

**Artículos / Articles**

## **Emerging Global Cities: Structural Similarities and Historical Differences / *Ciudades globales emergentes: similitudes estructurales y diferencias históricas***

**\*Alejandro Portes**

Department of Sociology, Princeton University, USA / *EE.UU.*  
Department of Sociology, University of Miami, USA / *EE.UU.*  
aportes@princeton.edu

**Brandon Martínez**

Department of Sociology, University of Miami, USA / *EE.UU.*  
bpm60@miami.edu

**Recibido / Received:** 15/09/2019

**Aceptado / Accepted:** 09/10/2019



### **ABSTRACT**

The evolution of the capitalist economy over the centuries has been characterized by the rise of one or a few cities to a position of prominence as centers for coordination of financial commercial activities worldwide. Sassen identified three such “global cities” in the contemporary era: London, New York, and Tokyo. More recently, however, other cities have risen that concentrate similar command-and-control function over their respective regional peripheries. We trace the emergence of those such “new global” cities—Dubai, Miami, and Singapore—highlighting the structural similarities of their economies and their rather different historical trajectories. Politics and a legal system anchored in English Common Law are elements found in all three cities, but in very different forms and with different functions. We examine the political evolution of each of these cities and the challenges facing them in the short-to-medium term. The experiences of these three cities offer key lessons for those aspiring to a similar position of global prominence in the future.

**Keywords:** global cities, political economy, financial hubs, globalization.

### **RESUMEN**

*La evolución de la economía capitalista a lo largo de los siglos se ha caracterizado por el ascenso de una o pocas ciudades a una posición de prominencia como centros de coordinación de las actividades comerciales financieras en todo el mundo. Sassen identificó tres de esas “ciudades globales” en la era contemporánea: Londres, Nueva York y Tokio. Más recientemente, sin embargo, han surgido otras ciudades que concentran funciones similares de dirección y control en sus respectivas periferias regionales. Trazamos el surgimiento de esas “nuevas ciudades globales” (Dubai, Miami y Singapur), destacando las similitudes estructurales de sus economías y sus diferentes trayectorias históricas. La política y un sistema legal anclado en el Common Law inglés son elementos que se encuentran en las tres ciudades, pero en formas muy diferentes y con diferentes funciones. Examinamos la evolución política de cada una de estas ciudades y los desafíos que enfrentan a corto y mediano plazo. Las experiencias de estas tres ciudades ofrecen lecciones clave para aquellos que aspiran a una posición de prominencia mundial similar en el futuro.*

**Palabras clave:** ciudades globales, economía política, centros financieros, globalización.

**\*Autor para correspondencia / Corresponding author:** Alejandro Portes. Department of Sociology, Wallace Hall, Princeton University, Princeton, New Jersey 08544 (U.S.A.).

**Sugerencia de cita / Suggested citation:** Portes, A., Martínez, B. (2019). Emerging Global Cities: Structural Similarities and Historical Differences. *Revista Española de Sociología*, 28 (3, supl. 2), 9-21.

(Doi: <http://dx.doi.org/10.22325/fes/res.2019.35>)

After four centuries of development, the world capitalist economy has become absolutely dominant, encompassing all nations of the world and extending to the most remote corners of the earth. One of the characteristic features in the last century has been the emergence of new, regionally strategic nodes that supplement and interact with the centers that traditionally dominated the system. According to Arrighi (1994), the world capitalist system that emerged in the xvi century has gone through four major phases or cycles of accumulation associated with the successive hegemony of the Spanish–Genoese alliance of the xvi and xvii Centuries, its replacement by the Dutch commercial system in the xviii, its eclipse in turn by the emergence of British free trade imperialism in the xix century, and finally the rise of American economic and political hegemony in the xx (Arrighi 1994).

Each of these cycles has been accompanied by the rise of a city whose commercial and banking houses acted as coordinating centers in the investment of capital and the management of commercial ventures worldwide. Starting with Genoa in the xvi and xvii centuries, the world capitalist center moved successively to Amsterdam, London, and New York. As emphasized by Sassen (1991), the rise of new communication and transportation technologies did not do away with the need for physical concentration of commercial and financial coordinating functions in a few centers. According to Sassen, London, New York, and Tokyo are such centers, controlling commercial and financial operations across the entire planet.

The reason for this trend is the need for proximity and even physical contact among decision-makers and other strategic players as financial operations of global reach proceed. While contemporary technologies allow the organizations of virtual meetings and other work activities, nothing replaces face-to-face encounters and personal discussions when crucial decisions are at hand. That is why major investment banks, multinational corporations, global law firms, and accounting houses continue to concentrate their headquarters in a few physical places, of which the cities named by Sassen are paramount.

Starting in the last century, the expansion of global networks of trade and finance have led to

the emergence of new regional coordinating centers that do not replace, but supplement those of global reach. As in the latter, the concentration of large investment banks, commercial banks, and regional headquarters of multi-national corporations depends on a reliable legal-political environment that guarantees financial investment, facilitates transaction, and resolves commercial and other disputes according to the established canons of Western law (Sassen, 1991; Portes and Armony, 2018). Absent these conditions, banks and corporations promptly depart or never arrive, failing to invest or taking their capital elsewhere.

The result is the confinement of most countries and cities to a peripheral, subordinate position in the world economy. Size by itself does not matter. Mexico City, Manila, and Djakarta—to name but a few—are mega-cities with tens of millions of inhabitants, but those numbers fail to make them central to the investment and location decisions of global capital. Such decisions are taken elsewhere. The three cities examined in this paper have risen to global status by deliberately attracting to themselves multinational banks and corporations and becoming nodes of international trade by both sea and air. Each of them features a major port and international airport. Secondly, they have also become hubs for real estate development and speculation, as well as major tourist destinations.

