al.*, 2001). Its institutional structure creates a more vibrant entrepreneurial ambience. Investors used it as a launching pad to enter the bigger Chinese market (Sim *et al.*, 2003). Shanghai, the leading center of commercial growth as China rises in the world market in the last quarter of the 20th century, attracted investments. With large human resource and capability to serve local and international markets, it provided most of the financial and professional services to 70% of Asian FDI that flows into China (APB, 2001)<sup>(36)</sup>.

The service industry indeed enjoyed too little latitude from the government in China. Domestic consumption is a smaller component of the GDP than it is in many other countries. Through the economic reform started in 1978, the services have seldom outpaced the manufacturing industry. For a few years till the onset of the global financial crisis, the manufacturing sector continued to show a faster growth rate. The only way for the Chinese cities to maintain this is to develop services for overseas and domestic clients. They are now yearning for more leeway for their programs. Shanghai just got the government nod to expand urban land and boost its service industry.

The government now sees erecting larger and taller buildings only as 'superficial urban prosperity', and urges to focus to more humane aspects, e.g. employment, social security, medical care, educational development, low-income housing and energy conservation to overcome discrimination against migrant workers (China Daily, 31.12.2009). The global economic recession that is forcing China to boost its domestic consumption may help to lift the urban-rural divide by reforming the over 50-year-old household registration system. In the next decade, at least 250 million people will migrate to urban areas to augment shortage of skilled workers, raising China's registered urban population to over 65% in the largest urbanization campaign in world history (China Daily, 31.12.2009).

Skyscrapers, urban flagships and mega-projects have been used to boost development and serve global prominence of many cities. Place-oriented architectural icons have been built to create exciting cities in global hierarchy. However, the motivation for such developments differs from city to city. Other than global aspirations, various degrees of importance are given to local and national ambitions that reflect the different geopolitical situations of these cities (Kong, 2007).

Though both Shanghai and Hong Kong adopted cultural buildings to "become important symbols instantiating global status" (Cartier, 1999), their cultural-global strategy relates differently with respective to national goal—in opposition (Hong Kong) and in competition (Shanghai) (Kong, 2007).

HK's global aspirations are not rooted in national goals, but based on economic priorities setting its identity. It has been searching to find this since the merger with China, being aware that it cannot be 'just another Chinese city', but stay ahead of it to survive (SCMP, 25.1.1999). Thus HK's cultural icon is loaded by its economic focus and the global ambition, not by national interest. Community

<sup>(34)</sup> The Shanghai International TV Festival, International Art Fair and International Festival of Arts indicate the scale and content of these, attended by both local and foreign artists with large investments. The Ministry of Culture has relaxed control on exhibitions. Officials attended all shows the hosted by the Museum of Modern Art since its opening (December 2003), but did not interfere with the art (SCMP, 15.8.2004).

<sup>(35)</sup> The SCMP (10.12.2002) quoted the co-owner of ShanghART, the first contemporary Chinese art gallery, "You can't push culture. If culture is allowed to grow, good things will flourish. Force it, and things die".

<sup>(36)</sup> The sector has been plagued by quality and safety issues that created a problem for products sourced in China, and affect the export-sensitive economy (China Daily, 9.2.2010). A recent TV ad shows that the government has identified this threat and wants to protect the China brand against the rising trend of trade protections. After months of the sustained impact of 600 million USD stimulus, as well as indications of a steady recovery in some export markets, there seems to be evidence that the situation is improving (China Daily, 31.8.2009).

participation, social goals and cultural identity championed by the civil society underscored the multivalent meanings of icons (Kong, 2007).

Shanghai was motivated by its desire to regain its glory and a distinct identity. Since the Shanghaians were not bothered by the issues of cultural pre-eminence or global city status; the iconic edifices failed to bring urban or national pride, and remained only as symbols of a modern city (Kong, 2007). The development of creative local culture was stymied by the need to protect national ideology. Moreover, the use of art for propaganda hindered Shanghai's aspirations to become a global city.

