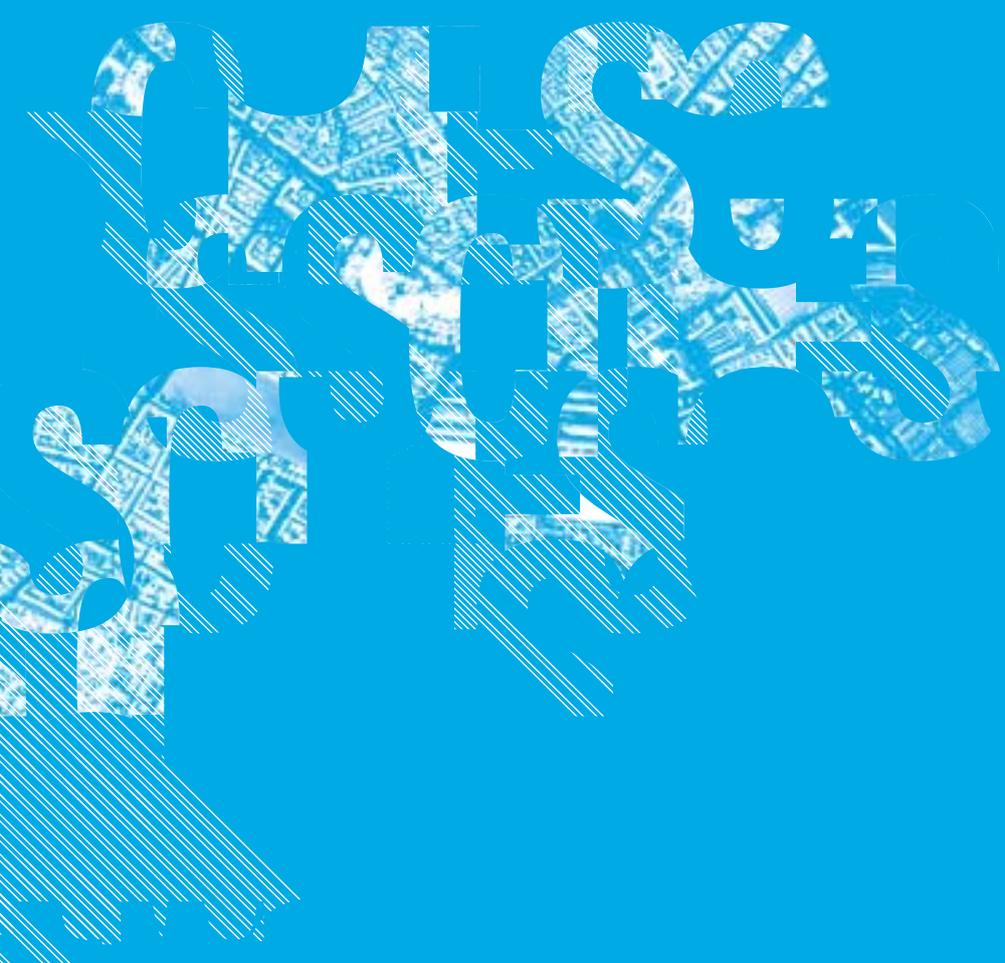


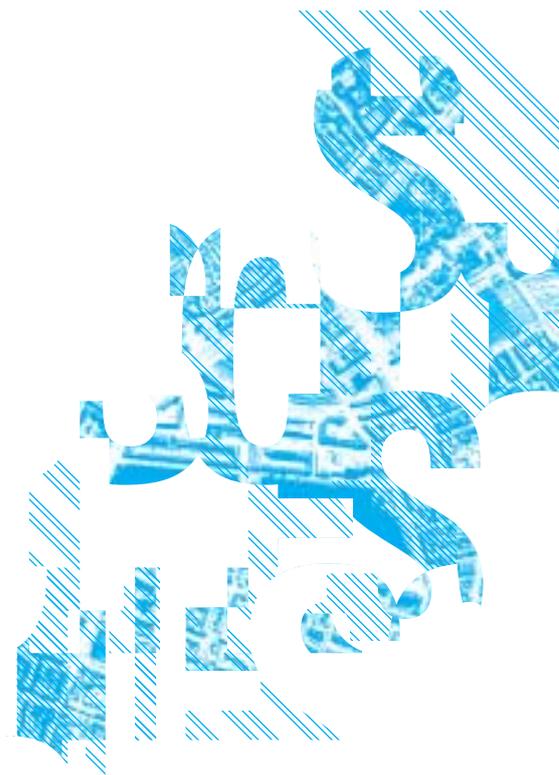
MINISTRY OF  
THE ENVIRONMENT

SPATIAL PLANNING  
DEPARTMENT

**EUROPEAN CITIES IN A GLOBAL ERA**  
**URBAN IDENTITIES AND REGIONAL DEVELOPMENT**  
**– MESSAGES AND CONCLUSIONS**

FOLLOW-UP REPORT TO THE  
CONFERENCE EUROPEAN CITIES  
IN A GLOBAL ERA – URBAN  
IDENTITIES AND REGIONAL  
DEVELOPMENT, COPENHAGEN,  
14–15 NOVEMBER 2002





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# EUROPEAN CITIES IN A GLOBAL ERA

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URBAN  
IDENTITIES  
AND  
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FOLLOW-UP REPORT TO THE CONFERENCE  
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## FOREWORD



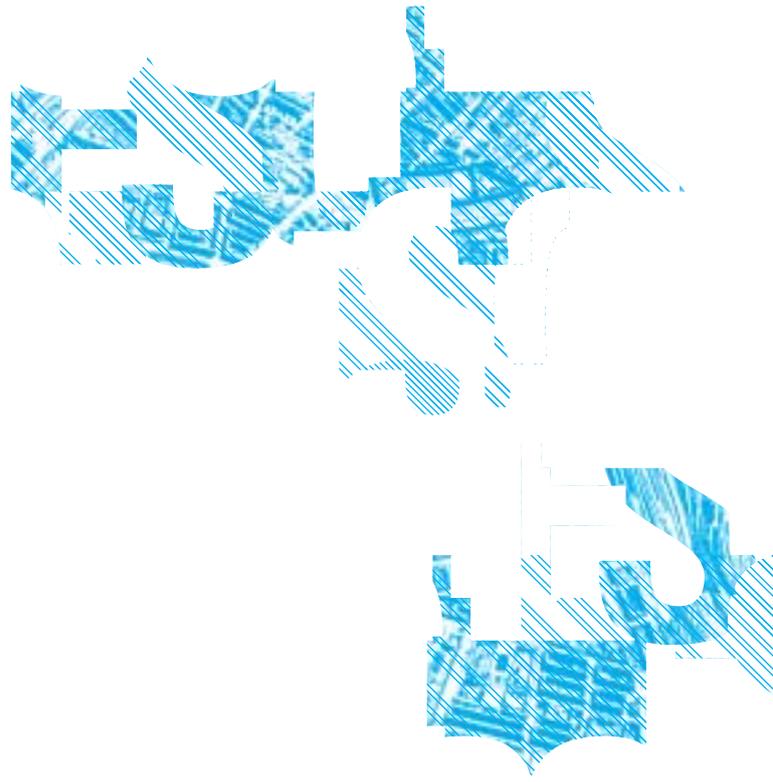
**Niels Østergård**  
Director General  
Spatial Planning Department

**In November 2002, the Spatial Planning Department hosted the conference European Cities in a Global Era – Urban Identities and Regional Development. The conference gathered together 300 politicians, researchers and planners from all over Europe for two days of fruitful information and discussion about globalisation and the new challenges for urban and regional development.**

Our ambition was to stimulate debate across professional, political and administrative boundaries, to ensure ongoing balanced and sustainable development in and between all the regions of Europe.

Some of the central points presented at the conference were: that we must support diversity and local identity, that strategic thinking is of critical importance for future urban and regional development and that the existing planning culture needs to be revitalised.

But for me, the most central message of the conference was that we can only meet these demands if we develop an integrated perspective on urban and regional development. Urban development affects regional development, and vice versa. But we also see now that urban development is the driving force behind globalisation. We need to channel this force into our regional development. It is therefore very important that we support coordinated discussion and



cooperation across old boundaries – national, professional and administrative.

These messages were also the central ones in the ten recommendations in the Copenhagen Charter 2002, presented by the Danish Minister for the Environment, *Hans Chr. Schmidt*. Some people may feel the Charter points are broad and general. But the sustainable development of a Europe that has significant differences between its various countries and regions requires a broad perspective.

For some people, the Charter points are common sense; for others, they may seem incomprehensible or unattainable. I was therefore pleased that the Director-General of the Regional Policy Directorate-General, *Guy Crauser*, mentioned in his speech that he saw the Charter as a much-needed reminder that urban and regional development around Europe should be placed in a broader territorial and political context.

The need for the local adaptation of development strategies and greater cooperation can be seen in numerous places. In Denmark, the recommendations in the Danish Government's national planning report for 2003 are in accordance with the messages in the Copenhagen Charter 2002. Spatial planning has to ensure that we have orderly and efficient cities and regions but also optimal cooperation conditions across boundaries, so that overall regional development is strengthened. In other words, if we are going to ensure balanced regional development, it is important that we expand our horizons. Then we can turn regional differences into regional strengths.

I am pleased with the positive response to the theme of the conference. I am also pleased that, with the presentation of the Copenhagen Charter 2002, the Danish Presidency has made a clear mark on the debate on urban and regional development in the years ahead, at the local, national, regional and European levels.

Finally, I would like to take this opportunity to thank the City of Copenhagen, Fonden Realdania and the Danish Town Planning Institute for their support and contribution to the conference and all the participants and speakers for an exciting and inspiring event.



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# SUMMARY AND CONCLUSION

## CITIES AND REGIONAL DEVELOPMENT IN THE FUTURE EUROPE

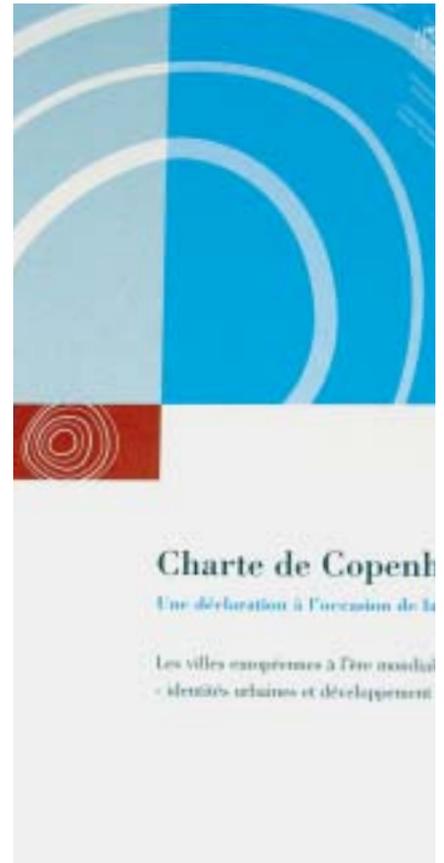
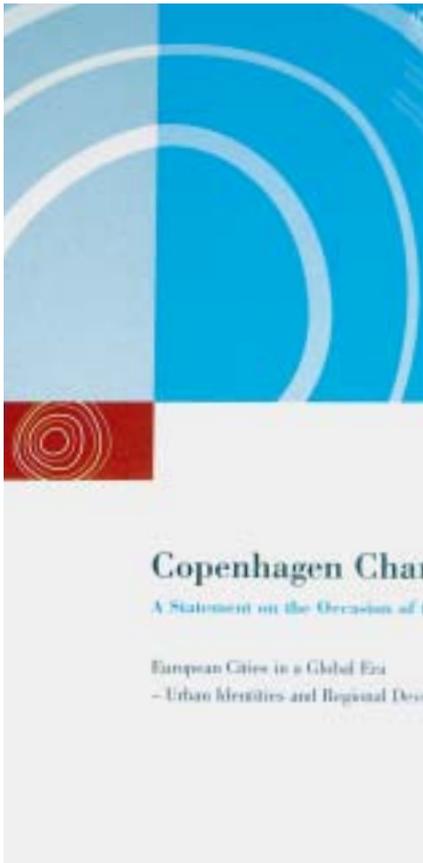
### Spatial Planning Department

**Globalisation is leading to new challenges for urban and regional development. There are many indications that cities are playing an ever-increasing role in the global economy. At the same time, the identity and quality of cities have become central competition parameters. However, the dynamics of the global economy often comes into conflict with this local quality and identity, resulting in, for example, cultural and architectural uniformity between cities, social polarisation between various urban districts and great environmental impact. In order to counter the negative consequences of globalisation, it is important that development be founded in the local identity. Maintaining growth and sustainable development, while also preserving local identity and diversity, are some of the challenges we face today.**

This was the background for the conference European Cities in a Global Era – Urban Identities and Regional Development and the presentation of the Copenhagen Charter 2002.

