
GLOBAL PERSPECTIVES

9777/03/PRE

Paper 3 Presentation

October/November 2017

PRE-RELEASE MATERIAL

To be given to candidates

READ THESE INSTRUCTIONS FIRST

Guidance for Teachers

This Resource Booklet contains stimulus material to be used by candidates preparing their presentation for 9777/03. One copy should be given to each candidate.

Presentations must be prepared in a four-week period. This may take place at any point before 31 October 2017, by which date all presentations must have been submitted to Cambridge via the Cambridge Secure Exchange (MOVEit).

The Presentation is marked out of 40.

Instructions to Candidates

- You should use the enclosed stimulus material to help you identify the subject for your presentation.
- Your presentation should attempt to answer a question.
- Your presentation must address alternative perspectives on the question you select and must engage directly with an issue, an assumption, evidence and/or a line of reasoning in one or more of the documents within this Booklet (i.e. you should not just pick an individual word or phrase which is not central to the reasoning of or the issues covered by the documents).
- You are expected to reflect on these perspectives using your own research.
- Your presentation should be designed for a non-specialist audience.
- Originality in interpretation is welcomed.
- Your presentation may be prepared in a variety of formats and should normally include an oral commentary.
- The speaking or running time of your presentation should be a maximum of 15 minutes.
- Whether presented or not, the submission must include a verbatim transcript of the presentation.

The syllabus is approved for use in England, Wales and Northern Ireland as a Cambridge International Level 3 Pre-U Certificate.

This document consists of **11** printed pages and **1** blank page.

Document 1

‘The rise and rise of the mega-city will change the global economy forever’

An article by Allister Heath in *The Daily Telegraph*, a UK newspaper, 29 August 2014.

The author was deputy editor of the newspaper.

In 1800, just 5% of the world’s population lived in the cities; the rest resided in small towns and villages. This year, 55% of the world’s population will live in cities. The transformation has been dramatic; urbanisation and the rise of cities is one of the most important changes that humanity has undergone as it has become richer. The trend is set to continue, posing huge challenges in some areas but creating vast opportunities for those willing and able to seize them.

It is not just that we are now much more likely to live in cities – more and more of us live in extremely large urban conurbations. At the start of the 19th century, just one city had a population that was greater than 1 million (m) – Beijing. Today, there are more than 450, accounting for 22.7% of the world’s total population.

The rise of the mega-city, defined as areas of continuous urban development, is even more striking: 40 years ago, just Tokyo and New York fell into that category, joined by Mexico City in 1975. Today, 29 mega-cities boast 10m or more people, accounting for 7.2% of humanity. The largest, at 37.6m, is Tokyo, followed by Jakarta (30m), Delhi (24.1m), Seoul (23m) and Manila (22.7m). Some of the mega-cities are shockingly little-known in the West, at least among the general public, including Guangzhou-Foshan (which counts 18.3m inhabitants) or Nagoya (10.2m). There will be another 10 or so mega-cities in a decade’s time, with an extra six or so in two decades’ time, according to forecasts.

All of these facts and many more are drawn from *The Problem with Mega-Cities*, by Joel Kotkin and colleagues and published by Chapman University’s Centre for Demographics and Policy. While I tend to disagree with many of the book’s conclusions, and am more upbeat about cities than its authors are, it is chock-a-block with fascinating insights and statistics.

London was the smallest of the 29 mega-cities, with its urban region (which includes not just Greater London but a swathe of home counties’ commuter belt) now home to 10.15m, compared with 10.98m for the Paris region. Crucially, however, London’s population grew at a much faster rate than any other mega-city in the developed world – more than 10% over the past decade, against 8% for Paris, 6% for Los Angeles and just 3% for New York. This week’s net migration figures suggest that London is continuing to expand at a very fast rate, a development which is bound to continue to put pressure on house prices at a time of still limited supply.

