TOWARD SUSTAINABLE ECONOMIC DEVELOPMENT: FROM “METROPOLIS” TO “OLIGOPOLIES” THROUGH INTEGRATED NEW ECONOMIC ACTIVITIES

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Abstract: While many definitions of the term “sustainability” have been introduced over the years, the most commonly cited definition states that sustainable development is development that “meets the needs of the present without compromising the ability of future generations to meet their own needs”. And one of the field of Sustainable Development (SD) is the economic sustainability, which is a collection of methods to create and sustain development which seeks to relieve poverty, create equitable standards of living, satisfy the basic needs of all peoples and produce Sustainable Economic growth. Nowadays developing countries is facing a great problem in their economic development and finding a new job opportunities. And this paper will focus on how developing countries can achieve sustainable economic development on regional level through new urbanization; and to be transformed from metropolitan cities to oligopolies cities.

First part will represent a literature view on the “New Urbanisation” principles then the “Oligopolies” theory which is one of the most important theories that shows the different development paths of the cities of the world from local centers to Oligopolies cities. Then the paper will give an Internatinal examples for the “New Economic Activities” which are not depending on just natural resources and to make diversities in the Economic bases.

And finally it will study the way of how these “New Economies” can be integrated together on Regional and International levels to help in competing on the global levels to be Oligopolies, and to increase their GDP and minimize the unemployment rate to achieve Economic sustainable development as this will be one of the gates for sustainable cities.

Keywords: Oligopolies, Sustainable Economic development, New Economies Activities, New Urbanization, World Power Poles.

INTRODUCTION

Economic issues are the main issues facing developing countries and economic sustainability, and the world’s population is shifting rapidly from rural areas to cities, also the scale of urban poverty is rising worldwide. Based on current trends, the majority of the people in the world will soon be living in urban slums. A major reason is that the poor are urbanizing faster than the rest of the population. And there are clear signs that progress with structural reforms in developing countries could further increase poverty due to higher unemployment rate. And one of the field of Sustainable Development (SD) is the economic sustainability, which is a collection of methods to create and sustain development which seeks to relieve poverty, create equitable standards of living, satisfy the basic needs of all peoples and produce Sustainable Economic growth. Nowadays developing countries is facing a

great problem in their economic development and finding a new job opportunities to achieve comprehensive sustainable development \(^3\).

On the other hand there are cities which control the world economy and one of the theories which represent those cities is the “oligopolies theory” that shows the different development paths of the cities of the world from local centers to Oligopolies cities (world power poles) and how these cities integrated together through different networks with other sub cities. However, not every city is even close to be capable to enter the elite club of global centers unless they make a Comprehensive Economic Development. And in the final years of the 20th Century, the increasing urbanization of the world coupled with global issues of climate change, water shortage, environmental degradation, economic restructuring and social exclusion, demand that we take a deeper look at the future of our cities. \(^4\)

**RESEARCH OBJECTIVES**

The research objectives are to study how to obtain Comprehensive Development on all urban levels (cities, regions and countries) which seeks to relieve poverty, create equitable standards of living, satisfy the basic needs of all peoples and produce Sustainable Economic Development. And this can be achieved through: (a) Making better sustainable cities through New Urbanism principles. (b) Study different development paths of the cities of the world cities formation from local centers to Oligopolies cities. (c) Represent examples for New Economic Activities which don’t need Natural Resources to be achieved. (d) Study the Integration strategies through urban networks to grantee Sustainable Economic Development and emphasis the improvement of the accessibility through an efficient transport network.

**NEW URBANIZATION**

NEW URBANISM promotes the creation and restoration of diverse, walkable, compact, vibrant, mixed-use communities composed of the same components as conventional development, but assembled in a more integrated fashion, in the form of complete communities.

