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THE ROLE OF GLOBAL CITIES IN MODERN INTERNATIONAL ECONOMIC RELATIONS**РОЛЬ ГЛОБАЛЬНИХ МІСТ У СУЧАСНИХ МІЖНАРОДНИХ ЕКОНОМІЧНИХ ВІДНОСИНАХ****Syrotin O. / Сиротін О. А.***Master's Student / студент СО «Магістр»***Atamanchuk Z. / Атаманчук З. А.***Ph.D. in Economics, Assoc. prof. / к.е.н., доц.*

ORCID: 0000-0002-6139-1653

*Vasyl' Stus Donetsk National University, Vinnytsia,**Донецький національний університет імені Василя Стуса, Вінниця*

Abstract. *The article is devoted to defining the role of global cities in modern international economic relations. The typical features of a global city are substantiated. Top-10 cities by estimated annual GDP growth are analysed. The role of megaregions in the development of international economic relations is studied. The positions in the ranking of megaregions are considered. It is substantiated that US megaregions and global cities that are part of them are leaders in terms of both gross domestic product and per capita and, accordingly, determine the direction of development of the world economy in the financial, technological, industrial and political spheres. It is proved that improving the system of functioning of global cities in times of crisis is an important task that requires flexibility, creativity and cooperation of all stakeholders. Global cities should be prepared to respond to various crises and ensure the safety, well-being and sustainability of their population.*

Keywords: *global city, international economic relations, global market, megaregion.*

Global cities play an important role in international economic relations. They are centres of economic activity, innovation, finance and trade, attracting foreign investment and facilitating international business transactions. One of the main roles of global cities is to attract international businesses and banks. These cities typically have developed infrastructure, a highly skilled workforce, access to markets and a favourable business climate. These factors attract foreign companies wishing to expand their presence in the global market.

Global cities serve as financial centres on a global scale. Many of them are home to leading international banks, stock exchanges and financial institutions. They provide the necessary infrastructure for global financial transactions, including international remittances, international trade credit, asset management and other financial services. They are also centring of innovation and research. They attract talented scientists, researchers and entrepreneurs, stimulating scientific research, the development of new technologies and start-ups. The innovative ecosystems of global cities contribute to the creation of new markets and attract high-tech investments. Global cities affect international trade by acting as hubs in global supply chains and logistics, facilitating the trade of goods and services between different countries, and providing infrastructure for the efficient movement of goods, including seaports, air ports, international airports and transport networks.

Global cities therefore play a key role in strengthening international economic relations. They create conditions for the inflow of foreign investment, facilitate international trade, stimulate innovation and promote the development of global



business. All of the above makes the study relevant.

Many domestic and foreign authors have studied the role of global cities in modern international economic relations, in particular, the works of Paustovska T. [1], Bocharova Y. and Gonchar O. [2], Pirog O. and Maksymchuk Y. [3], Castells M. [4], Ghosh I. [5], Dragicevic N., Zon N., Gold J., Johal S. [6], Domingos M. [7], Bouteligier S. [8]. However, there are aspects that require more investigation thorough study.

The purpose of the article is to reveal the theoretical foundations of the global cities functioning in modern international economic relations, as well as to analyse their main characteristics and propose ways of improving global cities functioning.

A global city, an alpha city or a world city is a city that has appropriate competitive advantages and is the axis of the globalised economic system. These are cities created by the dual effect of ever-increasing urbanisation and the pressures of the economic and social process of globalisation.

There has been some scepticism about the global city thesis in its simplest formulation. At the qualitative level, some scholars questioned whether global cities are really a new phenomenon and pointed to the long-standing existence of such economic centres for a long time. For example, one can recall Florence during the Renaissance or Manchester during the Industrial Revolution. Other scholars have argued that there is a more complex and interdependent relationship between the state and cities under its national jurisdiction [1].

