Exporting the American Dream: The Globalization of Suburban Consumption Landscapes

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LEICHENKO, R. M. and SOLEcki, W. D. (2005) Exporting the American dream: the globalization of suburban consumption landscapes, Regional Studies 39, 241–253. This paper examines how cultural, economic and political aspects of globalization interact with processes of urbanization in less developed country (LDC) cities to create new landscapes of housing consumption. Drawing evidence from the current literature, the paper demonstrates that globalization processes influence the housing preferences and housing consumption decisions of a small yet growing, middle-income segment of LDC urban residents. These changes lead to patterns of urban resource use akin to those associated with suburbanization and suburban sprawl in more developed countries (MDC), particularly the USA. In effect, these changes amount to the manifest export of the American Dream – the ideal of homeownership of a single-family house in a suburban area – to LDC cities. A critical element of this process explored in the paper is how this suburban ideal is set down within each city context. This placement is presented as the result of global-, national- and local-level drivers. The emergence of consumption landscapes raises critical questions about the environmental and social sustainability of globalization, as LDC residents increasingly emulate the highly resource-consumptive, energy-intensive and exclusionary lifestyles currently practised by MDC suburbanites.

Globalization     Suburbanization     Housing consumption     Environmental degradation

LEICHENKO, R. M. et SOLEcki, W. D. (2005) Exporter le rêve américain: la mondialisation des paysages de consommation suburbains, Regional Studies 39, 241–253. Cet article cherche à examiner comment des aspects culturels, économiques et politiques de la mondialisation agissent sur les processus d’urbanisation aux villes situées dans les pays en voie de développement (PVD) pour créer de nouveaux paysages de la consommation de logements. Puissant dans la documentation actuelle, cet article cherche à démontrer que, pour ce qui est du logement, le processus de mondialisation influe sur les préférences et les décisions d’une tranche, faible mais croissante, de la population urbaine aux revenus moyens des PVD. Ces changements entraînent une distribution des ressources urbaines qui ressemble beaucoup à celle associée à la transformation et au développement des banlieues dans les pays développés, notamment aux États-Unis. En effet, ces changements représentent l’exportation du rêve américain aux PVD – à savoir, l’idéal pour une famille d’être propriétaire de son logement situé en milieu suburbain. Cet article cherche à aborder aussi un élément essentiel de ce processus, autrement dit comment cet idéal suburbain se voit élaborer pour chaque ville. Cette élaboration est présentée comme le résultat des forces motrices mondiales, nationales et locales. La naissance des paysages de consommation soulève des questions essentielles quant à la mondialisation durable des points de vue écologique et social, au fur et à mesure que la population des PVD imite de plus en plus les styles de vie à forte consommation en ressources et en énergie de la population suburbaine des pays développés, et qui tendent à l’exclusion.

Mondialisation     Développement des banlieues     Consommation de logements     Dégénération écologique

Globalisierung Vervorstärkung Wohnverbrauch Umweltdegradierung

Leichenko, R. M. y Solecki, W. D. (2005) La exportación del sueño americano: la globalización de los paisajes de consumo suburbanos, Regional Studies 39, 241–253. Este artículo examina cómo los aspectos políticos, económicos y culturales de la globalización interactúan con procesos de urbanización en ciudades de países menos desarrollados (LDC) para crear nuevos paisajes de consumo de vivienda. Utilizando datos obtenidos de la literatura existente, el artículo demuestra que los procesos de globalización están influyendo las decisiones sobre preferencias y consumo de vivienda de un segmento, todavía pequeño pero que está creciendo, de clase media de los habitantes de las ciudades de países menos desarrollados. Dichos cambios están dando lugar a patrones de uso de recursos urbanos que guardan similitud con los asociados a la suburbanización y al crecimiento suburban deprimado en países más desarrollados (MDC), especialmente en los Estados Unidos. En efecto, estos cambios equivalen a lo que es la exportación manifiesta del Sueño Americano – el ideal de tener un vivienda en propiedad en una zona suburbana – a las ciudades de países menos desarrollados. Un elemento crítico de dicho proceso, el cual se explora en este artículo, es cómo este ideal suburban adquiere forma en el contexto de cada una de las ciudades. Dicha posición se presenta como resultado de inductores a nivel local, nacional y global. La aparición de paisajes de consumo plantea una serie de preguntas críticas sobre el sostenimiento social y ambiental de la globalización, a medida que la población residente en ciudades de países menos desarrollados emulan cada vez más los estilos de vida exclusivistas, de uso intensivo de energía y de un alto consumo de recursos que se practican actualmente en las zonas suburbanas de los países más desarrollados.

Globalización Suburbanización Consumo de vivienda Degradación ambiental

JEL classifications: O12, O21, R20

INTRODUCTION

Three of the great transformations of the 21st century will include ever tightening economic globalization, increasing urbanization of the developing world and acceleration of human-induced global environmental change. Current trends suggest that increasingly interdependent economic development and associated communication linkages will bring the economies and cultures of the world into ever closer contact; that two-thirds of the developing world’s population could live in urbanized areas by 2030 (above the current estimate of 50%); and that there could be as much as an 5.8°C increase in global temperature by 2100. While much research attention has focused on the documentation of each of these global processes (e.g. McCarthy et al., 2001; Sklair, 2002; United Nations, 2002; Dicken, 2003), there is also growing interest in interactions among these processes and the regional consequences of their interactions (e.g. Parikh and Shukla, 1995; Douglass, 2000; Hanson and Lake, 2000; O’Brien and Leichenko, 2000; Srinivas, 2000; Bridge, 2002; Aguilar and Ward, 2003).

