PLACE-PARTICULARITY AND “DEEP ANALOGIES”: A COMPARATIVE ESSAY ON MIAMI’S RISE AS A WORLD CITY

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Abstract: Comparative approaches in urban studies are rarely explicated in theoretical or methodological terms. The premise of this paper is that comparison over time and/or across space is essential to our understanding of social phenomena. The ascendance of globalization debates has added to the importance of a comparative approach to regional and urban studies. This paper illustrates one comparative approach by way of a set of comparative historical essays on the logic of Miami’s emergence as a world city. Multiple individualizing comparisons with Amsterdam, Hong Kong, Shanghai, and Dublin serve to highlight Miami’s idiosyncrasies but at the same time reveal some “deep analogies.” Such comparisons go beyond idiographic description and suggest theoretical arguments, yet they provide an important check on generalization. The insights derived from this essay suggest that Miami’s case was decisively influenced by the nature of state–city relations, regional exceptionalism in terms of political economy, the prevalence of illicit economic and financial conduits, and hybrid cultural identities. The comparisons with the other cities underscore the potential importance of these factors for world city formation in general. [Key words: Miami, world city, comparative urbanism, historical geography, political economy.]

GLOBALIZATION, WORLD CITIES, AND COMPARATIVE URBANISM

This essay aims to re-focus attention on comparative approaches in urban geography, particularly with regard to our understanding of the historical emergence of world cities. Current theoretical developments in urban geography allow and demand a plurality of comparative approaches and explication and specification of these approaches. In this essay, I will specify and illustrate one such approach in the study of Miami as a world city. The topical question is how and why, under what circumstances, Miami emerged as a world city during the third quarter of the 20th century, and particularly what the role(s) of the state is (were) in this process. The epistemological question is how a comparative approach can be used to help answer that question.

The emergence of the literature on world cities can be understood as a response to the need to categorize urban phenomena in the era of globalization (Friedmann, 1986, 1995; Sassen, 1991; Taylor, 2005). World cities may be defined as cities that play a more or less significant role in the world at large and that are themselves significantly influenced
by global developments. The theoretical argument about world cities, as well as their empirical measurement, involves a comparative approach: some cities are world cities while others are not; some world cities are of a higher grade than others; and there may be different types of world cities.

We can distinguish two traditional types of comparative approaches in the world city literature. The first is the variable-oriented approach. In this method, cities are compared on one particular count such as the number of corporate headquarters (e.g., Godfrey and Zhou, 1999). This is especially common in rankings of world cities, often on the basis of several combined variables. This approach tends to be theory centered. These studies are not about any particular city but about the notion of world city or world city networks in a general sense. The variable-oriented approach may focus on large numbers of cities and often employs quantitative measurement. The categories or typologies associated with these types of studies are distinctly primitive, as the labels indicate (e.g., primary, secondary; alpha, beta; core, periphery).

The second comparative approach is case-oriented. Charles Ragin (1987, p. 35) defines this method as follows:

The goals of case-oriented investigation often are both historically interpretative and causally analytic. Interpretative work attempts to account for significant historical outcomes or sets of comparable outcomes or processes by piecing evidence together in a manner sensitive to historical chronology and offering limited historical generalizations which are sensitive to context. Thus, comparativists who use case-oriented strategies often want to understand or interpret specific cases because of their intrinsic value.

There are a fair number of examples of world city studies that set out to employ the case-oriented comparative method, but many do so rather poorly from a conceptual point of view. For example, many edited volumes on world cities or global cities or “mega” cities are, in fact, loosely connected descriptions of single case studies that have little more in common than their size or, once again, continental location. The success of the case-oriented comparative approach is in part based on a careful selection of the cases and this is a major challenge in the study of world cities. Some cities make for a more fruitful comparison than others. Examples of conceptually argued case-oriented comparative studies of cities include Abu-Lughod’s (1999) book on New York, Chicago, and Los Angeles as the three leading cities in the United States, the work by Portes et al. (1997) on the urban Caribbean, and the study by Grant and Nijman (2002) on Accra and Mumbai as post-colonial cities in the neo-liberal age.

In this essay, I want to employ yet another case-oriented comparative strategy, what I will call “multiple individualizing comparisons.” This is basically an enriched version of Charles Tilly’s “individualizing comparison,” which he defines as an “attempt[s] to clarify the characteristics of the case at hand by means of contrast with another well-documented case” (Tilly, 1984, p. ix). Multiple individualizing comparisons maintain a primary focus on one single case and attain a richer understanding of that case through multiple comparisons with other selected cases.

