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Contemporary Europe Author(s): Neil Brenner

Source: Review of International Political Economy, Vol. 5, No. 1 (Spring, 1998), pp. 1-37

Published by: Taylor & Francis, Ltd.

Stable URL: http://www.jstor.org/stable/4177255

Accessed: 22/10/2010 16:01

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## Global cities, glocal states: global city formation and state territorial restructuring in contemporary Europe

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## **ABSTRACT**

This article examines the changing relationship between global cities and territorial states in contemporary Europe, and outlines some of its implications for the geography of world capitalism in the late twentieth century. Most accounts of global cities are based upon a 'zero-sum' conception of spatial scale that leads to an emphasis on the declining power of the territorial state: as the global scale expands, the state scale is said to contract. By contrast, I view globalization as a highly contradictory reconfiguration of superimposed spatial scales, including those on which the territorial state is organized. The state scale is not being eroded, but rearticulated and reterritorialized in relation to both sub- and supra-state scales. The resultant, re-scaled configuration of state territorial organization is provisionally labeled a 'glocal' state. As nodes of accumulation, global cities are sites of post-Fordist forms of global industrialization; as coordinates of state territorial power, global cities are local-regional levels within a larger, reterritorialized matrix of increasingly 'glocalized' state institutions. State re-scaling is a major accumulation strategy through which these transformed 'glocal' territorial states attempt to promote the global competitive advantage of their major urban regions. Global city formation and state re-scaling are therefore dialectically intertwined moments of a single dynamic of global capitalist restructuring. These arguments are illustrated through a discussion of the interface between global cities and territorial states in contemporary Europe. A concluding section argues that new theories and representations of spatial scale and its social production are needed to grasp the rapidly changing political geography of late twentieth-century capitalism.

## **KEYWORDS**

Global cities; glocal states; globalization; spatial scale; reterritorialization; post-Fordism.

## INTRODUCTION

In recent decades urban researchers have identified various 'global cities' as key spatial nodes of the world economy, the localized basing points for capital accumulation in an age of intensified globalization. Since the initial formulation of the 'world city hypothesis' in the early 1980s by Cohen (1981) and Friedmann and Wolff (1982), world city theory has been consolidated as a major framework for critical research on contemporary cities and, more generally, on the changing spatial organization of the world economy (Knox and Taylor, 1995; Hitz et al., 1995). On the one hand, by linking urban studies directly to international political economy (IPE) and world-systems analysis, world city theory has challenged urban researchers to analyze the trans-urban scales in which cities are embedded. On the other hand, by analyzing the current configuration of the world economy in terms of its predominant urban nodes and inter-urban networks, world city theory has also challenged IPE scholars and world-system theorists to analyze the sub- and supra-state geographies of capitalism that are embodied in urbanization processes. By integrating the differential spatial scales upon which each of these fields of research has been premised within a single analytical framework, world city theory has also contributed to the broader project of transcending state-centric approaches to the social sciences that has been rapidly gaining momentum in recent years (Agnew, 1994; Taylor, 1996; Wallerstein, 1996).

The sustained attention to the 'impassable dialectic of local and global' (Lipietz, 1993: 16) among world cities researchers has generated an extraordinary outpouring of research on cities throughout the world economy, from Tokyo, New York and London to Los Angeles, Detroit, Houston, Miami, Toronto, Paris, Frankfurt, Amsterdam, Zürich, Hong Kong, Singapore, Mexico City and São Paulo. One of the major contributions of world cities research has been to relate the dominant socioeconomic trends within these cities – e.g. deindustrialization, the geography of capital flows, the expansion and spatial concentration of financial and producer services industries, labor-market segmentation, class and ethnic conflict, sociospatial polarization – to the emergent world urban hierarchy and the global economic forces that underlie it (see, e.g., Keil, 1993; Knox and Taylor, 1995; Ross and Trachte, 1990; Sassen, 1993; Feagin and Smith, 1989; Soja, 1989).<sup>1</sup>

Yet this analytical privileging of the global/local dualism in global cities research has also deflected attention away from the crucial role of the state scale in the currently unfolding transformation of world capitalism. Despite their concern to analyze the changing interconnections between urban-scale and world-scale processes, most world cities researchers have neglected the role of state-scale transformations in the

current round of globalization, including reconfigurations of the state itself as an institutional, regulatory and territorial precondition for accelerated world-scale capital accumulation. World cities research has generally presupposed a 'zero-sum' conception of spatial scale which leads to an emphasis on the declining power of the territorial state in an age of intensified globalization: the state scale is said to contract as the global scale expands. The ways in which the contemporary 'global-local interplay' (Dunford and Kafkalas, 1992) is embedded within, mediated through and actively promoted by reconfigurations of state territorial organization on multiple spatial scales have not been systematically investigated.

This article examines the changing historical relationship between urbanization patterns and forms of state territorial organization in contemporary Europe and outlines some of its implications for the geography of world capitalism at the end of the twentieth century. My methodological starting point is a conception of globalization as a highly contradictory reconfiguration of densely interwoven, superimposed spatial scales, including those on which the territorial state is organized (see Lefebvre, 1991, 1978, 1977). From this point of view, state territorial power is not being eroded, but rearticulated and reterritorialized in relation to both sub- and supra-state scales. The resultant, re-scaled configuration of state territorial organization can be provisionally labeled a 'glocal' state (Swyngedouw, 1996). Currently unfolding re-scalings of global social space cannot be grasped through unilinear notions of 'state decline' or through one-sided conceptions of globalization as a placeless dynamic of 'deterritorialization'. Contemporary reconfigurations of both urbanization patterns and forms of state territorial organization are best conceived as contradictory, contested strategies of reterritorialization through which the place-based and territorial preconditions for accelerated global capital circulation are being constructed on multiple spatial scales (Harvey, 1995, 1989a).

I interpret global city formation and state re-scaling as dialectically intertwined processes of reterritorialization that have radically reconfigured the scalar organization of capitalism since the global economic crises of the early 1970s. Global city formation is linked both to the globalization of capital and to the regionalization/localization of state territorial organization. As nodes of accumulation, global cities are sites of reterritorialization for post-Fordist forms of global industrialization. As coordinates of state territorial organization, global cities are local-regional levels of governance situated within larger, reterritorialized matrices of 'glocalized' state institutions. This re-scaling of the state is a key 'accumulation strategy' (Jessop, 1990) through which cities throughout the world economy are being promoted by their host states as locational nodes for transnational capital investment.

I begin by reviewing the basic argument of world city theory and critically examining its treatment of the territorial state. Following a discussion of changing forms of state territorial organization under capitalism, I interpret the contemporary round of globalization as a reconfiguration of superimposed spatial scales. Global city formation has entailed a rearticulation of the national scale with sub- and supranational scales and, consequently, a growing 'territorial non-coincidence' (Murray, 1971) between the scales on which capital accumulation and state territorial power are organized. These arguments are illustrated through a discussion of the contradictory interface between various global cities and 'glocalized' territorial states in contemporary Europe. A concluding section argues that new theories and representations of spatial scale and its social production are needed to grasp the rapidly changing political geography of late twentieth-century capitalism.

## GLOBALIZATION/URBANIZATION: WORLD CITIES AND THE GEOGRAPHY OF CAPITALISM

World city theory has been deployed extensively in studies of the role of major cities such as New York, London and Tokyo as global financial centers and headquarters locations for transnational corporations (TNCs). While the theory's usefulness in such research has been convincingly demonstrated (see, e.g., Sassen, 1991; Mollenkopf and Castells, 1991; King, 1990b; Machimura, 1992), I believe that the central agenda of world city theory is best conceived more broadly, as an attempt to analyze the rapidly changing geography of global capitalism in the late twentieth century. From this point of view, the project of world cities research is not merely to classify cities within world-scale central place hierarchies, but as Friedmann (1986: 69) has proposed, to analyze the 'spatial organization of the new international division of labor'. The key feature of this emergent configuration of world capitalism is that cities - or, more precisely, large-scale urbanized regions - rather than the territorial economies of states are its most fundamental geographical units. These urban regions are said to be arranged hierarchically on a global scale according to their differential modes of integration into the world economy (Friedmann and Wolff, 1982: 310–11).