Dubai, Miami, and Singapore have accomplished this feat, overcoming significant odds and the competition of other cities nearby. While the three possess strategic geographical advantages, these are by no means absent in neighboring cities and nations that so far have not ascended to the same position of global pre-eminence. Geography is not enough. The rise of these regional global cities have required deliberate, proactive action over a period of several decades. How this happened, what role these cities play at present, and what perils threaten their achievements are the topics explored in this paper. As a prelude to the following discussion, Table 1 presents selected quantitative indicators of the demography and economy of each of these cities. They will be discussed below.

**Table 1.** Total GDP and Share of GDP by Sector in Three Regional Cities, 2017.

<b>Miami</b>	<b>Total (USD millions)</b>	<b>Share of GDP (%)</b>
<b>Total GDP (2017)</b>	<b>344,882,00</b>	
GDP by Sector (2016)		
Manufacturing	11,134,025	3.40
Construction	14,491,032	4.40
Wholesale and retail trade	50,870,123	15.50
Transportation and Warehousing	14,899,042	4.50
Information	17,866,044	5.40
Finance and Insurance	19,801,046	6.00
Real estate and Rental and leasing	60,783,135	18.50

Source: Miami-Dade Department of Regulatory and Economic Resources, 2016/2017.

<b>Dubai</b>	<b>Total (USD millions)</b>	<b>Share of GDP (%)</b>
<b>Total GDP (2017)</b>	<b>111,755.52</b>	
GDP by Sector (2017)		
Manufacturing	10,099.44	9.00
Construction	7,281.62	6.55
Wholesale and retail trade	28,797.94	25.88
Transportation and storage	12,542.98	11.22
Information and communication	4,463.81	4.00
Financial and insurance activities	12,272.14	11.00
Real estate activities	7,609.90	6.88

Source: Dubai Statistic Center 2017.

<b>Singapore</b>	<b>Total (USD millions)</b>	<b>Share of GDP (%)</b>
<b>Total GDP (2017)</b>	<b>447,283.50</b>	
GDP by Sector (2017)		
Manufacturing	80,378.1	17.97
Construction	17,809.0	3.98
Wholesale and retail trade	73,791.1	16.50
Transportation and storage	30,275.3	6.77
Information and communication	17,583.3	3.93
Financial and insurance activities	55,721.8	12.46
Ownership of Dwellings	16,304.6	3.65
Other Services Industries	50,352.8	11.26

Source: Singapore Department of Statistics 2017.

## STRUCTURAL SIMILARITIES

While very different in history and political regimes, the three cities that concern us here have arrived at similar positions in the world economy. First of all, they are ports, and not of any kind. These are major facilities serving not only their immediate hinterland, but broad regions comprising other nations and cities. Port Miami, Singapore Harbor, and Jebel Ali in Dubai play this central role in seaborne commercial traffic in the Caribbean and Eastern Coast of the Americas, Southeast Asia and the Persian Gulf and Middle East, respectively. All three ports are linked to major international airports through which cargo from container ships is distributed to their respective regions, serving as major logistical centers for exports and imports. Jebel Ali port in Dubai, for example, is linked by rail to the Maktoum International Airport, only a few miles away. Port Miami is similarly linked by road and rail to Miami International Airport and Singapore Harbor to Changi International Airport (Phang, 2003; Lohmann, 2009)

With the partial exception of Singapore, none of the three cities are major manufacturing centers. Apart from sea- and airborne commerce, the other major pillars of their economies consist of banking and financial services; real estate development, and tourism. As seen in Table 1, wholesale and retail trade is the most important economic activity in all three cities, followed by finance, insurance and real estate. Only in Singapore does industry represents more than 15 percent of GDP.

Creating a favorable environment for the location of bank headquarters and regional finance centers has been a major priority in the three cities. In Dubai, for example, the government created the Dubai International Finance Center (DIFC) to trade in securities, equities, fixed income, and “Islamic compliant” financial instruments. All financial activities in the DIFC are governed by English Common Law. After the Dubai International Financial Exchange (DIFX) became operational in 2005, all major financial firms established offices there, increasing the trading volume from 7.9 billion US dollars in 2000 to 100.9 billion by 2006 (Saidi, 2008; Cheung, 2010). According to Statistics Dubai (2017), financial and insurance activities contrib-

uted \$12.3 billion in 2017, about 11 percent of the Emirate’s Gross Domestic Product.

Singapore’s financial center is the largest by far, earning the city-state the rank of number 4 in the world in terms of financial services by a report commissioned by the City of London in 2008 (Cheung, 2010). As seen in Table 1, finance and insurance activities accounted for a full 12.5 percent of the country’s GDP in 2017 or about \$56 billion (Singapore Office of Statistics, 2017). As in Dubai, a deliberate proactive policy by the government facilitated the establishment of regional headquarters of global banks serving the South East Asian nations of Malaysia, Thailand, Sri Lanka, and India (Tan, 2005; *The Economist*, 2018).

Miami’s role in hemispheric finance did not have its origins in a deliberate governmental policy, but in the Cuban Revolution. That event expelled an entire class of experienced Cuban bankers from the Island. Arriving in Miami, they promptly understood the strategic geographical position of the city and set out to activate it by travelling the length of South America and the Caribbean, persuading banks and investors of the convenience of conducting business in South Florida rather than in New York. They pointed out that Miami’s advantage was not only geographic, but linguistic as well allowing Latin Americans to invest and trade in Spanish, rather than depending on distant English-speaking bankers in New York (Portes and Armony, 2018: Ch. 4).