Thus, in the rest of this essay, I will compare Miami to Amsterdam, Hong Kong, Shanghai, and Dublin. In each of these four comparisons, the main purpose is to better
understand the logic of Miami’s emergence as a world city. The main focus is on the different roles of the state in the process of world city formation. Along the way, we will learn something about each of these cities but the combination of comparisons will highlight the case of Miami. Indeed, the comparisons are closely interrelated because they all pertain to the single case that is Miami and to the single question about the logic of the emergence of world cities. Abstractly, this approach is somewhat analogous to the principle of “triangulation” that is proposed by Henry Yeung in terms to the simultaneous application of various methods on a single research problem to enrich our understanding of that particular problem (Yeung, 2003).

The purpose of multiple individualizing comparisons is to explore cases, expose relationships, and suggest ideas for more elaborate and systematic comparative study that could be either case-based or variable-based. They help to increase understanding of a particular place but also illustrate more general principles, suggest new concepts, and form intuition. This goes well beyond descriptive idiographic exercise; it is about “informing generality and explaining uniqueness” (Bradshaw and Wallace, 1991, p. 157). Stinchcombe (1979) introduced the term “deep analogies” to refer to particular processes that are at work in places that are widely separated in space and/or time. Comparative study may expose the presence or absence of such deep analogies, but it can only do so if we focus the comparison on a precise question or research problem that, in fact, looks for such analogies. Multiple individualizing comparisons should be particularly helpful in showing how conditions combine in different ways and in different contexts to produce certain outcomes; they should allow us to expose place-particularity and deep analogies, and as such inform theory.

MIAMI’S RISE TO WORLD CITY STATUS: MULTIPLE INDIVIDUALIZING COMPARISONS

The purpose of the following comparisons is to deepen understanding of Miami’s emergence as a world city and to generate knowledge about the general conditions that allowed world cities to emerge. World cities are loosely defined as major centers in the global economy. The global economy is defined as a capitalist world economy that emerged around the beginning of the 16th century and in which states assumed sovereign territorial powers. World cities function as central nodes in the global flows of capital, goods, and people. The geographical reach of most world cities is not really global but is concentrated in certain world regions. Apart from a small number of primary world cities such as present-day London or New York, most world cities are not all-round in terms of their functions, but rather specialized.

For Miami, the “moment” of emergence as a world city occurred in the decade of the 1970s. At that time, the city’s population crossed the one-million mark and the city’s economy grew significant linkages to other parts of the world, mostly in Latin America. Between about 1975 and 1990, the city’s position as “capital of the Caribbean” took hold and firmed up its stature as a primary business center in and for Latin America. Miami’s particular world city functions are not so much in the realm of corporate command and control, but pertain to its extraordinary relational capacity (see Nijman, 1996, 1997, 2000,
for more detailed accounts). The question is why and how, under what conditions, Miami rose to the status of world city when it did.\footnote{There is nothing inherently positive about a place becoming a “world city” from a normative point of view, even though world city status is invariably celebrated as such by local business interests. In this paper, I am not concerned with such normative issues.}

The four case-oriented comparisons—Amsterdam, Hong Kong, Shanghai, and Dublin—each serve to highlight the specific conditions of Miami’s experience. The four other cities are selected on the basis of a particular world city feature, one that invokes association with Miami. Each case represents a very different spatiotemporal context, but within the broader context of the capitalist world economy. The comparative exercise is largely focused on a search for deep analogies so as to clarify the more general mechanisms that underlie Miami’s rise as a world city. The limits of analogy, in turn, illustrate the bounds of generalization and the importance of place-particularity.

**AMSTERDAM: OASIS OF PEACE**

Toward the end of the 16th century, Amsterdam had become the center of trade in the emerging world-economy. It was the main clearing-house for intra-European trade anywhere between the Baltic region and the Mediterranean, and also for intercontinental trade between Europe and Asia. The port of Amsterdam sheltered more foreign ships than any port in the world and many descriptions exist of the impressions of foreign visitors, awed by the sight of all that international traffic and produce (e.g., Braudel, 1984). Amsterdam became the world’s leading financial center, providing credit to businesses all over Europe, further adding to its riches. About one-third of this capital was provided by recent immigrants who had fled the Spanish occupation south of the Dutch Republic (Lucassen and Penninx, 1994). Amsterdam and the Dutch Republic excelled in, and depended on, external trade. Already in the late 16th century, half of all consumed grain in Holland was imported from abroad (Braudel, 1984).