Braudel (1983: 27) has famously suggested that the 'world-economy always has an urban center of gravity, a city, as the logistic heart of its activity'. Braudel's analysis of early modern Europe traces the epochal shift from the 'city-centered economies' of Genoa, Venice, Antwerp and Amsterdam to the English 'territorial economy', based upon an integrated national market clustered around London, during the eighteenth century.<sup>2</sup> Since this period, cities were integrated ever more tightly into national economic systems and subordinated to the political power of

states (Tilly, 1990). Though cities continued to operate as central nodes of world trade and imperialist expansion throughout the nineteenth and twentieth centuries (Arrighi, 1994; King, 1990a), the geography of interurban networks was largely subsumed within the geography of state territories (Taylor, 1995). Early uses of the term 'world city' by writers such as Patrick Geddes (1915) and Peter Hall (1966) reflected this territorialization of the urbanization process on a national scale: the cosmopolitan character of world cities was interpreted as an expression of their host states' geopolitical power. The central hypothesis of the most recent wave of world cities research, however, is that we are today witnessing another epochal transformation in the spatial organization of capitalism that has enabled cities to regain their primacy as the geoeconomic engines of the world system. As Friedmann (1995: 21-6) argues, contemporary cities operate as the 'organizing nodes' of world capitalism, as 'articulations' of regional, national and global commodity flows, and as 'basing points' in the 'space of global capital accumulation'. Therefore, Friedmann (ibid.: 26) maintains, the consolidation of a world urban hierarchy since the early 1970s must be understood as a fundamental shift in the geography of world capitalism, 'an historically unprecedented phenomenon' in which cities and inter-urban networks appear to be replacing states as the basic territorial infrastructure of capitalist development.

World city theorists have analyzed this shift toward a city-centered configuration of capitalism with reference to two intertwined politicoeconomic transformations of the last three decades: the emergence of a 'new international division of labor' dominated by transnational corporations; and the crisis of the Fordist-Keynesian technologicalinstitutional system that prevailed throughout the postwar period. First, the emergence of a new international division of labor (NIDL) since the late 1960s resulted in large measure from the massive expansion in the role of TNCs in the production and exchange of commodities on a world scale (Fröbel et al., 1980; Dicken, 1991). Whereas the old international division of labor was based upon raw materials production in the periphery and industrial manufacturing in the core, the NIDL has entailed the relocation of manufacturing industries to semi-peripheral and peripheral states in search of inexpensive sources of labor power. In addition to the deindustrialization of many core industrial cities, this global market for production sites has also entailed an increasing spatial concentration of business services and other administrative-coordination functions within the predominant urban centers of the core and semiperiphery. These upper-tier cities have become major nodes of decision making, financial planning and control within globally dispersed commodity chains and, therefore, the central basing points for the worldwide activities of TNCs (Cohen, 1981; Feagin and Smith, 1989). This intensified

urban concentration of global capital flows has been further enabled through the development of new informational technologies, closely tied to the agglomeration economies of cities, that accelerate communication and coordination on a global scale (Castells, 1989). If the latest round of capitalist globalization has enhanced capital's ability to coordinate flows of value through global space, it has also been premised upon specific urban places within and through which the territorialized technological, institutional and social infrastructure of globalization is secured (Swyngedouw, 1989). Therefore, even as the costs of overcoming the friction of distance in the global transfer of information are pushed ever closer to zero, cities have remained fundamental locational nodes through which global systems of production and exchange are organized.

Second, contemporary processes of world city formation have also been closely related to the growing obsolescence of the technological, institutional and social foundations of the Fordist regime of accumulation, grounded upon mass production, mass consumption, nationally induced Keynesian demand-management policies and redistributive social welfare policies (Aglietta, 1979; Jessop, 1992; Lipietz, 1987). The crisis of the Fordist-Keynesian technological-institutional system in the older industrial cities of North America and western Europe during the early 1970s was paralleled by dynamic growth in various 'new industrial spaces' such as Silicon Valley, Los Angeles/Orange County, Baden-Württemburg and the Third Italy, grounded upon decentralized, vertically disintegrated forms of industrial organization embedded within dense transactional networks of subcontracting arrangements and other non-market forms of inter-firm relations (Storper, 1995; Scott, 1988). According to Storper and Scott (1989: 24-7), the major sectors associated with these emergent flexible production systems are to be classified in three broad categories: (1) revitalized craft production; (2) high-technology industries; and (3) advanced producer and financial services. The locations and spatial structures of these industries vary extensively, but most are agglomerated within major urban manufacturing regions and - in the case of the advanced financial and producer services - within global cities such as London, New York, Tokyo, Paris, Frankfurt and Los Angeles in which large numbers of TNCs are based.

Recent contributors to the debate on post-Fordist industrial geography have advised a more cautious analytical perspective that acknowledges the dynamism of flexible production systems while situating them within a global context characterized by continued geoeconomic and geopolitical disorder, pervasive uneven geographical development and neoliberal ideological hegemony (see, e.g., Amin and Thrift, 1992; Martinelli and Schoenberger, 1991; Peck and Tickell, 1994). Nevertheless, the rise of global cities in recent decades as key sites for the coordination of global commodity chains is broadly consistent with the regulationist

hypothesis that flexible production systems are among the new 'leading edges' of contemporary capitalist development. The propulsive growth industries of global cities are, above all, the producer and financial services sectors that serve the command and control requirements of transnational capital – e.g. banking, accounting, advertising, financial management and consulting, business law, insurance and the like (Sassen, 1991; Thrift, 1987). It is in this sense that capital's attempt to enhance its command and control over space on a global scale hinges upon the place-specific production complexes, technological-institutional systems, agglomeration economies and other externalities that are localized within global cities.

These arguments have provided world cities researchers with a methodological basis for analyzing the role of major urban regions in the currently unfolding geographical transformation of world capitalism. World cities are simultaneously: (1) basing points for the global operations of TNCs; (2) production sites and markets for producer and financial services; and (3) articulating nodes within a broader hierarchy of cities stratified according to their differential roles in the world economy. But as Friedmann (1995: 41-3) indicates, this emergent geography of urban nodes and inter-urban networks is only one dimension of capitalism's changing geographical organization. The consolidation of a world urban hierarchy dominated by an archipelago of upper-tier global cities has also produced new geographies of exclusion stretching from the economic 'deadlands' of the older industrial core states into the marginalized zones of the global periphery that contain almost seven-eighths of world population (see also Agnew and Corbridge, 1995: 164-207; Amin, 1997). As world city-regions supersede the territorial economies of states as the basic geographical building blocks of world capitalism, new forms of uneven geographical development are proliferating on global, national and regional scales.

## WORLD CITIES AND TERRITORIAL STATES: CRITIQUE AND REFORMULATION

But how is this emergent global urban hierarchy articulated with the geography of state territories upon which it is superimposed? States do not simply disintegrate in the face of globalization and world cities remain tied to their host state's territory in significant ways. Even if cities are today rapidly gaining ground on states as the optimal spatial scales for capital accumulation, the geography of post-Fordist capitalism cannot be reduced to the global hierarchy of urban nodes, inter-urban networks and marginalized or excluded peripheral zones. Braudel (1983: 39) has vividly described the world economy as a 'jigsaw puzzle'

composed of multifarious forms of territorial organization (e.g. cities, states, quasi-states, empires, quasi-empires, markets, cores, peripheries), each of which is configured upon differential spatial scales. Just as the city-centered economies of early modern Europe were embedded within these broader, trans-urban spatial configurations, the geography of contemporary capitalism can be viewed as a polymorphic, multi-layered 'jigsaw puzzle' in which multiple forms of territorial organization – including cities, inter-urban networks and territorial states – are being superimposed and intertwined ever more densely.