Also it is the most important planning movement in this century, and is about creating a better future for us all. It is an international movement to reform the design of the built environment, and is about raising our quality of life and standard of living by creating better places to live. New Urbanism is essentially a re-ordering of the built environment into the form of complete cities, towns, villages, and neighborhoods - the way communities have been built for centuries around the world, and it involves fixing and infilling cities, as well as the creation of compact new towns and villages. New Urbanism promotes the increased use of trains and light rail, instead of more highways and roads. \(^5\)

And one of the main principles of New Urbanism is to create employment opportunities near the accommodation to create an integrated society, and the economic approach to cities relies on a spatial equilibrium for workers, employers and builders. The worker’s equilibrium implies that positive attributes in one location, like access to downtown or high wages, are offset by negative attributes, like high housing prices. The employer’s equilibrium requires that high wages be offset by a high level of productivity, perhaps due to easy access to customers or suppliers. and this will need to search for new promising economic bases and activities which don’t need Natural Resources, and we will study in this paper some of these economic bases. \(^6\)

**WORLD CITIES FORMATION**

World city formation is the process by which the global economy impinges upon cities and transforms their social, economic and physical dimensions, focusing on the role of ‘command-and-control’ activities in large urban areas such as: location of headquarters for transnational corporations, international institutions, business-services, transport access, population size, research and education facilities, and convention and exhibition functions. But the

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world city formation is a continuing and varied process, or multifaceted process. The emergence of specialized or “regional functional city systems” is defining new roles for particular cities or groups of cities in the global urban hierarchy. Those cities integrated into the functional city systems (i.e. cross-border regional urban networks) are also undergoing the process of world city formation. Their inclusion in the system, or urban networks, has had direct effects on urban form, structure and development. According to Brenner (1999) the world city formation implies that, in order to be effective in global and regional networks, cities have undergone physical restructuring of their intra-urban patterns. Many urban policies are formulated as a response to global economic pressure, with the objective to attract capital investments and increase competitiveness in relation to other cities.7

The contemporary global urban system has been developed toward the phenomenon of “oligopolies” (from Greek “oligos” = a few, “polis” = city), which represents the predominance of few biggest cities in the global world economy. The author of one of the first articles about that issue is the French scientist “D. Gimeno- 1997” in the frames of the new “format” of the globalization process, with the increasing complexity in the organization of the world economy, the demand in the centers system has rapidly increased too.

And according to the general scheme shown in the figure 1, three key system’s elements could be distinguished represented by spatial concentration of global cities which are North American, West European and Asian-Pacific, with leading roles of New York, London – Paris and Tokyo. The system of oligopolies represents the main vector of economic development in the world’s economy as well as in the perspective of re-organization of the global economic structure. And every country tends to “gain” a city of international importance through which it could be linked to the world market (e.g. Sao Paulo, Caracas, Johannesburg, Mexico City, Bangkok, Manila, Jakarta). The absence of the international city is decreasing the country’s potential in terms of the

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economic dynamism connected to the sector of cooperative services of the higher rank, economy of knowledge and access to the world financial, innovative and informational flows. 8

However, not every city is even close to be capable to enter the elite club of global centers. The process of spreading the geography of international cities hides numerous conflict situations. The competition level for higher positions in the prestigious rating of importance between oligopolies is high and in permanent increase. The lead cities severely obstruct the introduction of new growth centers, which aim at overtaking some functions. And we observed from the previous figure is that the only city which included in the network of global cities is Dubai in United Arab Emirates, as it has a very good economic bases which depends on both the tourism and the mining bases (petroleum).

**Towards the Oligopolies**

The selection of criteria for defining leader cities remains one of the most important and crucial questions in the analysis of big cities worldwide network. And UN experts distinguish three main categories of cities according to their demographic and social-economic development. The first category includes spontaneously growing agglomerations with the dominance of the unorganized economic sector and a rapid rate of demographic growth. These cities are generally characterized by a significant poverty, a spontaneous building, strong social polarization and other sever problems (ex. Cities in sub-Saharan Africa, southern Asia and some of the poorest cities in Latin America). The second category involves cities in dynamic development, with rapid pace of economic development and stable population growth, but also with a spectrum of problems mainly of ecological nature (ex. Agglomerations in Eastern Asia, Latin America and Middle East). The third category includes very old cities with stagnation or decrease in population along with a slowing pace economic growth. Typically, ageing of the population, decrease of the house hold size, social polarization, deterioration of environment…..etc, are evident (ex. Europe, north America, Japan, Australia and new Zealand).