Amsterdam also held an important symbolic function, especially for other Europeans. When visitors came to marvel at the city’s harbor full of foreign ships, they had come to see a reflection of their desired future. As such, Amsterdam represented the “cultural power whereby hegemons defined what the future would be for others.” Amsterdam functioned as a “laboratory of modernity” (Taylor, 1996, p. 123).

Finally, the city acquired some of the social characteristics that are presently associated with world cities. In the final years of the 16th century, which witnessed a peak in migration to Amsterdam and the Republic, up to half of the population of Amsterdam may have been foreign or of foreign extraction (Lucassen and Penninx, 1994). Many of the immigrants were wealthy entrepreneurs, but many others held menial jobs and lived through hard times. We now speak of Amsterdam’s “Golden Age” without much consideration for the fact that social polarization was a conspicuous part of urban life in the 17th century: “The rich were richer than anywhere else, and the poor as numerous and perhaps even worse-off” (Braudel, 1984, p. 185). The stark realities of social polarization went hand in hand with an espoused culture of diversity and tolerance.
The swift rise of Amsterdam to world city status in the late 16th century is directly related to the fall of Antwerp to Spanish troops in 1585. This caused Antwerp’s business classes, especially many Jews, to relocate to Amsterdam, bringing their skills, capital, and connections with them (e.g., Knotter, 1995). Through the years, they were joined by French Huguenots, Flemish, Germans, Portuguese, Jews from central and East Europe, and others. At the same time, the Spanish blockade of the Northern Netherlands functioned as a catalyst of foreign trade and shipping, all to be centered on Amsterdam.

The explanation for this process of migration and capital flight to Amsterdam in those years is nicely summarized by Taylor:

The new United Provinces created a zone of peace in the first half of the seventeenth century that was unique in Europe…. While … other countries were facing civil wars and rebellions, Dutch cities were expanding their economy behind their fortified frontier in an oasis of peace. (Taylor, 1995, p. 52)

Thus, in the European region of the late 16th and early 17th centuries, Amsterdam was unique in that it provided a politically and economically stable business environment, causing it to attract capital and business activity from many other places.

Miami, in quite similar ways, owed its emergence as a world city to its position as an oasis of peace within the region. From the middle of the 20th century until the late 1980s, Latin American was one of the most politically unstable regions in the world (O’Loughlin et al., 1998). According to most measures, liberal democracy was a rarity across the region, and free markets rarely functioned for prolonged periods of time. Miami was the only “Latin American” city with a stable political economy throughout the 20th century. The infusion of migrants and capital into the city since the late 1950s was directly related to revolutions, wars, and political instability in the Caribbean and South America.

The fall of Havana in 1959 to Fidel Castro (Miami’s “Antwerp”), and his subsequent reign, would have a profound impact on Miami. Entire layers of the formerly privileged elite fled Cuba, and the destination of their choice was Miami. Among the first waves of Cuban refugees was the business elite and capitalist class that felt threatened by the new regime. They brought their connections, skills, and, in most cases, their wealth, with them. It is this displaced Cuban elite that played a critical role in Miami becoming the “capital of the Americas.” The Cuban exiles were followed by Nicaraguans, Colombians, Panamanians, Peruvians, and other Latin Americans who were fleeing political persecution or economic insecurity.

In the process, Miami became the leading city in the Caribbean and Latin American economies in terms of trade, banking, corporate decision-making, and communication. Miami is particularly important as a destination for private capital flows from the region, in search of security, discretion, and a stable currency. Miami is presently the third largest foreign banking center in the United States (in terms of the number of branches of foreign banks) and the city houses offices of some 1,200 multinational companies. It controls over 40% of all U.S. trade with Latin America and the Caribbean and serves increasingly as a transit port for Asian and European goods. Miami International Airport became the largest in the entire world in terms of the number of foreign airlines with regularly scheduled flights. In terms of transportation and communication networks, Miami is at the center of the region.
In Latin America and the Caribbean, Miami fulfills an important symbolic role (Grosfoguel, 1995). The regional elites come to Miami to shop for luxury goods, send their children to attend the University of Miami, or purchase a second home in one of the city’s affluent neighborhoods. One of the best-selling international newspapers in Latin America is the international edition of the Miami Herald. Latin Americans tend to view Miami with admiration and envy, as a Latin American success story, and as a symbol of modernity. To Latin Americans, Miami is a central point of reference on the road to a successful future.

In its rise to prominence, Miami acquired some of the social characteristics of the world city as well. Over 45% of the population is foreign born and the city has proven attractive not only to the business classes but also to many poor migrants in the region. The gap between rich and poor is about as wide as it gets in the United States, and social polarization is a recurring theme in the writings of local observers. The city combines a culture of openness and multiculturalism with a highly stratified social structure and marginalization of the lowest strata.