Insofar as world city theory is directly concerned with the 'contradictory relations between production in an era of global management and the political determination of territorial interests' (Friedmann, 1986: 69), an analysis of changing relations between world cities and state territories is one of its most central theoretical and empirical tasks. However, like many other approaches to the study of globalization (e.g. Appadurai, 1996; Castells, 1989; Scott, 1996; Strange, 1995), much of world cities research has been premised upon the assumption that intensified globalization entails an erosion of state territoriality. This conception of globalization as a process of state decline has led world cities researchers to focus on the global scale, the urban scale and their changing interconnections while neglecting the role of state-level processes in the current round of capitalist restructuring. To the extent that the territorial state has been thematized at all in global cities research, it has been understood either in terms of its local/municipal institutions or as a static, unchanging background structure.3 This privileging of the global/local dualism leads to a 'zero-sum' conception of spatial scales in which the global and the state scales are viewed as being mutually exclusive - what one gains, the other loses - rather than as intrinsically related, co-evolving layers of territorial organization. I argue by contrast that the current round of globalization is reconfiguring state territoriality rather than eroding it to create a city-centric capitalism. States are being re-scaled and reterritorialized in conjunction with the process of global city formation, and the resultant transformed configurations of state territorial organization operate simultaneously as agents and sites of the globalization process. This argument can be developed through a critical examination of the accounts of global city-territorial state relations elaborated by Friedmann and Wolff (1982) and Sassen (1996, 1991).

For Friedmann and Wolff (1982), global city-territorial state relations are expressed as a geoeconomic battle between globally mobile TNCs and immobile state territories. World cities and territorial states are described as diametrically opposed political-economic entities: to the extent that the territorial state operates as a structural impediment to the dominance of global capital, it is debilitated, above all on its local

levels. According to Friedmann and Wolff (ibid.: 312; italics removed) there is an 'inherent contradiction between the interests of transnational capital and those of particular nation states that have their own historical trajectory'. This situation produces complex constellations of sociopolitical struggle both within and outside global city-regions - e.g. city inhabitants vs. TNCs; city inhabitants vs. national policy makers; national vs. global fractions of the bourgeoisie; capital vs. labor (ibid.: 312-13). These conflicts are exacerbated by the fragmented administrative organization of global cities, which generally lack any overarching metropolitan authority. On this basis Friedmann and Wolff argue that world city formation triggers a fiscal crisis of the local state (ibid.: 326–7). Whereas global capital requires the construction and maintenance of infrastructural facilities such as roads, ports, airports and canals as well as the policing and surveillance of the subaltern classes, the influx of labor power into the city (particularly poor migrant workers) in turn generates 'massive needs for social reproduction', including housing, health, education, transportation and welfare services (Friedmann, 1986: 77). What results is a situation in which the social costs of global city formation far exceed the regulatory capacities of the local state, which subsequently becomes the 'major loser' in a maelstrom of globally induced constraints (Friedmann and Wolff, 1982: 327). Drawing on Castells's notion of the 'space of flows', Friedmann (1995: 25) summarizes this state of affairs as follows:

The more the economy becomes interdependent on the global scale, the less can regional and local governments, as they exist today, act upon the basic mechanisms that condition the daily life of their citizens. The traditional structures of social and political control over development, work and distribution have been subverted by the placeless logic of an internationalized economy enacted by means of information flows among powerful actors beyond the sphere of state regulations.

While it is evident that the world economic crises of recent decades have substantially undermined the capacity of the territorial state to regulate the accumulation process, particularly in its Fordist–Keynesian forms (Jessop, 1994; Held, 1991), the narrative of state decline and deterritorialization conflates the ongoing reconfiguration of the national scale of state territorial organization with a withering away of state territoriality as such (Brenner, 1997a). Current transformations may indeed herald the partial erosion of central state regulatory control over global flows of capital, commodities and labor power, but the state remains a central institutional matrix of political power, a significant scale of territorial organization and a crucial territorial infrastructure for capital accumulation (Panitch, 1994). By conceptualizing state restructuring as

a unilinear process of state demise, Friedmann and Wolff bracket the ways in which territorial states are being qualitatively transformed in relation to global patterns of urbanization and capital accumulation. As Anderson (1996: 135) notes:

The presentation of a simplistic 'choice' [in debates on the future of the state] between just two alternatives – life or death – obscures the possibility that something else is happening: a qualitative reshaping of states and nations, territoriality and sovereignty, which is not captured by notions of death or decline.

Moreover, in so far as neoliberal states throughout the world system are today actively restructuring themselves to *promote* capital accumulation within their major cities and regions, the hypothesis of an 'inherent contradiction' between TNCs and the state cannot be empirically sustained. This ongoing reorganization of the state has signaled not a unilinear weakening of state capacities or an erosion of the national scale, but the entrenchment of neoliberal accumulation strategies designed to enhance the global competitive advantage of each state's cities and regions and, thereby, to secure a localized fix for capital accumulation (Peck and Tickell, 1994; Röttger, 1997).

Whereas Friedmann and Wolff's account of global city formation is premised upon the notion of state-demise, Sassen's (1991) study of New York, London and Tokyo is surprisingly state centric. Sassen (1991: 14) likewise identifies changing city-state relations as one of her central questions: 'What happens to the relationship between state and city under conditions of strong articulation between a city and the world economy?' For Sassen (1991: 8–9; italics added), contemporary global city-territorial state relations are captured through the notion of 'systemic discontinuity':

I posit the possibility of a *systemic discontinuity* between what used to be thought of as national growth and the forms of growth evident in global cities in the 1980s. These cities constitute a system rather than merely competing with one another. What contributes to growth in the network of global cities may well not contribute to growth in nations.

Sassen's discussion focuses primarily upon two types of inter-urban linkages: those among global cities themselves; and those between global cities and other cities located within the territories of their host states. On this basis Sassen argues that global city formation in New York, London and Tokyo has triggered processes of industrial decline elsewhere within the US, British and Japanese urban systems:

Prior to the current phase, there was high correspondence between major growth sectors [in global cities] and overall national growth.

Today we see an increased asymmetry: The conditions promoting growth in global cities contain as significant components the decline of other areas of the United States, the United Kingdom, and Japan and the accumulation of government debt and corporate debt.

(ibid.: 13)

Sassen defends her 'systemic discontinuity' thesis by analyzing the changing role of each global city within its national urban system (ibid.: 129-67). Sassen indicates that global city-regions contain overwhelming locational concentrations of producer and financial service industries relative to the national average in their respective host countries (ibid.: 129-39); and she traces various locational and employment shifts within the US, British and Japanese urban hierarchies that have ensued in conjunction with economic globalization in New York, London and Tokyo (ibid.: 139-63). However, insofar as the new international division of labor has entailed the formation of new urban hierarchies on a global scale, it is questionable whether national city systems remain an appropriate scale of analysis in the contemporary era. Each of Sassen's global cities can be viewed not only as the apex of a rapidly changing state-scale urban hierarchy, but as the major articulation point for one among the three super-regional blocs of the contemporary world economy - North America, the European Union and East Asia (Taylor, 1994b). Whether the world urban hierarchy is subdivided into these or other super-regional configurations on its middle and lower tiers is a question that can be pursued only through a rejection of the notion that states are the fundamental scale on which city-systems are organized.

Sassen's notion of 'systemic discontinuity' presupposes two processes whose articulation has become asymmetrical during the course of historical time. Yet only one of these processes, the formation of global cities, is understood historically; the other, the territorial state, is treated as a relatively static, unchanging background structure, the container of a national city system whose state-level coherence is not fundamentally altered by the globalization process. In other words, Sassen presupposes that the spatial referent with which global city formation is 'discontinuous' remains the national economy, understood as a territorially self-enclosed system of cities organized hierarchically within the national scale.4 In this sense, Sassen's methodology replicates a state-centric model of global capitalism as an aggregation of national space-economies. In this state-bounded universe, global cities can be understood only as exceptional, if significant, spatial forms, 'transnational economic spaces' that are nevertheless embedded within 'national' economies and city-systems (Sassen, 1993: xiii-xiv).