Central to the interrelated processes of globalization, urbanization and environmental change are changes in patterns of both production and consumption. In the past decade, there has been extensive analysis of the connections between globalization, urbanization and changing patterns of industrial production in developing countries. This work has investigated processes of policy liberalization, economic development, market transformation, capital accumulation and associated environmental impacts (e.g. Angel and Rock, 2000; Fan and Lu, 2001; Marcotullio, 2003). Research has also directly addressed the linkages between globalization of production and changing urban form in less developed country (LDC) cities (Olds, 2001; Grant and Nijman, 2002).

A smaller, yet growing area of literature examines the linkages between globalization, urbanization and patterns of consumption in rapidly developing LDC cities. This consumption literature has three major branches including: (1) a culturally focused branch that
explores the linkages between cultural values and the globalization of consumption patterns (e.g. Djursaa and Krang, 1998), and explores the spread of Western cultural styles and mores, and their clashes with local beliefs and traditions (e.g. Barber, 2000; Sklair, 2002); (2) an economic branch that explores the (often detrimental) effects of Western products on LDC urban consumption patterns and local economies (e.g. James, 2000); and (3) an environmentally focused branch that examines the material changes in urban energy and resource demands that result from globalization and the capacity to meet these increased rates of use (Parikh and Shukla, 1995).

While these three areas of the consumption literature have largely operated in separate spheres, there is growing recognition of the need to connect the consumption-related aspects of globalization in order to understand both the effects of changing cultural styles and practices on material consumption, and the environmental consequences of that consumption (Sklair, 2002; Princen et al., 2002; Wilk, 2002; Gonzales, 2003; Molotch, 2003). Despite recognition of the growing influence of globalization on consumption practices in LDC cities, relatively little attention has been paid to the linkages between globalization of consumption practices and residential development patterns and housing preferences in LDCs. Because globalization affects not only the purchase of small, non-durable goods, but also major consumption decisions about where and how to live, examination of globalization-induced changes in housing consumption patterns represents an important area for additional investigation.

This paper examines how economic, political and cultural aspects of globalization are interacting with processes of urbanization in LDC cities to create new landscapes of housing consumption. Given that, it examines a specific aspect of consumption: the decision-process through which individuals choose and acquire their home residence. Although it is recognized that globalization forces are not ubiquitous drivers of urban change in LDCs (McGee, 2002), it is posited that global processes represent key factors that interact with regional and local level conditions and lead to transformation of housing consumption in LDC cities. Similarly, it is also recognized that LDC cities are highly diverse and possess very different development trajectories. Many LDC cities are developing rapidly and have growing populations of middle-income residents. These cities are primarily in countries undergoing dramatic increases in foreign trade and investment such as China, Indonesia, the Philippines, Malaysia and India. Rapidly developing LDC cities with growing middle classes are also located in selected countries of Latin America with established industrial and trade bases including Mexico, Brazil and Chile. By contrast, most cities in sub-Saharan Africa and those in the poorer countries of Central and South America have smaller (and in some cases shrinking) middle classes (both in absolute and relative terms). Although the present argument about the influence of globalization on housing consumption is most applicable to more rapidly developing LDC cities, limited evidence of this phenomenon is also found in poorer LDC countries and in the countries of Central and Eastern Europe that have undergone the recent transition to a market economy.

The central proposition here is that globalization of consumption in the context of neoliberal economic policies influences the housing preferences and housing consumption decisions of a small, yet growing, middle-income segment of LDC urban residents, leading to patterns of urban resource use akin to those associated with suburbanization and suburban sprawl found in more developed countries (MDCs). It is suggested that, in effect, one is seeing the export of the American Dream – the ideal of homeownership of a single-family home in a suburban area – to LDC cities. It is further postulated that this trend toward LDC suburbanization raises critical questions about social and environmental sustainability of globalization. In LDCs, suburbanization is a phenomenon that allows a relatively small but increasingly wealthy middle class to segregate itself spatially from the vast majority of poorer LDC residents. It may be thus understood as a spatial manifestation of the rising income inequalities associated with economic globalization (Leichenko and Silva, 2004). LDC suburbanization also will have dramatic impacts on local urban environments. These impacts, which have been well documented in MDC cities, include increased water demand and fossil fuel consumption, increased air and water pollution, and the loss of agricultural lands and natural habitats. For the global environment, LDC suburbanization will exacerbate ongoing processes of global environmental change as LDC residents increasingly emulate the highly resource-consumptive, energy intensive and ultimately unsustainable lifestyles currently practised by MDC suburbanites.

The following section discusses processes of urbanization in LDC countries and the influence of globalization on these processes. It also focuses on the changing housing structure and residential patterns of LDC cities. The third section identifies globalization-related drivers of housing preferences. In particular, it explores linkages between globalization and consumption patterns, the definition of worldwide consumer preferences, and the emergence of a ‘globalized’ lifestyle amongst the emerging middle class of LDCs. The fourth section considers several policy-related drivers of urban landscape change in LDC cities and their relative role in defining housing choice options for the emerging middle class. These drivers, which emerge from contemporary policies associated with neoliberalism, include the influx of external capital investments (e.g. foreign direct investment, or FDI), political
decentralization and regulatory reform, and emerging cliques of local development elites (e.g. growth coalitions) (Peck and Tickell, 2002). The fifth section concludes by considering the implications and directions for further research on housing consumption, spatial inequality, and environmental change in both LDC and MDC cities.

