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## **COMPARING LONDON AND FRANKFURT AS WORLD CITIES: A RELATIONAL STUDY OF CONTEMPORARY URBAN EXCHANGE**

### **Aims and objectives**

This project has a quite straightforward purpose: to investigate relations between London and Frankfurt with the coming of a single European currency. Generally speaking, we have confirmed a network model of inter-city relations at the expense of the simplistic competition model that dominates so much public discussion of inter-city relations. In this summary we present all the main findings with short commentaries.

### **Main findings:**

#### *The euro*

- The new currency has had no wholesale effects on changing business relations between the two cities.
- Frankfurt's position in Europe is strengthening, but not at the expense of London.
- London remains the main European financial centre.

These are findings that show quite clearly that a simple competitive model is wholly inadequate for understanding London–Frankfurt relations. This is not to say there has not been relative movement between the status of the cities – there has, but this is not indicative of any ‘fierce competition’ as it has sometimes been portrayed.

#### *Complexity*

- The fundamental tension facing firms in both London and Frankfurt is negotiating trans-border (global) reach against local sensibilities.
- There are other critical tensions in organisation, knowledge production, operationalisation, and locational issues.
- The primary inter-city outcome of this inter-firm competition is a co-operative relation between London and Frankfurt within a wider network.

These findings explore the complexity of London–Frankfurt relations using the idea of tensions that have to be overcome in day-to-day operations in a world city network. This is where we deal with the ‘competition/co-operation’ conundrum as co-operation between cities operating alongside competition between firms.

#### *Networks*

- Knowledge networks have the potential to revolutionise spaces of flows and redefine shifting relations between London and Frankfurt.
- Cultural networks are a key determinant of, and stimulus to, inter-city business relations.
- Power networks exhibit shifting relationships and strong mutual dependencies that reflect established patterns of investment.
- Governance networks reach out between the cities regulating and shaping London–Frankfurt business flows through a web of public–private and local–global relationships.
- Interweaving networks are characterised by proximity, connections and complex interdependencies making co-operation integral to inter-city relations.

These findings consider the flows within networks that constitute London–Frankfurt relations. As boundaries give way to increasing interdependencies in a network society, co-operation between cities is found to be a priority for firms and institutions. We have introduced network thinking into consideration of London–Frankfurt relations. London and Frankfurt prosper by being within both similar and different webs of connections that have conditioned contemporary relations and whose dynamics will determine future relations.

**Conclusion:**

Finally, we hope that this research has shown that, under conditions of contemporary globalisation, cities are at least as important as countries in trying to understand fundamental social change in the world today. Relations between cities cannot be 'enframed' as small versions of simple international relations. With globalisation, there has been the creation of a world city interlocking network that relates to, but exists separate from, traditional international relations and the comparative study of countries.