Sassen's more recent work (1996) has significantly revised this conception of city-state relations to emphasize various ongoing transformations

of state territoriality. On the one hand, Sassen (ibid.: 4, 13) implies that global cities are new sites of 'extraterritoriality', paradoxically situated beyond' the state's territoriality while simultaneously being enclosed within its borders. However, the metaphor of 'extraterritoriality' is derived from medieval European debates on the right of embassy and presupposes a conception of states as static background structures: just as foreign embassies are self-enclosed sites in which the host state's exclusive sovereignty is locally 'punctured', the economic activities of global cities are assumed to circumvent state territorial boundaries while leaving them essentially intact. On the other hand, one of Sassen's most central arguments in her recent work is that 'the state itself has been transformed by its participation in the implementation of globalization and by the pressures of globalization' (ibid.: 23). Sassen (1996: 28) introduces the notion of 'denationalization' to describe this ongoing transformation. Financial deregulation and the construction of new transnational legal regimes are interpreted as strategies through which many of the core states are reconfiguring the institutional-regulatory framework of corporate practices and, in so doing, transforming their own relationship to global capital flows in ways that have significantly decentered the national scale of regulation.

In my view, this alternative theorization of globalization as a process of denationalization provides a useful methodological starting point for overcoming both state-demise arguments and zero-sum conceptions of spatial scale. Global cities are not to be conceived as uniquely globalized urban nodes within unchanged national systems of cities and state power, but rather as sites of both socioeconomic and institutional restructuring in and through which a broader, multi-scalar transformation in the geography of capitalism is unfolding. The notion of denationalization begins to map this transformation by emphasizing simultaneously the key role of the state in the globalization process and the ways in which this role is triggering a re-scaling of the state itself. From this point of view, the globalization of urbanization and the reconfiguration of the territorial state (both as an institutional-regulatory structure and as a city system) are intrinsically related moments within a single process of global capitalist restructuring. In the following section I elaborate this thesis through an analysis of contemporary processes of state re-scaling in the context of changing forms of territorial organization under capitalism.

## TERRITORIALIZING GLOBALIZATION: RE-SCALING THE STATE

Following Mann (1993), I view the essential feature of the modern state as its territorially centralized organizational form, characterized by the

exclusive domination of a centralized administrative apparatus over a territorially delimited space.<sup>5</sup> Since its consolidation during the seventeenth century, the modern territorial state has assumed a wide range of organizational and sociospatial forms, each of which has been intertwined in highly contradictory ways with historically specific regimes of capital accumulation (Arrighi, 1994; R. Cox, 1987). Whereas much of postwar state theory and international relations theory has conceived the interstate system and the world economy as ontologically distinct or externally related entities, I believe that state territoriality can be viewed as an essential organizational and geographical *component* of world-scale circuits of capital.

As David Harvey (1982) has argued at length, capital's impulsion to accelerate its turnover time and eliminate spatial barriers to its circulation process necessarily entails the production of relatively fixed and immobile spatial configurations. Each phase of capitalist development has been grounded upon distinctive forms of territorial organization a socially produced 'second nature' composed of elaborate transportation, communications and regulatory-institutional infrastructures through which capital can circulate at socially average turnover times. This moment of territorialization – to which Harvey refers as capital's 'spatial fix' - is rooted in long-term investments in immobile cities and territories that are in turn revalorized and reterritorialized during each systemic crisis of capital accumulation. For this reason, changing forms of urbanization and state territorial organization under capitalism are directly ensnared within the spatio-temporal contradictions of the capital relation. Capital's continuous struggle to 'annihilate space with time' (Marx, 1973: 539) generates a dynamic of creative destruction in which configurations of territorial organization are recurrently constructed, deconstructed and reconstructed as geographical infrastructures for each round of capitalist industrialization. The role of cities as forms of territorialization for capital has been analyzed extensively by economic geographers (see, e.g., Storper and Walker, 1989). In my view, changing forms of state territorial organization since the second industrial revolution of the late nineteenth century can be understood in formally analogous terms, as relatively fixed and immobile spatial infrastructures within and upon which each successive wave of capitalist industrialization has been grounded.6

As Henri Lefebvre (1991: 388) suggests, the territorial 'fixity' of state territories provides a stabilized geographical scaffolding for the increasing spatial 'mobility' and 'transience' of labor power, commodities and capital on both supra- and sub-state scales. This centralized territorialization of state power has been an essential precondition for the state's ability to regulate the socioeconomic relations of capitalism. As industrial production has expanded in scale, scope and

organizational complexity since the late nineteenth century, territorial states have played increasingly fundamental roles in molding circuits of capital into distinct historical-geographical configurations, composed of temporarily stabilized articulations of global, national, regional and local relations (Lefebvre, 1978). Though the state's internal administrativeorganizational hierarchies (e.g. central-local relations; financial, jurisdictional and legal structures; political divisions of labor; and the like) have been periodically reconfigured and transformed (e.g. during the world economic crises of the 1880s and the 1930s), until relatively recently state territoriality has operated as an institutional-organizational framework and medium for capitalist restructuring rather than as its direct object. Particularly since the consolidation of organized capitalism during the early twentieth century, the role of state territoriality as a container for both capital accumulation and urbanization intensified to such a degree that its historicity as a scale-level was frequently naturalized (Agnew, 1994; Radice, 1984).

Since the 1970s, however, this state-centric geography has been profoundly reconfigured as a direct outgrowth of the global crisis of the Fordist-Keynesian developmental model. The crisis of global Fordism was expressed in a specifically geographical form, above all in the contradiction between the national scale of state regulation and the globalizing thrust of postwar capital accumulation (Altvater, 1992; Peck and Tickell, 1994). The scales on which the Fordist-Keynesian sociospatial order was organized - national regulation of the wage relation; international regulation of currency and trade - have been radically reconfigured since the global economic crises of the early 1970s. While the deregulation of financial markets and the global credit system since the collapse of the Bretton Woods system in 1973 has undermined the viability of state-level demand management and monetary policies, the increasing globalization of production, competition and financial flows has diminished the ability of territorial states to insulate themselves from the world economy as quasi-autarchic national spaces. The intensification of global interspatial competition among cities and regions has also compromised national industrial policies and forced regional and local states to assume increasingly direct roles in promoting capital accumulation on sub-national scales (Gottdiener, 1990). Finally, as Jessop (1994) notes, the national level of state regulation is being 'hollowed out': central state powers are being at once displaced upwards towards supra-national regulatory institutions such as the EU and devolved downwards toward sub-national scales of governance such as regional and local states. The central geographical consequence of these deeply intertwined political-economic shifts has been a denationalization of the most elemental territorial building block of the postwar geoeconomic and geopolitical order - the autocentric national economy.

The state's retreat from the Fordist-Keynesian regulatory regime has clearly undermined the monolithic unity of the state as a territorially self-enclosed container of socioeconomic activities (Ruggie, 1993; Taylor, 1994a), but it has also intensified the importance of territoriality as a scale-circumscribing strategy of state regulation and governance.<sup>7</sup> Though the national scale of state regulation has been considerably decentered since the 1970s, distinctively territorial strategies of regulation continue to contribute crucially to the circulation of capital on both sub- and supra-national scales. Faced with the increasing mobility of capital, commodities and labor power across national borders, contemporary territorial states appear to be orienting themselves primarily toward the provision of immobile factors of production - i.e. those externalities associated with capital's moment of territorialized fixity within spatial infrastructures organized on the sub-national scales of cities and regions. Despite substantial differences in the content and timing of their policy responses, by the mid-1980s most OECD states had substantially re-scaled their internal institutional hierarchies in order to play increasingly entrepreneurial, supply-side roles in financing, constructing and organizing the territorial infrastructures of capital accumulation within their major urban regions (Cerny, 1995: 611).

