

The New Megalopolis

Our focus on cities is wrong. Growth and innovation come from new urban corridors.

By Richard Florida

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July 3-10, 2006 issue - China isn't the world's most ferocious new economic competitor—the exploding east-coast corridor, from Beijing to Shanghai, is. India as a whole is not developing high-tech industries and attracting jobs, but the booming mega-region stretching from Bangalore to Hyderabad is. Across the world, in fact, nations don't spur growth so much as dynamic regions—modern versions of the original "megalopolis," a term coined by the geographer Jean Gottman to identify the sprawling Boston-New York-Washington economic power corridor.

The New Megas are the real economic organizing units of the world, producing the bulk of its wealth, attracting a large share of its talent and generating the lion's share of innovation. They take shape as powerful complexes of multiple cities and suburbs, often stretching across national borders—forming a vast expanse of trade, transport, innovation and talent. Yet, though the rise of regions has been apparent for more than a decade, no one has collected systematic information on them—not the World Bank, not the IMF, not the United Nations, not the global consulting firms.

That's why my team and I set about building a world map of the New Megas shaped by satellite images of the world at night, using light emissions to identify the outlines of each region, and additional data in categories such as population and economic growth to chart their relative peak strengths and dynamism. The result is the topographical maps you see above.

The maps make it clear that the global economy takes shape around perhaps 20 great Megas—half in the United States and the rest scattered throughout the world. These regions are home to just 10 percent of total world population, 660 million people, but produce half of all economic activity, two thirds of world-class scientific activity and three quarters of global innovations. The great urbanologist Jane Jacobs was the first to describe why megalopolises grow. When people cluster in one place, they all become more productive. And the place itself becomes much more productive, because collective creativity grows exponentially. Ideas flow more freely, are honed more sharply and can be put into practice more quickly. Later, Nobel Prize-winning economist Robert Lucas dubbed these forces "human capital externalities," and explained why they seem to override "the usual economic forces," like prices: "What can people be paying Manhattan or downtown Chicago rents for, if not to be around other people?"

There is, however, a tipping point. The forces of price and congestion begin pushing people away from the center. But make no mistake, this has nothing to do with the "decentralization of work," as many have argued. The huge economic advantages of clustering still guide the process, which is why second cities emerge near big cities or in the corridors between them, not in the middle of nowhere.

The biggest Mega in economic terms is the original, the Boston-to-Washington corridor. In 1961 it was home to about 32 million people; today its population has risen to 55 million, more than 17 percent of all Americans. The region generates \$2.5 trillion in economic activity, making it the world's fourth largest economy, bigger than France or the United Kingdom. Next in line is Chi-Pitts, the great Midwestern Mega running from Chicago to Detroit, Cleveland and Pittsburgh, with \$2.3 trillion in economic activity. Three of the power centers of the U.S. economy even stretch beyond American borders: So-Cal runs from Los Angeles to San Diego across the

Mexican border to Tijuana; Tor-Buff-Chester sprawls from Toronto to Rochester, and Cascadia from Portland, Oregon, to Vancouver.

Aside from the island-bound financial center of Greater London, Europe's major economic engines have even less respect for old borders. The Euro-Lowlands cuts across four nations: the Netherlands, Belgium, Germany and France. The Euro-Sunbelt stretches from Barcelona to Marseille, attracting people and firms with competitive costs and the Mediterranean lifestyle. Japan is less a country than a series of linked Mega-regions, anchored by Greater Tokyo: indeed, a close look at the light-emissions map shows that its three major Megas may well be blurring into one super-Mega of more than 100 million people.

If Mega-regions power advanced economies, they literally define the emerging nations. China as an economic category is virtually meaningless. What matters are its major Megas: Shang-King (Shanghai to Nanjing), with more than 50 million people; Hong-Zen (Hong Kong to Shenzhen), 40 million; Greater Beijing, 36 million. These three Megas account for most of Chinese economic output, attract most of its talent and generate the great preponderance of its innovations.

It's time for political and economic leadership to wake up to this new reality. It makes little sense to dwell on countries anymore, when the real engines of innovation and growth are the New Megas. Instead of technology helping to spread economic opportunity and lift many more boats, economic power is concentrating in a small number of key regions. If a backlash emerges, as seems likely, there's almost no telling what political shape it might take.

Florida is author of "The Flight of the Creative Class," with University of Maryland geographer Tim Gulden.

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