This document is a report on the conference. The target group of the report is primarily strategic planners at the European, regional, national and municipal levels. The report is also the Spatial Planning Department's conclusion to the conference. It summarises the overall needs for the development of programmes and goals at the European and regional levels and the needs for the development of new methods and planning tools.

In the context of the Danish EU Presidency, the report is also a proposal for how we can take the thoughts behind the European Spatial Development Perspective (ESDP) further. Since the ESDP was adopted in 1999, it has been of central importance for the formation of common European attitudes and initiatives relating to spatial plan-



ning. In addition, the philosophy of strengthening polycentric urban and regional development seems even more relevant now given the forthcoming enlargement of the EU.

Ensuring balanced and sustainable development in all regions of the EU requires cooperation and coordinating a joint approach and ensuring that development is founded in the local identity. Each city and region has its own competencies and potential. If these are supported and developed, broad regional networks can be created that can contribute to European unity.

The significance of cities for their regions should be emphasised through more integrated urban and regional planning. Urban policy should be seen in the context of regional policy, and urban development in the context of commercial development. The new challenges facing urban and regional development require creativity and cooperation. We should renew our goals and plan-

ning tools through dialogue running across boundaries. This will require increased cooperation between local and regional authorities on coordination of commercial development, human settlement and infrastructure and will also require broad partnerships between public and private partners.

The conference in Copenhagen provided a professional foundation and signalled politically that it is essential that new perspectives be introduced into general programmes at European level and that there be continued support for the ESDP process if we are going to meet the objectives for sustainability and competitiveness set in the Lisbon process from 2000. The Spatial Planning Department would therefore like to highlight and pass on a number of messages from the conference. These relate to 1) what role policies and initiatives for urban and regional development should have at the European level, 2) what themes are central and 3) how these themes should be integrated in future policies and programmes.



#### LOGO OF THE DANISH PRESIDENCY

#### **Policies and initiatives at the European level**

As European integration increases, policies at the EU level, support schemes such as the Common Agricultural Policy (CAP), Trans-European Networks (TEN) and Structural Funds resources and EU initiatives such as Interreg and the Urban programme are gaining increasing significance for urban and regional development. The foundation for these policies and initiatives will need to be constantly reviewed and renewed if we are to be able to manage the current challenges.

The adoption of the ESDP in 1999 was a clear indication of a joint European perception of the fact that new challenges for spatial planning require new perspectives. The ESDP represents a new way of looking at EU regional policy. Previously, the focus was more on the distribution of wealth between the financial core areas and the periphery. With the ESDP, the development potential of the regions became central. The background for this was that, although there are great economic, social and cultural differences within the EU, there are also trends that suggest that regional development largely depends on the local potential in the particular regions.

Solving the current challenges requires that the mindset behind the ESDP, regarding polycentric urban and regional development,

be increasingly incorporated into European regional policy. This measure is becoming even more relevant in connection with the ongoing reform of the CAP, the formulation of the third cohesion report the review of TEN in 2004 and the Structural Funds and Interreg in 2006.

Attaining the goals for European development characterised by balance, sustainability and growth requires a *territorial perspective*. This perspective is also emphasised by the preliminary work in the OECD's Territorial Development Policy Committee (TDPC). If the cohesion between the “new” and the “old” EU is to be strengthened, EU initiatives will have to be differentiated and targeted in relation to the individual regions and urban areas. Development needs to be supported in weak and troubled regions. But we also need to give attention to development in regions in which the economic and institutional base is in order. Development in one region is also significant for other regions. At the same time, an initiative that is sustainable in one location is not necessarily sustainable in other locations. Therefore, a flexible regional policy should be created at the European level that can take into account local potential and problematic factors.

### **The new themes**

Globalisation is significant for the entire European territory. The ever-increasing economic activity in the large urban regions in western Europe is leading to overpopulation, excessive environmental impact, etc., whereas the European fringe and rural areas are experiencing a correspondingly low level of activity that is often synonymous with limited development opportunities. However, this does not mean that small and medium-sized cities and regions in Europe's fringe areas do not have the potential to grow or to play a part in global society. A territorial perspective is part of the solution for the problem of the European core versus periphery, making it possible to target the initiatives and goals for development. The perspective for European regional policy should thus cover a broader group of regions and their development potential rather than just focusing on underdeveloped regions.

The basic premise of the Spatial Planning Department has been that the current challenges facing urban and regional development cannot be met unless one recognises that towns and cities have an important role to play in regional development. This means that goals, policies and programmes for urban and regional development should be evaluated based on an integrated perspective. Cities are not isolated entities but already form part of complex networks with complementary functions. In the future, these inter-urban networks should be developed and strengthened in such a way that each city becomes a powerhouse for its hinterland. Such a development strategy would go hand in hand with the idea of a polycentric development pattern, which focuses on building up complementary urban functions and regional qualifications.

### **What should be done?**

Discussion of the new challenges must be followed by the will to take tangible action to solve these challenges. Incorporating a territorial perspective into future European policies and initiatives is important in the work for European social and economic cohesion. This

means that urban and regional political strategies and initiatives should be seen in a broader and more long-term territorial and policy context. In other words, urban and regional policy strategies should be adapted to the geographical boundaries of a given task instead of the existing administrative and professional boundaries.

Cooperation and coordination across national, professional and administrative boundaries are therefore crucially important. Lack of coordination between various levels of government often results in greater inequality between various regions and between areas within the same region, and this leads just as often to solutions that lack a sustainable foundation, for example, in transport. Willingness to cooperate and coordinate efforts must be followed by regional policy initiatives with a focus on ensuring a match between top-down framework conditions for development and local and regional capacity for action.

At the European level, interest already clearly exists in the development of cities. Initiatives such as the Urban programmes illustrate this. However, urban development needs to be seen more in the context of regional development. Meeting the challenges of globalisation at both the urban and regional levels requires seeing these as integrated challenges. Problems in cities can be turned around and benefit the entire region, and vice versa. These recommendations have been emphasised earlier in a European context by EU Commissioner Michel Barnier. At the conference *Cities and Cohesion* in London in July 2002, *Michel Barnier* emphasised, among other things, that the goals for future EU initiatives should include strengthening cities as regional growth centres. He also proposed improved support for urban development and social integration in cities and a focus on improving the urban environment, especially buildings, transport and recreational areas. In other words, urban development is perceived as central for European cohesion, and cities should therefore have a more prominent place in the formulation of future policies and programmes.

## RE-IMAGINING DOWNTOWN

### PROBLEMS OF BRANDING THE PARTICULAR



Sharon Zukin

The internationally known *Cultures of Cities* (1995) has made Sharon Zukin one of the most widely read analysts on the interweaving of urban culture and the built environment with economic and political developments. Zukin is Broeklundian Professor of Sociology at the Brooklyn College and the Graduate School of the City University of New York. She has been a visiting scholar in several institutions such as the CNRS in Paris and a Resident Fellow at the Russell Sage Foundation.

Her most recent book, *After the World Trade Center: Rethinking New York City*, edited with Michael Sorkin, investigates the 11 September events as both a local and a global phenomenon and argues for a more democratically planned New York. Zukin holds the C. Wright Mills Award for the book *Landscapes of Power: from Detroit to Disney World* (1991) and is a member of the CUNY Cross-Campus Honors

College Faculty as well as a board member of the Center for Place, Culture and Power.

Offshoots for Zukin's paper are the ongoing discussions in New York on how to fill the spatial gap called Ground Zero. In this context, Zukin discusses the notion of branding and the risks incorporated in this urban development strategy. On a broader scale, Zukin asks how historical city centres can be re-imagined, including different functions, social classes and ethnic groups.



Every city is produced by continuous acts of re-imagination. Real estate developers who want to tear down old buildings and put new ones in their place, mayors who declare that old cities are “revitalised” or “coming back”, and mass media from newspapers to MTV that produce new visions of city streets – all of these work toward the creative destruction of urban space. Though these efforts aim to promote a city’s grandeur and growth, we don’t really know their results. When former Mayor Rudolph Giuliani repeatedly declared that New York City was the “capital of the world”, did his words really make it so? Or was he just trying to “sell” the city by positioning it above its competitors – New Jersey, where many corporations have moved their offices in recent years; Los Angeles, which rivals New York in television, film, and fashion production; and London, whose stock exchange and investment banks rival Wall Street as a headquarters of global financial markets?

Since the 1970s, selling a city to tourists and investors, as well as to media critics, has become very much like selling a computer, a soft drink or any other consumer good that relies on heavy advertising campaigns. All marketing strategies, these days, use the language of branding. Branding distils an image – theoretically, of the material qualities of an individual product, but in practice, of a human desire or social aspiration – and tries to connect this image with consumers’ needs for goods.

Historically, the branding process began more than a century ago, in the 1870s, when manufacturing companies obtained legal recognition of individual trademarks for their products. These names and symbols not only laid the groundwork for considering products as intellectual property, they also differentiated each company’s product from its generic category and – more importantly – from its competitors. “Quaker” oats was not only a coarsely milled kind of grain; it was a recognisable product made from a “recipe”

belonging to a specific manufacturer who owned the rights to use it. Making deals with stores for highly visible display space helped companies that produced flour, baked goods, and patent medicines to get their products directly to consumers. And advertising connected these products' names with a cherished concept of "value". In the nineteenth century, value suggested that a product was safe, clean, effective and durable. But over the years, as industrial production became more standardised, the meaning of value changed. Since the material conditions of packaging and distribution were able to ensure almost all products' relative safety and cleanliness, companies turned to products' intangible qualities to suggest their effectiveness and durability. Advertising agencies contributed to branding by translating these qualities into visual form and, with the development of the radio, they wrote musical jingles to make the image resonate in consumers' eyes and ears. Our great-grandparents were no more immune to the siren song of branding than we are: if a product was identified with beauty, youth, and sexual attractiveness – or, in the case of breakfast cereals and chocolate bars, with health and sensual delight – people bought it.

Branding cities is not so different. In the late nineteenth century, their prominent buildings and horizontal skyline filled photographic "view books" that promoted a city's reputation, and their emerging immigrant quarters – especially the increasing estrangement of "Chinatown" – inspired guidebooks that were read by travellers. Today, cities' sensual delights make up a continual itinerary for tourists and cultural consumers, who seek "fun" things to do, "interesting" buildings and quarters to see and "good" places to eat – all in a "safe" environment. But cities have never had the same mission as consumer product companies. They bear a great historical legacy, and they are expected to carry out broad social responsibilities. Their elected leaders are not chosen to sell a product; they are asked to create and maintain a liveable place for many different social groups.

Since World War II, however, and more urgently since the 1970s, this goal has been thought of – if not always met – as a financial problem. Like a corporation, the city government raises revenues and convinces buyers of municipal bonds that the organisation is in a perpetual state of growth. Unlike a business, the city government takes an interest in whether its citizens are employed. But these efforts are often contradictory. Cities cannot guarantee liveable conditions when employers insist on paying the minimum wage. They cannot keep subsidising tall buildings if there are not enough business to rent them. And what they have never been able to do – at least not in New York City – is to provide enough housing in convenient locations that everyone can afford. Even if cities, somewhat like corporations, are held to be responsible to their "stakeholders", these stakeholders' interests are always at odds. Business make different claims from residents, real estate developers are always fighting with tenants, and often the local government is arguing for more resources from regional, national and – in the European Union – supranational governments.

Though branding cannot resolve these tasks, it transforms the city's financial problems into image problems. Explicitly borrowed from the business world, branding aims to re-establish a city's "monopoly" on image value. It neatly sums up the public sector's dependence on public-private partnerships. And it captures the energy of the symbolic economy – especially the media, fashion, and financial industries – that has grown so rapidly in our times. Branding is a cultural strategy of an entrepreneurial city.