Britain’s capital city, which has regained much of its erstwhile commercial and cultural greatness, is a good example of how a mega-city drives growth, progress, jobs and prosperity in a wider national economy. But that is not true of every mega-city. A study from McKinsey points out that “contrary to common perception, mega-cities have not been driving global growth for the past 15 years”.

Being a mega-city is not enough: you also need the right economic policies. One of the greatest problems in London, but also in New York, San Francisco and elsewhere, has been over-regulated property markets that have pushed up prices and squeezed out the middle classes, triggering a political backlash. Many cities fail to get the infrastructure right, creating immense transport problems. Crime and educational failure can be rife. Mega-cities in the emerging world, where almost all of the population growth and urbanisation is being concentrated, suffer especially badly from such intractable issues.

On balance, however, the likes of Harvard’s Ed Glaeser are right: cities are where the action lies, even though many people find the countryside a more pleasant place in which to reside. They facilitate the intensification of the division of labour and knowledge, the specialisation and the trade that fuel progress. Glaeser argues that globalisation and technology have increased the “returns to being smart”, in other words education and enterprise, and that this is most manifest in large, international metropolises. The increasing returns to scale from urbanisation may partly be eroded by technology but the general principle will remain. Expect the rise of the mega-city to continue in the years and decades ahead.

Document 2

'The rise of the megacity'

Adapted from an article by Jennifer Quinn in the *Toronto Star*, a Canadian newspaper, 25 August 2014.

The author was a reporter for the newspaper.

The merits of the city have been debated as far back as Aesop – so, since about 600 B.C., or slightly before parking spots in central London were sold for the cost of a maybe-renovated Toronto semi.

Town Mouse, Aesop tells us, visited his rural cousin, but was put off by the slim pickings for dinner and so suggested a trip back to the city. Country Mouse agreed, and was thrilled by the delicacies on offer there – until their meal was scarily interrupted not once, but twice. Country Mouse had enough and scurried home, because “better a little in safety, than an abundance surrounded by danger.”

That was then. Now, it's probably fair to say that Country Mouse would agree the risk was worth the reward. He would stay in town, hope for a decent job, appreciate that his offspring could probably go to school, and forget he had ever once called the hedgerow home.

By 2050, the United Nations 2014 World Urbanization Prospects report projects that 66% of the globe will be living in cities. Today, just over half of us live in cities; in 1950, only 30% of the world's population was urban.

“Everywhere, it's the big cities that are most attractive to everybody,” says Andre Sorensen, chair of the University of Toronto's human geography department. “It's the big main cities that are the attractors for population, because that's where the opportunities are.”

“A city,” agrees Somik Lall, the World Bank's lead urban economist, “offers an economic structure that gets you out of doing labour on the farm, provides you higher wages. You can send your kids to school, if you have girls they can have better access to education – you know, cities are pretty good.”

The term urbanization often conjures images of slums and substandard living conditions, and that is the reality for many people in the developing world. The book *Planet of Slums* noted that “the five great metropolises of South Asia – Karachi, Mumbai, Delhi, Kolkata and Dhaka – alone contain about 15,000 distinct slum communities with a total population of more than 20 million.”

Even the UN report on urbanization uses an image of Rocinha, one of Rio de Janeiro's infamous hillside slum communities – where adventurous visitors can pay tour companies about \$40 for a three-hour walking tour – on its cover page. Still, experts and the UN say that, generally, cities are good for people: “Urban living is often associated with higher levels of literacy and education, better health, greater access to social services, and enhanced opportunities for cultural and political participation,” the report says.

“Urbanization generally is a very positive thing,” Sorensen agrees. “It results in higher living standards, higher incomes, more opportunities, more educational opportunities – so overall, it's a very positive thing for the people who migrate. And it also is more environmentally sustainable. People tend to use less energy in big cities than they do in small towns and rural places.”

Just as cities evolve, the definition of a megacity, too, has evolved. And Sorensen calls it “one of those phony statistical thresholds.”

“If you've got 9,999,000 people you're not a megacity,” he says. “There's no real difference between say, 9 million and 10 million. There is a difference between 10 million and 2 million in how a city functions.”

