

UDC 339.9.01:911.375.3(188.9)

**Ruslan Kramarenko**Ph.D. in Economics, Associated Professor,  
Kyiv National Economic University named after Vadym Hetman, Ukraine  
moia.kneu@ukr.net, 54/1 Peremohy Ave, Kyiv, 03680, Ukraine

## ACTIVITY OF MEGAPOLISES ON THE INTERNATIONAL LEVEL AS A FACTOR OF GLOBALIZATION

**Abstract. Introduction.** The capital metropolises for any country are not only a leading administrative and business centres, they are business card, the global socio-political and economic space. In the modern world of globalization is becoming more apparent substantial strengthening of the economic and political significance of the cities, the rapid increase of their role in the world economy and international relations. **Results.** The article considers the role of cities in the establishment of international relations based on the analysis of the processes of globalization and glocalization international relations. According to the one of existing concepts of globalization, the world economy is a multi-level system, the upper level of which is a network of world-class cities. In the context of global competitive leadership advantage of modern network organization of economic activity with flexible regional and sectoral configurations lead to the increasing role of large cities, which concentrate scientific and technological, financial and investment potential. **Conclusion.** Network activity leads to the evolution of modern economic systems, the development of non-market mechanisms of regulation and network organizational structures. This requires constant modification of urban governance mechanisms and appropriate advanced scientific and methodological support. Acceleration of economic development and consolidation of Ukraine's international position now requires modern approach to the development of domestic big cities, especially metropolitan cities and a capital Kyiv city. Its goals and objectives are provided in the article.

**Keywords:** metropolitan city; globalization; international relations; international organizations; glocalization.

**JEL Classification:** F50, F59, H76, Z18

**Р. М. Крамаренко**

кандидат економічних наук, доцент,  
ДВНЗ «Київський національний економічний університет імені Вадима Гетьмана», Україна

### ДІЯЛЬНІСТЬ МЕГАПОЛІСІВ НА МІЖНАРОДНОМУ РІВНІ ЯК ЧИННИК ГЛОБАЛІЗАЦІЇ

**Анотація.** У статті проаналізовано роль діяльності мегаполісів як особливих суб'єктів міжнародних відносин. Визначено вплив сучасних тенденцій глокалізації та глобалізації на розвиток мегаполісів. Запропоновано встановити роль мегаполісів у міжнародних відносинах на основі аналізу процесів глокалізації та глобалізації міжнародних відносин і з'ясувати ступінь їх впливу на розвиток мегаполісів.

**Ключові слова:** мегаполіс, глобалізація, міжнародні відносини, міжнародні організації, глокалізація.

**Р. М. Крамаренко**

кандидат экономических наук, доцент,  
Киевский национальный экономический университет имени Вадима Гетьмана, Украина

### ДЕЯТЕЛЬНОСТЬ МЕГАПОЛИСОВ НА МЕЖДУНАРОДНОМ УРОВНЕ КАК ФАКТОР ГЛОБАЛИЗАЦИИ

**Аннотация.** В статье проанализирована роль деятельности мегаполисов как особенных субъектов международных отношений. Определено влияние современных тенденций глокализации и глобализации на развитие мегаполисов. Предложено установить роль мегаполисов в международных отношениях на основе анализа процессов глокализации и глобализации международных отношений и выявить степень их влияния на развитие мегаполисов.

**Ключевые слова:** мегаполис, глобализация, международные отношения, международные организации, глокализация.

**Introduction.** In modern world the national governments and their ministries of foreign affairs are not the only players on the international diplomatic stage anymore.

An important factor in this process is the globalization – a concept which in recent years has supposedly become the most striking characteristic of the modern world. With the acceleration of globalization the world has changed into highly complex, dynamic, and contradictory system of interactions and relationships. The transformation of governance mechanisms and a system of international relations and international legal traditions takes place on the planet. However, there are also changes in the forms and methods of management and the genesis of new, competing organizational and activity structures [1].

Herein until recently little attention was paid to the one indisputable participant of international cooperation – to the city, whose role in international events and processes is growing right before our eyes [2]. There are more and more cases when simultaneously with the activity of government institutions the separate territorial entities have their own relations and communication, primarily there are the major cities. The significant increase of economic power of the metropolitan cities and their political significance is becoming clear, as well as the rapid increase of their role in the world economy and international relations.

Considering the fact that competence of national governments in international relations still has a fundamental character, independent organizations and movements, international projects and multinational corporations, religious and ethnic associations, civil society and environmental centres of supranational scale and have been long and active involved in the networking between states and nations, creating approaches to their advantage, and building its own diplomacy.