Cuban exiles were pivotal in establishing the Florida International Bankers Association (FIBA) that became central in passing legislation that converted the State of Florida and the City of Miami into important banking centers (Kerbel and Westlund, 2004; Allman, 2013). Not only North American banks, but Western European and Middle Eastern ones established their Latin American headquarters in the city. In turn, large Brazilian, Argentine, and other Latin American banks shifted from a role of “correspondent” entities to Miami banks to establish their own branches in the city. By 2014, the number of banking offices had grown to 105, turning the Brickell Financial Center into the largest in the East Coast, next to New York City, and featuring the major concentration of international bank branches in the country (Florida Department

of Financial Services, 2015). In 2017, the banking and insurance sectors accounted for about 6 percent of the metropolitan GDP or about 20 billion dollars (see Table 1).

The success of the three cities in attracting international capital has been based on their reputation as secure and business-friendly sites with a reliable and stable legal system (Tan, 2000). British Common Law, inherited directly from colonial days in Singapore and in the United Arab Emirates (the former British-ruled “Trucial States”) and adapted by the American legal system, is the bedrock of these economies. Global capital is both mobile and weary of unpredictable political and legal environments. That is why so many aspirants to global city status have not succeeded (Nyarko, 2010; Cheung, 2010).

Construction and real estate investment and speculation represent the third “leg” of these economies. A common sight in all three cities is a number of construction cranes building still more luxury condominium towers. While local demand for such housing plays an important role, by and large the industry pivots on acquisitions by foreign buyers. Wealthy individuals and investment firms from abroad acquire such units, less for their use as dwelling places than for their speculative value. Money flows into Dubai, Miami, and Singapore real estate from their respective regional peripheries to escape insecurity and heavier taxation in their own countries and to seek capital appreciation (El Mallakh, 2004; Nijman, 2010, Kerbel and Westlund, 2004).

Consequences of this foreign-fueled speculative fever are two-fold. First, the proliferation of empty housing in the three cities. Luxury units purchased by rich individuals and corporations commonly remain empty most of the year. As Nijman (2010) demonstrates, this is the common pattern along the “condominium canyons” of Miami Beach and near the financial Brickell District. Luxury apartments and houses may be rented for short-term gain, but that is not always the case as they are mainly held for long-term capital appreciation (Portes and Armony, 298, Ch. 5).

The second consequence is the high prices commanded by real estate in the three cities. Million-dollar condominium are common and ac-

tually represent a “floor” for the luxury market. In June, 2017, for example, a Berkshire-Hathaway real estate affiliate in Miami advertised condominium units in Bellini Williams Island “starting at 1.4 million<sup>14</sup>; in Coral Gables Waterway, “from 1.3 million”; and in Pinecrest at 2.19 million and above (*Miami Today*, 2017). Apartments in the One Thousand Museum Tower fronting Biscayne Bay and featuring the first exoskeleton structure in Miami can command over 20 million dollars.

Not surprisingly, construction and real estate contribute a significant share to local economies. In 2017, they represented about \$35 billion or 8 percent of Singapore’s GDP; and \$75 billion or 24 percent of Miami’s (see Table 1). The flipside of the focus on the luxury segment of the market is the near death of affordable housing for the working population. By and large, this population has been expelled from the urban core and forced to find refuge in peripheral areas increasingly distant from its workplaces. In Singapore, the workforce is housed in government-built and administered “blocks” connected to the central city, port, and airport by a rapid transit system (Cheung, 2010; Phang, 2003; Lohmann, 2009). In Dubai, the working population is housed in a complex of dormitories and labor camps provided by the government in increasingly distant sites and is transported by bus and metrorail to their working places in the central city (Katiravelu, 2014; Molotch, 2019). In Miami, “workforce” housing concentrates in northern and western peripheral municipalities such as Hialeah, Opa Locka, and Miami Gardens (Portes and Armony, Ch. 8). However, efforts are being implemented at present by local authorities to expand the supply of mid- and low- income housing by compelling luxury builders to build such apartments next-to or close-by their high-priced towers (Robbins, 2019).

All three cities have sought to develop or strengthen a fourth pillar of their economies by profiting from their location in warm climates in the winter, and from coastlines fronting the Atlantic Ocean, the Indian Ocean, and the Persian Gulf, respectively. In Miami, tourism was the original *raison d’être* of the city, allowing the elites and middle-classes of New York, Boston, Philadelphia, Chicago and other northeastern cities to escape their harsh winters (Redford, 1970; Allman, 2013). Miami has

continued to build on its geographic and climatic advantages by developing the South Beach District as an answer to the French Riviera, and becoming the largest cruise ship capital in the world (Portes and Armony, 2018, Ch. 4; Nijman, 2010).

Tourism has been a more difficult proposition in Singapore—an isolated island distant from all rich North American and European countries—and in Dubai where an uninterrupted desert meets the sea. Major governmental initiatives have been necessary to create and develop a significant tourist industry. The Singapore government has created a series of parks and natural reserves and advertises the city as a clean, peaceful, safe, and colorful location for would-be travelers (Chang, 1997; Henderson, 2012). Development of a luxury hotel resort and gaming complex in Santosa Island completed the tourist offer in recent years. Tellingly, Santosa casino gambling is offered to foreigners as an attraction, but locals are discouraged from participating. The decision to allow gambling in Santosa was not easy for a straight-jacketed government that prided itself on the work-ethic and discipline of its population (Henderson, 2013). The successful example of Macao in Southern China and the exhaustion of other attractions in the small city-state appear to have been pivotal in its turn toward gambling. Still, it was kept away from the Singapore “mainland” and from easy access by locals.