The concept of the "global city" has been one of the most common in sociology since the early 1980s. Clarke, in his work "The Urban World/Global City", notes that such cities are becoming the command-and-control points of the global economic system, the focus of attention of key individuals, institutions and organisations that manage, manipulate, dictate and determine the formation and renewal of capitalism around the world.

Global cities are typically cities of international importance and glory. They occupy a broad urban platform and play an active role in the economic, social and technological flows in their region or even on the planet. These types of cities are the modern equivalents of the city-states of antiquity. In fact, many of them have political and administrative autonomy or even their own constitution that defines their laws [2].

Typical features of a global city are: large territorial extensions that are densely populated; tourist importance; airport connections to major commercial air routes of the world; developed telecommunications infrastructure, as well as a large, complex and unique cultural environment that gives them their own individuality; active participation in the global economic movement and financial centrality in their regions; positive immigration rates (within and outside the country).

Global cities do not sign international treaties and do not have embassies around the world. However, cities can participate in all kinds of negotiations, reach agreements and influence international economic relations. Global cities play an important role in addressing many of the global challenges facing our countries and others, from climate change and cybersecurity to terrorism and pandemics.

The table below shows Top-10 in the 2022 Global Cities Rank according to the Global Cities Index (GCI) (Table 1).

**Table 1 - Top-10 in the 2022 Global Cities Index**

City	2022 rank	2021 rank	2021-2022
New York	1	1	-
London	2	2	-
Paris	3	3	-
Tokyo	4	4	-
Beijing	5	6	+1
Los Angeles	6	5	-1
Chicago	7	8	+1
Melbourne	8	12	+4
Singapore	9	9	-1
Hong Kong	10	7	-3

Source: compiled by the author according to [9]

This appreciation of the irreplaceable role of urban centers is the impetus behind Kearney's annual Global Cities Report, which was designed in conjunction with top academic and business advisors from around the world. The GCI's rankings of the top cities in 2022 reflect the self-reinforcing strength of the world's leading global cities. The top four cities – New York, London, Paris, and Tokyo – are unchanged from 2021 [9].

Cities form networks, engage in dialogue with partners, promote public diplomacy, share best practices, and encourage cooperation between international private and public organisations. The State Department could use this potential to further strengthen American diplomacy, global image, and influence.

A global city is a term used to describe a city that is considered an important centre of global economic, political, and cultural activity [3]. The economic behaviour of cities determines their positioning in the global network of urban development and significantly affects forecasts for their future (Table 2).

Table 2 - Top-10 cities by estimated annual GDP growth, %

Position	Global city	Country	Growth, %
1	Bengaluru	India	8.5
2	Dhaka	Bangladesh	7.6
3	Mumbai	India	6.6
4	Delhi	India	6.5
5	Shenzhen	China	5.3
6	Jakarta	Indonesia	5.2
7	Manila	Philippines	5.2
8	Tianjin	China	5.1
9	Shanghai	China	5.0
10	Chongqing	China	4.9

Source: [5]

The role and functions of global cities are determined by their importance and impact on the economic development of both individual regions and the global economy as a whole. It is estimated that cities generate USD 34 trillion, or more than 50 % of global GDP, and it is projected that by 2025 their share could reach USD 65 trillion [6]. In line with the above, global cities perform a function of a global network



of strategic plans with complex specialisation and content. Researchers combine global cities into so-called megaregions, which unite a number of geographically close areas with similar characteristics into a single entity. Megaregions unite cities with a total population ranging from 50 to 20 million people and a gross product per capita (Table 3).

The highest position in the ranking is occupied by the Boss Wash megaregion, which is located in the United States and includes cities – financial, industrial, technological, scientific and political centres – New York, Washington and Boston. The population of this region is 47.6 million people with a gross product per capita of USD 76.681. This is significantly higher than in another North American mega-region, NoCal, which includes the cities of San Francisco and San Jose, with a population of 10.8 million people, but a much higher gross product per capita of USD 85.648 [4].