And according to the character of the demographic and economic development, to extreme trends in the world’s cities formation in three paths as shown in figure 3. The first development path, particularly the extensive set of demographic mass, typical for many least economically developed countries, gradually leads toward the creation of a large city, agglomeration and, in many cases, – toward the creation of Megapolis then Megalopolis. And the term "Megalopolis" defines complex and very large urban centers composed of a multitude of metropolitan areas connected together by transportation axes. Among the largest megalopolises and conurbations should be mentioned the megalopolis of Tokaido, Peking- Tsientsin, Chicago-Great Lakes, Shanghai-Nanking, Randstadt, Ruhr-Hamburg, Djakarta- Bandung, Cairo-Alexandria, Hong Kong-Canton, Milan-Turin, Changchun-Harbin, Mexico City-Guadalajara, Los Angeles-San Deigo, Buenos Aires-Montevideo, Detroit-Toronto, San Francisco- Standford. These complexes serve a large areas of the country and have different economic activities. They perform all the functions needed in the country as shown in figure 2. 9

The second development path is also possible - the growth of international importance practically without an increased demographic pressure. There are many examples for this, especially among European centers (Frankfurt, Zürich, Brussels and Geneva), which have stressed the process of strengthening their presence in the spheres of financial and geopolitical activity as shown in figure 3.

The third – the kind of compromise and, possibly, the optimum variant, represents parallel development of cities in the two previous development paths. The growth of demographic mass in cities is organically connected with the increase of their role in the international labor division. The latter development requires special conditions, including all “local” resources as well the utilization of resources of the global city network. Many cities of “ the new industrial states in Eastern Asia and Latin America started to follow this path to reach the oligopolies. However there are only a few representatives of the “third path”. 10


Figure 2: World Mega Megalopolis map
Source: <www.skyscrapercity.com/showthread.php?p=69530085>

Figure 3: The relationship between demographic and economic “path” of the city development.

NEW ECONOMICS BASES

Industry, agriculture and tourism are the main economic bases sectors concerned with economic activities. Traditional agriculture base, which decreased due to the informal growth on agriculture lands, and traditional industry base, which is monopolized by the Great industrialized nations, and the tourism base, which is not a stable base of economy, emphasis the need for searching for new economic bases. And one of the surprising features of modern economic growth is that economies abundant in natural resources have tended to grow slower than economies without substantial natural resources, where economies with a high ratio of natural resource exports to GDP in 1970 (the base year) tended to grow slowly during the subsequent 20-year period 1970-1990. In the seventeenth century, poor resources countries such as Netherlands eclipsed Spain, despite the overflow of gold and silver from the Spanish colonies in the New World. And in the nineteenth and twentieth centuries, poor resources countries such as Switzerland and Japan surged ahead of resource abundant economies such as Russia. And at the end of the last century, the world’s star performers have been the poor resources countries
such as newly Industrializing Economies of East Asia - Korea, Taiwan, Hong Kong and Singapore; while many rich resources economies such as the oil-rich countries of Mexico, Nigeria, and Venezuela, have gone bankrupt. 11

And the examples of these Natural resource as base of economic are agricultural lands, mineral resources, Freshwater resources, Coastal and marine resources.....etc; and there are other new economic bases which are not depending on just the natural resources. 12 In the coming decades a rapidly decreasing eco-capacity will undoubtedly result in a fundamental shift in relative costs of the dominant production factors (energy-environment versus capital and labour) and might thus induce a new techno-economic paradigm. Such a shift might redirect the development of economy and technology towards an optimum with lower energy and environment intensities, and the European Commission summarizes the following opportunities for the creation of jobs:

**Job creation in the field of local public transport:**
The employment trend in the urban public transport sector is currently stable if not negative, due to gains in productivity, the application of new information technology and the limitations of public budgets. However, there is an alternative option which should enable substantial numbers of jobs to be created. Based on a more locally-oriented strategy of development and on public/private partnership, this consists of enlarging the concept of the service provided by public transport and attempting to respond more effectively to the changing requirements of users.

**Job creation in the field of redevelopment of public urban areas:** Building projects employ large numbers of workers. But the maintenance of public areas, street furniture, street signs and cleansing services could also generate new jobs. A continuing flow of jobs derives from the improvement of the quality of life once an area becomes more attractive with the re-stimulation of economic activity mainly in the service sector: commerce, tourism, arts etc..