This re-scaling of the state has entailed a profound transformation of the relationship between states, capital and territory. During the Fordist-Keynesian period, most older industrial states deployed indirect forms of territorial intervention oriented toward the reproduction of labor power (e.g. through redistributive social welfare policies), industrial relocation (e.g. through subsidies and tax concessions) and the promotion of collective consumption (e.g. through housing, education, transportation and urban planning policies). However, contemporary supply-side modes of state intervention have entailed a more direct, unmediated involvement of the state in the promotion of the 'productive force of territorial organization' (Swyngedouw, 1992a). Today the state's role is no longer merely to reproduce territorially based production complexes, but continually to restore, enhance, intensify and restructure their capacities as productive forces. Under these circumstances, as Cerny (1995: 620) notes, 'the state itself becomes an agent for the commodification of the collective, situated in a wider, market-dominated playing field'. From public-private partnerships, labor retraining programs, science parks, conference centers, waterfront redevelopment schemes, technology transfer projects, military spending, information sharing, venture capital provision and market research to technopoles programs and enterprise zones, these state-organized economic development policies can be construed as concerted strategies for the intensification of the productive capacities of the cities and regions in which they are based through the construction of 'territorially rooted

immobile assets' (Amin and Thrift, 1995: 10). It is above all through their role in the mobilization of urban-regional territorial organization for purposes of accelerated global capital circulation that local and regional states, in particular, are acquiring increasing structural significance within each territorial state's internal administrative-organizational hierarchy. Following directly in the wake of the Reagan–Thatcher counter-revolutions of the 1980s, this dynamic of state re-scaling can be viewed as an accumulation strategy through which contemporary neoliberal states are attempting to promote their cities and regions as favorable territorial locations for transnational capital investment.

The form of state territorial organization that has been constructed through these accumulation strategies is at once polymorphic and multitiered, simultaneously turned inside-out and outside-in - inside-out insofar as its primary goal is to enhance and promote the global competitiveness of its cities and regions; and outside-in insofar as supra-national agencies such as the EU, the IMF and the World Bank have come to play direct roles in the regulation and restructuring of each state's internal territorial space.8 In this sense, the spatial form of territorial states in the age of global capitalism is being 'glocalized'. The term 'glocal' - derived from Swyngedouw (1996, 1992b) and Peck and Tickell (1994) among others - is intended to describe this increasingly dense superimposition and interpenetration of global political-economic forces and local-regional responses within the parameters of a single, re-scaled framework of state territorial organization. The resultant, 'plurilateral' institutional-organizational configurations (Cerny, 1995; R. Cox, 1993) have entailed a complex reterritorialization of the state onto multiple spatial scales that do not overlap coextensively with one another, converge upon a single, encompassing scale-level or constitute an isomorphic, self-enclosed totality. The denationalization of the national economy and urban hierarchies has therefore not caused an erosion of the state's role as a relatively fixed and immobile matrix for the territorialization of capital, but rather a 'glocal' re-scaling of state territorial organization.

The concept of the glocal territorial state is intended merely to indicate the general trajectory of these currently unfolding shifts in the institutional structure and scale of state power, and not to demarcate a firmly consolidated or stabilized post-Fordist state form. The hegemony of neoliberal ideologies and policies in these states must be viewed as a symptom of continued crisis and global disorder rather than as a coherent path toward a new spatial or institutional fix (Peck and Tickell, 1994). The glocalization of state territorial power is at once the *outcome* of crisis-induced socioeconomic restructuring on urban-regional scales and a *medium* of state-led reindustrialization through a profound redefinition of each state's relationship to its major cities and regions

(Swyngedouw, 1996). To grasp this complex, contradictory dialectic of global city formation and state territorial restructuring through a single analytical lens, the current round of globalization must be conceived as a worldwide reconfiguration of multiple, superimposed spatial scales, including those of urbanization, state territorial power and capital accumulation (Lefebvre, 1991, 1978).

## RE-SCALING SOCIAL SPACE: GLOBAL CITIES, GLOCAL STATES

Cities are at once basing points for capital accumulation (nodes in global flows) and organizational-administrative levels of territorial states (coordinates of state territorial power). As nodes in global flows, cities operate at once as: loci of industrial production; centers of command and control over inter-urban, interstate and global circuits of capital; and sites of exchange within local, regional, national and global markets. This is the dimension of cities that has been analyzed extensively in the vast literature on the political economy and historical geography of capitalist urbanization (see e.g., Harvey, 1989b; Storper and Walker, 1989). Second, as coordinates of state territorial power, cities are regulatory-institutional levels within each state's organizational hierarchy. The term 'coordinate' is intended to connote not only the embeddedness of cities within the state's territorial matrix, but their changing structural positions within the multiple, overlapping regulatory networks through which state power is configured on differential spatial scales. These coordinates can be interlinked through various means, from legal-constitutional regulations, financial interdependencies, administrative divisions of labor and hierarchies of command to informal regulatory and coordination arrangements. This dimension of cities has been analyzed most prominently in studies of the local state (see e.g., Duncan and Goodwin, 1988; Krätke and Schmoll, 1987).

During the Fordist–Keynesian period, these two dimensions of urbanization were spatially coextensive within the boundaries of the national territorial state. As nodes of accumulation, cities were framed within the same territorial grids that underpinned the national economy. The cities of the older industrialized world served as the engines of Fordist mass production, the urban infrastructure of a global system compartmentalized into distinct state-level territorial matrices. Though transnational inter-urban linkages remained crucial to the North Atlantic Fordist space-economy, a tight fit was presumed between urban dynamism and the growth of the national economy as a whole. Regions and cities were viewed as mere sub-units of national economic space. It was widely assumed that the industrialization of urban cores would generate a propulsive dynamic of growth that would eventually lead to

the industrialization of the state's internal peripheries, and thereby counteract the problem of uneven geographical development. Likewise, as coordinates of state territorial power, Fordist-Keynesian regional and local regulatory institutions functioned primarily as transmission belts of central state socioeconomic policies. Their goal was above all to promote growth and redistribute its effects on a national scale. To this end, redistributive regional policies were widely introduced to promote industrialization in each state's internal peripheries. It was this situation that led postwar regional development theorists such as Myrdal (1957) and Hirschman (1958) to view the territorial state as the basic container of spatial polarization between core urban growth centers and internal peripheral zones; which led urban geographers such as Berry (1961) and Pred (1977), among others, to view the territorial state as the primary scale on which rank-size hierarchies within city systems were organized; and which led state theorists such as Offe (1975) to describe municipal politics as a mere 'buffer zone' constructed by the central state to insulate itself from social conflict and legitimation crises.

Since the 1970s, however, this nationally scaled constellation of city-state-capital interconnections has been substantially rearticulated and rehierarchized toward the global, super-regional, regional and local scales. Aside from the increasing globalization of capital and the 'glocal' institutional-regulatory shifts outlined previously, the scales of urbanization have also been reterritorialized. Figure 1 illustrates the ways in which the European urban hierarchy has been reconfigured since the crisis of the Fordist–Keynesian sociospatial regime in the early 1970s.

This schematic representation of the contemporary European city system (derived from Krätke, 1995: 140-1, 1993: 184-7) focuses on the first dimension of urbanization, the role of cities as nodes of capital accumulation. Krätke's model describes the ongoing transformation of the European urban hierarchy through two structural criteria, the industrial structure of the city's productive base (Fordist vs. post-Fordist) and the spatial scale of its command and control functions (global, European, national, regional, non-existent). The arrows in the figure indicate various possible changes in position among cities within the European urban hierarchy; and various cities have been listed to exemplify each of these levels (for a more detailed discussion see Krätke, 1993). Global city formation signifies the emergence of an urban hierarchy on both global and super-regional scales, defined through the scale of urban command and control functions, the scale of inter-urban exchange relations, and the scale on which inter-urban competition occurs. As nodes of accumulation, therefore, cities are no longer enclosed within relatively autocentric national economies, but embedded ever more directly within trans-state urban hierarchies and inter-urban networks. Though the cities currently positioned at the apex of the global, European, North

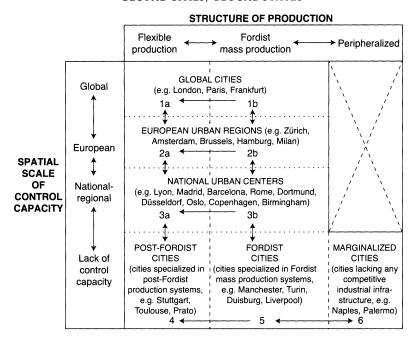


Figure 1 The European urban hierarchy: spatial scales and structures of production. *Note:* Arrows indicate possible changes in position among cities in the European urban hierarchy; diagram based on Krätke (1995: 140–1).

American and East Asian urban hierarchies present the most dramatic evidence of this transformation, their positions are indicative of a more general reterritorialization of the global urbanization process on both sub- and supra-state scales.

