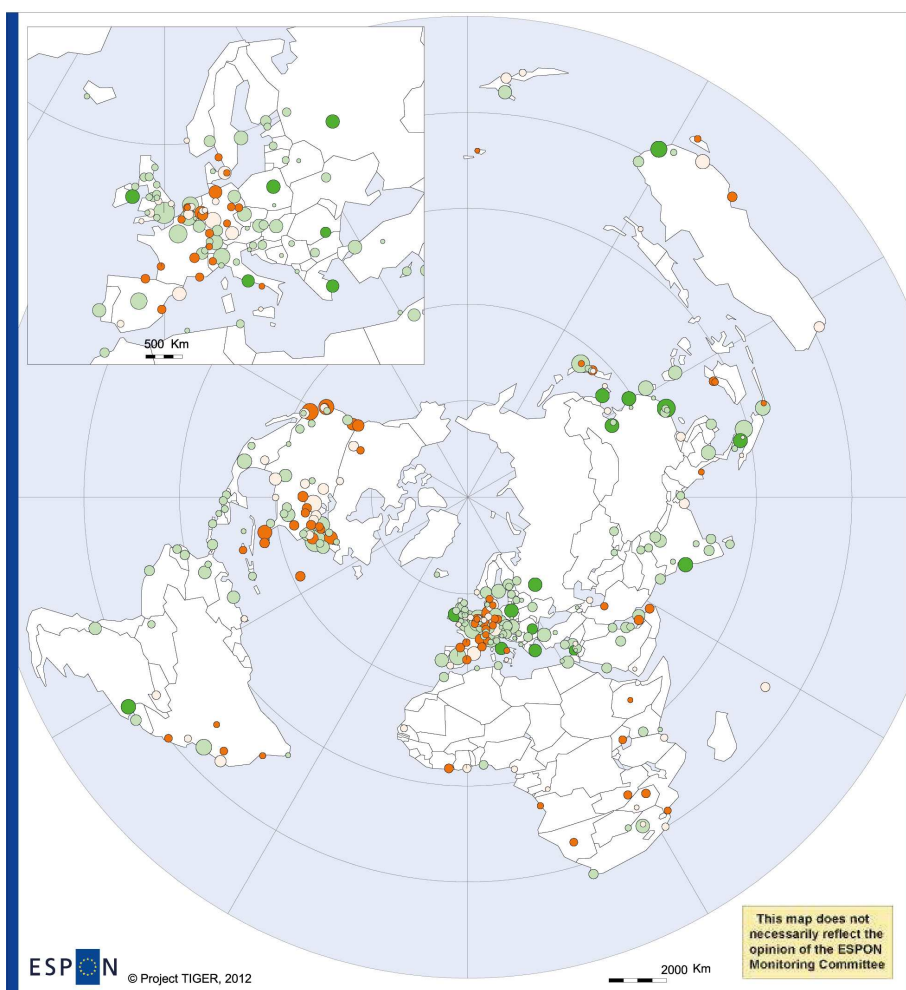


## ESPON 2013 Programme/ Map of the Month

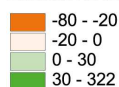
### Evolution of cities servicing global capital



Number of connections between cities, 2000



Evolution of the number of connections (%)



Source : Gawc, 2011  
Origin of data : Gawc, 2008

**5 July 2012 - Europe is strongly integrated in the world as an important economic power. The balance of influence and economic weight of different continents and countries are currently changing rapidly. The map shows the evolution of cities servicing global capital and is one of the maps released in the publication Territorial Observation No. 6, focusing on “Territorial Dynamics in Europe: Regions and cities in the global economy”.**

With the publication Territorial Observation No. 6, focusing on “Territorial Dynamics in Europe: Regions and cities in the global economy”, ESPON offers evidence, maps and points for policy consideration related to regions and cities in the global economy.

A key policy issue for Europe is to take advantage of the benefits and potentials for economic development of globalisation while mitigating its challenges. The success and integration of regions and cities in the world economy and global networks is depending (1) on their global connectivity and their accessibility and infrastructure provisions as well as their attractiveness as places for investment in global products and services, (2) and their access and connectivity to main globally important places within Europe.