**URBANIZATION AND HOUSING TRENDS WITHIN THE CITIES OF LESS DEVELOPED COUNTRIES**

According to most estimates, more than half the world’s population already lives in cities. The rate of urbanization is especially rapid in the developing world, particularly in Africa and South East Asia, where urban growth rates are close to 4%/year, a rate more than double the overall population growth in these regions (United Nations, 2002). Projections by the United Nations state that the vast majority of population growth during the next three decades will be in urban areas in developing countries. Housing this growing population will be a significant challenge (United Nations Human Settlements Programme (UN-Habitat), 2003).

While birth rates in many LDC cities are higher than in MDC cities, the most significant driver of urbanization and associated population increase has come from regional migration within countries (United Nations, Centre for Human Settlements (Habitat), 1996). Many of these new arrivals might be defined as temporary workers and not permanent residents, and could represent up to one-third or more of the total population of many LDC cities. Similar to the historical pattern in MDCs, individuals are leaving the rural countryside in LDCs for the cities in pursuit of a better quality of life. Importantly, this better life sought by rural in-migrants is at least partially defined and heightened by the potential of gaining access to consumer goods associated with globalization in LCD cities, such as cell (mobile) phones, televisions and automobiles. Another significant draw for many of the migrants is the possibility of employment in FDI-related, manufacturing and assembly jobs (Dicken, 2003).

Globalization processes also play other roles in pushing people out of rural areas. Poor economic conditions in rural areas – particularly for small-scale farmers – are exacerbated by the globalization of agricultural markets, which has increased competition and dramatically lowered the prices paid to farmers of many raw agricultural products such as maize, coffee beans and oilseeds (Watts and Goodman, 1997; Sklair, 2002). Driven by these and other economic factors, people leave the job-poor rural areas for cities in search of economic security.

In addition to population growth, another important demographic component of housing demand in LDC cities is the change in average household size. The average size of households in developing countries declined by almost 14% between 1970 and 2000 (from over 5.1 to 4.4 individuals per household) (Keilman, 2003). As a result of the decline in household size, the number of households has increased faster, in percentage terms, than the population in most LDC cities over the past three decades. This reduction in the size of households results from a series of factors including a decline in birth rates, personal choice and a decline of extended family communal living, and well as increased affluence and the growth of a middle class in many LDC cities. While the level of affluence in LDC cities is often quite low in comparison with MDC city standards, the wealth of many current LDC households is substantially greater than that of previous generations.

As a result of these demographic trends, there has been pronounced expansion in the spatial extent of LDC cities in recent years. For example, in China, the rate of growth of urban land area between 1990 and 1995 was more than four times faster than the rate of growth of urban population (Zhang, 2000). In Beijing, the built-up area of the city increased from 335 km² in 1978 to 488 km² in 1998, an increase of 45.6% (Gu and Shen, 2003). For all developing countries combined, the United Nations (2002) estimates that urban sprawl consumes approximately 0.5 million hectares of land each year.

The growth in the spatial extent of LCD cities is partly the result of attempts to house the massive influx of low-skilled migrant workers (UN-Habitat, 2003) who frequently reside in squatter settlements and temporary housing often found on marginal lands (e.g. hazard prone) or on lands at the urban periphery (O’Brien and Leichenko, 2000). In cases such as Caracas, Venezuela, or Mumbai, India, these areas provide housing for up to one-half of the city’s population (UN-Habitat, 2003). In Cairo, Egypt, and many other cities, urban growth has rapidly expanded to overwhelm the existing infrastructure (e.g. roads, water supply and waste treatment) and created tremendous environmental degradation and pollution (El Araby, 2002).

In addition to providing housing for the poor, land at the edges of LDC cities is also being converted into property for commercial and industrial facilities and for middle- and high-income residential housing. Most obvious of these changes are the large-scale, capital-intensive developments that have started to appear in locations distant from the old central business and administrative cores (Marcuse and Van Kempen, 2000). A smaller (typically less than 10%) yet rapidly growing component of this change is the development of low-density, Western-style suburban housing (often single-family homes), which is being built for the emerging middle and upper classes in many LDC cities.
The metropolitan growth of Mexico City documents this general trend. Globalization-driven growth has promoted a decentralization of population in the region as well as the emergence of an integrated peri-urban zone that rings the older suburbs and central city. In central Mexico City, the population growth has started to slow and even become negative in some inner-city districts. With this have come three broad demographic shifts, including: (1) the flight of mostly middle-class populations to other parts of the region; (2) further decline in inner-city population, compensated in part by an increasing density of the existing built-up area, particularly within the squatter settlements; and (3) an inflow of new migrants both to the urban periphery, and even more so, into the peri-urban areas (AGUILAR and WARD, 2003).

To cite a few other examples of this phenomenon, in Kuala Lumpur, Malaysia, the more highly skilled and educated residents constitute the largest single component of migrants leaving the city to live in the outer Kuala Lumpur metropolitan area (BUNNELL et al., 2002). Furthermore, recent residential planning efforts in Kuala Lumpur call for the creation of attractive living environments for the middle and upper classes outside the central city (BUNNELL et al., 2002). Similarly, in Beijing, many of the formal migrants to the city who work as employees of state-owned enterprises, joint-ventures or institutions and government departments are settling in the suburbs where new housing is being located. In the outer suburbs, a new villa zone occupied by some of the wealthiest residents is being constructed (GU and SHEN, 2003). The Jakarta Metropolitan Region in Indonesia presents another example. During the 1990s, 25 large-scale subdivision projects (known locally as new towns) ranging in size from 500 to 6000 hectares were built on the outskirts of the city (FIRMAN, 2004). Most of these new towns are made up of low-density, single-family houses exclusively for middle- and upper-income groups (LEAF, 1993, as discussed in FIRMAN, 2004). The physical design of the developments very much resembles the design of residential areas in developed countries, specifically the USA. Many are planned and designed by expatriate architects, urban planners and property specialists with limited knowledge of local architecture and city planning, even though hired by local developers (DICK and RIMMER, 1998).