The Emirate of Dubai has not gone as far as to tolerate legal gambling, but has gone to considerable lengths in order to encourage tourism. Massive shopping malls, including Dubai Mall—said to be the largest in the world; five-, six-, and even seven-star hotels, including the fabled Burj al-Arab, and the tallest building in the world, the Burj al-Khalifa,

topped by a soaring spire, are central parts of the tourist offer. Though summer temperatures can easily top 50 degrees, the relatively mild weather in winter makes the Persian Gulf (or Arab Sea) beaches accessible and attractive. While alcohol consumption is officially forbidden by Islamic Shari’a Law, it is allowed and easily available in luxury hotels, restaurants, and clubs (Nyarko, 2010; Lincoff, 2011; Henderson, 2012). Absent these proactive policies and measures, it would have been difficult to attract tourists to the desert. Since Dubai has exhausted its oil supply, it is increasingly dependent on foreign capital. Tourism now accounts for up to a quarter of its GDP (Statistics Dubai, 2017).

A final significant similarity is the income per capita in the three cities. Table 2 shows that, while Singapore easily tops the others in terms of total GDP (447.3 U.S. billions in 2017; compared to 344.9 for Miami and 111.8 for Dubai), income per capita is about the same in all three cities—close to \$31,000 in Dubai and Miami and \$33,500 in Singapore. Seemingly, the dynamics of the global economy has led to comparable outcomes for the populations of these three rising cities<sup>1</sup>.

## HISTORICAL DIFFERENCES

The history of how Miami, Dubai, and Singapore arrived at their present position is very different. They have in common deliberate proactive efforts to achieve certain well-defined goals. However, the

<sup>1</sup> These are average personal incomes, median household incomes on the contrary, differ significantly as shown in Table 3.

**Table 2.** Economic and Population Indicators in Three Emerging Global Cities.

	<b>GDP Total (USD millions)</b>	<b>Population</b>	<b>GDP per Capita (USD)</b>	<b>Income per Capita (USD)</b>
Miami	344,882.00	6,158,824	55,998.03	30,631
Dubai	111,755.52	3,210,805	34,806.08	30,692
Singapore	447,283.50	5,638,676	79,324.21	33,504

Source: U.S. Census - American Fact Finder, Miami-Dade Department of Regulatory and Economic Resources, 2016/2017; Dubai Statistic Center, 2017; Singapore Department of Statistics, 2017.

actors who undertook the necessary actions and policies and the results of these were not the same. Arguably, the history of Singapore is the least plausible of the three. An island of just 712 square kilometers in the tip of the Malacca Peninsula, it lacks any natural resources; even water has to be piped from the mainland. As is well known, Singapore—a former British Protectorate—initially joined the Malaysian Federation in 1963, from which it was unceremoniously expelled in 1965 for political differences. At that time, few would have gambled on the future of this small and remote part of the world.

The transformation of Singapore was the result of a combination of the charisma of its founding leader, Lee Kuan Yew, the discipline of the political movement he founded—the Political Action Party (PAP)—and a single-minded commitment to stamp corruption, educate the population, and create the most favorable conditions possible for foreign capital (Henderson, 2012; Ng, 2010; Tan, 2000). During its first and precarious years of existence, the new nation bet on low-tech manufactures for export, taking advantage of a cheap and abundant labor force. That stage was both successful and short-lived, as the government focused next on maritime commerce and transshipment, taking advantage of its proximity to Malaysia, Indonesia, and China (Henderson, 2006; Yew, 2000).

In rough sequence, the next steps of the process focused on attracting financial institutions and the regional headquarters of multinational corporations. Aside from its geographical location, Singapore had two key advantages for this purpose. First, a resolute pro-business stance that facilitated the establishment of new foreign firms without the bureaucratic entanglements found elsewhere. Second, the near-complete absence of corruption among government officials. They were deliberately well-paid for that purpose, while severe punishments were threatened to those who attempted to break the rules (Lohmann, 2009). As a consequence, multinational corporations conducting business in Malaysia, Indonesia, Sri Lanka, India, and even China sited their regional headquarters in Singapore.

Economic success translated into the accumulation of considerable capital by both local

entrepreneurs and the government. The latter set up a sovereign fund that grew up to become one of the first of its kind in the world. In contrast with similar funds elsewhere, reputed to engage in risky and frequently failed ventures abroad, Singaporean investment managers are famed for their competence and caution. As a result, the sovereign fund has been highly successful, becoming a model for others elsewhere (Tan, 2000; *The Economist*, 2018, p. 53). Singapore's rise can be credited largely to the vision and charisma of its founder, supported by a vigorous cadre of collaborators grouped in the PAP. It helped that Singapore inherited British common law from its colonial past and that Lee Kuan Yew was himself British-trained and a vigorous supporter of the this legal tradition. On his death, however the PAP has been inevitably subjected to a process of “routinization of charisma”, the consequence of which will be examined in the final section<sup>2</sup>.

Almost as improbable was the rise of Dubai to global status. Oil reserves provide no guarantee of national development, as the experiences of Venezuela, Equatorial Guinea, and other oil-rich countries make evident. Oil in the United Arab Emirates is concentrated in Abu Dhabi, by far the largest of the seven emirates. By comparison, Dubai was and is a poor cousin (Molotch, 2019). To avoid complete dependence on its richer neighbor, the Al Maktoum ruling family of Dubai set out to use its natural resources to transform the Emirate into a commercial and financial hub. Sheikh Rashid bin Saeed al Maktoum was particularly single-minded about this goal and his efforts have been followed by those of his son, Mohammed (Nyarko, 2010; El Mallakh, 2004).

The trading and commercial pillar of Dubai's economy is anchored in the mammoth Jebel Ali port, now a special economic zone. While other harbors in the region are better situated geographically, facilities at Jebel Ali make possible the anchoring and transshipment of large container vessels by sea to Iran and the other Emirates; by land to Saudi

2 The concept of “routinization of charisma” was developed by Max Weber to characterize the experience of most popular movements after the disappearance of their founding leader. See Weber [(1922) 1946].

