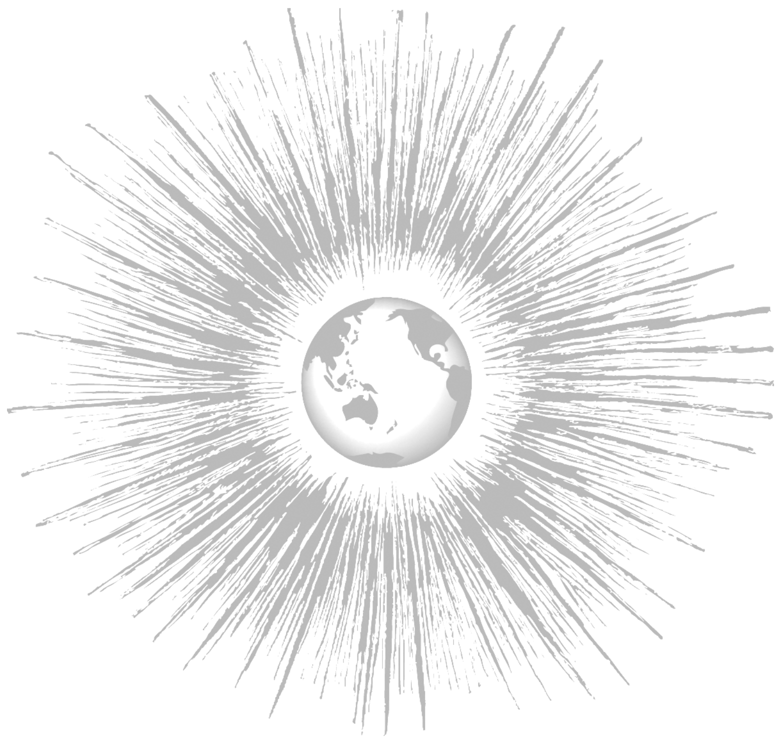

ABSTRACT:

This article explores new dimensions of the global city in light of the correlation between hegemonic transition and the prominence of financial centers. It counterposes Braudel's historical sequence of dominant cities to extant approaches in the literature, shifting the emphasis from a convergence of form and function to variations in history and structure. The marked increase of finance in the composition of London, New York and Tokyo has paralleled each city's occupation of a distinct niche in world financial markets: London is the principal center of currency exchange, New York is the primary equities market, and Tokyo is the leader in international banking. This division expresses the progression of world-economies since the nineteenth century and unfolds in the context of the present hegemonic transition. By combining world-historical and city-centered approaches, the article seeks to reframe the global city and overcome the limits inherent in the paradigm of globalization.

The Flickering Global City*

Eric Slater

In the late 1990s, New York was the center of a great financial frenzy. The surge of the stock markets, a wave of corporate mergers, streams of new digital technology, and the strength of the dollar, were all set against the backdrop of financial crisis in East Asia and the collapse of 'emerging markets' in Russia and Latin America; and framed as evidence of American victory in the cold war. In an apparent reversal of hegemonic decline, New York had recovered its status as the world's economic center-of-gravity.

At the start Tokyo appeared to be supplanting New York. Tokyo registered the highest share of world market capitalization; it had the dominant aggregation of international banks; the most headquarters of giant transnational firms; and the largest population of any city in the world. But as the decade began its ascendancy faltered, with the older and more established centers of accumulation, London and New York, recapturing central positions. Despite these irregular movements, this new constellation signaled the latest shift in a centuries-old progression of world economies, whereby a new city is positioned to occupy the commanding heights of the world-economy (Braudel 1984).

This paper explores the trinity of dominant capitalist cities in light of the historical correlation between hegemonic transition and the prominence of financial centers (Arrighi 1994). Accordingly, it frames the study of the global city in two related contexts. First, London, New York and Tokyo, the embodiments

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of the global-city type (Sassen 1991; Friedmann 1986, 1995; Beaverstock et al. 1999), are arranged as part of the sequence of cities outlined by Braudel. Rather than a structural convergence produced by the common stimulus of globalization, important differences derive from the long-term trajectory of shifting cores of the capitalist world-economy. Second, the prominence of high finance, by most accounts the motor of the global city, is held to be the harvest of US hegemony rather than the cornerstone of an imminent world order (Arrighi 1994). This leads in to questions about the geopolitical arena and the trinity of global financial centers. Does the 1990s reversal in the position of Tokyo and New York reflect an East/West competition? What accounts for the rise of London to a position on a par with New York? Is the City a surrogate for the European Union or an expression of a long-standing Anglo-American commercial bloc?

The first section begins by laying out the framework derived from the work of Braudel on capitalist cities and world economies. The second section highlights how each contemporary global city occupies a distinct niche in world financial markets. The third section sketches the historical logic behind this pattern of specialization. In the final section the city-centered dynamic is related to current geopolitical trends.

