

Editorial

Urban Economies and Development - An Editorial Introduction

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This issue brings together two important areas of research in modern human geography: the investigation of *spatial variation and change in cities*, and the *location and development of economic activity*. Urban-economic analysis continues to be a vital and growing area of geography, in large part because the issues addressed within this study area are directly relevant to both the threats and opportunities that face human societies today. Cities are hosts to an ever-increasing proportion of the world's population, and as such are the prime venues for emerging issues of concern such as overcrowding, economic deprivation, poverty, joblessness, environmental degradation, and diseconomies of scale associated with rapid urban development. At the same time as these unambiguously negative effects have emerged in cities, urban areas have also become focal points for the forces of globalization that have created a world economy that is increasingly interlinked, for good and for ill – in Thomas Friedman's terms, a "flattening" of the global economic opportunity surface (Friedman, 2005). Indeed, in many ways, urban economies are growing worldwide due to a powerful set of circumstances. As Friedman has pointed out, the lowering of political and trade barriers, emergence of the internet, and the evolution of corporate practices such as 'outsourcing', 'off-shoring', and 'supply chaining' have all acted to distribute economic opportunities broadly to cities across the globe, including many in the developing world. These impacts of globalization are indisputable.

Nonetheless, research in geography also shows that the globalizing world economy continues to be characterized by regional and local variations in terms of wealth, knowledge, and infrastructure. In Richard Florida's well-known terms, the world remains "spiky" (Florida, 2005). Not everyone in every city participates to the same

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degree in the global economy, and even in the age of the internet, the knowledge and innovations that drive economic progress remain remarkably clustered in the United States and other advanced nations. Such is the world that geographers work in today: a constantly evolving planet that is characterized by contrasting and competing forces, marked by extreme wealth and poverty, and a complex and concurrent spreading and clustering of economic opportunities.

In the midst of this situation, geographic research attempts to make a contribution to the understanding of the complex issues that face society today. This issue brings together a collection of authors and research that focus, with apologies to Friedman, most heavily on the “spiky” aspects of urban-economic development: findings related to the concentrations of wealth and opportunity that characterize the global economy. In so doing, the issue focuses on one of the classic themes of geographic research: *the persistence of regional economic variations and inequalities*. As core-periphery theory has demonstrated clearly in a variety of geographic contexts across the planet, some regions have substantial material wealth and opportunities, while others are lacking in jobs and related economic infrastructure and therefore are looking for ways to improve. Although this issue cannot promise any ultimate solutions to the world’s enduring spatial inequalities, the collection of papers included in this special issue attempt to provide a variety of interesting perspectives on this timeless theme.

This special issue of *Geography Research Forum* is in large part the product of an international conference entitled “Canada-US Corporate Geography”, held at the University of North Texas in Denton, USA in early 2007. The conference provided a forum for the presentation of research related to the broad topic of business location issues, decisions, and impacts on regional economies. Presenters from the United States, Canada, France, and Germany shared research results with a diverse audience of economic development practitioners, businesspeople, faculty, and students. The seven papers selected for publication here are a representation of the variety of local, regional, national, and international research associated with the conference, together with a few related contributions from outside the conference. Due to the conference focus, all but one of the seven papers in this issue deal with research concentrating on the urban-economic geography of North America. However, it is important to note that many of the issues raised by these papers certainly do not relate to the United States and Canada alone.

The issue opens with a pair of articles dealing with recent changes in the Canadian retail sector. The first of the articles, by Daniel and Hernandez, explores the changing nexus of control in the Canadian retail sector. The paper highlights the reorganization of retail capital in the country, including an analysis of the growth strategies employed by Canada’s leading retailers. Daniel and Hernandez’s research makes a compelling connection between the structure of retail ownership and the locational strategies pursued by firms. The second article, written by Lorch and Hernandez, examines the complementary theme of change within Canadian shopping malls.

Based on analysis of mall site plans, the authors provide evidence outlining the extent of the changes that have occurred within Canadian malls, because of changes in the competitive environment. Together, the two papers provide an interesting and complementary perspective on the evolving strategies pursued by businesses in one of the world's most advanced economies.

Chignier-Riboulon and Lyons present another perspective on local urban development, that is, the role of government in shaping the economic landscape of cities. Their research highlights the impact of free tax zones on cities in France. They demonstrate that the free tax zone policy in France is intended to reinforce public involvement in declining neighborhoods, with the goal of improving the economic environment in such areas. Their findings show that the policy has achieved some success, although free tax zones are more successful in some areas than in others. Chignier-Riboulon and Lyons conclude that free tax zones are particularly successful in communities where local partners are willing to work with the government to increase the chances of economic success. This research contributes to the study of the relationship between governments and regional economic development.

