Does Globalization Expand the Crisis and the Phenomenon of Quartered Cities?

A Case Study of Taiwan

Chien-Hung Tung
Assistant professor of Graduate Program of Landscape and Recreation,
National Chung-Hsing University, Taichung, Taiwan

Kang-Ting Tsai
Associate professor of Graduate Program of Landscape and Recreation
at National Chung-Hsing University, Taichung, Taiwan

Abstract

Traditional economic theory and urban theory often rest on the “Rostovian take-off” model and on the “trickle-down” effect, both of which claim that the growth of a region’s economic development would be attributable to leading global cities inside this region. Nonetheless, with the emergence of globalization and the rise of a new technology-oriented economy, theories that stress such regional economic development have faced critical challenges. More recent research has showed that the economic conditions of these global/nodal cities’ surrounding regions do not grow at a similar speed. Rather, a polarization of regional development gradually emerges and expands. In particular, inside these global cities, more and more gated communities, enclaves, and citadels spatially separate the rich from the poor. This polarization of regional development has not only detached these global cities from their own nation-state and further eroded already uneven urban-rural development but also triggered social tension inside nation-states and cities. Employing Taiwan as a case, we wish to indicate that the process of globalization and the construction of global city networks have expanded the crisis and the phenomenon of quartered cities.

Keywords: regional development, globalization, nodal cities, quartered cities
1. Introduction

Many traditional economic theories and urban-economy models reflect the tenets of the “take-off” model and the “trickle-down” effect. These models assume that when the economy of certain areas of a region (usually the major cities of these regions) flourish first, the activated economic activities would draw more economic resources to the region’s other areas and would create more demand there. As a result, these activities would stimulate the rest of the region for further economic growth.

Nonetheless, with the emergence of globalization and the rise of a new technology-oriented economy, such regional economic-development theories have undergone rigorous critical challenges. In particular, the emergence of a new type of nodal city and of quartered city, which Peter Marcuse refers as multifarious representation – metaphorical and real - of socio-economically and geographically fragmented state of contemporary Urban society under condition of ne-liberal regulation by the market force (van Weesep, 2005) - not only puts into question the accuracy of traditional regional-development theory, but also creates several old and new social and economic issues that further segregate the urban societies in many contemporary cities and nation-states. Therefore, it is crucial to understand the new global phenomenon.

This paper will first review the emergence of quartered cities and its relationship with globalization. Employing Peter Marcuse’s concept of “quartered city,” we argue that a new urban phenomenon has expanded from Western states to the global society. Similar to the colonial city, the new quartered city in many non-Western states further divides these already fragmented societies.

We then will examine regional-development differences between pre-globalization Taiwan and globalization Taiwan. We argue that to various historical periods correspond unique regional-development policies. Even though most of these regional-development policies promoted balance between different regions’ economic development, the policies under the influence of technocrats’ developmentalist ideology have failed in this purpose. The
globalization trend and the gradual emergence of global city networks, since the late 1970s and the early 1980s, have further eroded Taiwan’s already imbalanced regional development. Many second- or third-level nodal cities have declined rapidly during this period, and even the major city in the southern part of Taiwan—Kaohsiung City—has quickly decayed. Nowadays, there exists only one major metropolitan area, Taipei metropolitan area. Most of Taiwan’s national resources as well as Taiwan’s private-sector capital are all centralized in this metropolitan area, a trend that further expands the uneven development between northern Taiwan and southern Taiwan. Through sociological observation, we show that the expansion of global capitalism has contributed to an imbalance in Taiwan’s development.

After establishing this point, we will discuss why globalization expands the crisis and the phenomenon of quartered cities. We argue that the current trend of globalization with its powerful technological effects and its powerful cultural influences has produced a new spatial order. This new spatial order, by reflecting and satisfying the desires of a new global elite, further expands the crisis of already divided cities in many non-Western societies.