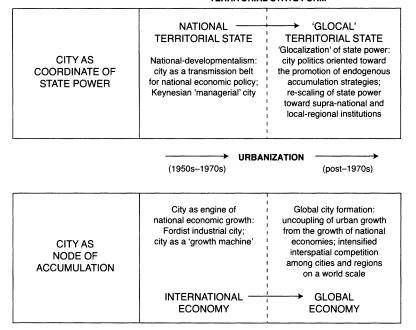
This wave of spatial restructuring has also had major implications for the role of cities as coordinates of state territorial power. It is in this context that the rise of the glocal territorial state must be understood. As indicated, the glocalization of state territorial organization enhances the role of urban-regional scales in promoting capital accumulation. This re-scaling of state territorial power toward the regional and local levels can be viewed as a state-directed attempt to propel cities and regions upwards in the urban hierarchy depicted in Figure 1. This form of 'urban entrepreneurialism' (Harvey, 1989c) is evident with reference to both dimensions depicted, the industrial structure of the city's productive base and the spatial scale of its command and control functions. Throughout Europe, local and regional governments are engaged in a frenzied attempt at once to revalorize decaying industrial sites, to promote industrial growth in globally competitive sectors and to acquire

command and control functions in the world economy by providing various territorial preconditions for transnational capital, including transportation and communications links, office space, labor power and other place-specific externalities (Mayer, 1994, 1992). The immutable link between processes of urban-regional restructuring and state re-scaling is institutionally embodied in the growing role of various newly created para-state agencies, quangos and public-private partnerships in planning and coordinating investment within these local mega-projects (e.g. the London Docklands Development Corporation, the London Pride Partnership, London First, Frankfurt's Economic Development Corporation, the Schiphol Airport business park and the IJ-Banks waterfront development agency in Amsterdam).9 The mobilization of municipal governance around the political economy of place therefore entails a double-edged struggle to reconfigure the territorial organization of urban space: it is both socioeconomic, oriented toward the construction of 'new industrial spaces' (Scott, 1988) for post-Fordist forms of capital accumulation; and institutional, oriented toward the construction of what might be termed 'new state spaces' that enhance the local state's capacity to mobilize and coordinate transnational capital investment within selected urban locational nodes.

Figure 2 summarizes the ways in which the relations between urbanization patterns and forms of state territorial organization have been reconfigured since the Fordist–Keynesian period, highlighting at once the globalization of the world economy, the glocalization of state territorial power, and the ramifications of these shifts for both dimensions of urbanization. As nodes of accumulation, global cities are embedded within flows of capital that no longer overlap coextensively with national economic space. As coordinates of state territorial power, global cities occupy a highly contradictory, multi-scalar geographical terrain. On the one hand, they are situated within the framework of state territoriality defined by a bounded geopolitical space in the interstate system. On the other hand, as the glocal territorial state transfers and devolves many of its regulatory tasks toward supra-national, regional and local scales, an increasing 'territorial non-coincidence' (Murray, 1971) emerges between the scales of state territorial organization and those of capital accumulation.

This situation presents one of the major scalar dilemmas that must be confronted by the glocal territorial state. The scales of capital accumulation have never coincided exactly with those of state territorial organization, but the most recent round of globalization has intensified this scalar disjuncture to an historically unprecedented degree. However, because the glocal state remains a territorially bounded and immobilized spatial configuration, it cannot recreate the type of scalar symmetry between state structures and circuits of capital that obtained during the

## TERRITORIAL STATE FORM



## SPATIAL ORGANIZATION OF THE WORLD ECONOMY

Figure 2 Urbanization, state forms and the world economy: For dist and post-Fordist configurations

postwar period. The state's efforts to restructure itself by devolving tasks and responsibilities downwards to its regional and local levels have actually magnified the territorial non-coincidence between the scales of state territorial organization and those of capital accumulation. The promotion of supra-national institutions such as the EU can be interpreted in part as a contravening effort to reduce this territorial non-coincidence by creating supra-national scales of state regulation (Leyshon and Thrift, 1995; Tömmel, 1996). Under these circumstances, the scales of state territorial organization have become central mediators of capital's attempt to maximize its command and control over space, territory and scale. As Swyngedouw (1992b: 61) notes:

The geographical scale of the codification and implementation of institutional-regulatory systems ... simultaneously defines and circumscribes the power of capital to command space. ... A reduction in the scale of regulatory-institutional organisation increases the power of capital over space and constrains the command of

territorially-organised interests to control territorial organisation. Scale reduction, therefore, reconfigures the boundaries of territorial organisation and intensifies inter-territorial struggle. The struggle over scale and its substantive definition works itself out as a struggle over the command over space and territory.

As the state comes to operate as an active moment in the configuration of each territory's fixed and immobile productive capacities, its scalar organization assumes a central role in circumscribing capital's locational dynamics and productive capacities. In the late twentieth century, the state's own configurations of territorial organization have become essential components of the circuit of capital, and therefore, important locational weapons in the interspatial competition between cities, regions and states in the world economy. Thus emerges a 'politics of scale' (Smith, 1995, 1992) in which the territorial organization of social relations becomes a direct object of sociopolitical contestation.

If, as Friedmann and Wolff (1982: 312) have proposed, 'world cities lie at the junction between the global economy and the territorial nation-state', then it is appropriate to view the political-regulatory institutions of world city-regions as highly contested sites in which the politics of scale are fought out with particular intensity. Contemporary processes of state re-scaling are reconfiguring the relationship between capital, state institutions and territorially circumscribed sociopolitical forces within major urban regions, producing new constellations of territorial politics on both urban, regional and national scales. Some of the contradictory interconnections between global cities and their host states in contemporary Europe can now be examined more concretely.

## GLOBAL CITY FORMATION AND TERRITORIAL POLITICS

Though the dynamics of local growth coalitions have been investigated extensively by urban regime theorists (see, e.g., Logan and Molotch, 1987; Mollenkopf, 1983), less attention has been devoted to the ways in which the localized politics of world cities are articulated with broader regional and national political-territorial constellations. This articulation can become highly antagonistic when territorially dependent interests located elsewhere within the global city's host state clash with the goals of the local growth machine. As Friedmann and Wolff (1982: 312) point out, 'being essential to both transnational capital and national political interests, world cities may become bargaining counters in the ensuing struggles'. Taylor (1995: 59) likewise asks: 'What would a strong protectionist policy resulting from a popular revolt by industrial America do for New York's role as a world city? Would capital move to a still "free"

Tokyo market?' The crucial question, therefore, is how the economic disjuncture between the world city and the territorial economy of its host state is managed politically, through the construction of accumulation strategies and hegemonic projects (Jessop, 1990) within and across each scale-level of the territorial state.

The case of London and the southeast of England is the most dramatic European instance of this disjuncture and an associated, highly polarized territorial politics. The dynamism of England's southeast as a global city-region has been based predominantly on an offshore economy derived from the City's role as a global financial center, delinked almost entirely from the declining cities and regions located elsewhere within the national territory of the UK (King, 1990b): 'The City is now a global stage located in Britain rather than a British stage in the global arena' (Toulouse, 1991: 62). Particularly following the abolition of exchange controls in 1979 and the deregulatory Big Bang of October 1986, the City's role as a global banking and financial center has been further consolidated. The 'two-nations' accumulation strategy of the Thatcher era has exacerbated spatial polarization between the Greater London metropolitan area and the rest of the UK (Dunford, 1995). In this context, the state's efforts to promote the southeast as a global city-region have generated conflicts with those sectors of the population that are dependent upon the territorialized productive base of the UK, including major sectors of industrial capital and its labor force. Global city formation in the national capital has today become one of the primary politicaleconomic priorities of the central state, at the expense of investment in declining cities and regions located elsewhere within its territory (LPAC, 1991; King, 1990b: 71-155). Consequently, the rise of Thatcherism can be interpreted as a 'declaration of independence by the south of England, the community dependent on London as a world city' (Taylor, 1995: 59; 1997, 1993).