Thus, we can observe significant parallels in the rise to world city status of Miami and Amsterdam. Both cases owed a great deal to a combination of geopolitics and exceptional political economy. Both Amsterdam and Miami offered what most other cities in the region did not: a secure and stable environment for doing business. This may well be the most fundamental condition for the emergence of world cities in general, since the formation of a capitalist world economy around the beginning of the 16th century. The historical distance between Amsterdam and Miami is, nonetheless, very substantial. In Amsterdam at the time of the late 16th and early 17th centuries, it was hard to distinguish between local merchants, the city’s burgomasters, and the members of the embryonic parliament in The Hague. Amsterdam’s heyday preceded the treaty of Westphalia that is often seen as the moment of the institutionalization of the state across Western Europe. Miami emergence, 300 years later, was in part conditioned by the broad geopolitical structures that characterized the second half of the 20th century. See Nijman (2001) for a more elaborate comparison of Miami and Amsterdam.

HONG KONG: IDEOLOGICAL REFUGE AND TRANS-CULTURAL CAPITAL

In September of 1993, Time Magazine declared that the decade of the 1990s, dominated by trends of globalization, belonged to Miami, “the Hong Kong of the Americas.” The magazine portrayed Miami as a vibrant new business center, central to Latin America, much in the same way as Hong Kong is central to the East Asian region. Indeed, Hong Kong’s claims to the title of “The Asian World City,” expressed in posters around the main international business district in past years, mirrors Miami’s posturing as “Capital of the Americas.”

Hong Kong has a longer history than Miami. It was already a major economic center in Asia in the middle of the 19th century. The island was awarded to Great Britain in the Treaty of Nanking of 1842, the first of a series of similar treaties that opened up selected Chinese ports including Canton and Shanghai. Under British control, Hong Kong quickly became the Asian headquarters for major English and other European trade firms and banks. Henry Pottinger, the first British Governor of Hong Kong, referred to the island as “the grand emporium of Eastern Asia” (quoted in Meyer, 2000, p. 60). But it was, at that
time, not a major city, let alone a world city. In 1861, the total population of Hong Kong was still only 119,000. And its history as a business center and colonial outpost was volatile due to the competition of other Chinese ports, especially Shanghai.

It was only after World War II that Hong Kong was remade into a world city, a decade or so ahead of Miami. A comparison with Hong Kong since the Chinese revolution on the mainland helps to refine our understanding of Miami’s ascent and of the particular circumstances that made it possible. First, the Hong Kong comparison reveals the role of the city as an ideological refuge in the global political landscape that characterized the second half of the 20th century. Second, the comparison underscores the central importance in both of these cities of the late 20th century phenomenon of trans-cultural capitalism.

Hong Kong and Miami both emerged as world cities at a very rapid pace and in direct relation to the establishment of communist regimes in the region. Some 345,000 refugees from mainland China entered Hong Kong from 1949 to 1951 (Meyer, 2000, p. 143). The border between Hong Kong and the mainland was officially closed in 1953 but refugees continued on the basis of the so-called “touch-base or reached based rules” (Lin, 2003, p. 157), not unlike the special rules that applied to Cuban refugees who made it to Miami since the early 1960s. Owing to the influx of Chinese refugees from the mainland, Hong Kong grew from about 800,000 in 1949 to 3 million in 1960. The Mariel “boat lift” that brought over 100,000 Cubans to Miami in 1980 had its precursor in Hong Kong in 1962, the year Mao Zedong opened the border gates to allow some 70,000 people to flood into the British controlled territory within a couple of weeks.

In both Hong Kong and Miami, the massive influx of refugees was initially considered a huge burden and an enormous challenge, but later it turned out to be a major precondition for their formation as global cities. As Kelly (1986, p. 56–57) notes with regard to Hong Kong,

As the civil war between the communists and the Guomindang resolved itself in favour of the former, a flood of refugees entered Hong Kong and appeared likely to swamp the Colony out of existence. In fact, the effect was the opposite of this anticipation—the influx of labour was accompanied by capital and entrepreneurial skills.

Meyer (2000, p. 179) emphasizes the importance of capital flight from mainland China that accompanied the migration since the late 1940s.