**Brief Literature Review.** The city as a multidimensional phenomenon, its new essential characteristics on the present stage, as well as the concept of globalization and its manifestations in the economic, social and cultural relations, impact on the development of areas such as towns and cities, are actively researched by scientists such as S. Sassen (2005), M. Pavelson (1986), R. Florida (2005), F. Brodel (2006), P. Heddes (1915), J. Hotman (2003), R. Elizondo (2000), M. Kastels (2002), P. Kruhman (1988), T. Levitt (1983), C. Lendri (2011), C. Lidbiter (2003), J. Yakobs (2004), M. Porter (2005), C. Van-Kahn (1915), A. Skott (1999), P. Taylor (1996), J. Friedman (1981), M. Fudzhit (1997), P. Hall (1928), et al.

In the national scientific, theoretical and applied works the management problems of modern metropolitan cities have not yet been displayed in the right way. Given that Ukraine, according to many experts, has a significant urban potential and opportunities for development of more powerful agglomera-

tions, at this stage it is not paid enough attention to this matter not only by the metropolitan cities themselves and their leadership, but also by the state, including the mechanisms of governmental support. These issues are not fully researched by and relevant national research institutions and scientists, especially in terms of recent global trends of globalization and globalization. It actualizes provisions discussed in this article.

**Purpose.** The effectiveness of the operation and development of any system is determined by the efficiency of composing the primary elements and their relationships and interactions within the system as a whole.

At the same time as known, «declaration of intentions to the real change – a big distance» as the problem of deep realization of the necessity and the irreversibility (in the case of intentions) to strengthen the city's role in the development of the state and changes in domestic policy priorities for the development of updated which makes the analysis and generalization of modern lines of development cities of developed countries is very important. The aim of this article is to establish the role of metropolitan cities in international relations by analyzing the processes of globalization and localization of international relations, and to determine the extent of their influence on the development of metropolitan cities.

**Results.** Domestic experts are paying special attention to these effects of changes in world order: the emergence of new subjects of power (global state and international regulatory authorities, informal centres of influence with an extremely high level of competence); redistribution of power from the national to the transnational level, the crisis of cultural, ideological and practical foundations of the national state, the phenomenon of «state system»; non-formalization of power, reducing of the public policy and public assemblies' role, trend towards extending the competence of informal decision-making procedures to achieve oral, consensual «agreement» instead of full contracts, spatial localization (geographic and trans geographic); various economic activities; emergence of new forms of international division of labor, the redistribution of world income and levying of a «global rent», geo-economic construction of the universe; development of transnational (corporate) cooperation networks in general [2].

Amid acceleration of economic globalization the configurations of socio-political and cultural international relations are rapidly changing too. And today the vast majority of experts agree that globalization is an objective social process, the content of which is the growing interconnection and interdependence of national economies and national political and social systems, national cultures, and the interaction of human and environment [3].

The process of economic globalization consists of establishing economic dependence between countries, regions and territories by spreading innovation and expanding the limits of freedom of movement of goods, services, capital and people across the globe. In fact, there is a new global economic organism with typical for the system properties.

Thus, within such a global economic system, but also within individual strong national economies continues to permanent adversarial process and competition between different regions, territories and municipalities, especially between dominant in modern metropolitan settlement system metropolises [4].

Economic globalization is intrinsically linked to the globalization of information. The term «information economy» (as the information society in general) has been introduced in the scientific community in the early 60s of last century. Now it has become a recognized fact in relation to the reality formed in the Western world.

Globalization in the broadest sense – is the transformation of political, social, economic and cultural phenomena and processes in the phenomena and processes of global and planetary matter is – the process of global integration and unification. Its effects are the international division of labor, migration on a global scale capital, human and industrial resources, standardization of legislation, economic and technological processes, as well as the convergence of cultures of different countries. This is an objective process that is systemic in nature, covering

all aspects of society. As a result of globalization the world is becoming increasingly interconnected and interdependent of all his subjects. There is an increase in the number of problems common to certain groups of countries, and the number and types of integrated entities.

The common term for all social and political processes in the modern world has become the notion of the network as the main way of existence. This network connects all actors, regardless of their origin, scope, and ownership and a way of influence the situation, in one process. This network also blurs the boundaries between the internal functions of the state, transforming them into joint efforts of all actors for a common goal [5].

Along with such transformations in the last quarter of previous century, the term «globalization» became an independent subject of active research. There exists already a number of concepts and theories of globalization, and almost every one complements the other, thus indicating the magnitude and multidirectional approach of the globalization process.