2. Literature review: The Emergence of Quartered Cities as a New Global Phenomenon

Under the current trend of globalization, a new spatial pattern of ever-present segregation has emerged inside contemporary urban societies. Many scholars have argued that globalization has given shape to quartered cities that have coincided with both the rise of global cities and the rise of social and spatial inequality (see, e.g., Kempen & Marcuse, 1997; Marcuse, 1997; Badcock, 1997; Hamnett, 1994; Mollenkopf & Castells, 1991; Sassen, 1991). In particular, after the 1970s’ global economic crisis and the 1980s’ rise of neo-conservatism, rapid polarization emerged almost everywhere. It happens not only between rich countries and poor countries, but also within national boundaries, whether between different regions or within an individual city. Even though region-region segregation and within-city segregation have existed since the emergence of civilization, in today’s globalizing world, cities become
increasingly divided and polarized. Hence, Castells and Mollenkopf claim that there exists a “dual city”; other scholars use terms such as polarized city, partitioned city, and fragmented city (see, e.g., Mollenkopf & Castells, 1991; Marcuse, 1997). In this geographical sense, the polarization in today’s world concerns not only social segregation due to the differences between classes, races, ethnicities, religions, and (to a lesser extent) gender identities but also the actual physical separation of the above-mentioned groups. In particular, as Peter Marcuse states in a personal note,

Borders have become, in our age of globalization, less narrowly spatial, and they have hardened socially, politically, economically, and militarily, and have become more one-sided and more unequal. Technology has been used to reinforce borders, to increase divisions, both between nations and within them, particularly within cities. (Marcuse, 2002)

Scholars used to argue that modern urban forms would gradually dissolve the differences between various identities—between social groups—owing to mixed-income residential areas and mixed-race residential areas and to complex and multi-functional land-use policy. Yet, the power of capitalism continues to shape the structure of the urban form in order to further capitalism’s accumulation and reproduction mechanism. Hence, borders no longer function just as a political and military line between nation-states; border function, also, as a social and spatial line within cities. Therefore the emergence of today’s quartered cities or divided cities is symptomatic of this transition.

As the above discussion notes, the appearance of segregated cities often is based on differences between classes, races, ethnicities, religions, and (to a lesser extent) gender identities. But the rise of globalization and modern technology has rendered the segregation of different social groups much more spatial, much more concrete; the cities, therefore, become quartered. New York City exemplifies this trend. Once considered the most internationalized and semi-friendly city in the world, it rapidly changed after the governance of former Mayor Rudy Giuliani and further divided after the September 11 tragedy. Nowadays, many global elite and middle class professionals praise Mr. Giuliani
as the hero of that terrible event and argue that his role as mayor of New York City helped the city successfully return to its old-time glory, which is flourishing better than ever. Helping shift New York City from a bankrupted and crime-ridden city to the world’s financial capital and to one of the ten safest US cities, Rudy Giuliani, in fact, successfully connected the force of global economy, the mentality of middle-class professions, and the mentality of the global elite to one another so that New York City might re-construct its urban landscape.