The political cultures shaped the ways in which the public responded. In democratic Hong Kong, it could ask the government to consult them and stop projects. In Shanghai, the monuments emerged with no public protest. The speed made it possible for it to achieve lofty targets in infrastructure repairing and rebuilding, industrial restructuring and housing reform; collateral was provided by the high land value created by population density, prosperity and recent commercial development. Through a high growth rate, Shanghai revived old, built new, integrated to create a metropolis accommodating modern industrial, commercial and cultural activities, and provided a good life for the residents. Cost-effective infrastructure too had an impact on the environment of a world city.

Hong Kong faced the problems created by budget deficit, deflation, unemployment, and depressed stock market and property sector, in addition to increasing democratic participation without the wrath of the central government. It had to control population with higher expectations, improve the education system to produce a more creative, intelligent workforce, deal with environmental concerns and further sustainable developments, and improve the living standards (Cullinane and Cullinane, 2003). Unfortunately Hong Kong has suffered from external economic phenomena that degraded its own, and led to social confusion.

Hong Kong's growing economic and socio-cultural linkages with the mainland that is going ahead in economic growth and socio-cultural changes precipitated. The disparity has called for more integration than competition so that HK finds prosperity, confidence and self-assurance. The market-led HK government lacks thinking and willingness to undertake remedies to increase integration as a strategy. This could strengthen Hong Kong's intermediation between mainland and the west, let HK investors to control productions in the PRD, and help to solve housing, pollution and skills shortage problems.

The merger raised a few specters. HK land and labor prices declined due to the cross-border purchasing power parity that forced it to abandon any hope of restoring the high land and property values. In addition, the scope for making fortunes from property investment is no more and wages are stagnant (Cullinane and Cullinane, 2003). The HK entrepreneurs' continuous investment in PRD is increasing the production efficiency.

China's turnaround in 2009 was largely attributable to infrastructure initiatives and conditions to generate adequate funding for them. This will grow in the next five years to keep pace with the country's ongoing development in transportation systems, logistic networks and the power industry. The central government initiated a huge stimulus package in late 2008, and a series of industry-friendly policies and loose monetary policy, to boost the country's economy amid the global financial crisis. 80% of this has been allocated to new projects, and 45% goes to railways, highways, airports and ports construction; infrastructure improvement has also been a key element for the economic success (HK Edition, 22.1.2010).

To reach the economic growth target against the backdrop of the global economic slowdown, the highest-level decision-making conference vowed to boost domestic demand, and improve people's livelihoods as one of the main means of instigating economic development. Amidst the gloomy external economies, the government made economic growth the top priority and launched a raft of stimuli to lift consumer confidence, stabilize market expectations and promote much-needed growth. But such emergency measures during a major crisis have also left the country's long-term economic development faced with enormous risks and precarious factors (China Daily, 9.12.2009).

HK's CEO Tang described Hong Kong and Shanghai as two complementary cities within one country. As they are at different stages of development, there remain plenty of mutually inclusive opportunities. If China continues to grow, HK can go closer to economic integration with the mainland and explore new opportunities to further strengthen each other. It has played an active role in the past 30 years during China's reform and opening-up by providing capital and management expertise; it is now discussing with the National Development and Reform Commission to participate in the country's robust development. Compared with mainland cities, HK still has a competitive edge in its legal system and intellectual property rights in the finance, technology and creative industries (China Daily,



13.1.2010). However, within one country, Hong Kong enjoys the advantage of 'two systems', but Shanghai has the 'national treatment' advantage.

There has been an age-old antipathy of north China towards the prosperous south. The recent trend towards the joint marketing of South China as the most suitable destination for a business base, overseas investment, joint venturing or simply trading makes sense, as the central government aims to develop Shanghai as Asia's leading city for business and commerce. The degree of joint or independent success will determine the nature of the city that may emerge. HK's days as a unique and independent city-state are gone. A south China mega-conurbation of 50 million people is emerging with phenomenal urban growth in the neighborhood. Whether Hong Kong will become 'just another mega-city in China' will depend on the relative economic success achieved in comparison to other entities that are currently fast emerging in China.