“Once you get into that range, over seven (million), over eight, over 10, over 15 – then cities really function differently because it gets so big, and governance issues get really challenging,” Sorensen says.

Lall agrees, saying that cities have the opportunity to be “distance busters – that is, to connect people with opportunities.” But if cities aren’t well managed, they can become dysfunctional: crime, squalor, disease.

“You know, if you and I are sitting next to each other, we share an idea, we go to the market and we innovate on it, so that density of city provides this opportunity for creativity,” Lall says. “But just as easily, you and I are sitting beside each other and I have a disease and it’s just as easy to pass it on to you.”

“So while the density of cities is really good, if not well managed, it could be very problematic.”

Document 3**'The connection between successful cities and inequality'**

Adapted from an article by Richard Florida in *The Atlantic Cities*, a US magazine, 7 January 2015.

The author is an urban studies theorist and head of the Martin Prosperity Institute at the Rotman School of Management at the University of Toronto.

Thomas Piketty's *Capital* helped make inequality a household word last year by arguing that it's a basic outcome of modern capitalism. Indeed, inequality has become an increasingly dominant feature of U.S. cities. A recent U.S. Conference of Mayors' report shows that income inequality increased in over two-thirds of U.S. metropolitan areas between 2005 and 2012. The wage gap, meanwhile, nearly doubled from 12% to 23% in the decade between 2002 and 2012. New York City's Gini coefficient – the standard measure of income inequality – is now equal to Swaziland's, Chicago's almost identical to El Salvador's, and San Francisco looks like Madagascar.

The bottom line: inequality is not just an occasional bug of urban economies. It's a fundamental feature of them, an elemental byproduct of the same basic clustering force that underpins metros' rise as centers of innovation, startups and economic growth. In other words, the exact same phenomenon of skill clustering that has made tech hubs like San Francisco, New York, and Boston such successes has contributed to the rise of inequality, the growing gap between the haves and the have-nots. This creates a huge conundrum for policymakers, who may be tempted by (deservedly) growing political clamor over rising inequality to throw the proverbial economic baby out with the bathwater by turning to measures that impede the clustering that generates economic growth in the first place. But it makes little sense to undermine growth and the revenues it brings to stave off inequality. Urban leaders would be much better off focusing on policies that boost the conditions of people at the bottom of the economic ladder, enhancing skills, upgrading low-end service jobs, and raising the minimum wage, as well as increasing the supply of housing, particularly affordable housing. The real key is to harness this new round of urban growth in ways that can create a more inclusive city.

Document 4

‘Challenges of the global city’

Adapted from an article by Razeen Sally in *The Straits Times*, a Singapore newspaper, 31 May 2014.

The author was a visiting associate professor at the Lee Kuan Yew School of Public Policy, National University of Singapore.

Cities have been the crucible of politics, economics, society and culture down the ages. Unprecedented urbanisation, now overwhelmingly outside the West, makes them even more important. Cities come in various shapes and sizes. One type is the “global city”; membership is extremely limited.

A global city is where truly global services cluster. Business – in finance, the professions, transport and communications – is done in several languages and currencies, and across several time zones and jurisdictions. Its infrastructure – physical infrastructure as well as “soft” infrastructure (such as education, skills and cultural activities) – must also be among the most advanced. Above all, it has to be a hive of individual freedom, where creative ideas, entrepreneurship and innovation can thrive.

But the logic of the global city runs counter to that of the “normal country”. Normal countries are more ambivalent about the market and less open to the world. Their citizens probably want to lead settled, secure lives rather than constantly having to adapt to changing global market conditions.

London and New York – global cities that are part of normal countries – face this contradiction all the time. The natives of Hong Kong and Singapore are no longer dirt-poor immigrants. Overwhelmingly, they are settled and middle-class, with increasing “normal-country” aspirations that sometimes jar with global-city imperatives.

Now take a look at a few key issues through the prism of the global city.

