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Retrospect

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This is a retrospective view of an earlier paper published in City. I briefly revisit the main arguments of that paper, with special reference to (a) the resurgence of urban growth as the new cognitive-cultural economy has gathered steam in recent years; (b) the new division of labor that is appearing in major world cities and the concomitant restratification of urban society; and (c) the formation of a polycentric and polyvocal urban mosaic in global capitalism.

Key words: cognitive-cultural economy, urbanization, globalization, symbolic analysts, new servile class

My paper ‘Emerging Cities of the Third Wave’ (Scott 2011) grew out of a basic commitment to the idea that cities in the modern age spring directly and indirectly from capitalism in its twin character as a system of production and as a structure of social relationships. In turn, urbanization is an essential intermediary in the forward advance of capitalism, for without cities and their capacity for sustaining economic productivity and social reproduction, capitalism could no longer survive as a going concern.

Accordingly, the first stirrings of cognitive-cultural capitalism in the waning years of the 20th century presaged a major sea change in the structure and dynamics of urbanization. I have referred to this moment as marking the beginnings of a third wave of urban development in historical capitalism. The rise of cognitive-cultural capitalism has been accompanied by two major socio-economic shifts that have had profound effects on city-forming processes. One of these revolves around new digital technologies of

computation, data storage and communication, which, among many other things, are rapidly driving out modalities of work that entail purely standardized or algorithmic operations, both mental and manual. By the same token, digital technologies have severely undermined significant segments of the manufacturing base of large cities—especially in the more advanced capitalist countries—and this tendency has accentuated the already severe loss of manufacturing jobs as a result of offshore relocation. The other major development stems from the functional character of these new digital technologies, not only as substitutes for standardized and algorithmic labor, but also as complements to types of work that depend on the cerebral and affective (or cognitive and cultural) assets of the labor force. A further consequence of these changes has been a vast and continuing growth in the number of what Florida (2002) calls ‘creative’ workers or what Robert Reich (1992), in a rather more satisfactory vocabulary, has referred to as ‘symbolic analysts’. A parallel trend can be identified in the

recent expansion of sectors like high-technology and software production, business and financial services, culture and fashion industries, and so on. Symbolic analysts and the sectors that employ them are concentrated overwhelmingly in large cities.

One important consequence of these outcomes is that the old white-collar and blue-collar segments of the labor force that flourished in the large cities of Fordist capitalism are disappearing and a new division of labor is rapidly taking shape. This alternative structure is represented, on the one hand, by highly qualified symbolic analysts and, on the other hand, by a low-wage service underclass, or what we might call in more polemical terms 'a new servile class'. Moreover, the character of this structure as a *division* is accentuated by the ever-widening gap between the two groups of workers in terms of their incomes and life chances as well as their forms of work. Symbolic analysts are concerned with labor tasks that involve skills like deductive reasoning, technical insight, leadership, communication abilities, cultural awareness and visual imagination, in other words, relatively inventive and open-ended ways of proceeding. The new servile class, by contrast, is employed in subaltern jobs like road repair, taxi-driving, cleaning, restaurant help, house painting, child minding, gardening and so on, that is, jobs whose primary function is to sustain the workings of the urban system and to serve the needs of the upper fraction of the labor force. It would be an error, however, to suppose that the latter jobs make no demands on the cognitive and cultural capacities of those who execute them. At the same time, an important feature of the work of the new servile class is that it must generally be carried out in proximity to the point of service, and hence—unlike much manufacturing employment—it cannot be repackaged and sent offshore. The counterpoint to this observation is that the new servile class is in significant degree made up by workers who migrate, legally or illegally, from low-wage labor depots to major world cities.

These and related trends are now deeply inscribed in urban dynamics both in the Global North and to an increasing extent in the Global South. As such, they leave tangible traces on the urban landscape, three of which call for further examination here.

First, the rise of the cognitive-cultural economy has been accompanied by major economic resurgence of large (but also many small) cities all over the world. The effects of this resurgence are notably apparent in central business district areas where processes of aestheticized land use intensification are proceeding apace. These processes are visible not only in the expansion of floor space to accommodate firms in advanced economic sectors, but also in the profusion of cognate architectural idioms that reflect something of the spirit and character of the new economy. Strong new rounds of economic growth are detectable in suburban sections of the city, too, where landscaped commercial and industrial parks proliferate in response to the growth of firms in sectors of the new economy such as production design, software development and business services. These different zones within the production space of contemporary cities are the stamping grounds of what Sklair (2005) has called the international capitalist class.

Second, the changing division of labor in large cities is associated with major shifts in social stratification, and concomitantly, with important transformations in intra-urban patterns of socio-spatial segmentation. One of the more dramatic of these transformations involves the phenomenon of gentrification, often ascribed to the so-called 'rent gap' as formulated by Smith (1982). I suggest, however, that the rent gap should more properly be seen, not as a cause but as an effect of gentrification, or perhaps, more accurately, as an endogenous element of the gentrification process as a whole relative to the wider economic and social changes currently going on in cities. Above all, these changes reflect the enormous expansion of the new economy in central business districts, leading to significant revalorization of surrounding residential

areas by reason of their proximity to burgeoning high-level professional, managerial, technical and cultural work opportunities.

Third, cognitive-cultural production and work in major cities thrive on the economies of agglomeration and specialization that can be reaped as globalization intensifies and markets expand. In this respect, modern cities can in a certain sense be described as islands of common pool resources in a sea of deepening competition. However, competition in contemporary capitalism is very different from classical *laissez-faire*. Competition today is increasingly Chamberlinian or monopolistic in character, meaning that it plays on the firm- and place-specific idiosyncrasies that are so commonly embodied in product specifications in the cognitive-cultural economy. Partly for this reason, the prediction lying at the core of the old cultural imperialism thesis to the effect that all variation in social and cultural life was being extinguished by the inexorable rise to world domination of American multinational corporations has proven to be untenable. Rather, in the context of the new economy with its place-based roots in particular kinds of traditions, skills, know-how, cultural sensitivities, organizational idiosyncrasies, forms of productive specialization and concomitant agglomeration economies the world becomes increasingly polycentric and polyvocal relative to capitalism as a whole. The geographical foundations of this multiplicity are manifest in the ever-expanding global web of cities that have succeeded in carving out niches for themselves in the sphere of the new economy.

The impact of the new cognitive-cultural capitalism on patterns of urbanization is thus enormous and still rapidly evolving. However, the advent of the new economy has also brought with it many unforeseen challenges for cities and the course of urban life. Among the more conspicuous of the problems that have burst forth in cities over these last few decades, perhaps the most dramatic is

the ever-widening gap between the incomes and economic prospects of the upper and lower halves of the labor force. Allied to this problem are the rapaciousness, narcissism and possessive individualism of certain segments of society in the new cognitive-cultural economy. These issues intersect in diverse ways with the market fundamentalism that has guided so much of economic decision-making over these last few decades, and that, among other things, has led to the recent fiscal crisis with its devastating effects on jobs and housing. That said, the diagnosis of these problems of cities in the era of the new economy also offers important intimations as to prospective remedial strategies. These can be simply summarized in terms of three main lines of attack, that is, the pursuit of redistributive equity, the rehabilitation of communal life and institution-building directed to management of the urban economy and its common pool resources in the interests of both fairness and growth.

The new world order that is emerging all around us remains very much a work in progress.

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