THE GLOBAL CITY IN HISTORICAL CAPITALISM

At the end of *The Mediterranean* Braudel notes the dearth of national-level data from the 16th century, commenting: "The complex life of the cities provides us with an indicator of economic change at least as reliable as the familiar wage and price curves" (1972: 1242). By the third volume of *Civilization and Capitalism*, this idea had evolved into city-centered ground rules for studying capitalist history: "A world-economy always has an urban center of gravity, a city, as the logistic heart of its activity" (1984: 27; see also 1977: 81–82).[1]

In Braudel's view, there had been six cities that performed this function of urban center of gravity: Venice, Antwerp, Genoa, Amsterdam, London, and New York—shorthand for the progression of the capitalist world-economy. In this scheme, a plurality of cities at the apex of the system indicates a state of immaturity or transition. The notion of immaturity helps clear up a problem

[1] Braudel's conceptualization of city-centered world economies draws on the work of von Thunen ([1826]1966) who, in his view, "ranks alongside Marx as the greatest German economist of the 19th century" (1984: 38). On the evolution and application of related ideas see Christaller ([1933]1966), Berry and Harris (1968), and Cronon (1991).

in the sequence; namely, that the Venetian center of gravity was held through commercial and naval power, Genoa's was based on finance, while Antwerp was a meeting ground for merchants from the Italian city-states, the Iberian peninsula and the Baltic Sea region.[2] Each met the criteria for an urban center of gravity in quite varied ways, making their paramountcy a protracted phase of immaturity.[3] With the rise of Amsterdam the history of capitalism becomes a coherent progression of world-economies in which each successive regime has a new urban center of gravity that most densely concentrates the worldwide flows of economic life.[4]

By contrast, during transitions from one hegemonic world order to another two or more cities vie for supremacy, and uncertainty characterizes the apex of the world urban hierarchy. "When Amsterdam replaced Antwerp, when London took over from Amsterdam, or when in 1929, New York overtook London, it always meant a massive historical shift of forces, revealing the precariousness of the previous equilibrium and the strengths of the one that was replacing it." (Braudel 1984: 32) Thus the changing geography of world accumulation—from southern Europe and the Mediterranean to northern Europe and the Baltic, in the first instance, and from the Atlantic to the Pacific, in the last—is registered in condensed form by the city; punctuating the general process described by Hopkins (1982: 11): "This one world-scale economy, which is progressively more global in scope, has a single or *axial* division and integration of labor processes ("division of labor"), which is both organized and paralleled by a single set of accumulation-processes, between its always more advanced, historically enlarging, and geographically shifting *core* and its always less advanced, disproportionately enlarging, and geographically shifting *periphery*."[5]

[2] Giovanni Arrighi, personal communication.

[3] This characterization is further confirmed by the bi-polar nature of the late-medieval European world-economy, even if the 'Italian quadrilateral' was the more dominant of the two poles; also that this nascent complex itself grew as part of a much larger entity, Hodgson's Afro-Eurasian citied zone. Cf. Pirenne ([1925]1969), Hodgson (1993), Abu-Lughod (1989), and Arrighi (1994).

[4] Braudel (1984: 175) also writes that the age of Amsterdam marked the end of empire-building cities: by this he meant city-states or autonomous cities within world economies rather than the end of the phenomenon of urban center of gravity.

[5] Later in the paper the significance of an enlarging core raises the question of whether the Braudelian framework can be applied to the 20th century. Relevant here is the relatively diffuse character of US urbanization and related patterns of corporate location, on the one hand, and the bifurcation between a political and a commercial center, i.e. Washington, DC and New York.

Building on Braudel's progression of world economies, Arrighi (1994) argues that hegemonic transition and financial expansion have been recurrent and closely linked phenomena in historical capitalism.[6] Each hegemonic regime, representing a different world-order and historical epoch, expands along a unique trajectory before reaching the limits of its success. These limits are made manifest when heightened competition among business enterprise, geopolitical rivalry and confrontation among states, as well as overt and widespread social conflict combine to destabilize and ultimately undermine existing institutions; culminating in systemic chaos (Arrighi, Silver et al. 1999). From the standpoint of global cities, then, hegemonic transitions are characterized by a shift in the leading urban economy from industrial and commercial bases to financial intermediation and speculation, on one hand, and the rise of a competing urban center of gravity in the world-economy, on the other. Uncertainty about which metropolis is dominant thus signals a hegemonic transition.

The current difficulty of discerning the center of the global urban hierarchy is evident in the world-cities literature (Cohen 1981; Friedmann and Wolff 1982; Friedmann 1986; Sassen 1991, 2001; Beaverstock et al. 1999; Taylor 2003). To date the axis of global cities has been depicted as marking an abrupt change in the international economy. A network of organizing centers—essentially metropolitan economies—is superseding the old system of nations; and global cities—dubbed "command and control centers"—are the organizational innovation generated in response to the new imperative of this economic order. Conceived in this way, they are a managerial solution to the problem of global control.