It should be recognized that the extent that these processes are emerging in LDC cities varies widely because of the varying levels of economic growth and transformation. Although these conditions are most prevalent in cities undergoing rapid globalization-associated changes (e.g. industrialization, political decentralization), such as those in East Asia and South East Asia (MARCOTULLIO, 2003), smaller, less wealthy, developing cities also are experiencing demographic and urban development shifts. In Maputo, Mozambique, for example, globalization-related investments are displacing the informal sectors in central core areas, and are also ‘leapfrogging’ over informal areas to the metropolitan fringe region where private investment and a lack of government regulation provide incentive for creating work and living space for the urban elite (JENKINS and WILKINSON, 2002).

In all, the urban landscape of developing country cities in the past decade or so has increasingly started to take on some non-traditional elements and functions (MARCUSE and VAN KEMPEN, 2000). Importantly, new suburban landscapes are spatially segregated from central city and slum areas and portend lifestyles that are much more resource-use intensive than has been the case in LDC cities. Some of the key globalization-related drivers creating these new consumption landscapes are detailed below.

**GLOBALIZATION AND CONSUMPTION: FORCES OF CHANGE**

Within developing country cities, globalization is profoundly influencing both the cultural and economic life of residents. Globalization of mass media, the proliferation of advertising by Western firms and the growing availability of Western consumer goods have influenced consumption preferences and brought new consumption choices to the residents of LDCs (JAMES, 2000; SKLAIR, 2002). This spread of Western-style material aspirations and the growing availability of products to meet these aspirations represent key points of intersection between processes of globalization and consumption.

Much of the attention to consumption aspects of globalization in LDCs focuses on the growing availability of Western-style consumer goods such as international name brand fast food, clothing, cosmetics and carbonated beverages (SKLAIR, 2002). The growing globalization of such commodities has accelerated in recent years as Western companies have attempted to expand international markets in the face of increasing domestic competition and saturation of markets in MDCs (SCHLOSSER, 2001). Coca-Cola, for example, now operates in almost every country in the world and its global (non-US) revenues exceed 80% of total sales. Approximately half of the 30 000 McDonald’s restaurants are now outside the USA in 118 countries. These restaurants are responsible for more than half McDonald’s corporate sales and profits, and this relative percentage is expected to increase in the future (McDONALD’S CORPORATION, 2003).

Often somewhat unseen in the face of these, at times spectacular, transformations has been the widespread adoption of Western and/or modern technologies in LDC cities. These devices — many of which are vital...
for the mass media transmission of knowledge about consumer goods – include the increased use of televisions (an estimated two-thirds or more of the world’s population regularly watches television), cell phones, satellite dishes and other consumer products such as air-conditioners and washing machines. Even more radical changes in consumption patterns in LDC cities are taking place with respect to modes of transportation (Chinese Academy of Engineering and National Research Council, 2003). Many LCD city residents now look forward to the transition from bicycle to gas-powered scooter to motorcycle and, possibly, to automobile. These trends have already transformed the daily life in cities such as Bangkok, Thailand, Kuala Lumpur and Mexico City, which now experience tremendous traffic congestion (Marco-Tullio, 2001; Weiner, 2002). These changes are also now occurring in Beijing, where, year-by-year, bicycles disappear from city streets that are being rapidly taken over by immense car and truck traffic jams (Weiner, 2002).

Individually, these products represent time savings and conveniences for residents in LDC cities. Increasingly, however, these devices also are being packaged together to represent a new urban lifestyle and attitude toward material advancement (Sklair, 2002). This package of a new and better life is also increasingly linked to the ultimate expression of one’s consumer aspirations – one’s residence, particularly its form and location. At present, achieving this ‘better life’ is a reality for only a small, albeit growing, percentage of LCD city residents (typically less than 10%) (Wang, 2001). It is important to recognize, however, that this vision, which Sklair (2002) terms the ‘ideology of consumption’, is received not only by emerging middle-income urban inhabitants of LDCs, but also by poorer urban residents and by inhabitants of many remote rural areas, who receive these images via Western television programming and other forms of mass media. MTV Network International and its related operations (VH1 and Nickelodeon), for example, now reach an estimated 1 billion viewers in 18 languages in 164 countries, and currently eight of ten MTV viewers live outside the USA (Capell, 2002).

The links between advertisers and consumers are well illustrated in the case of Shanghai, China. Starting in the 1990s, a close interrelation developed between local advertisers, real-estate developers and individual consumers in the city. Coming after the housing shortages of the 1980s and the marketization reforms of the early 1990s, residents soon recognized that home ownership (typically associated with apartment ownership) had become a necessity for those desiring an improved quality of housing (Davis, 2002). Homes increasingly were seen as spaces where residents could assert their aspirations for individuality, personal indulgence and social distinctiveness, and homeowners felt free to use their homes to display their economic success and cultural refinement. Large-circulation home decorating magazines and billboards encouraged consumers to leave behind the older, simple housing and interior decorating styles and strive to furnish their residences in richer cultural taste. Developers responded to these trends as well by increasingly seeking customers through the promise of exclusive lifestyles rather than simply the prospect of homeownership (Fraser, 2000).