The next pair of papers shifts the perspective back to North America by examining the geography of corporate influence and control. O'Hagan, Rice and Green focus on the relationship between the educational background of corporate directors and the companies on whose boards they serve. This research highlights the apparent role of university alumni in selecting board members. The results of their analysis demonstrate that, among all educational institutions in North America, Harvard University is the dominant institution placing its alumni on the boards of large firms across the United States and Canada. This initial finding provides a foundation for future research focused on developing a better understanding of the meaning and implications of spatial networks among the dominant corporations of North America.

In contrast to this large-firm emphasis at the top end of the corporate hierarchy, Rice and Lyons in the next paper focus on a different aspect of corporate influence: the geography of the headquarters of the fastest-growing companies in the United States. Their study identifies the metropolitan regions that have performed well in consistently generating and growing such dynamic businesses. In comparison with the largest firms in the United States, Rice and Lyons demonstrate that rapidly-expanding companies are more geographically dispersed and are growing in many places that are largely unimportant as headquarters locations for the largest businesses. It is clear that further research is needed to more fully understand the implications of rapid firm growth for regional economic development.

Kalafsky and Graves' paper redirects our attention from the highest levels of corporate decision-making to the spatial distribution of manufacturing in the United States. Their research is conducted within the context of the transition that has occurred in the U.S. manufacturing sector in recent decades. This paper focuses on the evolving role and position of the manufacturing sector within the U.S. economy,

with a special emphasis on the type of investments needed to keep manufacturing firms viable in the midst of change in global and national economic fortunes. The findings of this study indicate that substantial regional differences do exist in manufacturing firm valuations and access to capital, and lead to a useful discussion of responses to the issues raised by regional inequalities in corporate finance.

Saku's paper concludes the issue with another shift in perspective on regional economic development. His paper focuses on the role of Aboriginal Regional Corporations in promoting economic development. Specifically, Saku's research examines the structure and function of the Inuvialuit Regional Corporation in the Western Arctic of Canada. The paper outlines clearly the evolution of a new economic system where Aboriginal Canadians are participating in decision making processes on their economic development. More importantly, Saku's paper provides an understanding of how Aboriginal Regional Corporations are changing the subservient relationship between the federal government and Aboriginal Canadians to an independent role. Saku concludes that the degree of economic success by the Inuvialuit Regional Corporation is dependent on their exposure to the business risks like entrepreneurs elsewhere. The management of the Inuvialuit Regional Corporation must therefore make good investment decisions to overcome the same operational risks that confront other businesses. While this new economic system in the Western Arctic of Canada is a sign of economic maturity, there is the need for future research on these complex institutions.

Although these papers address a broad spectrum of topics related to the uneven geography of economic development, it is interesting to observe that each author, working independently, has also chosen to deal in some way with the core issue of economic change. From investigations of evolving Canadian retail strategy and impacts of French tax policy, to research on elite North American corporate activities, transitions in the U.S. manufacturing sector, and developments in the Canadian Arctic, this issue provides a series of case studies that shed light on a variety of mechanisms that play a role in shifting the location and distribution of economic activity over time. While spatial variation in wealth and opportunity appears to be a persisting feature of human development of the planet, the concurrent focus of the research in this special issue on change in the geography of economic activity highlights an important point. One of the traditional areas of emphasis within the discipline of geography has been oriented toward solutions to the problems that confront modern society (James and Martin, 1981; Smoyer-Tomic et al., 2006; Chin et al., 2008). The ongoing existence of geographic inequalities in the economy might be inevitable, but they certainly also represent problems that geographers can work to mitigate, if not completely eliminate. From this point of view, the body of research presented in this volume provides a useful collection of perspectives on a common issue that geographers are well-equipped to address. It is our hope that this wide-ranging treatment of the related phenomena of change and unevenness in the geography of urban-economic development might provoke further research, and improved solutions, in this area of such importance to modern society.

ACKNOWLEDGEMENT AND DEDICATION

Dr. Jim Pooler, co-editor of this special issue and valued *Geography Research Forum* international editorial board member, passed away suddenly and unexpectedly in June 2007, just as the editorial work was beginning on the issue. Due to Jim's death, Dr. James Saku kindly agreed to step in to assist with the editorial process. Dr. Pooler's name remains among the co-editors of this special issue in tribute to his leadership in constructing the issue theme and making this project possible. Dr. Robert Bone, a long-time friend and colleague of Jim's, provides a tribute to Jim in this special issue. *Geography* will greatly miss Jim's insights and dedication to quality research.

On a personal note, Jim was a great and useful teacher and advisor for the many students he taught and supervised throughout his career in the Department of Geography at the University of Saskatchewan. Both of the two remaining co-editors counted Jim as a good and compassionate friend, as we both benefited greatly from his teaching and advice in the course of our graduate studies in Saskatoon. We are honored to dedicate this special issue to the memory of Dr. James A. Pooler, MCIP.

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