According to one of the existing concepts of globalization, the today's world is a multi-network system, the top layer of which is the network of global metropolitan cities. They act as a quasi «gateway to the global world» [1], combining compact territory to perform the functions of powerful units and centres, providing access to the global economy not only to themselves, but also to the areas which are in their economic and political influence. Therefore, the presence of metropolitan cities in the state – as an own «gates» to the global world – is considered an opportunity for national political, economic, scientific, educational, and cultural elites to enter the narrow club of people who participate in making key decisions in each of these areas on a global level. However, the researchers emphasize that mega cities play a key role in almost all areas of globalization, becoming a «transnational spaces». If in political sphere globalization means the erosion of the sovereignty of the national state by the actions of transnational actors and the creation of their organizational networks, economic globalization means denationalized, disorganized capitalism, key elements of which are multinationals, which are obtained from the national government control, and speculation in transnational financial flows, and in culture globalization means localization, that the interpenetration of local cultures in transnational spaces, which are now western cities London, New York, Los Angeles, Berlin, etc. [5].

During the last decades the theory and practice of international relations dynamically confirmed the concept of special diplomacy of the cities. Mega cities are setting the tone not only of their regions and countries, but also are playing an increasing role in addressing global challenges in the dialogue of cultures and civilizations.

Famous British scientist, author of numerous works on urban development issues Sir Peter Hall has pointed to «relatively limited number of places» – cities of the world, in which, as he defined, «a disproportionately large part of the most important world affairs are done». And if the city of before globalization stage positioned primarily within the country, serving primarily the subject of the national territory, in the era of globalization, world city becomes an international arena, an important subject of global geopolitical and geo-economics space [6].

Amid rapid urbanization and globalization the new understanding of the meaning and role of «world city» is emerging, which operates by fundamentally new conditions. In the coordinates of the new political geography and geostrategic relationship of forces in the process of becoming a global market, hurricane development of high technologies and new forms of organization of big metropolises are becoming increasingly independent actors on the world stage, bypassing the intermediary states to communicate directly with each other and with other international communication. In search of new resources for their development, they are spreading activities and cooperation with partners beyond the national territory.

Realizing its importance on the world stage, town and city officials are more actively asserting themselves as true representatives and spokesmen for the interests of its inhabitants, which is not exactly an official diplomacy. There are more obvious signs of intent from city authorities to form and promote

internationally their own understanding of the world order and their participation in its processes.

Considering the phenomenon of the increasing role of cities in international affairs, some researchers are beginning to talk about «two sectors in world politics»: the central sector of government foreign policy with the national representatives – presidents, ministers, ambassadors, and polycentric sector, where there are other actors, including and city and municipal authorities. On those statements the concept of «parallel diplomacy», or «pair diplomacy» is based, according to which there is allegedly exists the main road of diplomacy, along which the national government is moving, and the parallel one, along which the other participants are going, including the cities [6].

So, metropolitan cities for any countries are not only major administrative and business centers, but also a so-called «business card» at the global socio-political space. Therefore, recent domestic researchers are paying more and more attention to the need for fundamental change in the role of large cities in the nation of Ukraine. Their rapid and sustainable development is one of the urgent issues related primarily to the relevance of the full inclusion of Ukraine in the post-industrial global economy and international relations.

For example, Boyko-Boychuk (2007) mentioned: «In urbanized democratic societies, the level of development and competitiveness, political and economic weight is determined by the level of development, competitiveness and the level of international influence of their cities, and interaction efficiency, as well as by relations and interactions of the central (the state) and local (the city) level of power and control» [7].

Kyiv is not only the capital city, but also the most powerful metropolis of Ukraine, which is focusing on its territory a significant part of the socio-political, financial, economic, administrative, social, and cultural processes of the state. City supports sustainable partnerships and external relationships with a large number of cities and regions of almost all countries. The ability to exercise its powers in international relations and foreign economic activity of the city provides a special status granted by the Constitution of Ukraine and by the Law of Ukraine «On the capital of Ukraine – Hero City Kyiv».

During the long process of developing capital strategies, and after an active discussion in committee on strategic planning, public council, the media, one of nine strategic initiatives of Kyiv, Development Strategy 2025, and direction was defined as an «International harbour of headquarters», which means involvement of central and regional offices of international organizations. Promotion of international companies for placement of important central and regional functions in the city means one or more variants of presence: location of the central or regional headquarters, location of a department (function) of an international company, placement of the administrative centre (back-office). It is assumed that large-scale entry of international companies in the capital shall lead to:

- increasing of the Kyiv's status on the international stage, including cities' attractiveness to business and investment;
- creation of a significant number of new job places and increased competition in the labor market;
- exchange of experience in the local business environment, innovation developing, quality improvement of urban infrastructure and revenues [8].

The city already has a number of significant competitive advantages for the deployment of international companies. But despite the benefits, to improve the status as an active participant in international events and processes and to create attractive and comfort environment for international and foreign companies, Kyiv should demonstrate the stability, consistency and sustainability of its intentions evolve into a modern city with high level of business culture.

**Conclusions.** Acceleration of economic development and consolidation of Ukraine's international position now requires increased attention to the development of domestic big cities, especially metropolitan cities and a capital – the Kyiv city. However, researches have shown that these standard mechanisms of development management of these cities, which are used now, can no longer ensure the important functions of inter-

national players, and now it is time to find new relevant methods. Particular experience in strategic planning and development of Kyiv as the capital metropolis, among other things, has discovered the problem of scientific and methodological nature: managing the development of domestic cities and agglomerations.