Employing the theory of “broken windows” and manipulating the public fear of high crime, Giuliani and his team used all available technology, such as the notorious surveillance camera, and maximized government power by, for example, strengthening the police force and zoning policy. The goal was to gradually gentrify the city’s various neighborhoods. After eight years of his mayoral governance, the lower-income population in New York City gradually declined, in numbers as well as in their social and political power toward the city, and was forced by the power of capital to concentrate in particular physical areas of the city. The most significant changing neighborhood has been Harlem, which is located at the northern part of Manhattan Island. Considered a place of hope for many Africa Americans before the 1970s, this neighborhood rapidly declined thereafter. In the 1980s, over 80 percent of Harlem’s total population comprised low-income residents. Many of them were Africa Americans. In particular, the female-headed single-parent family household accounted for almost 35% of Harlem’s households. Such a poverty phenomenon later triggered a fiscal crisis for New York City in the 1980s as the social welfare budget and housing subsidy for the lower-income families piled up. It also escalated certain crimes since the lives became increasing difficult and the jobs were hard to find due to the economy condition. In 1994, when Giuliani became mayor, he applied many tactics to crime prevention: in addition to strengthening the police force, particularly in areas with higher crime rates, he implemented “business improvement districts” and “real estate certificates.” Further, the New York City government invited several multi-national corporations, such as Disney, to participate in the urban-renewal projects of many areas (mainly, of Manhattan). Hence, the emergence of a
new urban landscape was based on the interests of global elites and middle-class professionals. Now, New York City’s main business districts, mainly in Manhattan, are crowded with business professionals and tourists. A new urban space has emerged to welcome these high-consumption power groups. More and more high-rises and expansive (and expensive) hotels and restaurants have opened their doors in these blooming business areas, such as Times Square and the Upper West Side. And alongside these new high-consumption areas are “the fortified enclave” and the “citadel.” Now, these wealthy global-minded power elites and new breeds of professionals, such as the new breed of stock brokers and high-tech industry managers and professionals, live comfortably in the newly gentrified apartments located in traditional urban neighborhoods. They shop at the nearby newly established high-quality chain-store supermarkets and dine at high-end restaurants. Many traditional local stores, such as New York City’s once-famous local coffee shops, are gradually losing their business to gigantic generic chain stores. As a result, more and more local lower-end residents have lost their jobs and, in search of work, have found it necessary to move to other places. Not a few of these formerly self-sufficient residents of New York City have become welfare recipients. Few new businesses are opening in these declining neighborhoods, where many lower-end workers and low-skill workers live. The neighborhoods have become the “Ghetto of Exclusion,” where social connections are scarce (Marcuse, 1997). Therefore, the new urban borders that have emerged in New York City fit the interests of the global elite.

The expansion of a global economy has gradually transferred this new urban spatial order to many non-Western societies. We will employ Taiwan as a case that demonstrates how globalization further triggers the crisis of quartered cities in a non-Western society.

3. Island within an Island: The Development of the Taipei Metropolis

Being part of the world system and lacking legitimacy, the KMT government adopted a development-oriented strategy to obtain a better position
for itself in the international division of labor, as well as to improve Taiwan’s economic situation in exchange for the survival of the KMT. As a result, Taiwan became a developmentalist state, using state power and finances to increase material production and adopting state corporatism to identify itself as the representative of all classes. However, the question of legitimation is a paradox for the KMT Party. Because most Taiwanese have viewed the KMT as an outsider or a colonial authority\(^1\), the KMT has had to produce economic rent to exchange for support from local elite and from traditional factions.

According to the principles underlying a developmentalist state’s development, the post-war urban planning system in Taiwan played almost the same function as had the pre-war Japanese colonial system: the accumulation and the re-allocation of resources for the purpose of fast capitalist development. But unlike the previous Japanese colonial authority, the KMT government devoted most of its resources to the development of Taipei City and of Kaohsiung City. They designated Kaohsiung the center of industry and established almost all the key heavy industries there, placing several industrial parks and export-processing zones nearby. Certainly, since the Japanese colonial period, Kaohsiung has been Taiwan’s key industrial center. The great logistical location of Kaohsiung’s seaport enabled Kaohsiung City to become the favored place for industrial development. As a result, more and more Taiwanese migrated into Kaohsiung from nearby counties.

However, the KMT Party’s investment in Taipei City is another story. It is the clear expression of a colonial ruler. Because the city was both the location of the central government and the place-of-work for hundreds of thousands of KMT bureaucrats, military personnel, and other mainlanders, the