Like most cultural strategies, branding tries to re-imagine a collective identity that has been fractured by the structural changes of the late twentieth century: the loss of traditional industries from seaports to manufacturing, the huge and very visible increase in immigrant populations and the vastly weakened ties to traditional political, religious and work organisations. If branding is not a

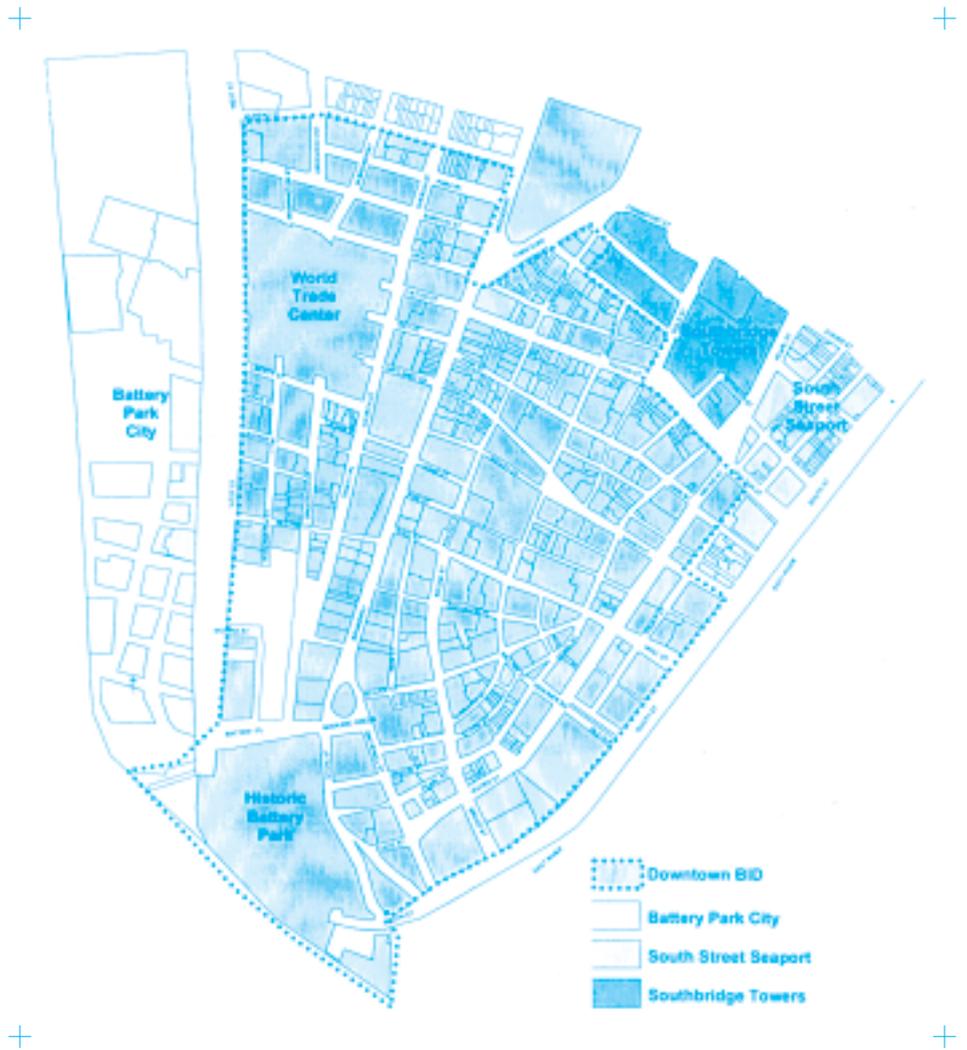


FIGURE 1  
MAP OF DOWNTOWN NEW YORK

good solution to the individual problem of seeking authenticity, it is nevertheless a strategic response to the problem of defining particularity in an increasing standardised and sometimes even trivialised world.

Yet the events of September 11, 2001 have made the world look anything but trivialised. We have learned anew that the long reach and vicious desperation of contemporary terrorists both match and confound the long reach and vicious desperation of powerful states. In New York, however, the terrorist attack that destroyed the World Trade Center (WTC) and killed almost 3,000 people has raised serious questions about the city's distinctiveness. If its image value is still viable, despite the loss it has sustained, New York should be able to retain business employment and also to continue to attract residents and tourists. But discussions about

rebuilding the 16-acre WTC site raise a number of challenging questions.

- Who has the right to occupy the city's centre?
- How can a city attract investors who thrive on entrepreneurial waves of creative destruction while maintaining social harmony?
- Is the rapid pace of business and technological innovation bound to destroy any city's competitive edge?

Moreover, like any city in a democratic society, New York must define its particularity both authoritatively and by building a consensus. And that's where the more problems lie.

The space made vacant on September 11, 2001 is in the city's historic centre - what

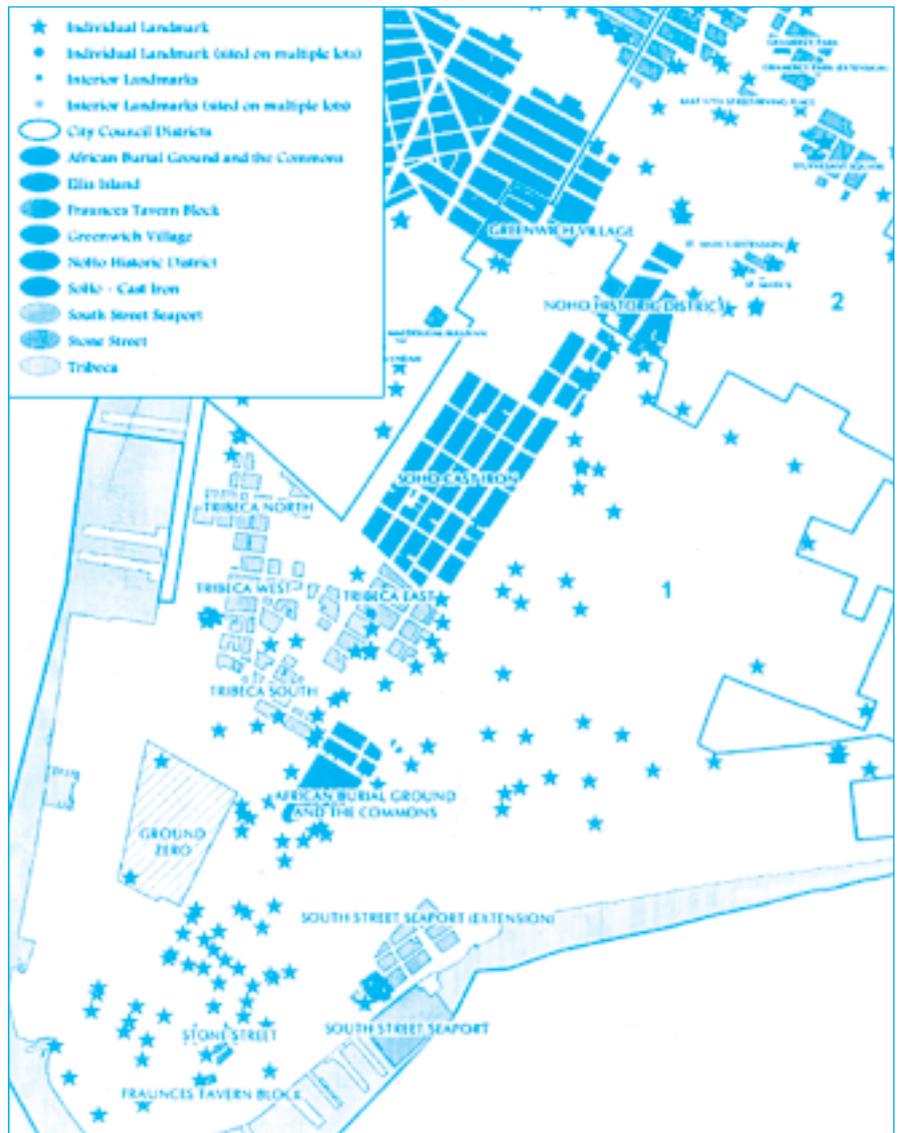


FIGURE 2  
**HISTORIC DISTRICTS AND INDIVIDUAL  
 LANDMARKS IN MANHATTAN CITY COUNCIL  
 DISTRICT 1**

New Yorkers call “downtown”. Though this term usually refers to an American city’s central business district, in New York the term is more complicated than that. Since the early twentieth century, the city has had two main business districts – the financial district, dating back to the Dutch West India Company’s colonial settlement in Lower Manhattan in the 1600s, and a larger, more modern, an more diversified commercial centre in midtown, north of Grand Central Terminal, which developed as a corporate location during the early twentieth century. The continuing defection of corporate headquarters, banks, and the law firms and other businesses that served them made midtown, by the 1950s, the city’s new commercial

centre. But Lower Manhattan’s declining position – reflected in office vacancies and decreasing rents – did not result in the area’s total degradation. As in other American cities, plans were made during the 1950s to use federal funds for urban renewal that would clear the downtown of low-rent and low-class uses. This would free land for more office construction (Figure 1).

Building the World Trade Center was a part – and, as we later discovered, a tragically important symbol – of these plans. During the 1960s, the WTC’s gigantic, inhumane version of modern architectural design destroyed the old streets, stores and markets of the historic downtown. The

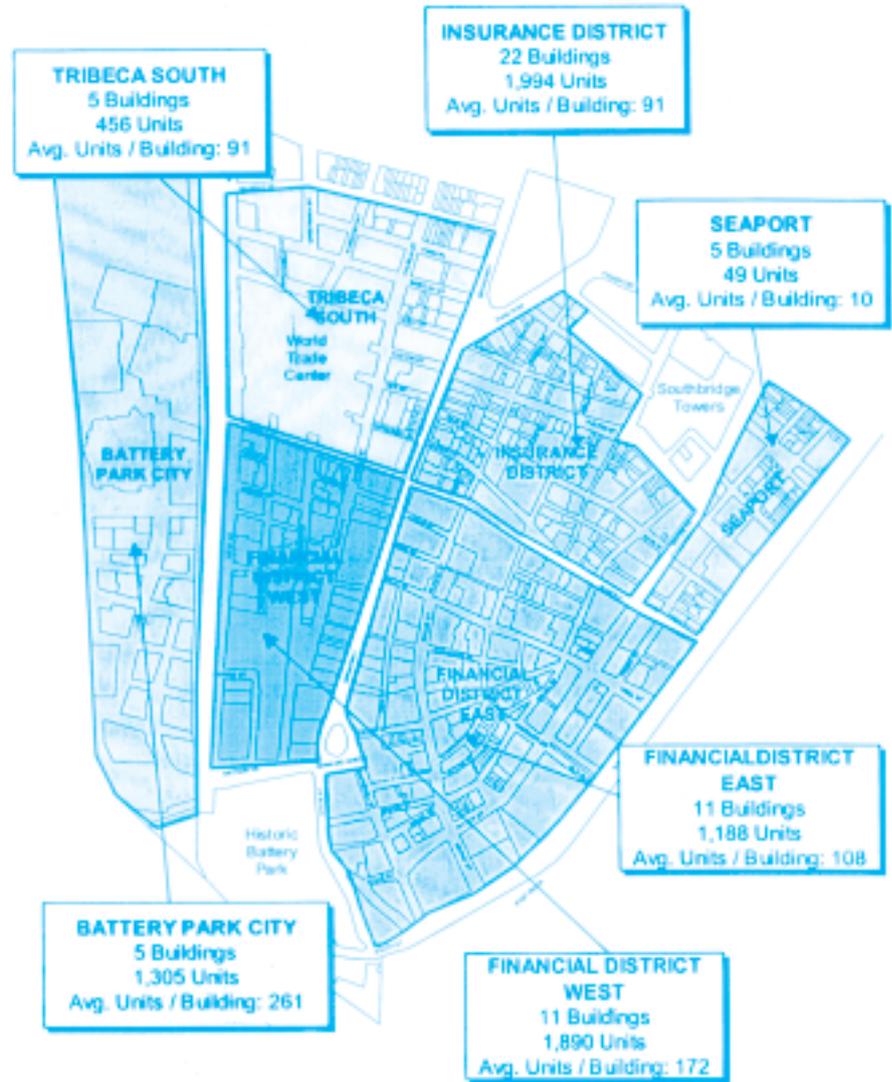


FIGURE 3  
**CONCENTRATION OF RESIDENTIAL  
 CONVERSION PROJECTS AND NEW  
 RESIDENTIAL CONCENTRATION BY DISTRICT  
 IN THE DOWNTOWN CORE BETWEEN 1995  
 AND 2000**

project created a super-block that divided one side of downtown from the other. As in London and Paris, the city government removed traditional public and wholesale food markets from the prime, central space. They also eliminated small commerce and cheap shops, evicting and demolishing Radio Row – a block of stores that sold electronic parts for radios, televisions and stereo systems. Through a complicated deal involving two state governments and new facilities for mass transportation, a public government agency – the Port Authority of New York and New Jersey – became the largest real estate developer in the city. The Twin Towers would help Lower Manhattan to remain

New York City's downtown in an economic, as well as an historical, sense.