**Job creation in the field of property renovation and housing maintenance:** Urban renovation provides opportunities for a wider variety of job-skills and more scope for using smaller businesses and other bodies. Housing maintenance and associated services may seem to be more promising in terms of job creation, because they are highly labour-intensive and respond to a new, largely unsatisfied demand for the services. However, they tend to be small-scale and operate on small budgets and do not provide a significant contribution to job creation.

**Job creation in the field of cultural heritage:** There is growing need for the various skills involved in the creation, restoration and maintenance of cultural heritage sites, the management of the sites, and reception of visitors, plus those involved in dissemination of information about cultural heritage. Such work should be stimulated by national governments through fiscal policy.

**Job creation in the field of waste management:** There is employment in all parts of the chain of waste management: from sorting and recovery of waste to research in the field of technical improvement. The area of ecological waste treatment also offers new employment opportunities. The national authorities must continue their action to stimulate waste recovery and recycling, which basically means taxation. 13 Cities and regions can gain advantage in competing for inward investment from a pleasant living environment and high quality of life. These will also help an area to retain existing economic activity.

**Job creation in the field of New Tourism:** At the level of tourism activities, we find that there are many countries in the world has been able to create new tourism activities which have achieved a great success. For instance, some cities in the United States of America had established a recreational tourist activities which did not depend on any historical or natural resources such as Disneyland in Orlando, Florida, Las Vegas, Nevada. These were cities where large unused areas with no resources, but through the creation of these recreational activities turned into a global tourist attractions provide employment opportunities and the major source of income.

**Job creation in the field of New Agriculture:** Many countries able to achieve tangible success in the field of agricultural production in spite of the limited resources of their agriculture. For example,

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we find that a country like Syria has succeeded in planting 14 million acres and to achieve self-sufficiency in most products, despite the weakness of their soil compared to Egypt. We also find that other countries such as Japan, Switzerland and Yemen have been successful in the cultivation of mountainous areas. Also Israelis cultivated areas of poor soil in Palestine with the use of advanced irrigation systems such as drip irrigation.

**Job creation in the field of New Technologies:** The economic activities in the field of information and communication technology became the most important economic activities at the global level. It is worth mentioning in this regard, that these activities depend primarily on human resources and education. We find that a country like India has been able to achieve great success in this area, which compete globally as the first centers in the area of software production and the field of electronic services. As well as the Kingdom of Jordan has succeeded in the formation of a regional center for education activities especially at the level of Arab States.

**Job creation in the field of Ports and Maritime Transport:** With the growing importance of maritime transport in recent decades, some countries have succeeded in establishing a global ports to serve as centers of regional trade. Such as the United Arab Emirates, where Dubai has become the most important ports in the world. This has been achieved through the availability of systems and legislation to attract investment and transport activities (provision of free zones). 14

**Job creation in the field of Renewable Energy:** Energy sources is a priority for development in the world, especially in the last decade with increasing consumption and the relatively limited oil resources globally. So goes the world's attention to renewable sources of energy such as solar and wind energy. It is important to recall the success of attempts by European countries in the production of energy from these renewable resources. Such as Germany, which has become a significant success in the generation of solar energy, although the average brightness of the sun which is much less than in Egypt.

**INTEGRATED ECONOMIC BASES**

The improvement of the accessibility through an efficient transport network is one of the most important prerequisites for economic development and reducing the regional disparities. And to grantee the Economic sustainable development of cities, regions and countries, urban integration strategies must be achieved on all urban levels. 15 And of the main successful example of urban integration is the European union (EU) which passed through different stages which are:

**From Capital Cities to ‘Global(ising)’ Cities:** The most important spatial effect of globalization processes is the (re)enforcement of the large metropolitan areas and, capital cities in particular, as a priori locations and key nodes of human activities. These cities play a critical role in diffusion of economic growth, social and cultural innovations within their national urban systems.