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\(^1\) Since the massacre of 228 in 1947 and the White Terror of the 1950s, KMT authority was viewed by many local Taiwanese as the new colonial ruler, comparing with previous Japanese colonial government, due to the similar exploit ruling both on economic and political-social dimensions. For KMT, after defeated by Chinese Communist Party at 1949 and withdrew to Taiwan, the leaders of KMT took more centralized and authoritarian ruling method to insure their ruling over Taiwan society. Therefore, on the one hand, they continued Japanese colonial authority’s several policy on exploiting Taiwanese’ resources; on the other hand, they tried to establish patron-client system at local Taiwan society in order to exchange the support from local elite and secure their ruling at Taiwan.
KMT monopolized all the city’s resources in order to improve the KMT’s own living conditions. Gradually, Taipei became the primary city of Taiwan. Companies had to set up their headquarters in Taipei in order to deal with the central-government officers. These necessities certainly drove up the cost of living in Taipei City. So, more and more people moved to the nearby counties such as Taipei County. The housing stock in Greater Taipei was insufficient, as were the area’s public facilities. From the late 1980s to the early 1990s, the KMT government invested heavily in the Taipei metropolitan area to resolve the crisis of insufficient collective urban consumption. Meanwhile, less and less public investment went to counties outside the Taipei metropolitan area. According to government statistics, significant gaps in the development of basic infrastructure separate Taiwan’s regions from one another. For example, the rate at which Taiwan has developed its major cities’ water-sewer systems is much higher than the rate at which Taiwan has developed secondary regions’ corresponding systems (Fig. 1).

**Fig. 1.** The Development of Water-sewer Systems in Various Counties in Taiwan (Data from the Directorate General of Budget, Accounting, and Statistics (DGBAS) of the Executive Yuan)
If we further examine the government budget and the share of the budget per person, we will find more uneven and unequal distributions.

The above figures show the uneven public investment in various cities and counties in Taiwan. We can see that, except for Taipei City, cities and counties in Taiwan receive insufficient public investment. As a result, the welfare of citizens in these cities and counties has suffered (Fig. 2).

![Fig. 2. 2006 Annual Budget and Population of Various Cities and Counties in Taiwan (Data from the Directorate General of Budget, Accounting, and Statistics (DGBAS) of the Executive Yuan)](image)

It is interesting to note that a further examination of per-household income in these cities and counties reveals a unique case. In figure 3, we use 2005 data to show the differences in per-household income in various cities and counties, and we find that citizens in Taipei County enjoy per-household income levels that are almost as high as those in Kaohsiung City (Fig. 3). We suggest that this interesting finding reflects chiefly the geographical proximity of Taipei City and Taipei County to each other. The common view is that the Taipei metropolis includes the core city (Taipei City) and the city’s periphery (Taipei County). Hence, there should be certain economic benefits for the citizens in Taipei County. And this finding further demonstrates the emergence of quartered city in Taiwan. That is to say that even though the income gap might not be very large, the spatial arrangements and the living
conditions within this great metropolitan area vary a great deal from place to the next.

We argue that two co-related factors underlie Taiwan’s uneven investment in the basic infrastructure of various cities and counties.

First, the KMT’s colonial mentality has contributed to the centralization of major economic, social, and cultural resources in Taipei City. This colonial mentality is due to the fearing of the challenges from local Taiwanese. Therefore, most of the KMT leaders, bureaucrats, and military personnel, as well as many related mainlanders, chose to live near the central government’s location. The many mainlanders who followed the KMT to Taiwan and who have promoted the KMT on the island have convinced the KMT, especially when it was in power, to prioritize infrastructure and housing development in Taipei City. Therefore, citizens at Taipei would certainly enjoy best quality of public service and help them to create economic prevailing status. As a result, such a prevailing economic status would contribute to the ruling class elite and their supporters, mainly the mainlanders and their descendants, as well as those who later incorporate into the elite circle, the social and political domination over Taiwanese. More recently, with Taiwan’s rapid economic growth, many
of today’s adults grew up in Taiwan’s first middle-class households. Many members of this generation admire an urban lifestyle where various social and cultural activities occur. Because Taipei is home to almost all the recognized important social, economic, educational, and cultural institutions in Taiwan, more and more people move to Taipei City. Therefore, more public investment is needed to support the population’s rapid growth. Taipei has become the prime city of Taiwan and has also become an island within Taiwan Island. The reason for this outcome—an island city within an island—concerns two related factors: (1) the gradually expanding income gaps between Taipei City and other areas, and (2) the uneven distribution of information and public resources between Taipei City and other areas. Taipei City’s residents have access to better resources than other areas’ residents have, and the city’s residents have more and better opportunities to receive resources than other areas’ residents have. Consequently, Taipei City’s residents have gradually developed a mentality that differs from the mentalities characteristic of the rest of Taiwan. If we ask further why the city’s residents would develop a unique mentality, we find that a rigorous explanation hinges on the city’s economic and cultural hegemony. The residents of Taipei, with their superior economic resources, have quickly aligned themselves with the dominant force of globalization. As Castells claims, in this information age, the ability to survive is predicated on an ability to receive and to analyze information. Because Taipei residents and Taipei city, as a whole, possesses this unique advantage, they segregate themselves from the rest of Taiwan citizens.

