

# The 10 TRAITS of GLOBALLY FLUENT METRO AREAS

GLOBAL CITIES INITIATIVE  
A JOINT PROJECT OF BROOKINGS AND JPMORGAN CHASE

## MIAMI

GDP (country rank), 2012 <sup>1</sup>	Share National GDP, 2012 <sup>2</sup>	GDP/Capita, 2012 <sup>3</sup>	Population, 2012 (country rank) <sup>4</sup>	Share National Pop., 2012 <sup>5</sup>	GaWC Global City Ranking, 2010 <sup>6</sup>	# Global 2000 HQs, 2012 <sup>7</sup>	GDP/c Growth 1993-2012 <sup>8</sup>
\$150,463,361,790 (18)	1.57%	\$42,915	5,733,649 (8)	1.82%	29	7	1.12%

**1) Benchmarks — what is the city’s recent ranking performance in terms of global firms, connectivity, diversity, range of cultural assets, immigrants, visitors?**

Miami remains one of America’s most international cities. It has the largest foreign-born share of its population among the top 100 U.S. metro areas (39 percent) and remains at the vanguard of attracting and assimilating immigrants.<sup>9</sup> Miami welcomes the world’s travelers, over 15 million international airline passengers in 2011.<sup>10</sup> Nearly half of overnight visitors come from abroad – the highest rate in the United States – and travel and tourism generate over 25 percent of the region’s exports.<sup>11</sup>

Miami places ninth on *fDi Cities of the Future* rankings, which measure the future economic prospects of global cities.<sup>12</sup> On measures of global firm connectivity, Miami was measured an “Alpha minus” – or fourth tier – global city by researchers at the Globalization and World Cities Research Network based on the connectedness of its multinational advanced services firms.<sup>13</sup> Miami ranked 36th of 66 cities in A.T. Kearney’s 2012 Global Cities Index, down from 32nd in 2008.

**2) Narrative – the city’s journey into and through globalization. What kind of economic and development trajectory has it taken? What has changed over time?**

Miami’s emergence as a global city occurred recently when compared to cities that share its international stature. Prior to the 1960s, Miami had few international functions. Fidel Castro’s rise resulted in an influx of

Cuban immigrants in the 1960s. The outward-looking nature of the Cuban elites, many of whom were wealthy and well-connected, led to the creation of an internationalized trading complex oriented toward Latin America and the Caribbean. In the 1980s, Miami benefited from increased international business and investment (legal and illegal) between the United States and Latin America, becoming the United States' true "Gateway to Latin America." During this period, multinationals like Eastman Kodak, GM, Hewlett Packard, DHL, and Mitsubishi chose Miami as their headquarters or base of operations for Latin America.<sup>14</sup>

Miami's emergence as a regional hub for business operations coincided with its rise as an international banking center. Today, Miami has the largest concentration of foreign banks in the United States outside of New York.<sup>15</sup> South Florida's concentration of foreign banks afford foreign firms and families the dual benefit of access to Latin American markets and the certainty of the U.S. financial, regulatory, and monetary environment. In many ways, despite being a U.S. city, Miami has become a de facto economic and financial hub of Latin America.

Miami has also become a global transportation hub. It is home to world-class trade facilities; Miami's international airport and the Port of Miami combine to form one of the country's largest transshipment points. The region is the gateway for one-third of trade between the United States and Latin America.<sup>16</sup> Miami's global status belies some serious economic and social challenges. The region continues to struggle with high levels of unemployment in the aftermath of the financial and housing crises. Job losses are exacerbated by low wages in supportive service industries. This is partly due to Miami's role as a "transactional economy" – meaning it is a gateway for goods and services but captures little value-added in these transactions.<sup>17</sup>

### **3) Elements of international and global orientation - In what ways is the city globally connected and relevant? What sort of trade patterns does it exhibit?**

Miami's metropolitan economy rests on the three pillars of tourism, trade and logistics infrastructure, and international business and finance. All three sets of assets were partly developed by Miami's immigrant base, the highest, proportionally, of any U.S. metro area. The Cuban enclave formed in the 1960s and 1970s created a network of Spanish-speaking personnel, international business knowledge and proclivities for trade, and Latin cultural amenities.

South Florida's tropical climate, world-class beaches, and renowned night life attract international travelers, particularly the wealthy globe-trotting classes, which have heavily invested in Miami's real estate market. Travel and tourism account for 26 percent of metropolitan exports.