Two lines of conflict that have dominated British national politics throughout the 1980s can be deciphered on this basis: that between financial and industrial capital; and that between central and local authorities (Coakley and Harris, 1983; Duncan and Goodwin, 1988; Longstreth, 1979). The rise of Thatcherism signaled the alignment of a neoliberal central state with globally oriented finance capital (as well as with London-based producer and financial services industries) against the territorialized demands of industrial capital and its labor force in the declining manufacturing cities and regions of the north and Scotland. This contradictory configuration of alliances (i.e. finance capital/central state vs. industrial capital/local councils/labour) also led to a series of bitter political conflicts within London following the consolidation of Thatcherism in 1979. Whereas the Labour-dominated GLC (Greater London Council) aspired to restructure London's industrial base through

various reindustrialization and manufacturing job-creation programs (Eisenschitz and North, 1986), the central state was concerned primarily to promote London's competitiveness as a world financial center through urban revitalization projects, enterprise zones and urban development corporations such as King's Cross, the Isle of Dogs Enterprise Zone, the Canary Wharf office development scheme in the Docklands and the Thames Gateway project (Fainstein, 1994; Simmie, 1994).

The reconfiguration of central-local government relations during the mid-1980s can likewise be viewed as a crucial component of the central state's neo-authoritarian accumulation strategy to propel London and the southeast of England to global city status while suppressing local and regional territorial opposition, including that within London itself. The 1986 abolition of regional government in the UK – both in the MCCs (Metropolitan County Councils) and in the GLC - can be understood as an initiative by the central state to create its own non-elected regional and local states to circumvent the territorialized opposition of both industrial capital and manufacturing workers (Duncan and Goodwin, 1988). This 'regional state solution' has entailed 'the removal of subnational state functions to non-electoral local states, while electoral local governments are left formally in position but with much reduced powers' (Duncan and Goodwin, 1988: 249; Colenutt and Ellis, 1993). These centrally controlled regional states represent a particular British variant of the glocal territorial state that was described above: in the UK the regionalization of state territorial power has been directed above all by the central state. These trends also indicate that the intensified importance of sub-national regulatory scales in the current configuration of world capitalism does not necessarily entail greater autonomy for regional and local institutions. In the London region, the Thatcherite wave of state re-scaling has entailed the creation of a new ensemble of unelected regulatory agencies and quangos that are local or regional in scale while being administered from above (the London Docklands Development Corporation, London Pride and the Thames Gateway scheme are among the most prominent examples).

This situation of a state-level territorial politics over global city formation has not been replicated in countries such as Germany or the Netherlands due to their very different structures of state territorial organization and urbanization patterns. In the FRG, with its decentralized state system and its multiple urban regions, it is not politically viable for the central state to align its socioeconomic policies one-sidedly with any single urban-regional growth pole, especially when many of its cities are already engaged in concerted interspatial competition with one another. Frankfurt presents a partial exception to this situation because it is the site of both the Bundesbank and (in the near future) the European Central Bank, but even here urban development is largely

planned and organized by an ensemble of local and regional institutions that must compete with other *Länder* for central state resources. In contrast to the UK, even the most globalized cities of the FRG operate as major articulation points for nationally and regionally dependent industries, and thus remain tightly interwoven into the industrial fabric of Germany's territorial economy.

During the 1980s, under the Kohl regime, state territorial organization in the FRG was substantially decentralized and regionalized (Herrigel, 1996: 275-86). This devolution of state power has enabled 'all Land governments ... [to] behave like the management of a business, attempting to direct their entire policy at the needs and requirements of the Land as an industrial location in postfordist world capitalism' (Esser and Hirsch, 1989: 430). As a result, the main form of interterritorial political conflict that has emerged in global city-regions such as Frankfurt/Rhein-Main is intra-regional: global city formation in the city core has generated a spiral of conflicts over living conditions, administrative organization, taxes, ecology, planning, transportation and growth with the cities and towns of the surrounding region (Keil and Lieser, 1992; Rautenstrauch, 1990; Ronneberger and Keil, 1995). However, on a national scale these political conflicts are overshadowed by intense spatial polarization between the 'old states' of Western Germany and the 'new states' of the post-unification East. The existence of multiple urban regions within the FRG has led to a situation in which, despite continued north-south and east-west spatial polarization, the globalized dynamism of the major cities underlies the accumulation strategy of the entire territorial state. As the central state devolves substantial tasks toward these sub-national scales, inter-territorial conflicts over global city formation appear to be organized primarily within and not between the major urban regions.

The Randstad–Netherlands case presents an intermediary situation between the London and Frankfurt constellations of territorial politics, for here the urban-regional and the national scales are almost entirely spatially coextensive. The Randstad – the polycentric agglomeration in the western Netherlands composed of Amsterdam, Rotterdam, Utrecht and the Hague – contains almost half the country's population and employment, produces 46 percent of the total gross value added of the Dutch economy, and occupies roughly one-quarter of its physical-geographic space (Musterd and de Pater, 1991; Dieleman and Musterd, 1992). In an already highly internationalized and export-oriented territorial economy, the Randstad is the major growth pole. In this situation, the state's relatively small size enables it to operate increasingly like a city-state, despite its centralized territorial form. Though core–periphery polarization, inter-urban competition and central–local conflict persist in the Netherlands, global city formation in the Randstad has now

become an unchallenged goal for national economic policy, as illustrated in the Fourth National Spatial Planning Report of the mid-1980s and in the Fourth Report Extra of 1990 (known by its acronym VINEX). The Fourth Report and the VINEX have reversed three decades of Dutch regional planning practice that emphasized the balanced geographical distribution of employment and population on a national scale (Faludi and van der Valk, 1994; Tömmel, 1992), advocating instead the spatial reconcentration of growth and investment within the central cities of the Randstad as the most effective strategy for national economic development (Kreukels, 1992; Terhorst and van de Ven, 1995). These central state spatial policy initiatives have promoted various forms of intermunicipal cooperation, investment, planning and regulation on the scale of the entire Randstad as being essential to its competitive advantage as a world city-region. In 1989 a national commission advocated the creation of regional authorities in seven urban areas (including the four cities of the Randstad megalopolis) that would appropriate various executive functions from the central state on scales that overlapped with emergent inter-municipal interdependencies (Kreukels and Wilmer, 1990; Van der Wusten and Faludi, 1992). Though the central state's recent efforts to construct 'city-provinces' in the major urban regions have provoked considerable local opposition, the current government remains committed to the project of reconfiguring the institutional structure of metropolitan governance both within and beyond the Randstad

Drawing on Katzenstein (1985), Dijkink (1995: 330) interprets the current wave of state territorial reorganization in the Netherlands as 'an example of the readiness of small countries to surmount political cleavages in order to react to world market conditions'. Yet current patterns of state restructuring in the Netherlands are quite analogous to those that have been occurring elsewhere within the EU. Like all European states, throughout the 1980s the Netherlands has been forced increasingly to replace traditional Keynesian welfare policies with supply-side, entrepreneurial forms of governance such as public-private partnerships, enterprise zones and urban-regional development corporations to promote, finance and regulate capital accumulation within its major cities and regions (Tömmel, 1992; Kreukels and Spit, 1990). In the Randstad-Netherlands case, however, the boundaries between interurban, inter-regional and state-level political conflict have proven to be relatively fluid. The politics of global city formation therefore dominates all levels of social and economic policy debate in the Netherlands, for the state's future trajectory in the world economy is largely contingent upon the dynamism of the Randstad (Terhorst and van de Ven, 1995). The Dutch state is less a host state for the Randstad than its geopolitical embodiment in the interstate system.

Even among global cities situated at the apex of the European urban hierarchy, political responses to the current round of spatial restructuring remain extraordinarily diverse, and depend substantially on the territorial structure of state power in their respective host countries. The central point that emerges from this schematic analysis is that global city formation generates intensely contradictory configurations of political-territorial struggle that at once *push* cities towards global accumulation strategies while simultaneously *pulling* them back into the vortex of state territorial power. As Taylor (1994b: 70) notes: 'For all their technical prowess in out-flanking the states, global cities remain places within states and this has crucial implications in terms of the politics of representation.'