These globalization-related shifts in consumer aspirations reflect important forces of change in most LDC cities, even though present consumption patterns in LDCs remain highly uneven within particular markets and cultures (Djursaa and Krang, 1998; Dicken, 2003). Two recent housing surveys (one in Singapore, another in Guangzhou, China) illustrate the current discrepancies between residents’ aspirations for new housing versus their ability to acquire it. Both surveys asked residents about their housing and mobility preferences (i.e. where they would like to move and where they are moving). The Singapore survey asked two central questions: Whether it was the ‘dream’ of public housing residents to own a private house?; and What type of house people wanted to move to if they could? The results show that while a large percentage of residents had interest in owning private property in a relative low-density area, only 38% of respondents would allow themselves to ‘dream’ of such a house (Wong and Yaq, 2003). Most others would not because of the high and unapproachable cost.

The Guangzhou survey focused on residential choice and mobility (Li and Siu, 2001). Its results suggested there was a general movement of residents toward the urban periphery, but that even under the then current conditions of market transition (the survey was conducted in 1996), most residents were still unable to assert their housing preferences. Instead, the Danweis (work units) and municipal government were still seen as dominant actors in the definition of housing options for residents, and, as a result, much of the suburbanization taking place in the region was not voluntary. Lin and Siu (2001) conclude, nonetheless, that income segmentation and the rise of middle and higher income classes were beginning to emerge as forces of change within the housing market.

The above examples suggest that while globalization of consumption is, indeed, influencing housing preferences in LDCs, housing consumption decisions in these countries are not simply a function of innate individual preferences. Rather, these decisions are influenced by both efforts to sell images of Western lifestyles and by international, national and local policy contexts. The imagery and marketing help create the preferences, and the policies foster the conditions of capital accumulation (at both a societal and household level) that enables these preferences to be actualized. The next section explores these policies in more detail.
GLOBAL NEOLIBERALISM

Concurrent with changing housing consumption patterns in LDC cities, there have been dramatic changes in the institutional and policy context for urban development in these places. Often lumped together under the rubric of ‘neoliberalism’ or ‘neoliberalization’, these transformations – all of which are associated with globalization – have initiated a suite of landscape changes. The neoliberal drivers associated with housing in LDC cities may be grouped into three broad categories: (1) liberalization of investment and trade policies; (2) decentralization (devolution) of power and regulatory reforms; and (3) the emergence of private real-estate markets and financial institutions to support these markets. Each process is, in turn, associated with the rise of new modes of capital accumulation that help to channel and shape the emerging patterns of urban development. For example, liberalization of investment and trade policies have brought FDI and associated export-oriented industrial facilities and mega-projects (such as the Pudong area in Shanghai) to many cities. These investments, in turn, result in local capital accumulation that can be put back into the local economy to promote consumption driven economic sectors (e.g. housing development).

These investments also help create a ‘globalized’ capital accumulating class within the city, a class which typically emerges out of the ranks of local political and economic cliques that historically are present in cities along with former ex-patriots (e.g. for Santiago, Chile, and Shanghai, respectively, see JONES, 1998, and WU, 2000; and ZHANG 2002). These individuals, together with executives from transnational corporations, globalizing state and inter-state bureaucrats, globalizing professionals (e.g. engineers, builders), and merchants and media representatives, facilitate new modes of capital accumulation and form local growth coalitions. For groups such as these, which SKLAIR (2002, p. 99) refers to as the ‘transnational capitalist class’, the creation and development of consumption-driven activities become an attractive complement to production-driven modes of capital accumulation.

Jakarta provides a good example of how suburban housing demand and an associated private property market can be created through the deliberate efforts of local growth coalitions that were attempting to capture and sustain the benefits of transnational capital flows (DOUGLASS, 2001). In Metropolitan Jakarta, corporate development companies played a central role in the development of urban fringe new town construction. During the period in which these new towns were constructed (from the late 1980s to the mid-1990s), there was easy local access to investment funds for housing development because prosperous international and national financial markets brought forward a large amount of excess capital into the city (DIJKGRAF, 2000; and LEISCH, 2002, as cited in FIRMAN, 2004).

As described by Firman, demand for new towns in Jakarta in large part has been created by developers who can foster an image of these areas as symbols of ‘modernism’ and Western lifestyles. Underlying these ‘sales efforts’ is the common assumption held by developers, potential buyers and segments of the larger society that the lifestyles of Western urbanization (i.e. suburbanization) should naturally emerge as the result of economic development and industrialization.

A second key facet of neoliberalism is devolution of political power. The implementation of neo-liberal political and economic policies has had significant impacts on less developed countries at a range of spatial scales (PECK and TICKEL, 2002). These reforms typically were instituted in response to directives from international lending or trade organizations (e.g. the International Monetary Fund, World Bank or World Trade Organization) to debtor nations as a component of loan negotiations. Central governments of developing countries have been encouraged by these lending organizations to use decentralization and privatization as mechanisms to balance current accounts. The implication of these reforms for many LDCs was a shift of power from the central state to the local state (MITCHELL, 2000).