Globalization expands global corporations influence into many non-Western societies. Hence, globalization is the second factor that exacerbates Taiwan’s uneven investment in basic infrastructure and that promotes the quartering of Taiwan’s cities. The many international corporations that wish to expand their business into—and even to establish operation centers in—non-Western societies wish to do so only in a familiar, comfortable environment. In particular, the corporations pay attention to the relationship between technology growth and infrastructure growth: with the advance of technology, more and more public infrastructure needs to be updated or, at least, expanded. As a result, more public investment will find its way to already advancing cities.
In this regard, and in other regards, cities such as Taipei have already established friendly connections with international corporations, which, for this very reason, prefer these cities as operation centers to other, less familiar cities.

International corporations’ personnel require not only a physically convenient urban environment but also an emotionally or aesthetically familiar social surrounding. Hence, McDonald’s, 7-Eleven, Costco, Starbucks, Carrefour, and similar stores open their doors for business in these cities because these stores provide the individual executors of international corporations with familiar and comforting experiences. In the end, these stores, together with many multinational corporations, create a particular space inside the cities in question. As we have seen in Taiwan, Xin-Yi District in Taipei City has become such a place. The consumption in this area has almost nothing to do with the rest of Taiwan. Instead, it follows the current trend of other major global cities. This perpetually impressive growth reflects the power of global capital in place of local capital.

Hence, we have to say, Taipei as an island city in Taiwan has transformed itself into a typical quartered city and has gradually divorced itself from the rest of Taiwan’s economic development.

4. Discussion: Strong Connections among International Cities, Weak Connections among Localities and Regions

Why are there quartered cities? And what events and patterns in the global context prompted Stephen Hymer to predict that the hierarchical division of labor between geographical regions would correspond to the vertical division of labor within the firms (see Hymer, 1972)? Many modern social theorists, such as Castells, Giddens, and Sassen, (Sassen, 1991; Castells, 1996; Giddens, 1998) all point to the emergence of new technology after the 1970s. This technological revolution, as Castells indicates, constituted the impetus for a new wave in the industrial revolution and ultimately changed the way people and society communicate with each other (Castells, 1996). Many traditional leftists, such as Peter Marcuse and others, argue that globalization has existed
since the rise of mercantilism and that the technology-based information revolution is certainly changing the old capitalist system (Marcuse, 2000). Marx stated in Das Kapital that changes in the forces of production accompany changes in the relations of production (Marx, 1977).

Changes in technology alter production relations and geographical divisions of labor. Giddens defines globalization as “the intensification of world-wide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa” (Giddens, 1990: 64). He continues:

Globalization, in sum, is a complex range of processes, driven by a mixture of political and economic influence. It is changing everyday life, particularly in the developed countries, at the same time as it is creating new transnational systems and forces. … globalization is transforming the institutions of the societies in which we live (Giddens, 1998: 33).

The emergence of globalization challenges not only the function of economic forces but also almost every aspect of contemporary life. In previous societies, namely industrial society, traditions persisted because the institutional changes signaled by modernity were confined largely to public institutions. But with the advance of technology and the growth of human intervention in nature, as well as the spread of many artificial products around the world, societies eventually lose touch with their traditions. (Giddens, 2000: 54-68)