The trade and logistics industry produces over 14 percent of metropolitan GDP, the fourth highest of any region in America. Finance and business services account for another 20 percent of Miami's exports. Yet, despite the city's reputation as a gateway to the rest of the world, only 6 percent of Miami's output is derived from exports, placing it 94th out of 100 top U.S. metropolitan areas.<sup>18</sup>

### **4) To what extent is the city's international dimension inherited or intentional?**

Miami's geographic location has played an integral part in its global engagement. Its proximity to Cuba initially, and then Latin America more broadly, helped solidify its role as the "Gateway to Latin America." Its geography also allowed for multiple deepwater container ports, establishing it as a key node in the flow of global freight. And its tropical climate and pristine natural landscapes created its international tourism niche. Geographer Jan Nijman explains that Miami's emergence was the result of many unplanned occurrences and uncontrollable forces. "Miami was in the right place, at the right time, to emerge as a leading 'world city' in the Americas in the early 1980s, a sort of a hyper-node, or massive urban router, connecting business flows between north and south. Its rise owed much to the cross-cultural affinities of Miami's ethnically hybrid workforce, many of whom originated elsewhere."<sup>19</sup>

Yet, once the region had established a comparative advantage in these sectors, its leadership recognized the region's strengths and built on those through purposeful strategies. Local and state leaders have aggressively pursued export opportunities with emerging markets and have sought to attract foreign direct investment to the region. Miami-Dade County has a nationally recognized trade promotion authority, which has demonstrated that public-private cooperation and coordination are essential. Enterprise Florida, the state's trade and investment promotion public-private partnership, has a strong Miami presence and is also considered best in class.<sup>20</sup>

Metro and state leaders also continue to upgrade freight infrastructure through innovative policy and planning. Most prominently, the region and state's leadership has maneuvered through a challenging fiscal environment to make three crucial upgrades to the Port of Miami to meet the opportunities of the widening of the Panama Canal. A new tunnel will be constructed that will provide direct highway access to the port via four new lanes under the bay. To accommodate ships exceeding the canal's size limits, state and local investments will fund a deep dredge project that will take the port from 42 feet to 50 feet. Finally, the Intermodal Rail Reconstruction Project will provide the port access to the national rail system so that it will not be completely dependent on trucks to move cargo.<sup>21</sup>

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<sup>1</sup> Brookings analysis of Moody's Analytics and Oxford Economics data.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> "The World According to GaWC; Classification of Cities 2010," September, 14, 2011.

<sup>7</sup> The data were produced by G. Csomós and constitute Data Set 26 of the Globalization and World Cities (GaWC) Research Network (<http://www.lboro.ac.uk/gawc/>) publication of inter-city data.

<sup>8</sup> Brookings analysis of Moody's Analytics and Oxford Economics data.

<sup>9</sup> "State of Metropolitan America," Brookings Metropolitan Policy Program (Washington: Brookings Institution, 2010).

<sup>10</sup> "Appendix B: International Air Travel Between the United States, by US Metropolitan Area, 2003 and 2011" (Washington: Brookings Institution, 2012), available at

[www.brookings.edu/~media/research/files/reports/2012/10/25%20global%20aviation/25%20global%20aviation%20appendix%20b](http://www.brookings.edu/~media/research/files/reports/2012/10/25%20global%20aviation/25%20global%20aviation%20appendix%20b)

<sup>11</sup> "Export Nation 2012, Miami-Fort Lauderdale-Pompano Beach, FL Metro Area Profile" (Washington: Brookings Institution, 2012).

<sup>12</sup> Jacqueline Walls, "American Cities of the Future 2011/12," April/May 2011, available at [www.greenvillesc.gov/PublicInfo\\_Events/NewsArticles/AmericanCitiesoftheFuture.pdf](http://www.greenvillesc.gov/PublicInfo_Events/NewsArticles/AmericanCitiesoftheFuture.pdf).

<sup>13</sup> "The World According to GaWC 2010," available at [www.lboro.ac.uk/gawc/world2010t.html](http://www.lboro.ac.uk/gawc/world2010t.html).

<sup>14</sup> Saskia Sassen, *Cities in a World Economy, 4th Edition* (London: Sage Publications, 2012).

<sup>15</sup> Ibid.

<sup>16</sup> "The Role of Freight and Logistics in Boosting Miami's Economic Future" (Washington: Brookings Institution, 2012).

<sup>17</sup> Avalanche Consulting, McCallum Sweeney Consulting, and the Council for Adult and Experiential Learning, "One Community One Goal Strategic Plan – Report 1: Competitive Assessment Executive Summary" (Miami: Beacon Council Foundation, 2011).

<sup>18</sup> "Export Nation 2012, Miami-Fort Lauderdale-Pompano Beach, FL Metro Area Profile."

<sup>19</sup> Jan Nijman, *Miami: Mistress of the Americas* (Philadelphia: University of Pennsylvania Press, 2011).

<sup>20</sup> Greg Clark, "The Role of Internationalisation in OPENCities" (London: British Council, 2010).

<sup>21</sup> "The Role of Freight and Logistics in Boosting Miami's Economic Future."

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