The impacts from adopting these neo-liberal reform policies are quite well illustrated in the case of Latin America as 19 of the largest countries in the region, including Mexico and Brazil, have instituted decentralization policies (WILLIS et al., 1999). These policies in Latin America are typically associated with a devolution of taxation and other revenue-generating capacity, and administrative capability to the regional state or to even more local levels of governance (e.g. municipio). This political and economic decentralization during the past 20 years has, in turn, created incentives for the political fragmentation of metropolitan areas into a greater number of municipal or regional governmental units, each of which can pursue its own development strategy (MITCHELL, 2000). In the case of the greater Caracas metropolitan region, for example, political decentralization has been characterized by rapid development and a surge in private real-estate investment in the municipios ringing the capital district. Specific consequences of this decentralization and municipal fragmentation include an exacerbation of long-standing problems of metropolitan infrastructure management, diseconomies in urban socio-spatial structures (e.g. a shift in real-estate investment away from the central city) and, ultimately, greater spatial inequalities, including the development of exclusive suburban-style communities for wealthy residents in the rapidly developing edge municipios (MITCHELL, 2000).

A third, related, change associated with economic and political liberalization in LDC cities is the development of market-driven, local real-estate economies. This process typically involves connections between the national government and the local state, including, for
example, national policy changes that promote the marketization of the local real-estate economy and a shift toward increasing private control (ownership) of property or the creation of extended property leases. The policy transformations in China over the past 15 years provide an excellent example of this trend. Reforms started in the late 1980s have led to the current situation where property renters can sell their leases in a private real-estate market. The reforms allowed the Chinese government to establish a thriving private real-estate market while allowing it to maintain ownership of the land. Coupled with these reforms came an increase in the time leases could be held, which in most cases now exceed 50 years, and in some situations approach 100 years. A summary impact of all the changes has been the rapid rise of a real-estate development entrepreneurial class in Chinese cities (Logan, 2002).

As was the case in MDC cities, the promotion of local state political control and creation of a highly dynamic private property market has also enabled local authorities in LDC cities to define urban development initiatives, often resulting in a range of activities frequently associated with increased urban sprawl. In China, for example, directives for new local-level housing construction or infrastructure were formerly imposed based on assumptions regarding maximizing societal benefits. This type of strict central control resulted in regimented urban landscapes with designated residential, industrial and commercial zones, and a close coupling between land-use change and urban infrastructure (e.g. highways were only built in concert with new residential development). A different development logic has emerged under conditions where control has shifted into the hands of business-minded, empowered, local elites (Davis et al., 1995). In this situation, the structure of the real-estate markets has made some sites more profitable than others (e.g. areas near a highway interchange versus those further away).

In other contexts, local entrepreneurs may define peri-urban locations as the most desirable and profitable sites for FDI manufacturing facilities because of the sentiment that foreign investors favour places that are both physically and in turn symbolically separated from congestion, government bureaucracy and diseconomies of higher density central city locations. In Mexico City, for example, much of the FDI investment occurs at two distinct sites on the rural–urban periphery (Aguilar and Ward, 2003). Growth is taking place along suburban growth corridors extending from the central city, and in regional sub-centres that include older outlying agricultural towns now being incorporated into the larger metropolitan region (Aguilar and Ward, 2003).

The resolution of potential land-use conflicts in LDC cities may also result in decisions that are both economically efficient and equitable (i.e. all coalitions have an equal opportunity to profit) yet inefficient in terms of land consumption. As seen in the MDC setting of metropolitan Miami, USA, resolution of land-use conflicts may lead to patterns of residential growth and urban development that are patchy and uneven as competing growth coalitions stake out different pieces of the urban landscape (Soolecki, 2001). A similar phenomenon may be seen in Jakarta, where large-scale developments have been constructed by a wide range of different interest groups, resulting in new towns that are physically separated from each other and poorly linked to the existing infrastructure (Dijkgraaff, 2000, cited in Firman, 2004).

In understanding the implications of neoliberalism in LDC cities, one must also recognize that urban development patterns are influenced by each city’s history. Each city’s historical geography may be understood as a lens through which neoliberalizing processes intersect with local agents, institutions and the existing urban landscape (Massey and Allen, 1984). Shanghai, for example, is attempting to reassert its position as a global finance centre, a role it lost during the early post-revolutionary period. To achieve this goal, a series of large-scale development efforts are on-going throughout the city and metropolitan region. These efforts, initiated through the actions of the central Chinese government, the local municipal government and business leaders, include the massive Pudong project, a new international airport in newly developed areas and new, central city commercial office complexes made possible by the razing of huge swaths of older, low-rise residences (Olds, 2001; Wu, 2002; Shih, 2003).

In many other LDC cities, the colonial legacy plays a direct role in new development as government officials and other stakeholders construct and execute plans for the next wave of construction. For example, in Mumbai, urban planners often have close intellectual connections with the UK and, as a result, maintain an appreciation of the British model of urbanization. In the Philippines, planners and developers look toward the US model of urban planning and development (Gonzales, 2003). Similarly, in Jakarta, new town development reflects the Dutch colonial legacy. Leaf (1996) notes that new town development in the city began in the early 19th century when the Dutch colonial government built new towns with large estates, a settlement pattern different from the traditional pattern of the old town.

As with the globalization of consumption, it is also important to recognize that there is significant variation in the extent to which these processes of neoliberalization have developed in LDCs (Marcotullio, 2003). Countries such as China, Singapore and Indonesia have made dramatic transformations in their housing structure in the past decade. In the case of China, a new set of policies was introduced throughout the 1990s to end the distribution of housing by employers, to enable house purchase financing (e.g. mortgages)
and to create private property market systems. In contrast, some countries such as India have been more resistant to this trend. The central and municipal governments in India in the 1990s maintained tight control over much of the housing industry (Sivam, 2003). Starting in the late 1990s, however, there has been an increasing call for the Indian government to privatize the home construction industry, in part because of chronic housing shortages for all income groups. In other countries such as Egypt, the state continues to assert strong control over urban land supply and housing prices (El Araby, 2003). Even in countries such as Singapore, which has begun actively to encourage private housing (e.g. the number of private properties has increased threefold in the past two decades), public housing still comprises 80% of the residential units (Scally, 2003; Wong and Yap, 2003).