Table 3 - The role of megaregions in the development of international economic relations, 2022

Megaregion	Global cities	Continent	Population	GDP, bln USD	GDP per capita, USD
Bos-Wash	New York, Washington, Boston	North America	47.6	3.65	76.681
Par-Am-Mun	Paris, Amsterdam, Brussels, Munich	Europe	43.5	2.505	57.586
Chi-Pitts	Chicago, Detroit, Cleveland, Pittsburgh	North America	32.9	2.13	64.742
Greater Tokio	Tokyo	Asia	39.1	1.8	46.036
SoCal	Los Angeles, San Diego	North America	22.0	1.424	64.727
Seoul-San	Seoul, Busan	Asia	35.5	1.325	37.324
Texas Triangle	Dallas, Houston, San Antonio, Austin	North America	18.4	1.227	66.685
Beijing	Beijing, Tianjin	Asia	37.4	1.226	32.781
Lon-Leed-Chester	London, Leeds, Manchester	Europe	22.6	1.177	52.08
Hong-Shen	Gong Kong, Shenzhen	Asia	19.5	1.043	53.487

Source: compiled by the author on the basis of [5]

The difference is primarily due to the technological specialisation of the NoCal region and the location of Silicon Valley, which gives impetus to the development of the largest technology companies in the region and the world.

Other significant North American megaregions are Chicago-Pitts (Chicago, Detroit, Cleveland, Pittsburgh) – 64.742 USD GDP per capita; SoCal (Los Angeles, San Diego) – 64,727 USD per capita; Texas Triangle (Dallas, Houston, San Antonio, Austin) – 66,685 USD GDP per capita [4]. Thus, the US megaregions and their global cities are leaders in terms of both gross domestic product and per capita and, accordingly, determine the direction of the global economy in the financial, technological, industrial and political spheres. Only two mega-regions are located in Europe: Par-Am-Mun (Paris, Amsterdam, Brussels, Munich) and Lon-Lead-Chester (London, Leeds, Manchester) with GDP per capita of 57.586 USD and 52.080 USD, respectively. The region of rapid urbanisation, Southeast Asia, is increasing its



industrial, technological and political potential every year and adding new alternatives to the development of the global economy. The top ten also includes four Asian mega-regions: one in Japan, one in South Korea, and two in China. The highest GDP per capita is in the Greater Tokyo Metropolitan Area (Tokyo agglomeration) – 46.036 USD, and the lowest is in the Beijing Metropolitan Area (Beijing, Tianjin) with 32.781 USD [4].

Thus, all global cities are unique in terms of geographic location, historical heritage, architecture, culture, economy. Global cities have made a new dimension to the dynamics of territorialisation of not only economic but also political processes, gaining the status of new powerful players in the postmodern space of international economic relations, with the characteristic features of universality in space, competition and a constant desire to cooperate with other cities.

Improving the functioning of global cities in times of crisis is an important task, and it requires flexibility, creativity and cooperation of all stakeholders. Global cities need to be prepared to respond to a variety of crises and ensure the safety, well-being and sustainability of their populations.

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Анотація. Статтю присвячено визначенню ролі глобальних міст у сучасних міжнародних економічних відносинах. Обґрунтовано типові риси глобального міста. Проаналізовано Топ-10 міст за щорічним зростанням ВВП. Досліджено роль мегарегіонів у розвитку міжнародних економічних відносин. Розглянуто позиції у рейтингу мегарегіонів. Обґрунтовано, що мегарегіони США та глобальні міста, які входять до їх складу, є лідерами як за показниками валового внутрішнього продукту, так і за показниками на душу населення і, відповідно, визначають напрямок розвитку світової економіки у фінансовій, технологічній, промисловій та політичній сферах. Доведено, що удосконалення системи функціонування глобальних міст в умовах криз є важливим завданням, яке вимагає гнучкості, творчості та співпраці всіх зацікавлених сторін. Глобальні міста повинні бути готові до реагування на різні кризи та забезпечувати безпеку, благополуччя та сталість для свого населення.

Ключові слова: глобальне місто, міжнародні економічні відносини, глобальний ринок, мегарегіон.

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