Arabia; and by air (from nearby Maktoum International airport) to other countries of the region. In this manner, the Jebel Ali port has ascended to become the prime commercial and logistical facility in the Middle East. (Nyarko, 2010; El Mallakh, 2004; Davison, 2005).

Building the other pillars of a global city—banking and financial services, construction and real estate, and tourism—required the sheikhdom to engage in several remarkable legal moves. Dubai is part of the UAE and, as such, is subject to its federal laws. The country's constitution proclaims it to be an Islamic State with the VIII Century Shari'a elevated to be the law of the land. For Westerners, dealing with a medieval code that, among other things, prescribes harsh physical punishment for a number of transgressions and forbids charging interest in commercial loans, would seem a tall order indeed. The UAE government under the country's founder, Sheikh Zayed al Nahyan, sought to deal with this contradiction by, among other things, hiring a group of Egyptian jurists to codify and soften Shari'a's precepts (Al Muhairi, 1996a). Trained in the Napoleonic code, the Egyptians added a distinct French tone to the resulting legislation.

In the end, it was not the attempt to codify Shari'a Law, but the country's history under British colonial rule that overcame the problem. As in Singapore, British common law became adopted for all commercial and financial transactions, aligning the UAE court system and their administration with those predominant in the West. While Shari'a courts still exist handling domestic and personal matters, primarily for Emirati citizens, issues of property and commercial transactions are handled by lawyers and civil courts under Western-style laws (Al Muhairi, 1996b; Nyarko, 2010). Still, an uneasy tension continues to exist between Islamic legal precepts and traditions and the concessions made necessary to attract Western investors and tourists.

That tension is nowhere more evident than in the luxury hotels of Dubai. There, alcohol flows freely and skimpily clad Western women sun themselves by the beach or the swimming pool, all in direct opposition to Shari'a and Islamic custom. Liquor is not served in the cafes and other facilities for migrant workers and not even in most Western-style shopping malls. Emirati women are expected

to cover themselves up when in public in the full body *abaya* and the head scarf or *shayla* (Molotch, 2019). Consumption of pork-products is also forbidden, although they are readily available to Western consumers in especially reserved supermarket areas and tourist restaurants.

The extent to which this difficult balance is preserved very much depends on the will of the ruler. The UAE in general and Dubai, in particular, are autocratic states, where the wishes of the Al Nahyan and Al Maktoum emirs are the final word. So far, their commitment to turn their country and its main cities into parts of the developed world remains firm. Having run out of oil, the decision of the Dubai Sheikh to advance finance, trade, real estate, and tourism as pillars of the Emirate's economy is still more definite.

Miami is the odd-man of this trio, as the history of its economic ascent bears little similarity with that of Singapore or Dubai. No charismatic leader or hereditary prince led this transformation and no political party or state apparatus has ruled the city with an iron fist. Miami is part of the United States and, as such, subject to both federal and (Florida) state law. Neither the federal nor the state governments had any deliberate plan to transform the city into what it has become since, from its origins, it was essentially a large winter resort (Rieff, 1987; Allman, 2013). The key factor triggering this transformation was external to both the country and Florida, having its source in a major political upheaval elsewhere.

Expelled by the communist revolution, Cuban bankers soon found employment in local financial firms and swiftly perceived the geographical advantage of Miami, until then dormant. Initially, local government in Miami played a minimal role, with several municipalities being notoriously ill-governed and corrupt. The rapid growth of cocaine trafficking and money-laundering in South Florida even caused the federal government to create a South Florida Task Force under then vice-president George H. Bush in the 1980s (Nijman, 2010). Eventually, the bulk of drug trafficking moved away from the region and, while money-laundering activities are still present, the growth of legitimate banking and financial services displaced them to a marginal role. Local authorities eventually caught on with



the economic transformation taking place in their midst. Understanding at last that they were now governing a major commercial and financial center, local officials became more efficient and more proactive in support of these activities. Central to this transformation was Maurice Ferre, mayor of Miami from 1973 to 1985, who governed the city through its darkest hours with a firm vision of its long-term future (Nijman, 2010; Portes and Armony, 2018).

The rise of the three cities from relative insignificance to their present role in the global economy was due to fortuitous and unique processes. Politics played the prime role in all three cases, but in different forms. The political context that led to the expulsion of Singapore from the Malaysian Federation and the rise of the PNP under Lee Kuan Yew set the stage for the economic transformation of that small island. The vision and resolute will of successive Dubai rulers to avoid a return to a nomadic existence represented the key force in its

rise to financial, commercial, and tourist significance. In Miami, the political influence came from the outside in the form of the mass expulsion of the Cuban commercial and financial classes by Castro's Revolution (Eckstein, 2003). Had these classes remained in their country under a suitable legal and property regime able to inspire confidence in foreign investors, it could have been Havana, not Miami that would have risen to global prominence. The two cities share the same privileged location as entryways to the Caribbean, Central and South America. Geography by itself was not enough, however. That advantage had to be actualized by a deliberate, forward-looking socio-economic vision. Table 3 provides additional data on the three cities showing that mean residential rents are highest by far in Singapore which also has the largest number of housing units, more than double those of Dubai. Offices rents are by contrast highest in the Emirate.