**DIRECTIONS FOR FURTHER RESEARCH**

The emergence of suburban consumption landscapes in developing world cities signals a convergence between large-scale processes of urbanization, globalization and environmental change. This paper suggests that the key drivers of consumption landscapes in LDC cities include demographics (e.g. population growth, rural to urban migration, per capita income increases and disparities), the ideology of Western consumption and neoliberal policy changes. These drivers, in turn, affect the decisions of both local real-estate developers and housing consumers, with dramatic implications for both local and global environments. Yet how these processes operate and interact to create new consumption landscapes is not well understood. Knowledge of the empirical extent of consumption landscapes is also quite limited. This section considers the directions and avenues for further investigation of these issues.

At a broad theoretical level, there is a need to develop models to account for the creation of consumption landscapes in LDC cities. Many theoretical models have been developed to account for suburbanization in MDC countries – from residential filtering to growth coalitions. Although these MDC-derived models may be used as a reference, new models emerging from LDC city contexts are also clearly needed. Such models would need to incorporate both global, non-proximate drivers such as the ideology of Western consumption and neoliberalization, as well as local, proximate drivers including the actions of local entrepreneurs and developers. These models would also need to take into account the actions of consumers and address how housing location and consumption decisions are made in LDC cities.

In addition to theoretical development, there is a need for empirical work on LDC suburbanization. As demonstrated above, there exists extensive case study and anecdotal evidence that suburban consumption landscapes are forming in LDC cities, yet knowledge of the extent of consumption landscapes is limited. Some key priorities for empirical research include documentation of the extent of population decentralization in LDC cities, definition of the temporal shifts in urban land extent, and identification of the patterns and intensities of LDC urban land use (e.g. commercial, industrial, high-density residential, low-density residential, suburban). This information could, in turn, be used to answer questions such as: Is suburbanization becoming universal across LDC cities?; How do suburbanization patterns vary across major regions of the world?; and What is the trajectory of future suburbanization in specific places?

Empirical research on how individual consumers in LDC cities make housing consumption decisions is also needed. A key component for understanding the construction of suburban consumption landscapes is the role and response of individuals to the opportunities and limitations of globalization. This paper did not address the psychological, sociological and cultural cognitive frames individuals use when making consumption decisions (Wilkinson, 2002). The paper also did not explore the interaction between these decisions and the trends of globalization and urbanization, and their collective influence on housing choices. In this regard, there is also a need to situate the consumption decision process within the context of government policy shifts. Important related questions here include: How and in what way are the housing decisions of middle-income residents of LDC cities responsive to neoliberal policy shifts?; and What is the relative role of proximate (local) and non-proximate (non-local) policies in this process?

Along with investigation of the patterns and drivers of LDC suburbanization, there is also a need to consider the environmental and social consequences of these processes. Two of the central concerns raised in many analyses of the impacts of globalization include the problems of accelerated environmental degradation and income polarization (Dearoff and Stern, 2000; Sakakibara, 2000; Sklair, 2002; Dicken, 2003; O’Brien and Leichenko, 2003). Both concerns – which suggest that globalization in its present trajectory is neither environmentally nor socially sustainable – are relevant for understanding LDC suburbanization. The spread of suburban development and the shift to higher consumption lifestyles will have serious negative implications for the environment through effects on land-use conversion, water and energy resource demands, and air and water pollution levels. Currently, there are few data sources that track the environmental impacts of increased global urbanization, in general, and suburbanization, in particular. As a result, presently one cannot answer many basic research questions such as: What are the aggregate environmental effects of a rise in suburban housing across LDC cities (especially with respect to greenhouse gas emissions)?; What are
valid scenarios of future environmental impacts associated with widespread suburbanization; and How do suburban lifestyle choices in LDC cities (i.e. the type of house, furnishings, appliances and mode of transportation) affect individuals’ attitudes and decisions about resource consumption?

Another sustainability facet of suburbanization is that like globalization, suburbanization enables consumers to separate themselves from the environmental and social implications of their actions (Princen, 2002). In suburbia, middle- and high-income residents distance themselves from local environmental and social problems (e.g. congestion and crime) and from other groups they deem as undesirable (e.g. the urban poor) (Lake, 2002). Several recent studies have illustrated that globalization has intensified spatial segregation and social fragmentation in developing world cities such as Rio de Janeiro, Brazil (de Queiroz Ribeiro and Telles, 2000), and Calcutta, India (Chakravorty, 2000).

Related research questions that might be addressed here include: Does acceptance of the American Dream lifestyle in LDC cities also serve as a way of maintaining and furthering both social inequalities and environmental injustices?; and What is the connection between growing social and spatial inequality in developing countries and urban environmental degradation?