Like Miami about 10 years later, Hong Kong became a symbolic place in the ideological conflict between communism and capitalism and, fundamentally, the ascent of Miami and Hong Kong rested on geopolitical events (Portes and Stepick, 1993; Grosfoguel, 1995; Meyer, 2000). The resulting consequences for the local political culture, nonetheless, were different. While Miami became the scene of anti-Castro activities and conspiracies and of a deeply politicized Cuban(-American) community, the people of Hong Kong were often described as politically apathetic. Many Cubans in Miami kept motivated by their desire to overthrow Castro and return to their island; most Chinese in Hong Kong counted their blessings and did little to provoke hostilities from the mighty People’s Republics.3

3The alleged political apathy of Hong Kongers has more recently been re-evaluated by critics who point to existence of a more complex political culture that embodies a combination of political activity and a culture of de-politicization (e.g., Lam, 2004).
Perhaps the most pertinent aspect of the Miami–Hong Kong comparison lies in the particular economic roles of many of the refugees and immigrants. Hong Kong is overwhelmingly Chinese, but the economy was and is capitalist and the island has a decidedly Western character. Hong Kong became “the premier meeting-place of the Chinese and foreign social networks of capital in Asia” (Meyer, 2000, p. 242). Similarly, Miami is in the United States and thus integrated in the American political economy but its population is for the most part Latin and Cubans are the single largest ethnic group. Hong Kong’s economic hinterland is China and Miami’s is Latin America. Many of the refugees and immigrants who fled communism had entrepreneurial skills, money, and business contacts across the region. But in order for the migrants to play a central role in the globalizing economies of these cities, they had to assume a sort of double-role, or hybrid identity.

The particular character and substantial success of Hong Kong’s trans-cultural or hybrid entrepreneurial classes are by now well documented.

Hong Kong is depicted as a place in between China and the West…. Overseas Hong Kong Chinese capitalists can manipulate images of both the transnational, transcultural cosmopolitan and the ‘ethnic Chinese,’ enabling them to position themselves on the margins of the nation, but at the lucrative center of Pacific Rim business. (Mitchell, 1997, p. 543; see also Ong, 1999, and Lin, 2003)

What Mitchell and others have said about the Hong Kong Chinese capitalist class applies to large numbers of the entrepreneurial Latinos in Miami: Miami is located between the United States and the Latin America, and Latino/American hybrids are able to manipulate images of the “American cosmopolitan” and the “ethnic Latino,” putting them at the lucrative center of Miami’s business economy. See Nijman (2007) for a more elaborate argument about Miami’s cosmopolitan class.

To be sure, Hong Kong is bigger than Miami and the composition of the economy differs. The population share of the Chinese majority is greater than that of the Cubans in Miami, and their ethnic and political status across Asia is more salient than that of the Cubans in Latin America. But, economically speaking, Miami and Hong Kong are both built on the presence of their trans-cultural entrepreneurial classes and these, in turn, give these two cities their special character as world cities: places that are on the edge, that connect regions, cultures, and markets that are distinctly different. And they do so better than any other city within these realms.

SHANGHAI: “WHORE OF THE ORIENT”

And yet, Hong Kong has always been so much more orderly than Miami and so much more tightly controlled by a central (colonial) government. Miami, for much of its history, has been “up for grabs” (Rothchild, 1985) to those who were willing to take a gamble on the frontier. In Miami, it appears, rules did not apply and anything was possible. In this sense, Miami was more reminiscent of late 19th century Shanghai, that other Chinese metropolis that is often described as Hong Kong’s counterpart.

Shanghai was “a more striking example than Hong Kong of the interventionist powers’ imposition” (Kelly, 1986, p. 132). Indeed, from the second half of the 19th century
and into the first decades of the 20th century, Shanghai was sometimes referred to as the “Whore of the Orient.” It was a wild place of drugs, crime, sex, smuggling, international espionage, and corruption (e.g., Miller, 1937). Shanghai was a glamorous and cosmopolitan kind of “Weltstadt” in some ways not unlike Berlin or Paris at the time—but it was much more unruly and foreigners played a fundamental role in its becoming a major city.

Since the British enforcement of the Treaty of Nanjing in the 1840s, the weakly positioned Manchu government was compelled to allow notable privileges to foreign residents and traders in Shanghai. Effectively, foreigners ran the place. Today, there are still parts of the city known as the French Concession or the International Concession. These are the areas where the Western expatriates lived and worked, without interference and with considerable freedoms. They were the newly rich, and most viewed Shanghai as a business opportunity, rather than calling it home.