New York was not the only American city to face the problem of a declining downtown. Indeed, preserving – or rebuilding – downtown is an old urban problem. Without the protected real estate of royal palaces or the Latin Quarter, American downtowns are continually reshaped by the ebb and flow of property values. As early as the 1870s or 1880s, business and political leaders in many cities began to debate the causes of downtown's decline. Refusing to acknowledge the simple idea that the downtown is inherently unstable because investors seek greater profits in taller build-



ings and greener fields – and often in overseas investment – they repeatedly blamed traffic congestion, architectural forms (especially the skyscraper), high taxes and foot-loose, affluent residents who prefer to live – and shop – in the suburbs. According to Robert Fogelson’s recent history of American downtowns, the perennial dream of revival is to bring affluent residents – and I would add business tourists – “back”.

But downtown embodies mutually contradictory cultural narratives. It is the ur-city, the historical root of a city’s growth – yet in many American cities it has been abandoned by the moneyed interests and severed from the rest of the metropolis by multilane highways. It is often the geographical centre – yet in all cities it has been replaced by the airports as the main node of arrival and departure. It is a city’s original sacred space, defined by the cathedral (or courthouse), marketplace and town hall – yet everywhere the decentralisation of residents and com-

merce makes it a monument to the past. Downtown also embodies less attractive counter-narratives. Encircling downtown are the earliest quarters or rings of racialised space – the “inner city” of immigrants and ethnic minorities. Near the inter-city bus or rail terminal is the traditional “skid row” of homeless people, runaway teenagers and transients looking for a good time. Down near the waterfront, old piers, unused warehouses and overgrown railroad tracks bear hostile witness to the old economy’s working past – while providing cheap space to artists and technicians of the new economy.

This cacophony of narratives and counter-narratives maintains downtown’s instability. Few New Yorkers question the identification of Lower Manhattan with the financial district of “Wall Street”, and of its vertical skyline – once punctuated by the Twin Towers – with the city as a whole. Yet the terrorist attack on the World Trade Center was just a recent, and not even the most

violent, event in the area's history. In the 1600s, the Dutch settlers who founded Nieuw Amsterdam took land from the Munsee Lenape Indians, pushed them out of the colonial territory and eventually enslaved or killed them. From Dutch colonial days through the American Revolution until the end of the Civil War, the English Navy attacked the city repeatedly or threatened to invade. During the British colonial and early republican days, when Lower Manhattan was the entire city, revolts by African slaves were violently feared and, when they occurred, were violently repressed. There were occasional big fires and a major accident, in the early 1900s, which killed a thousand people out for a day's excursion on a large pleasure boat. In 1920, the explosion of a bomb placed in front of the Morgan Bank on Wall Street by unknown persons damaged the bank, killed 40 people and led to the arrest of political radicals and socialists. In 1993, a group of fundamentalist Islamic terrorists made their first attempt to blow up the World Trade Center (Figure 2).

But from the 1950s to the 1990s, the main threat to downtown seemed to come from business moving away. For many years, the Port Authority rented most of the offices in the Twin Towers to state government agencies – an occupation that kept workers coming to Lower Manhattan. Tribeca, the neighbourhood just north of the World Trade Center, began a slow growth toward good restaurants, little theatres and art galleries and trendy loft-apartments. Both famous actors like Robert DeNiro and famous people like John F. Kennedy, Jr., lived there. Artists, dancers and other cultural producers lived and worked in lofts in this area and bought or rented unused space in Wall Street's less modern office buildings. This unofficial, and partly illegal, residential population brought a certain cachet to Lower Manhattan, a cachet that was recycled through adjacent areas of the waterfront as they underwent residential conversion and gentrification. Even today, "downtown" suggests a stylish chic, a knowledgeable cultural consumption and an implicit

ability to invest in the right thing or the right piece of real estate at the right time. A poster advertising "downtown must-haves" that I saw hanging near the cash registers in my local Duane-Read drugstore shows an attractive female model walking a dog on a cobblestone street in the old meat market district, and Ricky's, a local chain of cosmetics and accessories stores, announces the opening of the first midtown branch by saying: "Ricky's brings downtown uptown".

So downtown has been re-imagined three times since its commercial incarnation in the late nineteenth century. The first time, around 1900, it was re-imagined as a modern business centre where national headquarters of major financial corporations thrust their tall towers up into the skies, changing the skyline forever. Steel frames made it possible to build 15- and 20-story buildings, which crowded the narrow streets and shrouded them in perpetual shadows. The second time, from the 1930s through the 1950s, it was re-imagined as an even taller, sleeker and more modern office centre – the capital of a sprawling metropolis with global economic power. And the third time – in our time – downtown has been re-imagined as a lively, mixed-use, cultural and residential centre, where people go to socialise, work and buy things (Figure 3).

Such visibility of cultural spaces gives new life to the streets both day and night, preserving certain narratives of the past while easing the way to new, less threatening counter-narratives than those of the old working-class and ethnic neighbourhoods. Yet despite their connection with culture, these changes also reflect real estate developers' need to turn land to new uses and their reliance on state subsidies to do so.

The stock market expansion and dot-com boom of the 1990s encouraged the re-imagining of Lower Manhattan as both the financial and cultural "capital of the world". Sure, this was a term straight out of a booster's phrase book, but it fed the idea that the historic downtown was booming. A reduction in vacant office space and contin-

ually rising property values in the residential conversions created such momentum that it seemed as though it must be market-led. But this re-imagining of Lower Manhattan as a trendy living area and work location owed a great deal to concerted government programmes and subsidies.

A long-term, state-sponsored building programme to create a “new community” on landfill in the Hudson River, to the west of the World Trade Center, was begun in the 1970s; by the 2000s, it housed more than half of the area’s 34,000 residents. The National Museum of the American Indian (a division of the Smithsonian Institution, owned and managed by the federal government) was installed in an old customs house near the Battery. Lower Manhattan became a museum district, in fact, by degrees: the Museum of Jewish Heritage was built in Battery Park City; South Street Seaport Museum was already located in the East River north of Wall Street; and discussions were under way before September 11 to build a new branch of the Guggenheim Museum, designed by Frank Gehry, along the river to the north of that. Hudson River Park, intended to be the first link in a chain of waterfront green spaces, was opened by the state government and maintained by several different public-private partnerships. A new, private-sector Business Improvement District, the Alliance for Downtown New York, mobilised local, and often very large, commercial property owners and represented them in negotiating for important subsidies from the state and city government. These subsidies permitted property owners to modernise office buildings for “wired” firms and renovate the streetscape for tourists. The Alliance’s task, as they saw it, was to re-imagine Lower Manhattan as a hospitable place for residents and visitors, as well as for businesses. They imagined downtown as a “vibrant”, “24x7 community”.

This third act of re-imagining became even more crucial to the downtown’s survival after September 11. The attack on the WTC made living and working there appear extremely dangerous. Memories of the day of

the attack, and the ensuing days of fire, smoke and fear, lingered in people’s minds. Stores and other services were slow to reopen; projected plans for rebuilding would keep a large portion of downtown under construction for years. Moreover, the demand to erect memorials to those who had died depressed people, especially in Battery Park City, where residents confronted the possibility that the whole WTC site would be transformed into a grand memorial – or as they less charitably said, a cemetery.

Since September 11, federal and state government subsidies have allowed building owners throughout Lower Manhattan to offer good apartments at lower, though still expensive, rents. But it is not yet clear that the downtown population will stay there – or that the new tourists, who are less affluent than the business visitors of before, will continue to be drawn to the area’s still morbid attractions. Moreover, both before and after September 11, downtown’s residential community was affluent, young, childless, and “white” – making Lower Manhattan a racialised space not typical of the rest of the city. This socially skewed population is even more typical of the 25,000 residents who live in the new apartment houses of Battery Park City and the converted office buildings of the financial district – in other words, the downtown population excluding Tribeca. By 2000, according to *Downtown New York*, a report that was prepared for the Alliance for Downtown New York in January 2001, 88 percent of these residents were younger than 45 (only 44 percent of all residents in the Community Board 1 area, including Tribeca, were under 45); 76 percent earned more than \$90,000 a year; and 25 percent of the households earned over \$210,000 a year, which is more than four times the regional median.

Not surprisingly, almost two-thirds of the residents in this survey worked in financial services (37 percent), high-tech industries (15 percent), business services (13 percent) and advertising and the media (10 percent). But contrary to the common understanding, in many cities, that downtown resi-

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dents prefer to live there in order to walk to work, almost two-thirds worked outside downtown, in other areas of the city. This suggests that, by 2001, downtown had indeed emerged as a residential zone – a place to live and spend free time, instead of a traditional office district where work is done. The third act of re-imagining has worked very well.

The growth of art galleries in SoHo in the 1970s, the area's attraction as a tourist destination in the 1980s, and its radical makeover into a shopping district in the 1990s – with many art galleries moving to the far west side in Chelsea or to the traditional museum district uptown – radically changed the downtown. Its new reputation was reinforced by the gradual conversion of Tribeca's warehouse district into a residential neighbourhood with strong restaurant, designer and art world ties. Though many downtown residents, especially those in the arts, undoubtedly work at home, they don't have any connection with Lower Manhattan's financial industry. Since 1998, fewer downtown residents have actually worked in the financial district south of Chambers Street.

These people fulfil the real estate developers' dream of bringing affluent residents "back" downtown. Yet how many other goals have been satisfied? Does downtown have affordable housing or ethnic and social class diversity? Has it established a creative motor for the city's "new" economy or mitigated the continued decentralisation of financial firms?

There is, of course, a creative motor already in place. The 535 stock brokerages that are located in Tribeca coexist with around 100 design services and a significant number of arts-related businesses – 36 theatre, dance or musical performance spaces; 35 independent artists, writers or performers; 13 agents or managers; and 11 museums. And the number of these arts-related businesses is roughly doubled if you add in the adjacent neighbourhood of SoHo. The way to attract creative businesses and residents is

not to rebuild downtown as a financial centre, and not to subsidise a risky new industrial sector like Silicon Alley or biotechnology. The way to grow downtown is to build low, spread office employment around the city and preserve the historic centre's old buildings and independently owned shops.

This vision almost requires a fourth act of re-imagining. It pits the poignant, and sometimes nostalgic, regime of memory against the powerful regime of money. The tendency to build too fast, too tall and too much is typical of the boom-and-bust mentality of real estate developers, but it is also typical of the waves of investment and disinvestment that perpetuate downtown's instability. Though the regime of money can create impressive monuments – as well as a lot of shoddy construction – the regime of money really rests on continuous destruction. But the regime of memory also has its weak points. It tends to erect monuments that trivialise the complexities of the past and to oppose change.

Only by maintaining the old scale of downtown, however – the low, the dense, the eccentric, and the nearly forgotten – is there any chance of maintaining its particular appeal. In this particularity, residents and tourists alike can connect to a city's origins, or its distant past. This particularity what people come to see; this is the culture of a city.

# CITIES, FOREIGN POLICY AND THE GLOBAL ECONOMY

## TOWARDS A NEW TRIANGULATION?



Saskia Sassen

Saskia Sassen's highly influential book *Global Cities* (1991; new updated edition 2001) is a core work on globalisation, and its transformation of megacities like Tokyo, London and New York, pertinent to the circa 40 global cities, some major and some minor, today in the world. Her other publications on this subject includes the recently edited *Global Networks/ Linked Cities* (2002), which investigates the role of metropolitan areas in the developing world and their role in global urban networks. Sassen is Ralph Lewis Professor of Sociology at the University of Chicago and Centennial Visiting Professor at the London School of Economics and Political Science.