6. Arrighi's interpretation of finance in capitalist history differs markedly from Wallerstein, who views industry, commerce and finance as three strategic arenas of accumulation.. Supremacy in all three is one characteristic of hegemony. For Wallerstein there is a simple pattern of hegemonic succession: "Marked superiority in agro-industrial productive efficiency leads to dominance of the spheres of commercial distribution of world trade, with correlative profits accruing both from being the entrepot of much of world trade and from controlling the "invisibles" – transport, communications, and insurance. Commercial primacy leads in turn to control of the financial sectors of banking (exchange, deposit, and credit) and of investment (direct and portfolio). Similarly, the *loss* of advantage seems to be in the same order (from productive to commercial to financial), and also largely successive" (1980: 38–9, emphasis in the original; see also 57–60). Thus finance is one of three spheres of the capitalist world-economy rather than the precipitant of over-accumulated capital and a signal of a world order's imminent demise.

The most prominent conceptualization comes from Sassen's *The Global City*, first published in 1991, which identified three dominant capitalist cities—New York, London, and Tokyo (see also Cohen 1981; Hayes and Hubbard 1990). Later in an article on "Global Financial Centers," published in 1999, Tokyo was demoted to a rung beneath New York and London. Written in the shadow of the East Asian financial crisis, it is suggested that along with Hong Kong, Tokyo has an uncertain future, and that, moreover, London is the world's leading financial center. However, in the second edition of *The Global City*, Sassen retreated from this position and added Frankfurt and Paris to the list of true global cities.[7] In other words, the triad is affirmed as most central to processes of globalization; but the increasing plurality of centers is deemed to reflect the nature of the new global economy, where the dispersal of productive activity calls forth an inverse spatial pattern of heightened centrality. And rather than a competitive process accounting for the shifting positions witnessed during the 1990s, Sassen argues for cooperation as the regulating principle of financial markets in this new world-economy of global cities.

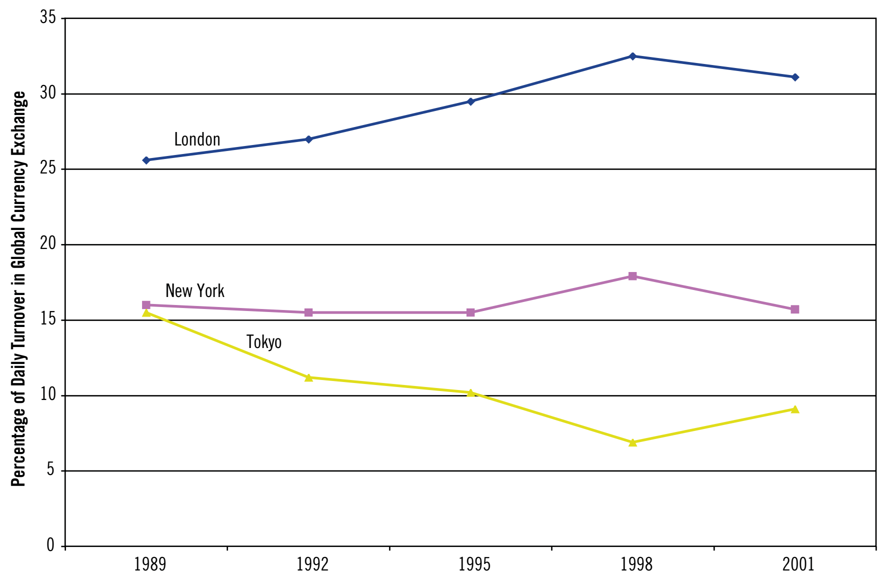
In a similar vein, the Globalization and World Cities project (Beaverstock et al. 1999) reveals the absence of a dominant metropolitan center. True, these scholars have shown greater interest in identifying additional layers of the global urban hierarchy; to refine the notion of producer services; and ultimately to operationalize, measure and map the relational networks formed by business activities (Taylor 2003). As such the accent is on cohesion rather than the standpoint adopted here; which, following Braudel and Arrighi, emphasizes place-competition within a broader dynamic that encompasses hegemonic transition and a geographical progression of world-economies.

BREAKING DOWN THE GLOBAL CITY

Since the 1970s there has been a steady shift in the world economy from trade and production to financial intermediation and speculative forms of accumulation (Strange 1986; Arrighi 1994; Sassen 2001; Harvey 2003). Although a wide range of instruments have been devised in the realm of high finance,

7. This risks conflating the global city construct with that of a financial center. The argument in this paper is that finance, though acknowledged as an important ingredient in the economy of the global city, has been interpreted as an organizational innovation rather than as manifesting a limit to the US regime of accumulation. There is a greater emphasis on financial activity in the second edition of Sassen's Global City; that is, the global city has progressively revealed a greater role for finance.