The geographical raison d’être of Shanghai was its terrific harbor and location at the head of the Yangzi River and its tributaries. The city’s economic backbone was trade. From the beginning of the 1850s, Shanghai quickly became the trade entrepot for foreign firms to Central China and gradually expanded its role to become the main international business site for Central and North China, Korea, and Japan (Meyer, 2000). Shanghai “stood unsurpassed as China’s commodity port and typically served more as a re-distributor of foreign imports than as an exporter” (Meyer, 2000, p. 128). Much of the trade was illegal. Ever since the late 18th century, the British had been pushing opium (much of it from India) on the Chinese as a way to balance their trade books. The Chinese government in Beijing tried to resist the drug trade since most of the opium was paid for in silver and lots of it. One emperor even appointed a “drug czar” by the name of Lin Zexu.4

Then, too, drug czars were not terribly successful. Shanghai became a city of drugs, organized crime, shady real estate deals, money laundering (in as far as that was even necessary), and a refuge for anyone who had something to hide. At the turn of the century, the city boasted some 1,500 opium dens. The drug trade financed much of the property development in Shanghai, including the grandiose architecture that was built on the Bund, along the river Huangpu. Many of the establishments on the Bund were banking offices. Finance, trade, real estate, insurance, and shipping were key economic sectors. By the end of the 19th century, it was hard to distinguish between illegal and legitimate business dealings. Shanghai’s population grew past one million people in 1900 and, by that time, its global reputation was firmly established.

Hence, there appear to be two “deep analogies” that link Shanghai and Miami. The first pertains to the crucial and politically dominant role of foreigners and recent immigrants. It is often commented in Miami that Latinos “own” this city. Politically, Cuban-Americans are a dominant force at the local and national level. Extremely high immigration rates combined with very high “flight” out of the Miami area to the north has eroded the existing mainstream body politic. Economically, much of the city is controlled by “outsiders” as well. A recent listing of the “100 Most Powerful People of South Florida” by local business magazine South Florida CEO (2004) revealed that, of the 100, only 18 were born in South Florida. Miami has its “foreign concessions” in areas like Little

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4There is a statue of Commissioner Lin in New York’s Chinatown, a gesture by then-mayor Rudy Giuliani to reach out to the city’s Chinese population and to co-opt them in the “war” against drugs.
Havana or Little Haiti. Some of the very wealthy and secluded residential areas such as Coral Gables, Fisher Island, and Key Biscayne have very large, and ethnically mixed, foreign populations. Over the years, huge inflow of foreign investment made Miami one of the fastest growing real estate markets in the nation. The disproportionately large role of foreigners and foreign capital in Miami had the peculiar result that its international prominence exceeded its importance in the U.S. domestic urban system. Miami has been rated the best place to do business in(!) Latin America for years in a row, yet it remains something of a foreign affair to the rest of the United States. It is hard to think of a comparable case, other than Shanghai at the time. Shanghai was as far from Beijing as Miami was from Washington, DC.

Second, the dominating influence of foreigners and the absence of a controlling government created the opportunity for large-scale illicit activities. While illegal, these activities formed significant building blocks for the emergent urban economies and world city functions of both cities. Gambling and drug trafficking already played a prominent part in the early decades of the 20th century. During Prohibition, the so-called “rum runners” maintained alcohol supplies from Havana to Key West. Al Capone bought a second home in the city and one of his favorite bars, Tobacco Road, is still in business today. But this was only a precursor for much bigger things to come in the 1970s. The cocaine trade from Latin America into the United States, with Miami as a major entrepot, is likely to have had major multiplier effects in the local economy. Miami was designated by the federal government as a High Intensity Drug Trafficking Area and as one of the main centers for money laundering practices in the United States. One of the clichés in the real estate sector is that a considerable share of investments is from dubious origins. International private(!) banking became one of the key business sectors in the urban economy. Miami’s international banking district, along Brickell Avenue, is reminiscent of the architectural prowess and trophy building on the Bund in Shanghai. The drug trade and massive amounts of money that moved through this city were accompanied by high levels of organized crime. The newspapers in the early 1980s reported on “cocaine cowboys” dueling on the streets of downtown Miami, and of a “city gone berserk.”

Miami’s vice character has received considerable attention in the popular media over the years (“Miami Vice!”). The city makes a very suitable backdrop to juicy media stories. The key point here is that illicit activities are likely to have played a vital part in the economic growth of this city and in the formation of economic and cultural ties with Latin America. Without it, Miami’s emergence as a world city probably would have been slower, the global connections would have been fewer and less intense, and capital would have been less abundant. The illegal and informal economies are, in Miami as elsewhere, closely connected to the regular economic functioning of the city. Increasingly, in present times, it is difficult to determine where one ends and the other begins.