# CONCLUSION: FROM THE 'URBAN QUESTION' TO THE 'SCALE QUESTION'

Global city formation cannot be adequately understood without an examination of the matrices of state territorial organization within and through which it occurs. The globalization of urbanization and the glocalization of state territorial power are two deeply intertwined moments of a single process of global restructuring through which the scales of capitalist sociospatial organization have been reconfigured since the early 1970s. The most recent round of globalization has therefore entailed not only an intensification of capital's dynamic of time-space compression (Harvey, 1989a), but a glocal reconfiguration of state terriorganization to circumscribe social relations reterritorialized 'power-geometries' (Massey, 1993). From this point of view, globalization must be understood as a re-scaling of global social space, not as a subjection of localities to the deterritorializing, placeless dynamics of the 'space of flows' (Castells, 1989). Amidst the confusing and contradictory geographies of contemporary globalization, world cities present a particularly complex 'superimposition and interpenetration' (Lefebvre, 1991: 88) of social spaces at the interface between multiple, overlapping spatial scales. Today there is an urgent need for new conceptualizations and representations of spatial scale to grasp these sites of simultaneous globalization and reterritorialization.

Though geographers have frequently invoked the idea that spatial scale is socially produced (Agnew, 1997; Herod, 1991; Jonas, 1994; Smith, 1992; Taylor, 1981), our understanding of how this takes place in distinct historical-geographical contexts remains underdeveloped. I would suggest, however, that the central role of reconfigurations of spatial scale in the currently unfolding transformation of world capitalism has generated the need for a much more sustained confrontation with this issue among social scientists, both within and beyond the disciplinary bound-

aries of geography. Scale, like space itself, is not a neutral or static container within which social relations are situated, but one of their constitutive dimensions. Scale is one of the central expressions of the process of uneven geographical development through which the dynamics of capital accumulation and capitalist urbanization historically unfold (Smith, 1984: 135–51). In this highly contradictory process, one of the crucial roles of the territorial state has been to organize patterns of capital accumulation into distinct historical-geographical configurations, a spatial fix (Harvey, 1982) composed of provisionally stabilized ensembles of global, national, regional and local relations.

Writing in the mid-1970s, Henri Lefebvre (1976: 67) argued that 'today the question of scale (la question d'échelle) inserts itself at the outset - at the foundation, as it were - of the analysis of texts and the interpretation of events'. I have suggested that this 'question of scale' has become even more central to the rapidly changing geography of capitalism than it appeared to be from Lefebvre's vantage point over twenty years ago. One of the most daunting methodological challenges posed by the preceding analysis is to rethink the role of spatial scale as a boundary, arena and hierarchy of social relations in an age of intensified capitalist globalization. The current round of globalization calls into question inherited Euclidian, Cartesian and Newtonian conceptions of spatial scales as neutral or static platforms for social relations, conceived as containers of different geographical sizes (Anderson, 1996; Walker, 1993). In the state-centric configuration of world capitalism that endured until the late 1960s, social relations appeared to converge within the territorial 'containers' of states. In this context, spatial scale could be viewed as a 'timeless space' (Agnew, 1994) situated within an unchanging geopolitical matrix of state territorialities. The national scale appeared to have a pre-given structured coherence as the natural geographical-organizational level for social relations, whether with reference to state institutions, economic organization, civil societies or politico-cultural identities. Today these assumptions have become obsolete. The scales of capital accumulation, state territorial power, urbanization, societal networks and politico-cultural identities are being continually transformed, disarticulated and recombined in ways that severely undermine this pervasive naturalization of the national scale of social relations (Taylor, 1996).

Insofar as each round of capital accumulation necessarily presupposes a moment of territorialized fixity, spatial scales continue to frame social relations within relatively stabilized configurations of territorial organization. However, by focusing one-sidedly on this provisionally fixed aspect of territorial organization, traditional conceptions of scale as an unchanging, self-enclosed platform cannot grasp the ways in which spatial scales actively structure social relations under capitalism, and

analogously, the ways in which the social relations of capitalism in turn continually transform configurations of territorial organization on differential spatial scales. From this point of view, like space itself, the scales of territorial organization are at once a presupposition, a medium and a product of capital's developmental dynamic. Description Scales are not only socially produced, but operate as a 'geographical organizer and expression of collective action' (Smith, 1995: 61) in the context of capital's drive toward the continual de- and reterritorialization of social relations.

In the early 1970s, Manuel Castells (1972) and David Harvey (1973) radicalized urban studies by presenting the 'urban question' as a key analytical window for the critical investigation of capitalism's spatiotemporal dynamics and contradictions. Recent research on world cities provides ample evidence that the urban question has remained an important window into the geography of global capitalism. However, this discussion of state re-scaling indicates various ways in which the urban question in its contemporary form is mediated through politicaleconomic transformations on multiple trans-urban scales, including those on which territorial states are organized. In this sense, the most recent round of capitalist globalization presents a major methodological challenge to urban studies: to integrate analyses of contemporary urban dynamics with an account of the rapidly changing scalar organization of capital accumulation, state territorial power and the urbanization process. In the late twentieth century, any confrontation with the urban question leads directly into this broader critical interrogation of what Lefebvre (1976: 68) aptly labeled 'the scale question'.

## **NOTES**

I am grateful to Nick Entrikin, John Friedmann, Manu Goswami, Margit Mayer, Allen Scott and Edward Soja for incisive comments and discussions at various stages of this project. An earlier version of this article was presented at the Historical Sociology and Comparative Politics Workshop, University of Chicago, October 1996. My thanks to the workshop participants as well as to Giovanni Arrighi, Jeremy Bendik-Keymer, Jürgen Essletzbichler, Gary Herrigel, Sandra Moog, Bill Sewell and three anonymous referees from *RIPE* for their helpful suggestions and criticisms. The usual disclaimers apply. Parts of the article were drafted while I was a Chancellor's Fellow in the Department of Geography at the University of California, Los Angeles. The financial assistance of UCLA is gratefully acknowledged.

- 1 Throughout this article, I use the terms 'world city' and 'global city' interchangeably.
- 2 Braudel (1983: 294) attributes this distinction between city-centered economies (Stadtwirtschaft) and 'territorial economies' (Territorialwirtschaft) to Karl Bücher's 1911 work, Die Entstehung der Volkswirtschaft. By coupling these terms to his own notion of the world-economy (also derived from a German term, Weltwirtschaft), Braudel is able to map the longue durée historical geog-

- raphy of capitalism in terms of various forms of interpenetration among cities, state territories and world-scale divisions of labor.
- 3 A major exception to this statement is the work of Taylor (1995, 1994b) on changing city-state relations during the *longue durée* of capitalist development. Another important exception is Hamnett's (1996, 1994) work on the impact of welfare state structures on global cities.
- 4 Sassen's own conclusion regarding the functional and spatial links between manufacturing and service industries indicates the limitations of such a focus: 'Yes, manufacturing matters, but from the perspective of finance and producer services, it does not have to be national' (1991: 328).
- producer services, it does not have to be national (1991: 328).

  This form of state territorial power was first institutionalized in the Treaty of Westphalia of 1648, which explicitly recognized the existence of an interstate system composed of contiguous, bounded territories ruled by sovereign states committed to the principle of noninterference in each other's 'internal' affairs (Ruggie, 1993; Taylor, 1994a).
- 6 This argument is elaborated at greater length in Brenner (1997b, 1997c). One obvious problem with this highly abbreviated discussion of the state as a form of territorialization for capital is that it does not take into account the highly contradictory character of state-capital relations (see Arrighi, 1994; K. Cox, 1990; Jessop, 1990; Offe, 1984). Each spatial fix must be viewed as a 'precarious equilibrium' (Lefebvre, 1976: 56) constructed through the intensely conflictual relations between various fractions of capital, state institutions, class fractions and social movements as they are articulated at different geographical scales.
- 7 The notion of territoriality as a 'strategy' based on the enclosure of space is derived from Sack (1986).
- 8 Soja (1992a: 95, 1992b) has defined post-Fordist urban form in closely analogous terms, as an 'exopolis' in which the city is turned '"inside out" and "outside-in" at the same time'.
- 9 For an overview of recent research on these transformations of urban governance and its geography see Hall and Hubbard (1996).
- 10 Thus formulated, spatial scales are analogous to 'structures' in the work of Giddens (1984) and Sewell (1992). See also Lefebvre (1991: 65, 73, 85–8).

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