**Table 3.** Economic and Real Estate Market Indicators.

	Annual Household Median Income (USD)	Median Residential Rent (USD)	Number of Housing Units	Mean Grade A Office Rent (USD sq/ft) <sup>a</sup>
Dubai	81,480	1,807 <sup>3</sup>	621,368 <sup>2</sup>	66.97 <sup>3</sup>
Singapore	53,244 <sup>3</sup>	2,066.71 <sup>1</sup>	1,325,000 <sup>2</sup>	27.44 <sup>3</sup>
Miami	46,338 <sup>1</sup>	1,195 <sup>1</sup>	1,008,908 <sup>1</sup>	43.42 <sup>3</sup>

Sources: U.S. Census - American Fact Finder; Dubai Statistic Center; Singapore Department of Statistics, unless otherwise noted.

<sup>a</sup> Knight Frank UAE Market Review and Forecast 2019, Retrieved from: [www.content.knightfrank.com/research/1064/documents/en/uae-market-review-forecast-2019-6072.pdf](http://www.content.knightfrank.com/research/1064/documents/en/uae-market-review-forecast-2019-6072.pdf); Colliers Singapore Office Quarterly Q2 2019, Retrieved from: [www.colliers.com/-/media/files/apac/singapore/research-reports/office-2q2019.pdf](http://www.colliers.com/-/media/files/apac/singapore/research-reports/office-2q2019.pdf); Q3 2018 Miami Office Market Report, Colliers International, Retrieved at: <https://www2.colliers.com/en/Research/Miami/2018-Q3-South-Florida-Office-Miami>.

Note: Miami data refer to Miami-Dade County: <sup>1</sup>2017; <sup>2</sup>2018; <sup>3</sup>2019.

## FUTURE CHALLENGES

The last question is what the future holds for the three cities. Having pushed their way into the heights of the global economy, where do they go next? Routinization of charisma has a lot to do with what can happen in Singapore. The PAP has never lost an election and continues to rule over an efficient system that, in addition to impressive economic performance, includes first-rate educational and health facilities (Chong, 2007; Koh

*et al.*, 1995; Lim, 2004; Ng, 2010). On the other hand, the party has increasingly resorted to authoritarian ways to fend off criticism and neutralize opposition.

In recent years, the Singaporean leadership has made use of the judiciary as a tool to silence critical voices by bringing "defamation" suits before the courts. Although the judicial system is graft-free and efficient in handling civil and criminal cases, it is entirely under the thumb of the government and rules invariably in its favor:

Defamation, contempt of court, and other actions have also been brought against opinion piece writers and journalists, with publishers, distributors, and printers all getting caught in damage claims. More so than the hefty fines included, costly losses of access to circulation and advertising markets have succeeded in foreign publishers reconciling themselves to a more cautious and circumspect reporting of Singapore affairs (Rodan, 2006: 14).

Borrowing a page from China, the PAP has resorted to increasingly harsh measures, making its critics pay economically for their misdeeds. While in appearance such political system can go on indefinitely, it will inevitably become more susceptible to personalism and corruption. Routinized charisma devolving into the hands of party cadres becomes a permanent temptation for privilege and selfish enrichment [Weber (1915), 1958; (1922), 1947]. Few such systems escape that fate. Hence, while the rise of Singapore had definite political roots, its future in the global system will also depend on how its government evolves.

The future of Dubai is also centrally linked to the character and evolution of its ruling family. Unlike Singapore, the Emirati government does not have to resort to subterfuges to conceal its authoritarian character, for it is an openly self-recognized autocracy. There is little room for opponents and critics in the Emirates. However, just as its amazing economic and physical achievements have been largely due to the will and abilities of Sheik Rashid and his son, the future course of the place depends primarily on who succeeds them. All hereditary systems are subject to this fundamental fault, whereby the conquests and achievements of an inspired king, sultan or Czar can be undone by his/her less able and weaker successors [Arrighi, 1994; Michels (1915), 1968].

The recent experience of Saudi Arabia where an elderly king has entrusted the reins of power to an impulsive and unpredictable son represents a clear, present-day illustration of this point. So far, Sheikh Mohamed of Dubai has kept a steady rein on the levers of economic and political power, but what happens under his successor is quite uncertain. In addition, the geopolitical situation in the region has deteriorated rapidly thanks to the decision of Saudi Arabia, supported by the UAG rulers to go to

war in Yemen and declare a blockage of neighboring Qatar. As a result, the reputation of Dubai as a peaceful island in the midst of a turbulent region may deteriorate in the future.

In the case of Miami, the threats for its future are not political. Being part of the United States and subject to federal and state laws, there is practically no chance that a change in local politics would compromise its present economic position in the global economy. The threat comes from another quarter, having to do with a rising sea. The Atlantic Ocean is coming up fast and is now regularly flooding low-lying sections of Miami Beach and the mainland. The atmospheric heat created by increased global warming has already transferred to the sea, gradually melting the polar caps. This process yields, in turn, higher oceanic levels (Wanless, 2015).

With the average elevation of the region scarcely four feet above sea level, just a 2-foot sea rise would put 25,000 houses underwater, flood \$14 billion worth of property, and submerge 134 miles of roads according to estimates by *The Miami Herald* (Wilson, 2016). Sandwiched between the Everglades and the Ocean, there is no place to run. Miami is completely surrounded by water and, to make matters worse, its subsoil is porous limestone. This makes it difficult to defend the city by building a system of dikes, as in the Netherlands—the water would just go under and come up from below. Already in low-lying areas of the mainland, like Shorecrest, regular flooding does not come from Biscayne Bay but from the saturated ground below (Kolbert, 2015).

Aware of this existential threat, city and county officials have mobilized, creating “resiliency” departments tasked to study possible ways of protecting the area against future floods and hurricanes. In 2018, City of Miami voters approved a \$400 million general obligation bond, dubbed “Miami Forever”. Its first use was to fund the Fairview Flooding Mitigation Project aimed at protecting low-lying areas by Biscayne Bay (Robbins, 2019). Whether such efforts succeed in the long-run is an open question. According to some experts, plans to elevate city streets, build walls, and acquire giant pumps to dispose of flood waters are just so much wasted money. In the end, the ocean would reclaim

the land. On the other hand, according to current Miami Mayor Francis Suárez:

Our goal with the Fairview project —and the many Miami Forever projects that will follow— is to insure Miami remains the beautiful, livable city it is today for generations to come<sup>3</sup>.