Unlike Shanghai in the mid-19th century, it cannot be said of Miami that it was situated in a weak national state. The Chinese government may be said to have been forced in accepting the treaties that allowed foreigners control over Shanghai. The United States in the second half of the 20th century was obviously a very strong state but its ideological orientation was driven by anti-communism. In other words, the U.S. government chose to accommodate Cuban refugees and other anti-communist foreigners. More generally, the U.S. government’s laissez-faire policies implied considerable space for local agencies in Miami, perhaps especially so because of its peripheral position as seen from Washington,
It is important, therefore, that we take a closer look at the local state and at its role in Miami’s rise to world city status.

**DUBLIN: WORLD CITY BY DESIGN**

On the face of it, a comparison of Miami with Dublin is the most compelling of all because both emerged as world cities during the most recent era of globalization—with Dublin about a decade behind. Their world city functions are largely based on their relational capacity, not corporate command and control. And, prior to their rapid transformations, Dublin and Miami were both fairly insignificant places in their regional landscapes.

In the 1970s, the Irish economy was nicknamed the “sick man of Europe.” Comparisons of Ireland with Third World countries were quite common. It was a country with a large agricultural sector, backward industries, low incomes, and considerable poverty. Most educated people wanted to leave, and many headed for the United States or Britain. There were descriptions of Ireland from those days as “the island behind the island.” That is, at least, how the country was perceived in continental Europe: remote and disconnected. Dublin, compared to other European capital cities, seemed little more than a provincial town: small, stagnant, and undisturbed by the vibrancy of the world economy.

Miami, prior to its own transformation, was at least as remote to the rest of the U.S. economy as Dublin was to Europe. Until the advent of mass air conditioning in the 1950s, Miami was just a seasonal beach resort town, and it was long overshadowed by Tampa as the leading city in South Florida. Miami was not as poor as Dublin, but because of its small size and lack of connections it simply did not show up on the map until 1959.

Dublin’s make-over seemed miraculous. In 1998, Andersen Consulting declared that “Dublin is the best location in Europe for doing business.” For much of the past 15 years or so, Ireland had the highest national growth rates of any country in the European Union (around 8% per year). Foreign investment in Ireland skyrocketed and is highly concentrated in and around Dublin. Guinness is the oldest, and still very successful, company in Dublin, but today the city houses the European headquarters for many large high tech and IT corporations, including Intel, Microsoft, and Oracle. Dublin has also become Europe’s most specialized calling center with facilities of Citibank, Hertz, Dell, American Airlines, IBM, Ericsson, and others. It has become a trendy city, full of European and American yuppies and expatriates, and returning Irish from abroad. Real estate prices are escalating. As if to acknowledge the city’s newfound status, Dublin was declared the European Union’s “cultural capital” in 1999.  

Miami’s economic transformation took a bit longer than Dublin’s, and it has been somewhat more stealth-like. It certainly has not been publicized as much as in the case of Dublin as it has been overshadowed by discussions about ethnicity (the Hispanicization of America), Cuba politics, and Miami Vice. There is one other important reason and I will return to that in just a few moments. At any rate, it is clear that Miami, too, has obtained world city functions that make it a central node in the regional economy, that it

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5Like other world cities, Dublin has also become a much more polarized society with a distinct bi-modal income distribution and, according to some, increasing poverty. For example, Kirby (2002, p. 5) suggests that “economic success” was accompanied by “social failure.”
has acquired large and diverse foreign investments, and that it has become the regional headquarters for many transnational corporations. For both cities, the globalizing economy provided the essential environment for their emergence as world cities, with rapidly developing transport and communication technologies and highly mobile global capital. Both had the advantage of counting the global languages of English and Spanish among their assets.

Dublin and Miami often have a similar position in rankings of global cities, in the second or third tier. Neither has high scores when it comes to the presence of global headquarters of major transnational companies, but both have a large number of regional headquarters. More pertinently, neither Miami nor Dublin impress as world cities in terms of corporate command and control but both have highly developed relational capacities, as central network nodes between primary world cities New York or London and their regional hinterlands. Much of the global corporate presence in the two cities is in the form of small branches of transnational firms that maintain high potential mobility. The result in both cases is a lack of embeddedness of global capital. This, in turn, implies long term economic uncertainty and high vulnerability (e.g., Kirby, 2002; White, 2004).

But I want to return to the other important reason why Miami’s emergence as a world city is less publicized than Dublin’s. The economic transformation of Dublin, and of Ireland in general, is said to be engineered. And that cannot be said of Miami. Paul Sweeney, in his book *The Celtic Tiger: The Irish Economic Miracle Explained* (1998, p. 9) notes that:

> There is a high level of state intervention in industry, which is highly subsidized with grants, tax breaks and many other state aids. Ireland pioneered tax-free industrial zones, duty-free shopping and zero tax on export profits. It also had one of the first and possibly the most successful state agencies to encourage FDI.