First, global cities are not manufacturing hubs. Rather they specialise in global services, which in turn drive a cornucopia of ancillary local services. Services account for ninety % or more of GDP in global cities – with the exception of Singapore, where manufacturing is still over 20 per cent of GDP. Global cities are the services hubs of global supply chains, not least in hosting the headquarters of multinational firms.

The second issue relates to openness and governance. Here self-governing city-states – Hong Kong, Singapore and, to a lesser extent, Dubai – have the advantage. Not only can they excel at municipal policies, but they can also have free-trade policies and be exceptionally open to migrants. Because they are not city-states, London and New York do not have that freedom.

A third issue concerns geographic space. This is where city-states are at a disadvantage. Unlike London and New York, they do not have hinterlands within their territories where low-value economic activity can re-locate and where people can move in search of a lower cost of living.

The final issue has to do with inequality and related social issues. The present age of economic globalisation has delivered unprecedented growth and prosperity. But it has probably also played a part in increasing in-country inequality by giving higher returns to capital and educated, skilled workers than to the unskilled and semi-skilled. This is most visible in the global city.

How should governments respond to these “normal-country” concerns without undermining the essential logic of the global city?

Such are the challenges facing global cities. But they remain a hallmark of early 21st century globalisation, combining freedom and prosperity better than any other political-economic unit. In that sense we all have a stake in the global city.

Document 5

‘Creative cities in a spiky world; rapidly growing Asia will be better served by a system of cities – not a dominant city, but many competitive cities’

Adapted from an article by Shu-Ching Jean Chen in *The Business Times*, a Singapore newspaper, 29 March 2014.

The author was a writer on regional entrepreneurship and business in Hong Kong.

The world is not flat, not least when measured by the emergence of the “creative class”, says the man behind the concept, American urban studies theorist Richard Florida.

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Maybe Asia, because it is so populated, so rapidly urbanised, could help us redefine what we think of the system of cities by having not a dominant city, but many competitive cities.”

Document 6

‘Uplifting the cities of the poor’

Adapted from an article by Edward L. Glaeser in *City Journal*, a US magazine, 15 September 2014.

The author was a professor of economics at Harvard University and the author of *Triumph of the City: How Our Greatest Invention Makes Us Richer, Smarter, Greener, Healthier, and Happier*.

Over the last half-century, a once overwhelmingly rural world has become ever more urban. In 1960, the urbanization rate in the majority of poor countries was less than 10%. Just 3% of Botswana’s population lived in cities, for example, while Kenya was 7% urban and Bangladesh (then East Pakistan) was 5% urban. Even China had only 16% of its people then residing in cities. Nowadays, China is more than 50% urban and Botswana more than 60%. In those two countries, industrialization and increasing prosperity have accompanied the population shift to cities. China’s real per-capita incomes have risen 25-fold since the early 1960s, and Botswana is more than 17 times wealthier. This has been urbanization’s usual historical pattern. In 1961, a 1% increase in urbanization was associated with per-capita earnings growth of 3%. And the trend is even stronger today: in 2011, a 1% rise in urbanization was associated with a 5% boost in earnings.

Yet while urbanization continues to correlate with prosperity, recent years have seen the striking rise of a new phenomenon: urbanizing countries that remain poor. Urbanization has increased from 5% to 28% in Bangladesh and from 7% to 24% in Kenya, for example, but prosperity has stood still. The urbanization of these poor nations doesn’t take the form of midsize urban centers, like those that sprouted along most of America’s major nineteenth-century waterways, but typically of a single megacity. The Nairobi agglomeration has a population of 3 million; Dhaka has 15 million inhabitants. The Democratic Republic of the Congo is the ultimate example of this new form of impoverished urbanization. Its capital, Kinshasa, has 8.4 million people, while per-capita income in the country is about \$250.