Maybe, but meanwhile the city and the entire metropolitan area face a major threat. Miami is arguably the newest global city; it could also be the most short-lived. Contrary to the optimism of Mayor Suárez, another mayor, a scientist himself at a large public university, issued this lapidary statement:

Ultimately, we give up and leave. This is how the story ends<sup>4</sup>.

Confronted by different threats, Dubai, Miami, and Singapore face an uncertain future. Their past achievements and rise to global prominence are undeniable, but they now must live with the fragility of their political and ecological systems. In the case of Miami, in particular, it would be the height of irony that the same global capitalist system that brought the city to its exalted present eventually leads, through relentless global warming, to its demise.

## CONCLUSION: THE SOCIAL GEOGRAPHY OF GLOBALIZATION

My grandfather rode a camel, my father rode a camel, I drive a Mercedes, my son drives a Land Rover [...] but his son will ride a camel. (Attributed to Sheikh Rashid bin Saeed Al Maktoum (Nyarku, 2010: 10).

Desperately seeking to avoid this fate has been the driving force behind Dubai's remarkable transformation. The results have been astounding, transforming what was essentially a village in the 1960's into a world-class city. This change has

been accompanied, however, by a growing economic and residential disparity among its inhabitants. These are projected in space with about 6 percent of the city's land occupied by gated communities and luxury hotels and 4 percent by labor camps housing the immigrant workforce. These areas are clearly delimited and there is practically nothing in-between, as half of the urban area is empty space. As Yasser Elsheshtaw (2019: 235) puts it: "There has been a reemergence of megaprojects and a return of real estate purchasers who buy even before ground is broken [...] the downside is the continuous displacement of residents, destruction of "traditional" neighborhoods and a fragmented urban form". Dubai Inc. adheres faithfully to the motto that the city is there to make money but, in the process, it has largely destroyed all the elements that make other cities livable, while hiding away the "permanently foreign" workforce that constructed all its amazing projects (Molotch, 2019).

Miami as well has witnessed an increasing economic and physical fragmentation of its population. The concentration of banking and financial services in the Brickell District has been accompanied by the rapid growth of high rises to accommodate the high-paid managers, financial analysts, and other professionals employed by these industries. Housing prices, both property and rentals, have skyrocketed in Brickell and in the nearby Downtown and Coconut Grove districts making it impossible for middle-and lower-income workers to find living quarters there. While there are no "labor camps" in Miami, the largely immigrant workforce must find housing far away from their jobs in distant and poorer districts such as Hialeah, Opa Locka, and Miami Gardens (Portes and Armony, 2018, Ch. 8). As shown in Table 3, median residential rents in Miami are the lowest of the three cities, but so are median incomes, leading to growing spatial polarization.

Singapore is something of an exception to this trend as the very restricted physical space on which it is built makes physical separation more difficult. In addition, the government is a prime actor in the real estate market, providing housing for the workforce in multi-block buildings, while seeking to avoid the emergence of ethnically segregated neighborhoods and enclaves. Government policy

3 Cited in Robbins (2019), p. 10.

4 Statement by South Miami Mayor Philip K. Stoddard, cited in Gillis, 2016, p. 6.

in that respect is guided by the motto that, “If our ethnic origins are different, we are all Singaporean citizens now” (Ng, 2010; Tan, 2005). Still, the island-nation’s Gini coefficient of .47 in 2018 points to significant inequality in its income distribution. With a foreign population approaching 30 percent, much of it composed of manual workers, Singapore begins to resemble the social situation of present-day Dubai (Henderson, 2012).

In all three cities, the tendency toward economic and physical segregation of the population, noted by Sassen (1991) as a feature of New York and other global cities is evident. Whether that trend continues or not, depends on the mobilization of the population in defense of the city as a livable space for human habitation (Zukin, 2010) and the actions of government, either in defense of that cause or, alternatively, in defense of capital and the definition of the city as a money-making machine. The non-democratic regimes of the Emirates and, to a lesser extent, Singapore lean in the latter direction.