Kirby, in his more critical *The Celtic Tiger in Distress*, refers to Ireland as a “hunter/gatherer of FDI,” a strategy that was pursued with “great determination and not a little charm” (2002, p. 34).

Dublin’s success was based on careful planning, a mix of liberalization and government-controlled public enterprise, clever competitive investment policies, and shrewd marketing. Tax incentives for foreign investors are extremely lucrative—to the point where they are at odds with EU tax harmonization directives. Corporate taxes in Ireland in the 1990s were one-sixth of those in Germany and one-third of those in Britain. Public education is very good and the work force is highly skilled, particularly in computer use and foreign languages. Foreign investors are lured with friendly service and a

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6It should be noted that EU funds constituted one other important external factor in the case of Ireland.
7Although, on balance, Dublin has more large branches than Miami and Miami has more small ones. This may be a reflection of the different regional markets in the EU and Latin America (the latter being smaller and more fragmented).
8Claims about Ireland’s “engineered” success sometimes have boosterist overtones. When the Irish “miracle” took off in the late 1980s, reference was made to the “Celtic Tiger,” in comparison to the rapid developments of small East Asian countries such as Singapore and Taiwan. But since the Asian meltdown in the late 1990s, the Irish have preferred another name for their success: the “fox economy.”
customer-driven corporate culture. “Irish eyes are smiling” at the prospect of a profit. The Irish government called it “policy determined comparative advantage” and this policy was pursued consistently by successive governments since the mid-1970s.

Compared to Miami, Dublin is more like a city-state, in that it plays a primary role in a small national economy and the national government is likely to be sensitive to the needs of its largest urban economy. To be sure, Miami figures a lot less prominently in the minds of the national policy makers in Washington, DC, and perhaps even in Tallahassee. Seen from that angle, it is not surprising that Irish policies resembled, in some ways, the strategies of small Southeast Asian countries like Taiwan or Singapore. For Miami, this kind of government-assisted strategy is impossible because it would be limited to local urban governments that have considerably less latitude in the economic arena.

At any rate, it seems obvious that Dublin does not owe its miraculous emergence as a world city to its location or natural endowments. It is still a flight away from Europe’s main business centers and the weather is still bad. In some ways, then, the contrast with Miami could not be greater. Miami’s rise seems almost accidental. It owes a great deal to its advantageous location, the weather, and its multicultural population. If Miami’s success was in part based on the large-scale immigration of Cubans and others, it should be remembered that none of that was planned (in fact, it met with considerable local resistance). Miami is not a world city by design. For the most part, it happened to be at the right place, at the right time. It is tempting to take it a step further: Miami’s natural endowments, including its location, are so spectacular that it became a world city despite the lack of strategic local leadership, economic planning, and managerial competence.

CONCLUSIONS

Multiple individualizing comparisons are useful in that they deliver complementary and interrelated findings, different pieces of the puzzle. The comparison with Amsterdam confirms the importance of Miami’s exceptional position in the regional political economy of Latin America, as an oasis of peace. But the comparison with Dublin suggests that Miami’s exceptionalism owed little to deliberate policy making in Miami and much more to the external developments in the region. One could say that Miami fed off the political and economic instability in the region and was able to do so “simply” because it happened to be in the right place at the right time. In as far as government played a role in the creation of Miami as a world city, this influence is best seen as an unintended byproduct of ideologically motivated national policies toward communist forces in the Latin American region. Indeed, as the comparison with Shanghai indicates, the state effectively failed to exercise sufficient control to maintain common law and order in Miami and effectively allowed control in the hands of foreign agents. Finally, the comparison with Hong Kong underscores the significance of the immigration of large numbers of entrepreneurially oriented people who assumed hybrid identities and formed the basis of these cities’ inter-cultural economic markets.

This paper applies one specific method of comparing a particular group of cities with regard to a certain moment in their respective histories. The approach chosen here is historical–geographical, essayist, and exploratory. Moreover, employing the notion of multiple individualizing comparisons, the approach maintains a central and consistent
focus on Miami. The insights derived from this essay suggest that Miami’s case was decisively influenced by the nature of state–city relations, regional exceptionalism in terms of political economy, the prevalence of illicit economic and financial conduits, and hybrid cultural identities. The comparisons with the other cities underscore the potential importance of these factors for world city formation in general and as such suggest more rigorous, hypothesis-testing, future lines of research. Comparative historical–geographical approaches of this nature need not be confined to questions about the emergence of world cities. The decline of world cities, for example, would be another, intriguing, topic of investigation.

REFERENCES