Figure 1 – London: Center of Currency Exchange



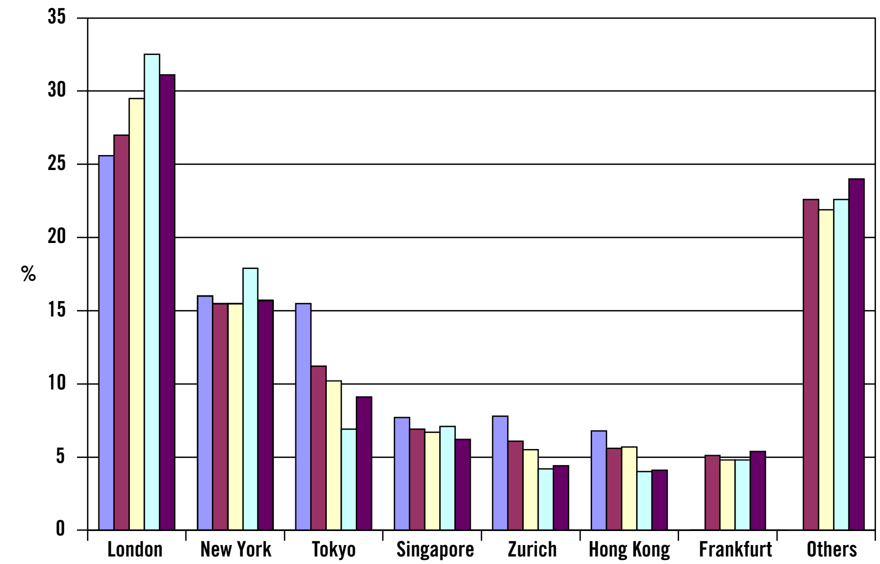
Source: Bank for International Settlements (2002)
Note: Data Recorded by National Units

equally striking is the centralization of these activities in a small group of metropolitan centers. In the first decade of financial rebirth, offshore markets were the main sites for the massing of large volumes of liquid capital; but this changed in the ensuing decades, especially in the US where the repeal of Glass-Steagall and the politics of deregulation combined to 'territorialize' financial markets.[8] Global cities came to dominate distinct niches of world finance: New York became the primary equities market, London the center for currency exchange, and Tokyo the leader in international banking. In addition, each sector has evinced an upward secular trend over the past three decades.

The expansion of currency trading began with the initial rupture in the postwar US economic order. Before the breakdown of Bretton Woods the

[8]. Offshore markets remain critical. In a study on the effect of the Asia crisis in the US, van Wincoop and Yi (2000) attempt to trace the global movement of short-term capital flows. The authors state that, in detail, it is nearly impossible to track short-term money flows but that offshore centers seem to have been key transit points for outflows of capital from East Asia before entering the core markets of the United States and Western Europe.

Figure 2 – Global Currency Exchange by Leading City-Centers, 1989–2001



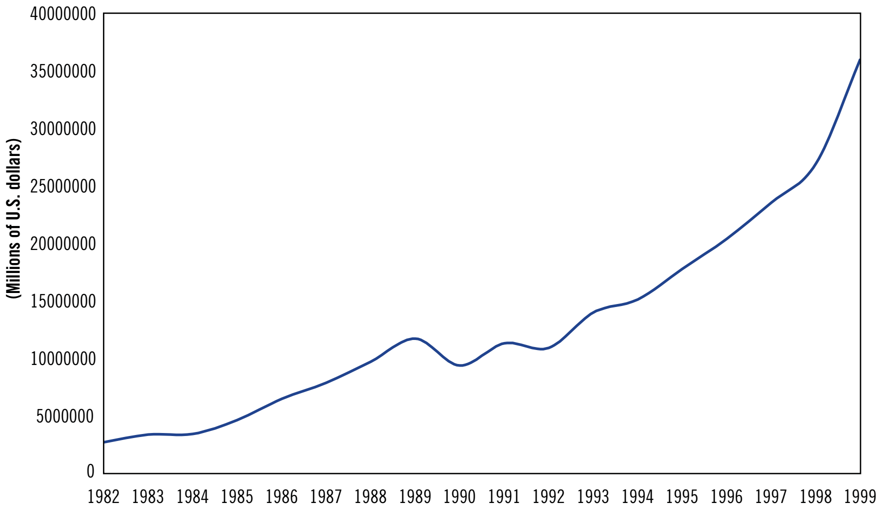
	London	New York	Tokyo	Singapore	Zurich	Hong Kong	Frankfurt	Others
1989	25.6	16.0	15.5	7.7	7.8	6.8	0.0	0.0
1992	27.0	15.5	11.2	6.9	6.1	5.6	5.1	22.6
1995	29.5	15.5	10.2	6.7	5.5	5.7	4.8	21.9
1998	32.5	17.9	6.9	7.1	4.2	4.0	4.8	22.6
2001	31.1	15.7	9.1	6.2	4.4	4.1	5.4	24.0

Source: Bank for National Settlements, 2002
Note: Data Recorded By International Units

conditions for a highly developed regime of currency traders were absent. The system of fixed exchange rates was established by the United States in 1944 and abandoned by the Nixon administration in 1971. Floating currencies then gave rise to a burgeoning foreign exchange industry; including, generic trade requiring currency convertibility, hedging by transnational businesses, central bank interventions aimed at controlling the value of the national currency, and speculators betting on, profiting from, and influencing the value of currencies around the world. By 1989 the Bank for International Settlements recorded the *daily turnover* in global currency markets at $717.9 billion dollars. Nearly a decade later, in 1998, daily turnover had nearly tripled to close to $2 trillion dollars per day (BIS 2002). In this sphere, London has always been the principal center (Hayes and Hubbard 1990: 29–33; Roberts 1995); and it has consolidated that position with a steadily increasing share of the market.