### 5.1. Endnotes

Globalization is making the nations part of the international economy through trade, capital flows, migration, etc. (Bhagwati, 2004). This, as Croucher (2004) marked, and as evident above, combines economic, technological, socio-cultural and political forces. According to Sassen (2006), globalization includes an enormous variety of micro-processes that denationalize national constructs—whether policies, capital, political subjectivities, urban spaces, temporal frames, or any other of a variety of dynamics and domains.

The globalization process started more than a century ago, but spread slowly due to protective policies of industrializing countries. However, since the World War II, the politicians used it to erase borders hampering trade, to increase prosperity and interdependence. Thus, they founded institutions like the IMF. The process speeded up in the 1990s as digital communications made it easier for people to travel, communicate, and do business internationally. More connected economies increased opportunity for all, and competition ensured efficiency and quality.

Globalization is not only an economic phenomenon. Dreher (2006) measured it through multivariate analysis on economic, social, and political indicators. Macro factors like planning, infrastructure, info-structure, cost of space, innovation, investment and life quality affecting the potentials and the drawbacks of a global city are complementary to each other (Sim *et al.*, 2003). These cities have freedom to foster creative

productions and to boast impressive cultural infrastructure and vibrant cultural life.

Technology enabled instant communication between people with different lifestyles and cultures anywhere in a variety of forms and media. Worldwide marketing of things western were homogenizing cultural boundaries; the western culture was dominating the traditional diversity<sup>(37)</sup>. Growth of cross-cultural contacts; advent of new categories of consciousness and identities embodying cultural diffusion, the desire to increase living standard and enjoy foreign products and ideas, adopt new technology and practices, and participate in a 'world culture'. The 'imported' culture is supplanting the local culture, causing reduction in diversity or assimilating, as many resources-starved people cannot compete on equal grounds. Protests are giving pace to local uniqueness, individuality, and identity.

Despite late entry in the global race, Asian cities have advanced in the global city ranking. Their economy, burgeoning since the 1970s, made it possible to improve infrastructure and provide basic welfare like housing, education and health facilities. Production system grew from primary to secondary, and then in some countries to tertiary. The issue of self-actualization came last, manifested in culture. Thus the cities indulged into identity search and global aspiration.

The lessons to be drawn from Hong Kong and Shanghai are that the cultural icons as symbols of national identity and pride are used to fulfill economic imperatives and to serve the global ambitions. Doing so requires an understanding that grand infrastructure alone cannot meet local, national or global aspirations. There exists a range of differentiated consumption of place meanings, often discontinuous and fragmented. Though the citizens may not share the desire of the state or city agencies, flagship mega-projects, with their underlying political and economic imperatives, help to create cultural assets in cities.

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<sup>(37)</sup> McDonalds with its cheery mascot and red/yellow theme is a global company. Meditation, a sacred practice in Asia, now is a chic way to keep body shape. Chinese tattoos are a result of globalization.



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## هونج كونج وشانجهاي والطموحات العالمية: مراجعة تحليلية والدروس المستفادة

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**الكلمات المفتاحية:** المدن العالمية، الثقافة، الاقتصاد، البنية التحتية، هونج كونج، شانجهاي.

**ملخص البحث.** أضحت المدن العالمية نقاط اتصال مترابطة تستوعب الحركة الكثيفة لتنقل البشر، والبضائع، والخدمات. وسترکز هذه الورقة في نقاشها على أن الهدف من تقدم المدن لا يقتصر على التحرر الاقتصادي والاجتماعي، بل أن هذا التقدم استخدم كأداة للوصول إلى مرتبة العالمية.

وهذا التوجه أكده صراحة المسؤولون عن شؤون المدن بأن القصد من مطلبهم للوصول إلى العالمية هو التنافس لجذب الموارد الاقتصادية والبشرية؛ لذلك قاموا ببناء بني تحتية وأنظمة متكاملة، وبنية ثقافية وبيئية ملائمة. وستلقي الورقة الضوء على الطموح الذي تسعى إليه مدينتي صينيتين هما هونج كونج وشانجهاي لتصبحا مدينتي عالميتين، وهذا سيتم بمقارنة محيطهما وخلفيتهما المتباينتين، ورسم المسار الطموح الذي ستسلكانه.