Sassen is currently completing her forthcoming book *De-nationalization: Economy and Polity in a Global Digital Age* (2003) based on her five-year project on governance and

accountability in a global economy. Sassen is co-director of the Economy Section of the Global Chicago Project, a Member of the National Academy of Sciences Panel on Urban Data Sets, a Member of the Council on Foreign Relations, and Chair of the newly formed Information Technology, International Cooperation and Global Security Committee of the Social Science Research Council.

Saskia Sassen's paper gives an overview and interpretation on how the new economy has changed the role of the city.



**GLOBAL CITIES:**  
**LONDON**  
**SAO PAULO**  
**NEW YORK**

I have been asked to examine how global processes play out in cities and how this can be linked to domestic and foreign policies that are more responsive to the conditions, potentials and constraints of cities. It seems to me we would need to consider at least three major issues in addressing these questions.

1) One is the relation between the global economy and sub-national units, particularly major cities or metropolitan areas that are international business and financial centres. This means understanding how global processes are partly embedded in strategic concentrations of resources and infrastructure, such as financial districts and state-of-the-art communication systems, as well as understanding the importance of various types of labour markets. These are among the crucial aspects making cities more important as a nexus in the global economy. At the level of governance, it means recognising that some of the crucial global dynamics can be partly governed at the level of major cities.

But it also means that some of the major costs associated with entering the global economy take place at the level of the city.

2) A second issue is the extent to which deregulation, privatisation and generally the declining role of the national state in the economy – all key elements in the current phase of globalisation – may contribute to replace the diad national state/global economy with a triangulation that brings in sub-national units, particularly global cities. This would clearly have major policy implications. A key aspect of the change and the potential for future change in this relation is the fact that the content of foreign policy has shifted more towards economic issues, so that a greater component of what we call foreign policy is today international economic policy. When it comes to economic policy, unlike, for example, military policy, cities play a major role in most countries.

3) A third issue is the impact of economic globalisation on the larger social, political

and economic structure of the city. This requires expanding the analytic terrain within which we understand the global economy in order to include activities and processes typically regarded as local, backward or unconnected to globalisation, such as many industrial services that actually serve the leading information industries but are not coded as part of these. It also means expanding the notion of globalisation to include processes such as immigration, which have potentially significant cross-border political implications: for example, the case of Dominican residents in New York City who can now vote in their home country elections, something which is likely to become a key issue for Mexican immigrants in the United States as well.

One of the challenges facing cities is that the knowledge, the analysis and the thinking about cities and the global economy has been embedded in two rather distinct fields of scholarship with little cross-communication. Understanding globalisation through strategic sub-national units, that is, global cities, and seeing these as key elements of the global economy helps us see that cities are key sites where local governance and foreign policy are linked.

In this brief paper I will try to address both of these broad subjects, focusing the discussion on those conditions and dynamics that can provide a context to help us examine the relation between local governance and foreign policy in a concrete geographic and policy setting.<sup>1</sup> A basic step in this effort is to understand why and how cities matter in today's global economy. Is there something different about their role today from twenty or thirty years ago? Are major cities unique in their role or do they share a number of traits with other major cities in the world in terms of the relation city-global economy?

### **Towards a more encompassing account of globalisation**

Globalisation has transformed the meaning of and the sites for the governance of economies and increasingly politics as well.

One of the key properties of the current phase in the long history of the world economy is the ascendance of information technologies, the associated increase in the mobility and liquidity of capital and the resulting decline in the regulatory capacities of national states over key sectors of their economies. This is well illustrated by the case of the leading information industries, finance and the advanced corporate services. These tend to have a space economy that is transnational and is partly embedded in electronic spaces that override conventional jurisdictions and boundaries.

Yet, this is also a space economy which reveals the need for strategic sites with vast concentrations of resources and infrastructure, sites that are situated in national territories and are far less mobile than much of the general commentary on the global economy suggests. This signals the possibility that the impact of globalisation is not simply a declining significance of the national economy, as is so often asserted, but rather a triangulation: national state, global economy, and strategic localities – typically major international financial and business centres. The strategic relationship is no longer the diad national state–global economy. One of the characteristics of the current phase in the world economy is a reassertion of the importance of sub-national units: whether global cities or strategic regions such as southern California.

The excessive emphasis on the hypermobility and liquidity of capital is a partial account. Further, it tends to obscure the relation between foreign policy, local policy and the global economy. It excludes, for instance, the possibility of a de-facto participation of global cities in international economic policy.

It also has the effect of excluding a variety of global processes that are really about the re-territorialising of people, economic practices and cultures. The immigrant communities and the neighbourhood sub-economies they often form are an instantiation of this.



## Buenos Aires

To that end, the next section examines the actual role of cities in a global economy. Two propositions organise the analysis. One is that, to a large extent, the global economy materialises in concrete processes situated in specific places, and that this holds for the most advanced information industries as well. We need to distinguish between the capacity for global transmission and communication and the material conditions that make this possible, between the globalisation of the financial industry and the array of resources – from buildings to labour inputs – that makes this possible; and so on for other sectors as well.

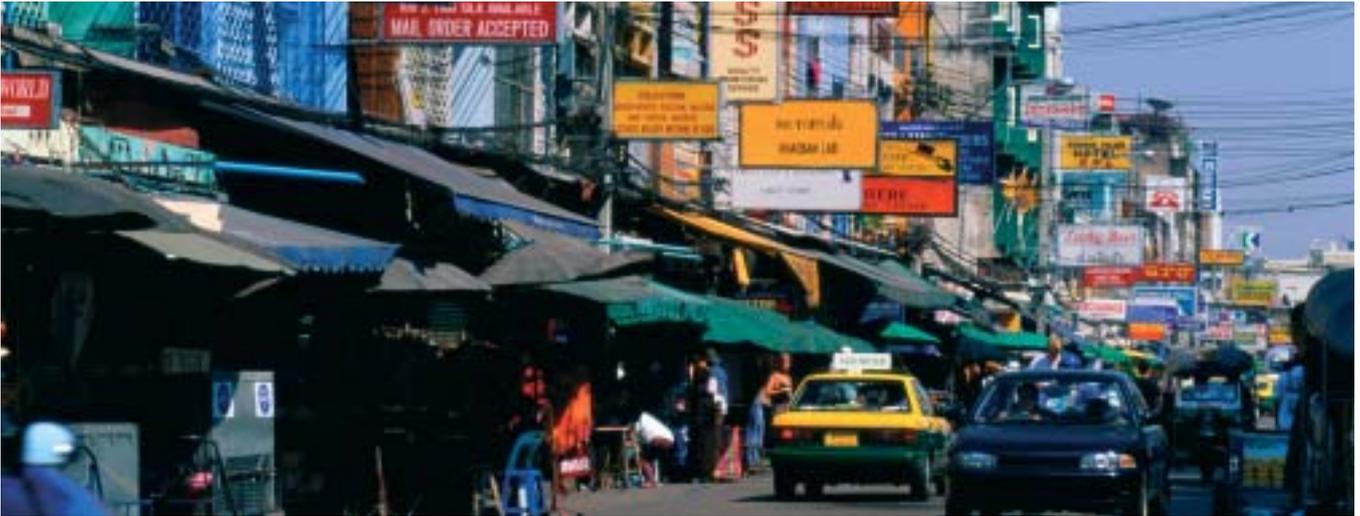
The second proposition is that the spatial dispersal of economic activity made possible by telematics contributes to an expansion of central functions if this dispersal is to take place under the continuing concentration in control, ownership and profit appropriation that characterises the current economic system. More conceptually, we can ask whether an economic system with strong tendencies towards such concentration can have a space economy that lacks points of physical agglomeration.

From these two propositions I have derived a series of analytic pathways into questions of place and work processes and thereby into the place-boundedness of various aspects of economic globalisation.

Recovering this place-boundedness also illuminates certain aspects about the role of the state in today's global information economy, which are easily lost in discussions of the hypermobility of information outputs.

### Place and work process in the global economy today

The specific forms assumed by globalisation over the last decade have created particular organisational requirements. The emergence of global markets for finance and specialised services, the growth of investment as a major type of international transaction, have all contributed to the expansion in command functions and in the demand for specialised services for firms. Transnational corporations and banks are major sites for international command functions and major consumers of specialised services. Yet much new global economic activity is not encompassed by the organisational form of the transnational corporation or bank. Nor is much of this activity encompassed by the power of such firms, a power often invoked to explain the fact of economic globalisation. Much of this activity involves, rather, questions of work and of place. The spatial and organisational forms assumed by globalisation and the actual work of running transnational operations have made cities one type of strategic place in the global economy and producer services a strat-



## BANGKOK

egic input for the implementation of global economic systems.

The combination of geographic dispersal of economic activities and system integration that lies at the heart of the current economic era has contributed to new or expanded central functions, and the complexity of transactions has raised the demand by firms for highly specialised services. Rather than becoming obsolete due to the dispersal made possible by information technologies, cities: a) concentrate command functions; b) are post-industrial production sites for the leading industries of this period, finance and specialised services; and c) are transnational marketplaces where firms and governments can buy financial instruments and specialised services.

### **The intersection of service intensity and globalization**

The new or sharply expanded role of a particular kind of city in the world economy since the early 1980s is results from the intersection of two major processes. One is the sharp growth in the globalisation of economic activity. This has raised the scale and the complexity of economic transactions, thereby feeding the growth of top-level multinational headquarters functions and the growth of services for firms, particularly advanced corporate services. Firms operating

many plants, offices and service outlets must coordinate planning, internal administration and distribution, marketing and other central headquarters activities. Further, as large corporations moved into the production and sale of final consumer services, a wide range of activities, previously performed by free-standing consumer service firms, were shifted to the central headquarters of the new corporate owners. Regional, national or global chains of motels, food outlets and flower shops require vast centralised administrative and servicing structures. A parallel pattern of expansion of central high-level planning and control operations takes place in governments, brought about partly by the technical developments that make this possible and partly by the growing complexity of regulatory and administrative tasks. Diversification of product lines, mergers and transnationalisation of economic activities all require highly specialised services. The territorial dispersal entailed by transnational operations of large enterprises illustrates some of the points raised here. For instance, United States and German transnationals today each have over 19,000 affiliates in foreign countries. Further, the top transnationals have very high shares of foreign operations: the top ten largest transnational corporations in the world had 61% of their sales abroad. The average for the 100 largest corporations was almost 50%.



## LONDON

It is important to note that, while globalisation raises the scale and complexity of these operations, these operations are also evident at smaller geographic scales and lower orders of complexity, such as firms that operate regionally. Thus, while such regionally oriented firms need not negotiate the complexities of international borders and regulations of different countries, they are still faced with a regionally dispersed network of operations that requires centralised control and servicing or sufficiently complex central functions that it makes sense to buy specialised services rather than producing them in house.

The second process is the growing service intensity in the organisation of all industries. This has contributed to a massive growth in the demand for services by firms in all industries, from mining and manufacturing to finance and consumer services. The components of this demand include financial, advertising, accounting, legal and consulting services. Cities are key sites for the production of services for firms. Hence the growing service intensity in the organisation of all industries has had a significant growth effect on cities beginning in the 1980s, and often not until the late 1980s. It is important to recognise that this growth in services for firms is evident in cities at different levels of a nation's urban system. Some of these cities cater to regional or sub-

national markets; others cater to national markets and yet others cater to global markets. In this context, globalisation becomes a question of scale and added complexity. But the key process from the perspective of the urban economy is the growing demand for services by firms in all industries and the fact that cities are preferred production sites for such services, whether at the global, national or regional level. As a result, we see in cities the formation of a new type of economic core of banking and service activities, which comes to replace the older one, typically oriented towards servicing manufacturing and trade.

In the case of cities that are major international business centres, the scale, power and profit levels of this new core are such as to suggest that we are seeing the formation of a new urban economy. This is so in at least two regards. On the one hand, while these cities have long been centres for business and finance, since the late 1970s there have been sharp changes in the structure of the business and financial sectors and sharp increases in the overall magnitude of these sectors and their weight in the urban economy. On the other hand, the ascendance of the new finance and services complex, particularly international finance, engenders what I see as a new economic regime. That is to say, while this sector may account for only a fraction of the economy of a city, it



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imposes itself on that larger economy. Most notably, the possibility for super-profits in finance has the effect of de-valorising manufacturing insofar as the latter cannot generate the super-profits typical of much financial activity.