Equity trading also exhibits this dual trend of secular expansion and differentiation. In the 1990s, the New York markets attained primacy with more

Figure 3 – Market Capitalization: World Stock Markets, 1982–1999

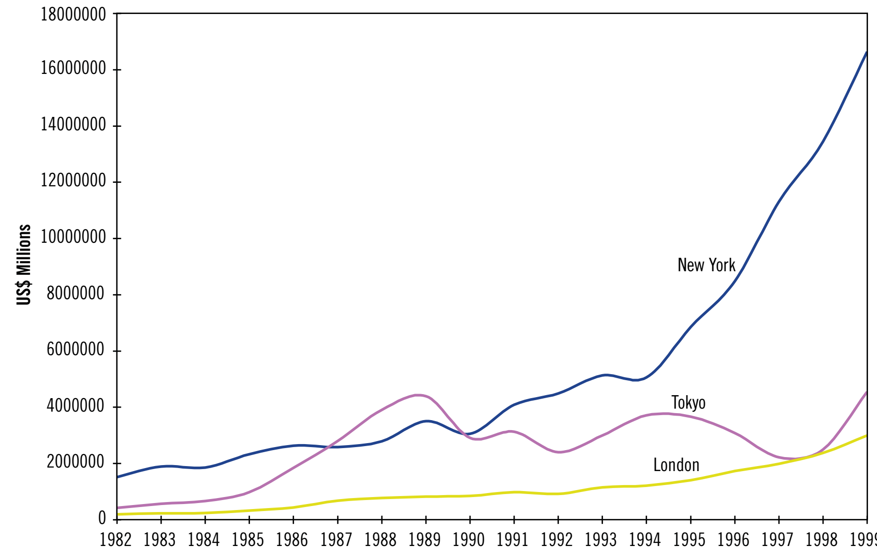


Source: International Finance Corporation (1992, 1998)
Standard & Poor's (2000)

than half of total world market capitalization. In some measure, the increase resulted from changes in domestic regulations whereby formerly restricted surpluses were freed to circulate in financial markets; in conjunction with the strong dollar, the US market became the leading destination for capital. Like currency exchange, there has been a steep upward slope in the capitalization of the world's stock markets. In 1988, total capitalization was close to $10 trillion dollars, the result of a massive increase over the course of the 1980s, but a decade later, in 1998, it had increased to approximately $25 trillion dollars. The last surge occurred at the onset of the Asia crisis and ended with the bursting of the Nasdaq bubble in the spring of 2000. At the start of the 1990s, Tokyo held a larger share than New York but in the course of the 1990s Tokyo's decline paralleled the rise in New York. In just two years after the spring of 2000 some $7 trillion dollars were wiped away from the New York markets.

The third niche of high finance is international banking. At the end of the 1990s, Tokyo still represented the largest aggregation of international banks in the world (Banker's Almanac World Ranking 1999). This reflects the high level of domestic savings in Japan and more importantly the accumulation of dollar denominated surpluses, a pattern now being replicated by China and other East Asian central banks and businesses. True, Tokyo has been mired in a protracted banking crisis. But rather than removing Tokyo from the list of

Figure 4 – New York's Primacy in the 1990s: Equity Markets



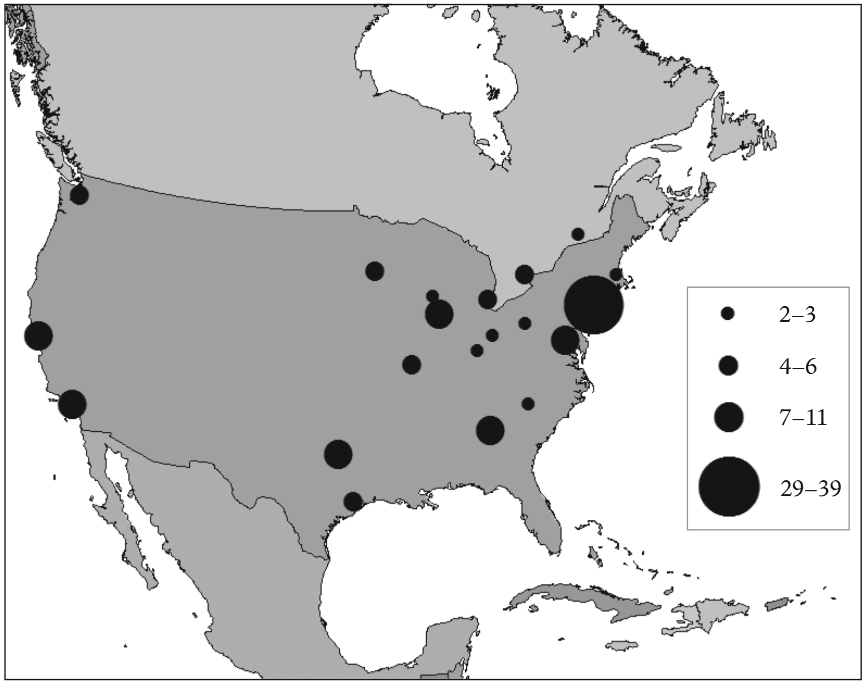
Sources: International Finance Corporation (1992; 1998)
Standard & Poor's (2000)

contending global cities, it points to the fact that none have been immune to the logic of speculative bubbles and the volatility of financial markets.

