

ABSTRACT

The term “*globalization*” has long been vented indiscriminately everywhere with few being capable to either define or measure it. Cities are said to be at the forefront of the “*works of globalization*” by becoming coordinating centers for the transnational activities of multinational corporations. Ultimately, they become tied up to each other, as those activities require information inputs from different regions of the world.

This thesis uses the advanced corporate service firms’ location patterns to measure the linkages between cities. The underlying assumption is that a pair of cities that have an office from the same service firm is more connected to each other than a pair without it. Because social, economical, cultural and political information about the cities flow through the firms’ network of branch offices, a highly connected city provides better corporate servicing to businessman wanting to do business elsewhere.

By calculating the total connectivity of each city to the rest of the world, as well as total presence of global service firms within these cities, in the years 2000 and 2004, we produce a measure of the connectivity growth in the period. In a second moment, we use a linear regression model to test hypothesis concerning the determinants of connectivity growth in those cities.

Results show us that connectivity growth in a city, in case of firm’s network expansion, display a “*rich-get-rich*” behavior on which well connected cities became even more connected. Furthermore, connectivity growth is responsive to competition, agglomeration economies, infrastructure, trade openness, human capital and the overall economic level of the country. Some of the variables behave differently according to the service firms’ sector being analyzed. In particular, we scrutinize the role of human capital as a determinant of connectivity growth in the management and banking sector, and interpret the results as a function of whether the sector is skilled-labor intensive (management) or capital intensive (banking).

Key Words: *World City Network; Connectivity; Globalization; Interlock Network Model; Global City Model; Service Firms.*

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