The increasing occurrence of suburban landscape development in LDCs also necessitates a reconsideration of some of the traditional distinctions made between LDC and MDC cities. While the gulf between these two types of cities remains considerable, many scholars recognize that the urban form and function of these previously separate categories of cities have begun to converge (Ford, 1996). The negative implications of convergence have been clearly illustrated in the present paper: LDC cities that adopt a variant of the American Dream may potentially repeat the environmental mistakes of MDC cities, particularly those in the USA. But this convergence also presents many potential lessons and opportunities for two-way knowledge transfers. Although direct transfers of historical perspective, knowledge and experience between the two types of cities are difficult for a range of socio-cultural reasons, the potential for meaningful comparison is possible as exemplified by the work of Zhang (2002), who compares Chinese and US suburbanization.

In making such comparisons, it will be important to note the differences between suburbanization in US cities versus other countries. The American Dream in the USA came about because of a confluence of forces set within a specific historical context. Individual consumption and the promotion of homeownership and suburban-style development in the USA were defined during the emergence of a new automobile-based economy and a corresponding set of federal initiatives (e.g. tax incentives, highway and bridge construction, and home mortgage subsidy measures), coupled with local land-use policies (e.g. new low-density residential zoning) (Jackson, 1985). The diverse policy contexts of LDC cities suggest that while the patterns of spatial development may resemble the American Dream, the processes through which this development occurs will be distinct. Understanding processes of LDC suburbanization and their differences with the US model remains a critical challenge for further research.

At the same time, there is also a heightened need for critical assessments of the American Dream concept and the implications of suburban home ownership in MDCs as a driving force for economic growth and environmental degradation. The enhanced comparability between LDC and MDC cities opens vital opportunities for communication and dialogue. Many LDC cities are attempting to define a new and distinct path to urban sustainability (Marcotullio, 2001). Experiments in urban sustainability include development of new techniques for housing construction, transportation planning and urban agriculture, among others (Platt, 2004). As these experiments bear fruit, they may provide MDC city planners and activists with information that would enhance urban sustainability in MDC cities. It could be in this context of open communication that a more sustainable American Dream is begun to be defined.

NOTES

1. Neoliberal policies in LDCs encompass a suite of financial and trade liberalization measures advocated by the ‘Washington Consensus’ (i.e. the International Monetary Fund, World Bank and US Treasury) (Stiglitz, 2002), as well as other economic and political changes aimed at fostering a free market approach to development and devolution of political power from national to local levels.

2. Princen (2002) suggests that rising affluence, rather than growth of population, is the key driver of worldwide environmental degradation.

3. While the process of population decentralization and sprawl are taking place in many LDC cities, it should be recognized that their origin and drivers are often quite different from that of the North American process (Zhang, 2000). In the USA, a well-defined market economy and real-estate industry coupled with personal preferences played a significant role in defining the pattern and pace of suburbanization. The role of the state, although critical, was often indirect, via, for example, tax policies such as deductability of mortgage interest and real-estate taxes, and/or via infrastructure policies that emphasized automobile transport (Jackson, 1985). In contrast, for developing countries such as China, the process of suburbanization remains largely controlled by direct state action, even though there is a rapidly developing market economy and associated real-estate industry. Important symbolic differences between suburbanization in LDCs and MDCs are also present. For example, suburbs in the USA not only were presented just as an improvement of the material quality of
life, but also were identified with the reproduction of a new class of workers and a middle-class consuming society. The development of suburban areas in LDC cities in the past has not always been linked to the creation of a new social class, but rather used as places to house colonial families and to resolve government policy issues (e.g. developing new housing for migrant workers).

4. Population decentralization and associated suburbanization shifts have also been identified in selected Eastern European countries during the recent post-socialist transformation, and in the European Mediterranean countries that traditionally have been associated with compact cities. In Hungary, for example, significant suburbanization occurred in the 1990s. Between 1994 and 1997, the population of the capital Budapest lost −1.21% per year (−68,631 residents), while the population of the surrounding suburbs gained 1.4% per year (28,989 residents).

Population decentralization has also been observed in Barcelona, Spain. For those economically able to move, low-density suburbs on the periphery of towns and cities have become an increasingly preferred option. DURAGUIMERA (2003) states there are several reasons for this including: the availability of less expensive suburban houses; a need for more automobile parking space; a desire for security and more quiet spaces; and the attractiveness of the Anglo-American suburb lifestyle.

5. This ideology of consumption is transmitted not only by large global transnational corporations and their media outlets such as MTV Network International, but also by smaller firms such as ClubCorp, an international leader in private golf club and resort development, that focus on niche markets.

6. PECK and TICKELL (2002) suggest that the term ‘neo-liberalization’ provides a more accurate description of contemporary processes that began in the early 1980s with deregulation and privatization, but which now entail the active development of markets and regulatory structures that foster market-based development approaches.

7. FEGGIN’S (1988) study of metropolitan Houston, TX, is a classic example of these processes in the USA.

8. As described by WILK (2002), individual choice theories seek the basis for consumption within the individual. Individuals attempt to satisfy their needs within a market-place of possibilities. This individual choice view would suggest that changes in housing preferences in LDCs reflect the desire of individual consumers to live in more spacious homes in a less densely populated, suburban environment. Market theories see consumption as a group phenomenon, a form of collective behaviour that helps form groups and define the conditions for membership (i.e. via material goods). Consumption is a social code, and people consume to fit in or to stand out. This explanation is particularly relevant in countries undergoing rapid market development, where consumption is illustrative of a new social contract. Finally, cultural theories of consumption define it as a form of symbolic behaviour that creates and expresses meaning and identity. Commodities are seen as complex texts and forms of discussion, and consumption is depicted as an expressive act laden with meaning. People use goods (and select how and where to live) to communicate with others, express feelings and create a culturally ordered environment.

REFERENCES


Critical Surveys