Of the three financial centers, only Tokyo houses the preponderance of its nation's transnational corporate headquarters. New York and London have significant concentrations, as does Paris; but none compare to Tokyo, which if gauged solely by this indicator would be the world's solitary super-city.[9]

9. Rand McNally's (1991) "urban area" was used to classify the headquarter locations; this was especially significant in the case of the US where many headquarters are located in suburban areas outside the city proper. The counts by region and city are as follows. For North America: New York 39, San Francisco/Bay Area 10, Chicago 10, Atlanta 8, Washington DC 7, Dallas 7, Los Angeles 7, Houston 6, Minneapolis-St. Paul 5, Detroit 4, Seattle 4, St. Louis 4, Toronto 4, Philadelphia 3, Cincinnati 3, Montreal 3, Charlotte 3, Pittsburgh 3, Boston 3, Columbus 3, Hartford 3, Omaha 2, Milwaukee 2, Others 40. For Europe: Paris 34, London 29, Rhine-Ruhr 10, Munich 9, Frankfurt 7, Zurich 7, Rome 6, Amsterdam 4, Brussels 4, Madrid 4, Milan 4, The Hague 3, Stockholm 3, Basle 3, Stuttgart 3, Bonn 2, Cologne 2, Berlin 2, Hamburg 2, Helsinki 2, Others 29. And for East Asia: Tokyo 78, Osaka 22, Seoul 11, Nagoya 4, Kobe 3, Beijing 3, Taipei 2, Others 6.

Figure 5 – Headquarter Location of Fortune Global 500: North America, 1998



Thus when the two indicators of urban dominance are combined—centrality in the networks of high finance and concentration of transnational corporate headquarters[10]—Tokyo exhibits a much stronger long-term position than either London or New York as a center of capital accumulation. In hindsight New York's financial frenzy of the late 1990s appears to have been the obverse side of a severe shakedown in the world financial system rather than a sign of the center's long-term strength.

[10] Before the contribution of Sassen (1991) with its emphasis on producer services and financial industries, the common approach to constructing the global urban hierarchy used the indicator of corporate headquarter location. See, e.g., Hymer (1972), Cohen (1981), and Friedmann and Wolff (1982). For a contrary view, that there is more parity and diffusion among financial centers than the three case model suggests, see Poon et al. (2004).

Figure 6 – Headquarter Location of Fortune Global 500: Europe, 1998

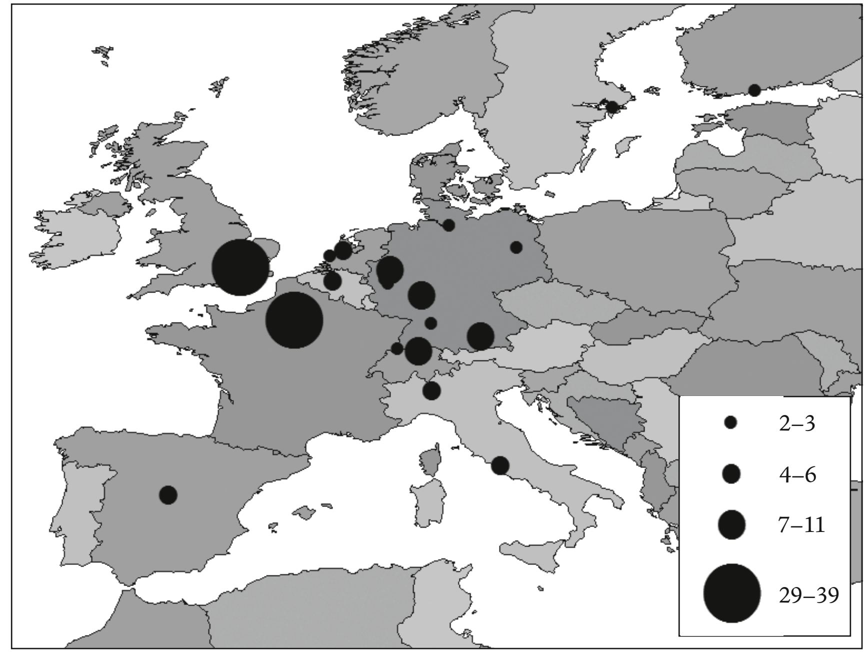
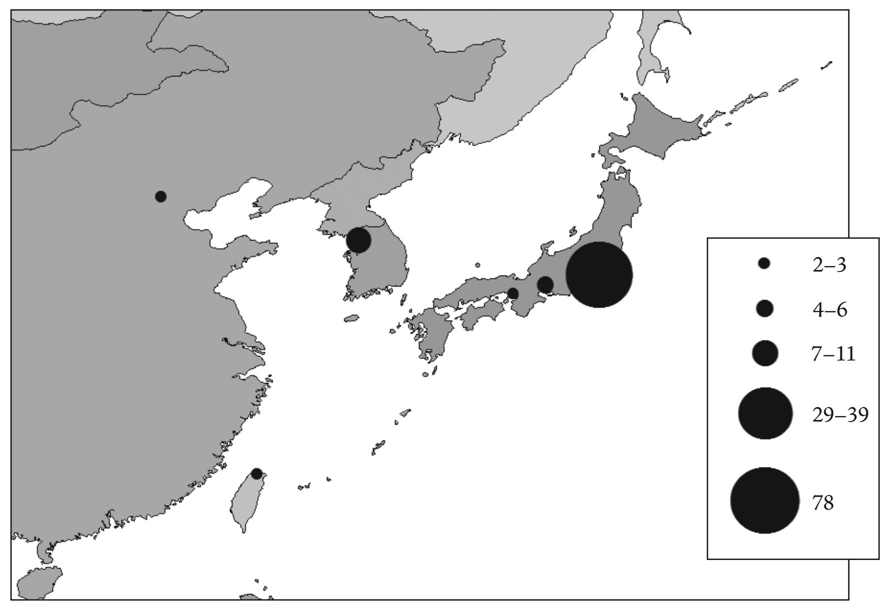