According to domestic scientists, horizontal linkages between megacities and metropolises as centres of world development are beginning to play a larger role. To the public authorities of developed countries clearly exists a problem of fundamental changes in the vertical axis relations «state – city» on the principles of partnership and effective horizontal (both internal and external) coordination of the interaction of cities and metropolitan areas. This fact fundamentally changes the requirements for support of internal cohesion, and changes their domestic policy priorities. The effectiveness of urban (city) settlements is a key factor in the general economic and social development [7].

Therefore, further research in this area is related to the need to establish the concept of the metropolis, as well as with the connected with it scientific definitions, structural, dynamic, and polycentric models of this category of cities, to identify ways to control the agglomeration processes, including the content of the relevant sections strategies, justification of statistical, economic and sociological diagnosis parameters of cities, and many other questions on creation of the modern concept of metropolitan cities including as full participants of international relations.

## References

1. Anderson, A., & Anderson, D. (2000). *Gateways to the Global Economy* (Trans. from English). In V. M. Serheev (Ed.). Moscow: PHASYS (in Russ.).
2. Halchynskyi, A. P., Liovochkin, S. V., & Semynozhenko, V. P. (2004). *Economy of knowledge: globalization's challenges and Ukraine*. Kyiv: NISD (in Ukr.).
3. Lukashevych, V. M. (2004). *Globalistics*. Lviv: Novyi Svit-2000 (in Ukr.).
4. Sassen, S. (2005). The global city: introducing a concept. *Brown Journal of World Affairs*, 11(2), 27-43. Retrieved from <http://www.saskiasassen.com/PDFs/publications/The-Global-City-Brown.pdf>
5. Muzychenko, G. V. (2011). Impact of globalization on state policy of modern post-soviet countries. *SevNTU Bulletin*, 123, 263-266 (in Ukr.).
6. *Global challenges and sustainable development of cities. Status and prospects of international cooperation in overcoming the global social and ethical challenges for big cities and their populations* (2011). Report on the event in the framework of the UNESCO Department of the Moscow Lomonosov State University. Moscow: MSU (in Russ.).
7. Boyko-Boychuk, O. V. (2007). *World tendencies of cities' development: international experience*. Retrieved from <http://archive.nbuv.gov.ua/e-journals/dutp/2007-2/txts/07bovmmd.htm> (in Ukr.).
8. Kyiv City State Administration (2011). *Kyiv 2025 Development Strategy*. Retrieved from <http://kievcity.gov.ua/> (in Ukr.).

Received 04.09.2013

## References (in language original)

1. Андерсон А. Ворота в глобальную экономику : монография / А. Андерсон, Д. Андерсен ; пер. с англ. под ред. В. М. Сергеева. – М. : ФАЗИС, 2000. – 399 с.
2. Економіка знань: виклики глобалізації та Україна : монографія ; за заг. ред. А. П. Гальчинського, С. В. Львовичкіна, В. П. Семиноженка. – К. : Вид-во НІСД, 2004. – 261 с.
3. Лукашевич В. М. Глобалістика / В. М. Лукашевич. – Львів : Новий світ-2000, 2004. – С. 13–16.
4. Sassen S. The global city: introducing a concept [Electronic recourse] / Saskia Sassen // *Brown Journal of World Affairs*. – 2005. – No. 11(2). – P. 27–43. – Accessed mode : <http://www.saskiasassen.com/PDFs/publications/The-Global-City-Brown.pdf>
5. Музиченко Г. В. Вплив глобалізаційних процесів на зміст державної політики сучасних країн пострадянського простору / Г. В. Музиченко // *Вісник СевНТУ* : зб. наук. пр. – Вип. 123/2011. Серія: Політологія. – Севастополь, 2011. – С. 263–266.
6. Глобальные вызовы и устойчивое развитие больших городов. Состояние и перспективы международного сотрудничества в сфере преодоления глобальных социальных и этических вызовов для больших городов и их населения: отчет по мероприятию в рамках деятельности Московской кафедры ЮНЕСКО МГУ им. М. В. Ломоносова. – М. : МГУ, 2011. – 31 с.
7. Бойко-Бойчук О. В. Світові тенденції розвитку міст: міжнародний досвід [Електронний ресурс] / О. В. Бойко-Бойчук. – 2007. – Режим доступу : <http://archive.nbuv.gov.ua/e-journals/dutp/2007-2/txts/07bovmmd.htm>
8. Стратегія розвитку Києва до 2025 року [Електронний ресурс]. – 2011. – Режим доступу : <http://kievcity.gov.ua/>

Стаття надійшла до редакції 04.09.2013