By the power of global capitalism, the new power elite change the spatial order of the “global city” in which they live and enjoy the benefits therein. At the same time, they leave the dark side of this globalized process to the under-privileged. In the past, owing to the welfare state’s ideology or to the socialist state’s ideology, the state apparatus would at least protect the basic economic needs and social right of the under-privileged. But in the age of globalization, the prevailing ideology—neo-liberalism—has weakened the power of state bureaucracy and has, hence, reduced the power of regional governments to oppose the power of global cities. As a result, more and more nodal cities,
which are the major cities in various countries where they have linked with the large global cities, such as New York, London, or Tokyo, by the power of global Capitalism, have to adjust their urban structure to the urban structure of global cities. Nowadays, financial capital, human capital, and other resources can move with relatively little obstruction; and therefore, if any individual city refuses to cooperate with the global elite, much-needed capital would be reassigned immediately to another possible candidate. In the end, a much stronger inter-city network has taken root.

In the meantime, the connection between local nodal cities and regions has become weaker. For example, Asian countries’, including Taiwan’s, major cities have been quartered and divided by global forces, many of today’s new power elite do not rely on local markets to support their daily activities. The trans-national chain stores, such as Wal-Mart, Starbucks, and Carrefour, which, as we mentioned, are the main domestic providers of goods to the global elite, typically do not offer locally produced goods. Rather, they gather many of their items, even foods, from various countries, to fulfill the consumption desire of the new power elite. This is one example of many that explain why cities are becoming increasingly divided and why regions are becoming less and less significant to nodal cities, whose main consumers are outsiders.

Hence, we have to admit that in today’s global age, increasing inter-city cooperation has become inevitable when all the necessary capital (whether it is information or labor or another resource) circulates within these cities. In order to participate in this new wave of the global economy, any individual city has to adjust its urban structure and state apparatus to the new global power bloc. In turn, these adjustments divide, or quarter, the city, and more and more local residents who do not or who cannot catch up with the current revolution in information technology are excluded from the global power bloc. In the end, these quartered cities and nodal cities alienate themselves from their own region and from their own nation-state because the cities’ privileged position in the new global power bloc starkly contrasts with the marginalized position of excluded regions. So, what can we do to counter this trend if it seems inevitable?
5. Conclusion

When we talk about inter-city cooperation, what do we have in mind? Do we mean to formulate a traditional regional-cooperation mechanism? Or do we simply think of global cities that connect with one another? Maybe the current global economic development has left many developing countries’ cities not much of a choice, because the global power elite control most major resources. Yet, there still are alternative development strategies. Nonetheless, in order to escape from the domination of global power elite and the formation of quartered cities, this paper as an initiated research tries to show that if a nation-state government only focus its economic and urban and regional policy on promoting the formation of global cities within its major cities, the result would produce further uneven development within the nation and be critical to the rest of the society who have been excluded from the trend of global economy.
References


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全球化跨大了分裂城市的現象與危機嗎？

以台灣為研究案例

董建宏
中興大學景觀與遊憩學位學程助理教授

蔡罔廷
中興大學景觀與遊憩學位學程副教授

摘要

傳統的經濟與都市發展理論，多半依賴羅斯托夫的「經濟起飛模式」以及經濟下滲效應，來討論區域經濟的發展，其實是仰賴區域中主要城市的發展，強調主要城市的經濟成長，會帶動區域的經濟發展。然而，在全球化與新科技經濟的發展下，過往這些區域經

e濟發展理論已經受到相當的挑戰。更多的研究指出，在當前全球城市與節點城市的經濟

er狀況，與其鄰近的區域的經濟成長速度並不相當。相反的，一種兩極化的區域經濟發展現象正在發展與擴張中。

特別是，在這些全球城市中，更多的門禁社區、領地與城堡行社區的出現，將富人與窮困者在物理空間上更清楚的分隔了。這樣的兩

er極化的區域發展不但讓這些全球城市與他們的民族國家漸行漸遠，更進一步侵蝕了原本早已不平等的城鄉發展，也造成了民族國家與

city內部的更多的社會緊張。本研究以台灣為研究案例，希望可以
d指證出全球化的歷程以及全球城市網絡的建構，已經擴大了碎裂城
er的現象與危機。

關鍵詞：區域發展、全球化、節點城市、碎裂城市