Figure 7 – Headquarter Location of Fortune Global 500: East Asia, 1998



THE LINEAGE OF THE GLOBAL CITY

London and New York are the last two cities in Braudel's sequence. They were the urban centers, respectively, of the 19th century UK-centered world market and the 20th century US-centered world economy. London is the oldest of the three leading financial centers. As the commercial, political and military capital of the British Empire, it was the urban center of gravity during the 19th century, which embodied a system of Free Trade Imperialism based, in part, on the gold standard and international exchange. During that time the city housed the institutions that organized and regulated world commerce. England was the world's entrepot; London was its clearinghouse (Chapman 1984; Ingham 1984; Anderson 1987; Arrighi 1994).

The city's current weight in the foreign exchange market was noted in the preceding section. Though also home to a large number of insurance companies, investment houses, advertising agencies, and legal and accounting firms—all of global significance—relative to New York and Tokyo, London specializes in the foreign exchange market. This specialization does not stem from the British pound as a reserve currency or as a store of value; the US dollar being involved in over 90% of global currency exchange, according to a study done by the Bank for International Settlements (2002). It has to do with the reactivation of select institutions of British high finance under the umbrella of US-sponsored globalization. This position was latent during the postwar reconstruction of the world market since there was no need for a well-developed mechanism of currency exchange while the Bretton Woods system remained viable. But just as London had incorporated the commercial life of the thirteen colonies into the 19th century world market, the US resurrected and reintegrated the remains of the fractured British world market during its period of hegemony. After the abandonment of the postwar institutions, the logic returned in a new form. London's current high quotient of international activity owes more to the small size of its home market and the legacy of a past commercial supremacy than to any prospect of regaining its status as the premiere world metropolis.

New York is the final city in Braudel's sequence and was never treated directly in his work. It differs from prior dominant capitalist cities because of its de-centered position in the US economy, most apparent during the golden age of US hegemony, circa 1945–1970. In contrast to the world-encompassing business networks spun from London, New York's were woven more closely to the territory of the expanding US continental-economy. Since it was the chief capital market, the influx in the mid-to-late 19th century of European money, primarily British, which capitalized this expansion, passed through its conduit and accentuated its centrality in the domestic market. But as corporate capitalism

was consolidated, significant centers developed outside of New York and the Northeast. Spatially, it resembled Germany's multiple business centers more than the primacy of London, Paris or Tokyo. The railroad and the telegraph and innovations in agriculture had made possible the large-scale provisioning of cities, casting off the old limits to the city and fostering the proliferation of urban centers: New York and Chicago were the two main pillars, the former the commercial center and port of entry, the latter the agent of territorial-cum-commercial expansion (Cronon 1991). Half a century later, New York was further de-centered by the vast expansion of the federal government, which reinforced the importance of the nation's capital.

The geography of US corporate capitalism, coupled with the split between commercial center and political capital, suggests that Braudel's progression ended with London. However, in the last two decades of the 20th century New York's centrality increased both in the US and in the world; a result of the further territorialization of high finance in the 1990s. While trade and production are perhaps more diffuse than ever, world-scale urban primacy is now evident in the realm of high finance. And New York's capital market continues to define its central position and identity as a financial center.