These impoverished big cities are mostly located in poorly governed countries, lacking stable institutions and strong property rights, which helps explain why economic growth hasn’t taken off in them. But if these vast urban agglomerations aren’t providing much economic opportunity, why are rural people still moving to them? And how can such cities, with extremely limited resources, deal with the perpetual demons of density, including contagions, crime, and housing? Can a megacity of almost 9 million people in a country where incomes average \$250 a year be anything but a hell on earth? Cholera rages in Port-au-Prince and Kinshasa; hundreds are killed each year by the commuter trains of Mumbai. The awful downsides of urban poverty might seem to support limits on urban growth or a more aggressive focus on rural development. But cities are the present and future of the developing world. The great challenge of our century will be to make them livable.

The most fundamental – but also the most costly – job of city government is hygienic: securing safe water supplies. No crime wave can compare in horror with a cholera epidemic. Yes, urban density can help spread airborne epidemics, like the 1918 influenzas, or sexually transmitted plagues, like AIDS. But water is the great repository for bacteria, and waterborne killers are harder to check through quarantines and behavioral responses.

If clean water is the first job of city government, then reducing crime is job number two. As the *New York Times* recently reported, 2013 was Karachi’s deadliest year ever, with 2,700 people murdered and kidnappings, robberies, and other heinous crimes running equally rampant. Kinshasa is incredibly violent, with a murder rate estimated as high as 112 killed per 100,000 people (New York’s rate is four per 100,000). Caracas’s murder rate is also more than 100 per 100,000.

The third lesson for the developing world is that urban housing problems need pragmatic government that encourages private-sector solutions over idealistic gestures. Housing becomes affordable when private developers can earn a profit delivering greater density. Yet too many developing-world cities have failed to protect private property from expropriation by squatters and have aggressively regulated the development of new dwellings. Ideological opposition to the development of private property makes it difficult to deliver housing that would materially improve the lives of the world's urban poor.

These reforms – infrastructure for clean water, effective policing, a sensible system of property rights – would bring huge improvement to the lives of the poor in burgeoning cities like Port-au-Prince or Kinshasa. Their costs would vary from a lot, by poor-city standards (water infrastructure), to a little (changing property rules). But all demand the kind of competent political leadership rare in the world's new cities of the poor. The history of the West, however, reminds us that cities, as wellsprings of political change and reform movements that curb corruption, are often their own best saviors. We must hope that the political and economic changes that emerge from urban agglomerations will reduce the risks inherent in the world's rapid urbanization.

Document 7

‘Will capitalism clean up the world?’

Adapted from an article by Geoffrey Lean in *The Daily Telegraph*, a UK newspaper, 20 September 2014.

The author is a journalist at the newspaper.

This time almost everything is different from 2009, when Copenhagen climate talks failed. Economics are figuring larger than ecology. Some of the most obstructive countries in Copenhagen are now pushing hardest for a treaty, while some of the keenest back then look like they’re dragging now. And – though environmentalists don’t like admitting it – the world is making progress through adopting a suggestion from the much-reviled George W Bush.

There are, of course, some things that stay much the same. Global emissions of greenhouse gases continue unabated: this month, the World Meteorological Organisation reported that they grew at their fastest in three decades last year, and are now at record levels. And Christiana Figueres, UN chief of the treaty negotiations, warned again that time to curb them is running out.

Nevertheless, the buzz is more about expanding economic opportunities than impending ecological disaster, real though that may be. The key report published this week in preparation for the summit was not from Greenpeace, Friends of the Earth or any of the usual suspects, but rather by leaders of the IMF, Bank of England, OECD, China Development Bank, World Bank and businesses usually treated as enemies by greenies. Its message? Tackling climate change can help, not harm, economic growth.

Hard cash increasingly says so too. Last year there was greater worldwide investment in renewable energy than in fossil fuels for the fourth year in a row, as the cost of solar and windpower tumbles. The worldwide market in low carbon goods and services exceeds £3.4 trillion a year and often outperforms the rest of the global economy. No country has seen the opportunity more clearly than China, now the world’s biggest renewables investor. Formerly better known for rapidly building coal-fired stations, it has closed and cancelled scores of them, mainly to combat the air pollution that kills some 250,000 Chinese a year.