This is not to say that everything in the economy of these cities has changed. On the contrary there is much continuity and much similarity with cities that are not global nodes. It is rather that the implantation of global processes and markets has meant that the internationalised sector of the economy has expanded sharply and has imposed a new valorisation dynamic, often with devastating effects on large sectors of the urban economy. High prices and profit levels in the internationalised sector and its ancillary activities, such as restaurants and hotels, made it increasingly difficult in the 1980s and 1990s for other sectors to compete for space and investments. Many of the latter have experienced considerable downgrading and/or displacement; or lost economic vigour to the point of not being able to re-take their economic space when the recession weakened the dominant sectors. Illustrations are neighbourhood shops catering to local needs replaced by up-scale boutiques and restaurants catering to new high-income urban elites. The sharpness of the rise in profit levels in the international finance and service sector also contributed

to the sharpness of the ensuing crisis. These trends are evident in many cities of the highly developed world, though rarely as sharply as in major United States cities.

Though at a different order of magnitude, these trends also became evident towards the late 1980s in a number of major cities in the developing world that have become integrated into various world markets: Sao Paulo, Buenos Aires, Bangkok, Taipei and Mexico City are but some examples. Central to the development of this new core in these cities as well were the deregulation of financial markets, ascendance of finance and specialised services, integration into the world markets, real estate speculation and high-income commercial and residential gentrification. The opening of stock markets to foreign investors and the privatisation of what were once public sector firms have been crucial institutional arenas for this articulation. Given the vast size of some of these cities, the impact of this new economic complex is not always as evident as in central London or Frankfurt, but the transformation has occurred.

Accompanying these sharp growth rates in producer services was an increase in the level of employment specialisation in business and financial services in major cities throughout the 1980s. There is today a general trend towards high concentration of

finance and certain producer services in the downtowns of major international financial centres around the world: from Toronto and Sydney to Frankfurt and Zurich we are seeing growing specialisation in finance and related services in the downtown areas.

These cities have emerged as important producers of services for export, with a tendency towards specialisation. New York and London are leading producers and exporters in financial services, accounting, advertising, management consulting, international legal services and other business services.

Cities such as New York are among the most important international markets for these services, with New York the world's largest source of service exports.

There are also tendencies towards specialisation among different cities within a country. All the major economies in the developed world display a similar pattern towards sharp concentration of financial activity in one centre: Paris in France, Milan in Italy, Zurich in Switzerland, Frankfurt in Germany, Toronto in Canada, Tokyo in Japan, Amsterdam in the Netherlands, and as we have seen, Sydney in Australia. The evidence also shows that the concentration of financial activity in such leading centres has actually increased over the last decade. Thus in Switzerland, Basle used to be a very important financial centre that has now been completely overshadowed by Zurich. And Montreal was certainly the other major centre in Canada two decades ago and has now been overtaken by Toronto. Similarly in Japan, Osaka was once a far more powerful competitor with Tokyo in the financial markets in Japan than it had become by the late 1980s. In the United States, New York leads in banking, securities, manufacturing administration, accounting and advertising. Washington leads in legal services, computing and data processing, management and public relations, research and development and membership organisations. New York is more narrowly specialised as a financial and business centre and cultural centre. Some of the legal activity concentrated in Washington is actually serving New York City businesses, which have to go through legal and regulat-

ory procedures, lobbying, etc. These are bound to be in the national capital.<sup>ii</sup>

It is important to recognise that manufacturing remains a crucial economic sector in all of these economies, even when it may have ceased to be so in some of these cities. Manufacturing in a city like New York City ranges from apparel production for the fashion industry to woodwork and metal making for architects, furniture designers and other design industries.

Further, the new service economy benefits from manufacturing. Indeed, it feeds the growth of the producer services sector, but it does so whether located in the particular area, in another region or overseas. While manufacturing, and mining and agriculture for that matter, feed the growth in the demand for producer services, their actual location is of secondary importance in the case of global level service firms: thus whether a manufacturing corporation has its plants offshore or inside a country may be quite irrelevant as long as it buys its services from those top-level firms. Secondly, the territorial dispersal of plants, especially if international, actually raises the demand for producer services because of the increased complexity of transactions. This is yet another meaning of globalisation: that the growth of producer service firms headquartered in New York or London or Paris or Mexico can be fed by manufacturing located anywhere in the world as long as it is part of a multinational corporate network. It is worth remembering here that as General Motors was offshoring production jobs and devastating Detroit's employment base, its financial and public relations headquarters office in New York City was as dynamic as ever, indeed busier than ever. Thirdly, a good part of the producer services sector is fed by financial and business transactions that either have nothing to do with manufacturing, as is the case in many of the global financial markets, or for which manufacturing is incidental, as in much of the merger and acquisition activity that was really centred on buying and selling rather than the buying of manufacturing firms as such.

Some of the figures on New York and London, two cities that experienced heavy losses in manufacturing and sharp gains in producer services, illustrate this point. New York lost 34% of its manufacturing jobs from 1969 to 1989, the period of acute manufacturing losses, in a national economy that overall lost only 2% of such jobs, and there actually was manufacturing growth in many areas. The British economy lost 32% of its manufacturing jobs from 1971 to 1989; and the London region lost 47% of such jobs. Yet both cities had sharp growth in producer services and raised their shares of such jobs in total city employment. Further, it is also worth noting the different conditions in each city's larger region: London's region had a 2% decline compared with a 22% job growth rate in the larger New York region. This points to the fact that the finance and producer services complex in each city rests on a growth dynamic that is somewhat independent from the broader regional economy – a sharp change from the past, when a city was presumed to be deeply articulated with its hinterland.

### **The formation of a new production complex**

The rapid growth and disproportionate concentration of producer services in central cities should not have happened according to standard conceptions about information industries. As they are thoroughly embedded in the most advanced information technologies, they could be expected to have locational options that bypass the high costs and congestion typical of major cities. But cities offer agglomeration economies and highly innovative environments. Some of these services are produced in-house by firms, but a large share are bought from specialised service firms. The growing complexity, diversity and specialisation of the services required makes it more efficient to buy them from specialised firms rather than hiring in-house professionals. The growing demand for these services has made possible the economic viability of a free-standing specialised service sector.

There is a production process in these services that benefits from proximity to other specialised services. This is especially the case in the leading and most innovative sectors of these industries. Complexity and innovation often require multiple highly specialised inputs from several industries. One example is that of financial instruments. The production of a financial instrument requires inputs from accounting, advertising, legal expertise, economic consulting, public relations, designers and printers. Time replaces weight in these sectors as a force for agglomeration. That is to say, if there were no need to hurry, one could conceivably have a widely dispersed array of specialised firms that could still cooperate. And this is often the case in more routine operations. But where time is of the essence, as it is today in many of the leading sectors of these industries, the benefits of agglomeration are still extremely high to the point that it is not simply a cost advantage but an indispensable arrangement.

It is this combination of constraints that has promoted the formation of a producer services complex in all major cities. This producer services complex is intimately connected to the world of corporate headquarters; they are often thought of as forming a joint headquarters–corporate services complex. But it seems to me that we need to distinguish the two. While it is true that headquarters still tend to be disproportionately concentrated in cities, many have moved out over the last two decades. Headquarters can indeed locate outside cities. But they need a producer services complex somewhere in order to buy or contract for the needed specialised services and financing. Further, headquarters of firms with very high overseas activity or in highly innovative and complex lines of business tend to locate in major cities. In brief, firms in more routinised lines of activity, with predominantly regional or national markets, appear to be increasingly free to move or install their headquarters outside cities. Firms in highly competitive and innovative lines of activity and/or with a strong world market orientation appear to benefit from being located at the centre



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of major international business centres, no matter how high the costs.

But what is clear, in my view, is that both types of headquarters need a corporate services sector complex to be located somewhere. Where is probably increasingly unimportant from the perspective of many, though not all headquarters. From the perspective of producer services firms, such a specialised complex is most likely to be in a city rather than, for instance, a suburban office park. The latter will be the site for producer services firms but not for a services complex. And it is only such a complex that can handle the most advanced and complicated corporate demands.

### **Corporate headquarters and cities**

It is common in the general literature and in some more scholarly accounts to use headquarters concentration as an indication of whether a city is an international business centre. The loss of headquarters is then interpreted as a decline in a city's status. The use of headquarters concentration as an index is actually a problematic measure given the way in which corporations are classified.

Which headquarters concentrate in major international financial and business centres depends on a number of variables. First, how we measure or simply count headquarters

makes a difference. Frequently, the key measure is size of firm in terms of employment and overall revenue. In this case, some of the largest firms in the world are still manufacturing firms, and many of these have their main headquarters in proximity to their major factory complex, which is unlikely to be in a large city due to space constraints. Such firms are likely, however to have secondary headquarters for highly specialised functions in major cities. Further, many manufacturing firms are oriented to the national market and do not need to be located in a city's national business centre. Thus, the much-publicised departure of major headquarters from New York City in the 1960s and 1970s involved these types of firms. If we look at the Fortune 500 largest firms in the United States (cf. "Fortune Magazine 500 list"), many have left New York City and other large cities. If instead of size, we use share of total firm revenue coming from international sales, a large number of firms that are not part of the Fortune 500 list come into play. For instance, in the case of New York City the results change dramatically: 40% of United States firms with half their revenue from international sales have their headquarters in New York City.

Secondly, the nature of the urban system in a country is a factor. Sharp urban primacy will tend to entail a disproportionate concentration of headquarters no matter what



A UNITED STATES CITY BY NIGHT

measure one uses. Thirdly, different economic histories and business traditions may combine to produce different results.

Further, headquarters concentration may be linked with a specific economic phase. For instance, unlike New York's loss of top Fortune 500 headquarters, Tokyo has been gaining headquarters. Osaka and Nagoya, the two other major economic centres in Japan, are losing headquarters to Tokyo. This is in good part linked to the increasing internationalisation of the Japanese economy and the corresponding increase in central command and servicing functions in major international business centres. In the case of Japan, extensive government regulation over the economy is an added factor contributing to headquarters location in Tokyo insofar as all international activities have to go through various government approvals.

### **The state and the city in the new geography of power**

The above discussion shows that the strategic spaces where many global processes are embedded are often national and the infrastructure that makes possible the hypermobility of financial capital at the global scale is embedded in various national territories. This raises a question about the impact of the global economy on the particular form of the articulation between sovereignty and territory that has marked the history of the modern state. The sovereignty of the modern state was constituted in terms of mutually exclusive territories and the concentration of sovereignty in the national state. Economic globalisation represents a major transformation in the territorial organisation of economic activity and of political and economic power.

We can begin to address this question by examining major aspects of economic globalisation that contribute to what I think of as a new geography of power. One is the much-noted fact that firms can now operate across borders with ease. For many, this is what globalisation is about. In my reading, there are at least two other components in

the new geography of power that confronts national states today.

One of these components concerns the actual territories where much of globalisation materialises in specific institutions and processes, the subject of the preceding section. And the question here is, what kind of territoriality is that represented by a major international financial and business centre such as where firms from all around the world can do business with each other in deregulated markets and industries?

The second component of the new geography of power has arisen out of a push towards legal innovation and privatisation. We are seeing the ascendance of a new legal regime to govern cross-border economic transactions, a trend not sufficiently recognized in the social science literature. There has been a massive amount of legal innovation around the growth of globalisation, and we are seeing the growth of private legal systems. Notable among these is international commercial arbitration, now the main system for governing transnational business, and credit rating agencies, which have emerged as the arbiters of the global financial markets. To this we could add the growing role of the global capital market in disciplining national governments.<sup>iii</sup> The major implication of this privatisation and innovation is to make a city like New York a key site for the governance of global economic processes. This forces the issue of international policy and the role of such a city. The fact that this governance role is partly privatised veils the displacement of components hitherto seen as part of the foreign policy of the national state onto the corporate world concentrated in cities such as New York. This is a subject that deserves more research and discussion.

Adding these two components of the new geography of power to the global footlooseness of corporate capital reveals aspects of the relation between global economy and national state that are not adequately or usefully captured in the prevalent notion of a duality global-national. This duality is con-

## NOTES

<sup>i</sup> It is impossible to cite the literature on which I will base my discussion. I can only refer the interested reader to two recent books, the new, fully updated edition of *The Global City* (2001 Princeton University Press), translated into Spanish with EUDEBA (Buenos Aires 1999); and *Losing Control? Sovereignty in an Age of Globalization* (Columbia University Press) translated into Spanish with Bellaterra (Barcelona 2001).