**From National Urban Systems to International Urban Networks:** The other way of the "world city formation" in a more European context is the establishment of urban networks projects (as shown in figure 4), through cross-border and trans-national cooperation, links and partnerships between different cities in EU member states. 16

**From Socialist to Post-Socialist Cities:** global image, economic competitiveness and local identity. The development of socialist cities was in many aspects unique, which also means that cities in Central and Eastern Europe have had great similarities to each other at the beginning of the transition period in early 1990s. Political, economic and geo-strategic reforms have lead to important structural changes in Central and Eastern Europe, characterized by reorientation of trade to EU markets, price liberalization, economic and therefore, industrial restructuring, shift from industrial to service economy, transformation of enterprises, privatization, foreign direct investments (FDI), a shift from supply to the demand-oriented economy, and the membership of international organizations and associations.

**From Blueprints to Strategic Planning:** Since the second half of 1990s, physical planning in Central

14 Tarek Abdel Latef,, New Economic Bases which are not depending on just the natural resources, Draft of “The Strategic Plan of Egypt 2050”, General Organization for Physical Planning (GOPP), Cairo, Egypt , 2010.


16 ناصر محمد عبد العزيز، التكامل العمراني الإقليمي والدولي، كتابة "دروس عملية التنمية الشاملة - دراسة حالة التكامل العربي وإمكانية التطبيق، رسالة بكالوريوس - كلية الهندسة، جامعة القاهرة، 2008، 2010.
and Eastern Europe at the urban level has begun to be supplemented by the emerging strategic planning and renewed attempts to implement economic tools for the stimulation and facilitation of local development. A review of planning documents shows that in the last decade urban policies have revolved around the search for comparative and competitive advantages of cities within the European urban networks. This includes establishment of transportation networks, recognition of the shift from old industry to a service based economy, and the problems of efficient guidance and regulation of private initiatives in the dynamic process of city transformation.  

From Urban Nodes to “Zones of Metropolitan Cooperation”: The continuing restructuring of the international economy and weakening of national boundaries, advantages some areas and disadvantages others, creating uneven economic and social development. These processes have fundamentally changed the organizations and modes of interaction between Central and Eastern European cities effecting increased although differential rates of their integration within the international system of cities. And there are two issues important for urban policy making in Central and Eastern Europe. The first one is the influence of international organizations and agencies on policy formulation. Second, at the implementation level, the forms and functions of the metropolitan and local government(s) and their relation to the (supra)national bodies (i.e. EU, UN) is equally important.  

The opening of the borders to Central and Eastern Europe, the creation of a European Single Market (1992), and accession of new member states of Austria, Sweden and Finland (1995) has intensified the questions about the viability and role of different territorial units (i.e. regions and cities) in social, economic and political affairs in Europe as a whole. Since European Council Summit in Copenhagen (1993) the commitment to enlargement towards Central and Eastern Europe has required further economic reforms, harmonization of legislation, and strengthening


Figure 5: Global integration zones
of institutional development. This was confirmed at the Essen Summit (1994) with formulation of the pre-accession strategy that was published in 1997 as Agenda 2000, also known as the “EU enlargement strategy”.  

As part of the process of “Territorial Integration” the EU has been increasingly supporting establishment of different links and networks between cities and regions to co-operate and participate in joint projects. The results of these projects have had an important impact on formulation of EU “urban and regional agendas”, such as Europe 2000 (1991) and Europe 2000+ (1994), followed with the European Spatial Development Perspectives (ESDP) (1999), the Second Report on Economic and Social Cohesion (2001), and the Third Report on Economic and Social Cohesion (2004) calling for a “better balance and polycentric development of a European territory” as shown in figure 5.  

CONCLUSIONS AND FUTURE WORKS

From the previous, this paper propose a new strategy to obtain a Comprehensive Development on all urban levels (cities, regions and countries) to transfer cities from local centers to oligopolies through making better sustainable cities and applying “New Urbanism” principles and search for the New Economic Activities which don’t need Natural Resources and to make an economic diversities in the fields of local public transport, redevelopment of public urban areas, property renovation and housing maintenance, cultural heritage, waste management, new Tourism, new Agriculture, new Technologies, Ports and Maritime Transport and Renewable Energy, then to apply Integration strategies to grantee Sustainable Economic Development by making urban networks through cross-border and trans-national cooperation, links and partnerships between different cities.

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19 حسن نافعة، الاتحاد الأوروبي والمدن المستقلة عربياً، بيروت، مركز دراسات الوحدة العربية، 2004