## REFERENCES

- Allman, T. D. (2013). *Miami: City of the Future*. Gainesville, FL: University of Florida Press.
- Arrighi, G. (1994). *The Long Twentieth Century: Money, Power, and the Origin of Our Time*. London: Verso Books.
- Chang, T. C. (1997). From “Instant Asia” to “Multifaceted Jewel”: Urban Imaging Strategies and Tourism Development in Singapore. *Urban Geography* (May), 542-562.
- Cheung, G. (2010). The 2008-09 Global Financial Fallout: Shanghai and Dubai as Emerging Financial Power Houses? *Asian Politics and Policy*, 2(1), 77-93.
- Chong, M. (2007). The Role of Internal Communications and Training in Infusing Corporate Values: Singapore Airlines Promise. *Corporate Reputation Review*, 10, 201-12.
- Eckstein, S. (2003). *Back from the future: Cuba under Castro*. New York: Routledge.
- El Mallakh, R. (2004). The Economic Development of the United Arab Emirates. *International Journal of Middle East Studies*, 15, 215-416.
- Elsheshtawy, Y. (2019). Real Estate Speculation and Transnational Development in Dubai, pp. 235-255, in H. Molotch and D. Ponzini (eds.), *The New Arab Urban*. New York: New York University Press.
- Florida Department of Financial Services (2015). *Annual Report*. Tallahassee, FL: Government of Florida.
- Gillis, J. (2016). Flooding of coast caused by global warming has already begun. *New York Times*. September, 2, p. 3.
- Henderson, J. C. (2006). Destination Development: Singapore and Dubai Compared. *Journal of Travel and Tourism*, 20(3-4), 33-45.
- Henderson, J. C. (2012). Planning for Success: Singapore, the Model City State? *Journal of International Affairs*, 65(2), 68-83.
- Kerbel, M., Westlund, R. (2004). *Leading the Way: a Comprehensive History of International Banking in Florida*. Miami: Florida International Bankers Association.
- Koh, W., Steers, R. M., Terborg, J. R. (1995). The Effects of Transformational Leadership on Teachers Attitudes and Student Performance in Singapore. *Journal of Organizational Behavior*, 16, 319-333.
- Kolbert, E. (2015). The Siege of Miami. *New Yorker*. December 21.
- Lim. M.-K. (2004). Shifting the Burden of Health Care Finance: A Case Study of Public-Private Partnership in Singapore. *Health Policy*, 69, 83-93.
- Lohmann, G. (2009). From Hub to Tourist Destination: An Exploratory Study of Singapore’s and Dubai’s Aviation-based Transformation. *Journal of Air Transport Management*, 15, 205-11.
- Mahdavi, P. (2013). Gender, Labor, and the Law: The Nexus of Domestic Work, Human Trafficking, and the Informal Economy in the United Arab Emirates. *Global Networks*, 13 (October), 425-40.
- Miami Today*. (2017). Real Estate Commercial Advertising Page (June 15).
- Michels, R. [(1915) 1968]. *Political Parties: A Sociological Study of the Oligarchical Tendencies in Modern Democracies*. New York: Free Press.
- Molotch, H. (2019). Consuming Abu Dhabi, pp. 256-278 in H. Molotch, D. Ponzini. (eds.), *The New*

- Arab Urban*. New York: New York University Press.
- Ng, P. T. (2010). The Evolution and Nature of School Accountability in the Singaporean Educational System. *Educational Assessment, Evaluation, and Accountability*, 22, 275-292.
- Nijman, J. (2010). *Miami: Mistress of the Americas*. Philadelphia: University of Pennsylvania Press.
- Nyarko, Y. (2010). The United Arab Emirates: Some Lessons in Economic Development. Working paper. *World Institute for Development Economic Research*, Helsinki, #2010-11.
- Phang, S.-Y. (2003). Strategic Development of Airport and Rail Infrastructure: The Case of Singapore. *Transport Policy*, 10, 27-33.
- Portes, A., Armony, A. (2018). *The Global Edge: Miami in the XXI Century*. Berkeley, CA. University of California Press.
- Redford, P. (1970). *Billion-dollar Sandbar: A Biography of Miami Beach*. New York: E.P. Dutton.
- Rieff, D. (1987). *Going to Miami: Exiles, Tourists, and Refugees in the New America*. Boston: Little-Brown.
- Robbins, J. C. (2019). Miami commissioners bicker over spending of bond funds. *Miami Today*, March, 21, p. 6.
- Robbins, J. C. (2019). Vast Little Haiti development back in the agenda. *Miami Today*. March, 14, p. 14.
- Rodan, G. (2006). Singapore Exceptionalism: Authoritarian Rule and State Transformation. In J. Wong, E. Friedman (eds.), *Political Transitions in Dominant Party Systems: Learning to Lose*. New York: Routledge.
- Saidi, N. (2008). Towards Economic Growth and International Integration in the Middle East. *HSBC Guide to Cash Management*, Hong Kong: HSBC.
- Sassen, S. (1991). *The Global City*. Princeton, N. J.: Princeton University Press.
- Singapore Office of Statistics (2017). *Annual Report*.
- Statistics Dubai (2017). *Annual Report*. Dubai Office of Statistics.
- Tan, C. H. (2005). *Financial Markets and Institutions of Singapore*. Singapore: National University Press.
- Tan, E. Kh.-B. (2005). Law and Values in Governance: The Singapore Way. *Hong Kong Law Journal*, 30, 91-102.
- The Economist* (2018). Singapore is a model of how to reform some of the world's most flawed investment vehicles. *Schumpeter Section*. August, 11, p. 53.
- Weber, M. [(1915) 1958]. Religious Rejections of the World and their Directions, pp. 323-359. In *From Max Weber: Essays in Sociology*, H. H. Gerth, C. Wright Mills (eds.), New York: Oxford University Press.
- Weber, M. [(1922) 1947]. Social Stratification and the Class Structure, pp. 424-429 in *The Theory of Social and Economic Organization*. In T. Parsons (ed.), New York: The Free Press.
- Wanless, H. (2015). The Coming Reality at Sea-level Rise: Too Fast, Too Soon. *Institute of Science for Global Policy*. Report.
- Wilson, F. (2016). Staying afloat amid climate change. *Miami Herald*, February, 16, p. 1.
- Yew, L. K. (2000). *From Third World to First. The Singapore Story: 1965-2000*. New York: Harper Collins.
- Zukin, S. (2010). *Naked City: the Death and Life of Authentic Urban Places*. New York: Oxford University Press.

## BIOGRAPHICAL NOTES

**Alejandro Portes** is the Howard Harrison and Gabrielle S. Beck Professor of Sociology (emeritus) at Princeton University and Professor of Law and Distinguished Scholar of Arts and Sciences at the University of Miami. His recent research work focused on the integration of the second generation, transnational immigrant organizations, and urbanization and development in comparative perspective.

**Brandon P. Martinez** is a Doctoral student of Sociology at the University of Miami. His research interests and work focus on the sociology of development; housing, racial, ethnic, and immigrant inequality; and the criminal justice system.