<sup>ii</sup> The data on producer services is creating a certain amount of confusion in the United States. For instance, the fact of faster growth at the national level and in medium-sized cities is often interpreted as indicating a loss of share and declining position of leading centres such as New York or Chicago. Thus one way of reading these data is as decentralisation of producer services: New York and Chicago losing share of all producer services in the United States. Another way is to read it as growth everywhere, rather than a zero-sum situation where growth in a new location *ipso facto* is construed as a loss in an older location. In my reading, these patterns point to the growing service intensity in the organisation of the economy nationwide.

<sup>iii</sup> There is a third component in the new geography of power: it is the fact that a growing number of economic activities are taking place in electronic space. This growing virtualisation of economic activity, particularly in the leading information industries such as finance and specialised corporate services, may be contributing to a crisis in control that transcends the capacities of both the state and the institutional apparatus of the economy. The speed of transactions made possible by the new technologies is creating orders of magnitude, for instance in the foreign currency markets, that escape the governing capacities of private and government overseers.

ceived as a mutually exclusive set of terrains in which what the global economy gains the national economy or the national state loses.

Let me elaborate. On the matter of territory, I would argue that the specific process under way today is the partial de-nationalising of national territory, a process that is concentrated in very specific parts of the national territory. (In the case of Mexico, certain parts of Mexico City, areas dominated by commercial export-oriented agriculture, and the maquila programme. Both through corporate practices and through the fragments of an ascendant new legal regime, territory is being de-nationalised, though in a specific and highly specialised fashion – as befits the tenor of this era.

This process of de-nationalisation of national territories cannot be reduced to a geographic conception of territory, as was the notion in the heads of the generals who fought the wars for nationalising territory in earlier centuries. This is a de-nationalising of specific institutional arenas: Manhattan and the City of London are the equivalent of free trade zones when it comes to finance. But it is not Manhattan as a geographic entity, with all its layers of activity, and functions and regulations, that is a free zone. It is a highly specialised functional or institutional realm that becomes de-nationalised. Mexico City has equivalent areas.

Secondly, on the matter of sovereignty: it remains a feature of the system but it is now located in a multiplicity of institutional arenas: the new emergent transnational private legal regimes, new supranational organisations (such as the World Trade Organization and the institutions of the European Union), and the various international human rights covenants. All of these have the effect of constraining the autonomy of national states; states operating under the rule of law are caught in a web of obligations they cannot disregard easily. (Though they clearly can to some extent, as is illustrated by the unpaid duties of the United States to the United Nations – if it were us and a credit card debt, we would be in jail.)

To these developments we need to add the formation of transnational bonds and communities through immigration. This raises a whole series of additional issues that have the effect of displacing certain political functions away from the international relations between national states and onto privatised spheres of individuals, households and communities. This is yet another way in which sovereignty and territoriality are changing, in this case through the practices of immigrants.

In brief, globalisation over the last ten to fifteen years has brought about a reconfiguration in the intersection of exclusive authority of the national state over its territory and sovereignty as it had been constituted over the last century and struggled for over far more centuries. This reconfiguration is partial, selective and above all strategic. For the purposes of understanding the context within which urban governance takes place today, these transformations in key aspects of the modern state and the modern interstate system signal a conceptual and a practical opening for the inclusion of cities in what was once a partnership of two.

We are moving from the state-international system partnership to a triangulation where cities are the third party. This creates an enormous set of new opportunities, new obligations and new costs for cities. The question of urban governance is today a profoundly transformed event compared with what it was even ten years ago.

## THE CHARTER OF COPENHAGEN 2002



Raoul Bunschoten

London-based Dutch architect Raoul Bunschoten is Founding Director of CHORA, an internationally known laboratory for new forms of architectural and urban design. Throughout autumn 2002, he chaired a workshop on Copenhagen's development. The workshop served as a starting-point for his keynote talk. This working method has been developed through Bunschoten's many workshops in cities worldwide and presented in his manifesto *Urban Flotsam*, a major outline of the CHORA methodology (2001).

Bunschoten is a Guest Professor at the Berlage Institute, Rotterdam and has taught at the Aarhus School of Architecture, the Architectural Association in London, Columbia University in New York City and other schools. His publications include *Public Spaces* and *Stirring the City* as well as contributions in magazines such as *Architectural*

*Design, Techniques et Architecture* and *Daidalos*.

Bunschoten's paper is a refreshing comment on the need for a new way of looking at contemporary urban development all over Europe. Bunschoten takes up the track of the Copenhagen Charter 2002 and his workshop at the conference and asks how the case of Copenhagen and other cities can be diagnosed in terms of working with its identities as a strength.



**RANDOMLY DISTRIBUTED OBSERVATION POINTS (BEAN SITES) IN PARTS OF THE CITIES OF COPENHAGEN AND FREDERIKSBERG**

The Charter of Copenhagen is an attempt to highlight problems for European cities caused by the increase of global forces acting upon these cities. I summarise its suggestions:

1) register the characteristics in order to create identity, 2) harness latent potential, 3) stimulate the interweaving of city and region: city is region, 4) recognise the multifunctional nature of the city in relationship to space and territory, 5) support cross-border co-operation, 6) develop new roles for land use and infrastructure in developed urban territories, 7) use memory and history as active components in a city's dynamics, 8) use design to express the culture of a city and create local specificity, 9) use economic growth to monitor the ecological processes of an urban environment but find ways to decrease the concurring growth in mobility, 10) invite public participation to set criteria for innovation on different scales of the urban context.

These are very commendable points, but how to follow these suggestions? And how to agree on the method of following them? For example, how to agree on the registration of characteristics? What are the techniques used to see characteristics and what are the criteria for those that should be registered? Which land use is good and under what circumstances? What is good design? Whose memory is to be used? The Charter does formulate the most important issues: but how do we develop techniques of seeing, registering etc. and how do we teach people to get the necessary skills for observation? How do we agree on criteria for the judgement of methods and their application, and how do we know this application works in different places?

If we want to look at emerging conflicts in European cities and regions caused by so-called globalisation, then we have to look at these conflicts on a Europe-wide scale and develop comparative models for both methods and training of methods. The reason for



#### EUROPE AND THE CANDIDATE COUNTRIES FOR EU MEMBERSHIP

this is precisely to keep local difference, and the ability to compete within the context of these forces, using their potential in different ways. Global forces act similarly on all situations, but their symptoms are often different. Only through comparative modelling is it possible to recognise the similar source of apparently different symptoms. Understanding these sources and the different varieties of symptoms increases the effectiveness of interacting with them. We have to train people that take up decision-making positions in recognising phenomena related to global forces at an early stage to use the potential of these forces for local use. Currently the training of planners and decision makers is a national affair. Some schools have a more international body of students; many benefit from the Erasmus exchange programme. The Leonardo programme provides funding for transnational exchange and vocational training, that means deepening the existing skills, but this programme and others like it have no clear

direction and are not aimed at a Europe-wide policy with regard to training and innovation. They cater to the individual case and do not further an overall methodology of observation and intervention.

European institutions are needed that do research in different thematic areas of global forces and their effects on local environments but that also develop and test methodologies and tool boxes that are applied throughout Europe. There is a recurring question whether such institutions would stimulate more universality and loss of local difference. In fact, the very knowledge they can help create of the way a local situation is affected by outside influences creates the chance to use their potential better in specific situations. How do we invent European institutions that focus on the research into market forces, land uses, cultural trends, social changes, design and technological innovation? This range is only touched by a few so far: the Berlage Institute in Rotterdam is one

of them, the Cities Programme of the London School of Economics and Political Science is another, the Architectural Association in London sometimes reaches that status, although none has yet so far concentrated on changes within the EU. There is a fascination and indeed a need to look at far greater changes occurring in India, China or Mexico. But the changes in the future EU are radical and far reaching. Universities such as the Vienna University of Technology are now gearing up for this role and are harnessing expertise to look at the range of issues emerging from the forthcoming enlargement of the EU.

The following issues will have to be addressed by the institutions in relation to the Charter:

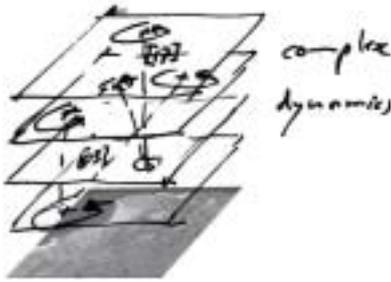
- the cross-border knowledge management of conflicts and potential;
- the construction of tool boxes that are applicable throughout the EU;
- the co-ordination of training across the EU; and
- the activation of networks of cities and regions.

In each issue institutions should experiment with different methods and instruments and develop a theoretical basis. What are such institutions like? One early example of such an institution was the scientific laboratory set up by Tycho Brahe. The Danish scientist, scholar and poet Tycho Brahe developed the world's first modern research laboratory on an island near Copenhagen. This laboratory was aimed at the description of the moving universe, its representation and the instruments needed for its observation. He created measuring tools for the universe that reflected the form of that which was measured. These instruments can be understood as mechanical metaspaces; through their use, the dynamics of the universe became legible. But the creation of the laboratory itself generated another metaspace: what is called in recent management theory a "community of practice", in which a group pursues an aim through research and development but also sees itself as a learning environment. During the interactions, the goals themselves are transformed and the

project is continuously reformulated. The group acts as a closed community, but simultaneously each member represents a discipline, organisation, culture, geographic entity with which he or she brings specific interests and leaves again with new understanding and new agendas.

The island of Tycho Brahe provided a temporary abode for many artists, scientists and scholars that partook in his research, forming a community that played with the factors of the known and unknown world. The island laboratory became a prototype, followed by adaptations that proliferated as the members of this community later circulated throughout Europe and Asia, influencing the course of science, trade, politics, literature and geography wherever they went. Some people leaving the island became mapmakers in Amsterdam; they described the new space of seafaring and merchant ships and the growing cities. The island was an institutionalised metaspace and a semi-public meeting space, but the dissemination of methods and techniques created a new public realm that formed a new image of the world as well.

The new Europe will need similar initiatives. The sheer size of the increase will create new urban and regional phenomena. It needs to spawn laboratories that can study these phenomena and develop new techniques of intervention. And the new identity starts already at the eastern border posts of the Baltic states, moving from rich former Soviet states into poor European partners. And that is just the border. The sheer numbers that are now migrating into and through Europe are enormous. And the pressure remains: many people want to be part of this economic superbloc, but also many want to prevent changes that are too radical. So multiculturalism goes hand in hand with political tensions and transformations. These tensions exist in Denmark as well and prompted the City of Copenhagen to look for ways to increase public participation in decision making processes for the city's development. This was the reason for the invita-



tion by Copenhagen X, an organisation set up by the Cities of Copenhagen and Frederiksberg to look into the future of these cities and organise events and projects, to stage public games for the development of scenarios for new projects and the orchestration of increased participation. Since scenario games were part of an overall methodology to deal with the complex dynamics of a city, we proposed to bring in a complete methodological tool box that is under development at CHORA. This tool box is called the Urban Gallery. This project was initiated in August 2002 but has not yet been completed due to lack of funds. Although Copenhagen X is directly funded by a very large independent fund, called Realdania, which aims at supporting innovative projects related to urban development, true experiments and especially open-ended experiments that could cross established agendas are too much risk for organisations that have vested interests. Ideally, such experiments have to be conducted by authorities that understand and support the transformations cities are undergoing, especially in relationship to transnational trends within the EU. One of the roles of European institutions will be to negotiate tool-building experiments with existing forms of government and to take care of some of the risk while at the same time tying the urban or regional partner to the process of the experiment. But first an introduction into the Urban Gallery.