### **How are European cities integrated and connected in global networks?**

Development processes are mainly shaped by the relations between cities, encouraged by the presence of knowledge, a critical mass and tertiary knowledgebased services. One way of assessing how globalised or globalising a city is, is to examine what role it plays in servicing global capital.

Europe’s tertiary knowledge-based business relation in the world shows that its main cities are well connected into the global economy. The level of geographical concentration of the servicing of global capital is much higher in USA than in Europe. There is a small increase in the geographical concentration for both world blocs, but in the USA this increase is mainly related to the growth of New York. However, the cities providing the global services are in fact more evenly spread and balanced within the European territory.

### **Observations**

- London remains Europe’s top-ranking place servicing global capital followed by Paris, Milan and Madrid. This group of four cities leads both in 2000 and 2008. Other high performers are the cities Brussels, Munich and Amsterdam.
- Since 2000, more cities are becoming more “well connected” in the global service economy. Approximately 60% of cities worldwide (in a total of 285 cities considered) gained networking capacity to global services. Europe’s cities have done better than their USA counterparts in increasing their connections to the global services network.
- All larger European cities have gained ground, especially in Eastern Europe, where for example Warsaw, Prague, and Bucharest have increased their position in the world city network of global services. At the same time, many major cities in Germany, including Frankfurt and Munich, are losing ground.
- As some cities in the core area of the EU has declined, cities in Eastern, Southern and Western Europe have shown significant improvements. This trend is helping to create a better balanced territory of European cities anchored in the global services economy.

### Points for policy consideration

- The challenge for policymakers will be to continue to support and safeguard Europe's major cities influence in global networks while realising the potential of its smaller but increasingly globally connected cities.
- The main European global cities – like London and Paris – which are vital to the whole European territory may over time overheat and decline in competitiveness as a result.
- At the same time, Europe has a balanced and more even distribution of smaller cities than the USA and China. One example is Dublin which is now a globalised city. The city's assets – a critical mass of young skilled workers and internationally renowned education institutions – combined with an open national economy, have led it to become a strong player in globally traded services, which have remained relatively resilient in recent years.
- Policymakers could grow Europe's urban fabric further into the global economy through a number of actions. For example, by encouraging the most globally connected cities to cooperate with neighbouring territories to relieve pressure on housing and infrastructure, gaining as well in critical mass.
- Also, less prominent cities that wish to play a greater supporting role should be encouraged to do so, relieving global cities of functions that are not essential for them. By promoting themselves jointly as one "place", both to the global economy and to Europe's global cities, investors and entrepreneurs who seek global city proximity with lower associated transaction costs might find such places very attractive. This overall approach would be able to create a win-win for both overall growth of Europe but also encouraging a more balanced and cohesive European territory.

### More information

- The map shows for 285 world cities development of intercity relations from 2000 to 2008 based on the location of tertiary knowledge-based services. The circles indicate the total number of connections (links with other cities) in 2000. Colours of the circles show the evolution of connections.
- Most of the information and data used are based on available results from the ESPON applied projects "TIGER - Territorial Impact of Globalisation for Europe and its Regions" which has just delivered its draft final report.
- Experts at the ESPON Coordination Unit: Sandra DI BIAGGIO ([sandra.di.biaggio@espon.eu](mailto:sandra.di.biaggio@espon.eu)) and Kieran KEARNEY ([kieran.kearney@espon.eu](mailto:kieran.kearney@espon.eu))

### Interested in ESPON?

The ESPON 2013 Programme is part-financed by the European Regional Development Fund, the EU Member States and the Partner States Iceland, Liechtenstein, Norway and Switzerland. It shall support policy development in relation to the aim of territorial cohesion and a harmonious development of the European territory. ESPON shall support Cohesion Policy development with European wide, comparable information, evidence, analyses and scenarios on framework conditions for the development of regions, cities and larger territories. In doing so, it shall facilitate the mobilisation of territorial capital and development opportunities, contributing to improving European competitiveness, to the widening and deepening of European territorial cooperation and to a sustainable and balanced development.

The Managing Authority responsible for the ESPON 2013 Programme is the Ministry of Sustainable Development and Infrastructures, Department of Spatial Planning and Development of Luxembourg. More information: [www.espon.eu](http://www.espon.eu),

**Press Contact:** [pierina.petruzzi@espon.eu](mailto:pierina.petruzzi@espon.eu), phone +352 54 55 80 707