The main obstacle to progress in Copenhagen, China, is now taking the lead in calling for action – along with that other erstwhile bugbear, America. By contrast, the EU – which led the push for change in Copenhagen – has been growing less enthusiastic, and the new president of the European Commission, Jean-Claude Juncker, seems determined to downgrade the issue.

The emerging agreement, too, is totally different from the one on the Copenhagen table. That sought to set a global ceiling on greenhouse gas emissions and then divide them between nations.

This one starts at the other end, with governments pledging what they think they can achieve – a concept originally advanced by George W Bush.

For the first time all nations, including the smallest and least polluting, will join in. But the scheme has an obvious flaw. It’s most unlikely that the pledges will be nearly enough to head off serious climate change; PricewaterhouseCoopers has calculated that international efforts would have to increase five-fold to do so.

But it is the best that is reasonably achievable. And the, not unrealistic, hope is that – once a clear signal is given that the future is low carbon – the competitive power of capitalism will rapidly cause the world to exceed the targets.

Document 8

'Fresh thinking needed'

Adapted from an article by Mukul Sanwal in *Economic & Political Weekly*, an Indian magazine, 1 August 2014.

The author has previously served as a policy advisor on industry, agriculture and the environment to the Indian government and to the UN.

The promise of inclusive and sustainable development can only be achieved if key policy decisions are re-thought with clear priorities – on urbanisation and economic growth – with the transformations kept within ecological limits.

We have reached a stage of development where “inclusive growth” should be defined in terms of the “Indian dream”. The American dream is employment which provides progressively increasing levels of incomes, a home in the suburbs, two cars and conspicuous consumption. The Chinese dream is shaping towards full employment, social security, a mid-sized urban apartment, accessible public transport and some luxury consumption. The Indian dream will be closer to the Chinese, consumption hopefully tempered by our concern for the environment. Development should be seen in terms of this societal transformation, and rates of growth are a snapshot rather than a vision to steadily increase per capita incomes while minimising environmental damage.

The International Social Science Council (ISSC) has recently reframed global environmental change from an exclusive focus on physical processes of nature to the interlinkages with social processes shaped by the shift from rural to urban societies. This new insight from the social sciences has largely been ignored by us, as we continue to see the environment in terms of scarcity, rather than use and distribution of natural resources. The “World Social Science Report – 2013”, produced by the ISSC and UNESCO, concludes that even climate change should be considered a social and not a physical problem. Such has been the power of the current intellectual and conceptual framing of environmental change that for the last 40 years we have been dealing with the symptoms rather than the activities causing the problem.

The re-emergence of China and India, with twice the population of the industrialised countries, is based on the “Eastern way of life” that is less wasteful, not so much focused on accumulation of material goods and with values and behaviour shaped by a services-based rather than an industrial economy using fewer resources and energy for their well-being – less than half the level of the US. The denser urban design and smaller homes, greater reliance on public transport, rail and more internal than foreign travel for recreation, and greater reliance on local food with much less waste, provides hope for a sustainable future. Modifying consumption patterns should be the focus of environmental policy in developing countries and not curbing generation of electricity and infrastructure development, which are needed for urbanisation.

According to an analysis of long-term economic trends by the Organisation for Economic Co-operation and Development (OECD), around 2030, Asia has the potential to be the world’s powerhouse just as it was prior to 1800. Currently the OECD contributes to two-thirds of global output compared to one-fourth in China and India, and by 2060 these two countries are estimated to have a little less than half of world GDP with OECD’s share shrinking to one-quarter. India’s GDP can increase to 18% as a share of global GDP while China’s share will be 28%, just as it has been since the dawn of civilisation. The “Asian century” will be shaped by its middle class increasing three times by 2020 to 1.7 billion and reaching 3 billion by 2030, accounting for two-thirds of the global middle class and two-fifths of global consumption. That is where the demand for natural resources will come from, and that is where the battle to protect the environment and ensure sustainability will be won or lost.

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