Tokyo's status as the possible successor to London and New York indicates the historic shift of the world-economy's center of gravity to East Asia. When transnational corporate-headquarter location combines with the financial indicators employed here, Tokyo towers over New York and London. The weight is further evidenced by, among other things, two decades of buying US securities and accumulating foreign reserves. A future for this progression of the world-system would seem to hinge on the birth of a new economic center that extends beyond any single state, in which Tokyo would play a central role; a scenario that seems less likely with the rise of China.

GEOPOLITICS AND THE GLOBAL CITY

Since the onset of American decline, the three leading cities of the world-economy have increasingly assumed the traits of pure financial centers. What is the geopolitical significance? The current tendency for financial and military power to diverge has upset any direct reading of one sphere from another (Arrighi et al: 88–96). Indeed, London and Tokyo occupy a similar location in their respective regions at the margins of emerging centers of geopolitical power; namely, France and Germany in the European Union, and China in East Asia. One might say the economic swing of the 1990s back to the US was the prize of victory in the cold war. Alternatively, that victory removed yet another pillar of hegemony—the cold war system itself, creating unstable conditions that benefited New York in the short-term and even fed back to bolster London's position, too. But this newfound strength of New York and London relative to Tokyo reflected a new geopolitical crisis rather than the resolution of an old one. So while there may be no direct relation of causality between the one and the other, their interplay seems worth exploring.

One aspect of this interplay is a correspondence between the positional change of global cities and crucial turning points in the world political economy (cf. Arrighi 2003). The end of the postwar boom and the concurrent defeat of the US in Vietnam were marked by the birth of the Eurodollar market, the recycling of petrodollars, the breakdown of Bretton Woods, and the lending wave of the 1970s. At the beginning, the financialization of the leading cities was still latent, as offshore markets remained the favored sites. But London and New York began converting liquidity into myriad lending instruments, eventually resulting in the 1980s debt crisis.

During the new cold war of the 1980s, the politics of deregulation dismantled government protection on the social side; while on the monetary side, curbing competition from Japan and transforming US capital and treasury markets into the world's magnetic pole (Arrighi 2003). With its over-accumulation of capital, Japan moved into the arena of high finance—particularly through the medium of international banking (Stallings 1990). This was evidenced by direct investment in the United States, growing prominence in the third world debt crisis, and vast purchases of US treasury bonds. The rising assets of its international banks, the boom in its real estate market, and the expanded capitalization of its equity market, all attest to a growing place for the financial intermediation and speculative forms of accumulation that formed its identity as a financial center.

Finally, the end of the cold war set the stage for the setback of Tokyo and the resurgence of New York. Legal and regulatory changes in the US expanded the quotient of financial activity in the city's overall composition, further clarifying its identity as a financial center. New York benefited from the fiscal well-being of the US state and enjoyed its status as a safe haven amidst global turbulence. This reached an absurd level at the end of the decade during the East Asian financial crisis, as a wave of trans-Atlantic mergers strengthened the network joining London and New York. The period ended with the bursting of the tech-stock bubble, trouble on Wall Street, September 11 and its aftermath.

The functional differentiation of the three dominant financial centers (currency exchange, equity markets, and international banking) might suggest a degree of interdependence that is a bulwark against both substantive commercial and geopolitical rivalry. Or, it might be interpreted as further evidence of triadic competition: with one center located in each zone, the geopolitical

dimension would be manifest in the jockeying of London, New York and Tokyo for primacy. Each city would then be a proxy measure for the power and future prospect of its region within the world-system. But the British role as an adjunct of American power belies such a proposition, as does Japanese support for US policy. British policy vis-à-vis the US and the European Union continues to tilt in favor of the former; in its political support of the aggressive militarism of US foreign policy and in its equivocation toward full monetary union. British adherence to US geopolitical strategy thus parallels its connections with US networks of accumulation. And Japan is still dependent on American military power in East Asia. This geopolitical alignment suggests that the trinity might not represent the first stirrings of a future world order but rather a regime in decline.

Tokyo's dilemma as would-be successor to New York in the line of urban centers of gravity comes from having been incubated within the structure of US hegemony. The 1990s backward movement across the Pacific saw a squeezing out of Japan in East Asia that further reinforced its dependence. Even if at present the US-UK-Japan alliance stands against the new poles of wealth and power represented by the European Union and a Sino-centric East Asia, each city could still pull away from the US as regional blocs become more defined. If it is plausible that a fourth phase has begun, the fiscal condition of the US and its relations with both China and Japan should weaken the position of New York, which would signal an overall weakening of the US system. The further consolidation of China as both the engine of East Asia and the new workshop of the world, coupled with revitalized links to Japan, are in line with this development.

CONCLUSION

This discussion has been built on Braudel's idea of a progression of dominant cities as part and parcel of the development of the capitalist world-economy, and on Arrighi's conceptualization of hegemonic transitions and the recurrence of financial expansion. Its aim has been to recast the study of the global city in world-historical terms, severing it from an undue attachment to the paradigm of globalization. Rather than a trinity of equally powerful global cities that have formed in response to a common stimulus, an emphasis on history and structure points to variations in the past and present of the global city.

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