### Urban Gallery

The manifesto that weaves through the book *Urban Flotsam*<sup>i</sup> ends with Manifesto Lines 55, 56 and 57:

55 When a part of a city is designated a metaspace, it becomes an Urban Gallery – a fluid form of public space that evolves in time, generating different definitions of public space and different ways of participating in it. These definitions yield “floors” in the spatial structure of the urban gallery. Metaspaces make it possible to bring the dynamic

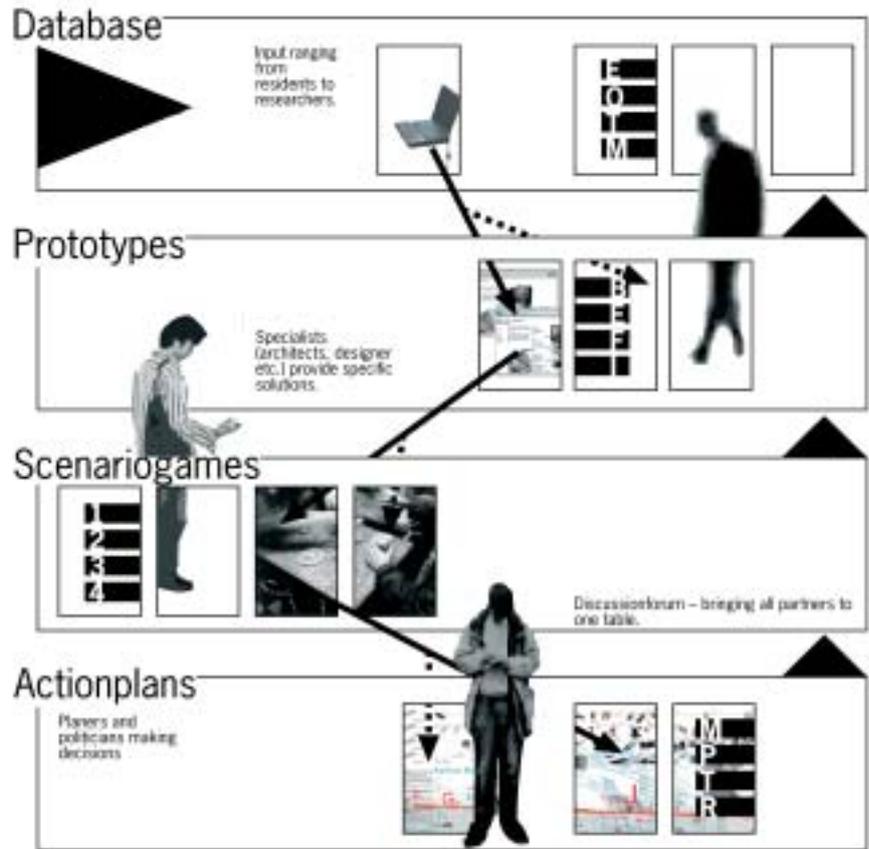
structure of scenarios into the flows of the second skin. A metaspace in the second skin is a public space, a public matrix.

- 56 Urban Curation is the practice of maintaining Urban Galleries, the metaspaces of the second skin. Urban Curators are the practitioners that manage the contents of these metaspaces. They oversee the production of scenarios and prototypes. They organise tables of negotiation, support the initiation and work of Liminal Bodies.
- 56 The practices of urban planning and architecture are evolving in the context of an ever-more complex second skin. In collaboration with other practices, inhabitants, users, clients, decision-makers, producers, and investors, these practitioners help to invent new urban forms and define the shifts in practice that are required for the management of these new forms. Urban Curators orchestrate this shift in practice, detect emergent phenomena, designate cities as metaspaces, form galleries, and curate their contents.

### The Urban Gallery and Urban Curators

The Urban Gallery is a peripatetic instrument of unstable, dynamic and ultimately ephemeral phenomena. It is a device for the management of transient states. This management is done with the help of four service structures: the Database, Prototypes, Scenario Games and Action Plans. They contain the following:

1. Database: Mini-scenarios and Operational Fields;
2. Prototypes: Urban Prototypes as moving singularities;
3. Scenario Games: simulation and testing of dynamic environments; and
4. Action Plans: theses that lead to the proliferation, adaptation and implementation of the prototypes.



The Urban Gallery is like a cabinet with drawers: four drawers contain the main service structures, but each drawer has another set of drawers inside it. However, the substance of the structure of the cabinet is porous – all contents communicate with each other or are linked according to specific trajectories.

Urban Curators observe emergent phenomena and, as keepers of the transient states, act as animators for the dynamic contents of the Urban Gallery. Urban Curation is a new profession, although it can be recognised in many instances as being part of existing actions. In a recent competition project for the City Museum of Contemporary Art in Rome, we looked at curatorial prototypes that could cater to emergent and quite fleeting art forms that apparently disdain the institutional and physical structure of the museum. Our project searched to create an interactive meeting place in which curatorial prototypes intertwine different interests and

actions in order to give form to a particular movement or vision. This development in curatorial practices in the art field inspired us to develop, together with the artist Jeanne van Heeswijk, the concept of Urban Curator.

The Urban Gallery is a knowledge management tool that creates temporary holding patterns for knowledge and intertwines these patterns to fuel the urban prototypes. Inside one of the layers, the Action Plan, the thesis forms an inspirational core, containing deep research. This is something like the soul of the system, introducing a highly personal “wind of change”. It provides the system with a kind of conscience and intention. This intention is aimed at the main product of the Urban Gallery: the evolution (adaptation) of Urban Prototypes and their proliferation through an action territory; adaptive states shift the prototype forward into a multiple proliferation, the multiple proliferation shifts into new states or situations and the prototype is forced to adapt.

### **The Urban Gallery in action: Project W, Sector E and the Netherlands in the context of a new Europe**

We are now involved in several projects that implement the Urban Gallery as a planning tool and methodology. In fact, we have become Urban Curators of a large organisational process to bring together a variety of actors that want to apply the Urban Gallery, and are similarly training organisations to play this role. In the Netherlands, we are working with a consortium that aims at being a Community of Practice. The consortium comprises planners on a national level, local authorities, private enterprises, and experts on a case project for a logistical node that simultaneously will be city and landscape. We act as process-managers for this community with the help of the Urban Gallery. While this guidance is based on the intersection of individual interests, we also have to act as planners and begin to tune the Urban Gallery as an instrument to the processes of planning, implementation and even inhabitation. We are now at the start of stage two in which we have introduced a game board into the actual site under consideration in order to orchestrate sub-groups of the consortium – subgroups that have vested interests in specific prototypes but can interact with others. These groups we also call communities, but in this case the term community refers to the product: a community of inhabitants, users and agents.

In the second stage we will take the Community of Practice through all four service structures: the Database, Prototypes, Scenario Games and Action Plans. In previous projects the Database has been structured with randomly distributed observation points, or “bean sites”, named after the technique of throwing beans that we introduced to demonstrate the principle. Recently the Database has been expanded to include a layer of Operational Fields alongside the catalogue of Mini-scenarios. Each Mini-scenario is constructed with four basic processes: Erasure, Origination, Transformation and Migration. Together, these four processes are able to describe any of the dynamic conditions at a given point,

but they have a specific sequence: they follow a metaphoric succession of stages that are modelled on a seed.<sup>ii</sup>

The project is not fixed yet in its location. It may move through a larger space for which it eventually must act as a model project. This space, called Sector E, stretches from the harbour of Rotterdam – still the largest in trading volume in the world – into the heart of the Ruhr area in Germany. Sector E is an emergent Eurozone but also a site of the growth of a new urbanity. It is situated within the growing conflicts generated by the intensification of the flows of goods between this harbour and large parts of Europe. Because of the need for the regulation of these flows, the invention of dynamic systems for this regulation, and the management of the urbanisation process, the Urban Gallery is a potential planning tool for Sector E. But for the time being it is a support system for a model project inside it, Project W.

Transnational flows of many kinds – migration, expanding financial markets – are some of the products of the radical transformation Europe is currently undergoing. We have studied these phenomena at the Berlage Institute, in which individual students have developed one or more Prototypes and created Action Plans for their proliferation and adaptation in Sector E. This project will soon be on-line as an interactive version of the Urban Gallery. This is an experiment in real-time dynamics, in which the educational space becomes a kind of metaspaces. In simulating the evolution of an environment, the professional actors in the consortium for Project W gradually move through different stages of the construction of an actual and virtual planning environment with concrete, physical products: a harbour, new landscape processes, new forms of living, education and industrial enterprise.

The intention of the game board – and its rules of rotation around community centres – is to structure an artificial set of mechanics that echo but do not imitate the dynamics of



## SECTOR E

the first skin. In the case of Project W, there will be a gradual implementation of prototypes and the programmes that create the flesh, or critical mass for them. Over a period of time prototypes will start to intertwine, either naturally or induced by members of the Community of Practice. The evolution of prototypes and successive intertwining will have to be planned carefully. These will engender different states, temporary and ephemeral, in the development of a city.

The new Europe will face an increase in the blurring of boundaries. New city-regions are emerging but they are calling the existing nation-states in question. This will become a real and urgent challenge to the EU and its Member States that do not want themselves voted out of existence. Yet these new regional cities are strong, and come closer in the direction of city-states, which

creates a new kind of tension between rural areas and city-regions. Are these rural areas different in identity or are they some new kind of cultural product that belongs to the spatial organisation of the city-regions? Soon these new regions need new forms of governance, surpassing middle levels of authority, a process already starting in the Netherlands with the discussion about the use of provincial authorities.

### **Dynamic master planning: Urban Gallery Copenhagen X and Bucharest Stepping Stones**

The project Urban Gallery Copenhagen X has run from August 2002 until February 2003 and is continuing for the time being on an academic level with three institutions in Denmark. Copenhagen X had the initial plan of developing a ten-year-long vision



#### SCENARIO GAME DURING THE COPENHAGEN CONFERENCE

for the initiation of new projects and a broad base for participation in the decision-making processes surrounding those projects. This vision was based on the Internationale Bauausstellung in Berlin (IBA), which was very successful during the 1980s and early 1990s in reviving the quality of living in the centre of Berlin and raising the debate about innovative urban projects in general. Copenhagen X had a bold vision for a similar project for Copenhagen but focusing more on emergent trends such as migration, the role of technology in contemporary cities and the changes in the fabric of society. It also wanted to secure more public participation of any kind in the processes of creative vision and pragmatic development. These are necessary issues and desires in the context of the Copenhagen Charter. Copenhagen X is therefore an ideal Urban Curator and could become a model for other cities. Few cities have yet established such a Curator institution like Copenhagen X or the Architecture Foundation in London. Our involvement grew from staging a workshop about participation through scenario games, to an application of the Urban Gallery as method and tool. Scenario games by themselves cannot be sustained and are merely incidental without the participation of serious actors with vested interest in the prepared projects. We are now working on the creation of a database that uses 4000 mini-scenarios to create a “book of the city” and simultaneously to create a register of urban actors to be invited for a set of public scenario games to be held some time in the future. The aim is to establish a dynamic master plan for already initiated or to be initiated prototype projects that address the issues mentioned above and that create an interactive network that supports prototype projects and interlinks their activities to have a greater effect. Prototype projects are called this way because they engage global forces in a new way or tackle new emergent conditions related to global forces and bring out their potential. A dynamic master plan manages the effectiveness of prototype projects and orchestrates their interconnectivity. This management and the sustaining of an oper-

ational connectivity is the key to answering the suggestions of the Copenhagen Charter. Since Denmark is one of the EU countries that has recently had a political reaction to increased migration and decreased tolerance and vision about a very heterogeneous European future, the Copenhagen X project is both bold and highly essential.

There are big issues of democratisation in Europe these days, especially for the countries from the former communist East Bloc that are set to join the EU. As one of the criteria for membership, they have to show transparency in their democratic processes. These are tough tests for countries with long legacies of communism. In Bucharest many civil servants in the municipality have been in their positions since Ceausescu, and most people now professionally active grew up under his regime. Ten years – the proposed time-frame for these countries to join the EU – is a short time in the transformation of the main structures of a society. We have initiated a study for a potential dynamic master plan for cities that are part of future EU states. In Bucharest we have started to look at a “Stepping Stone” approach of a dynamic master plan with four layers that focus successively on essential issues for the improvement of urban quality, the interaction with the pressures of global forces and the requirements of the European Union for entry into the EU. This plan is based on the following layers:

#### **identity**

toponymy, a naming of place in relationship to a new branding policy for the city

#### **earth/water**

the basin of the river as a focus for water, waste and environmental management, also related to the place of minorities in society

#### **markets/exchange**

the management of the flows of goods, information and money to foster a healthy economy

#### **decision-making**

the stimulation of the processes of democra-



#### EXHIBITION IN BUCHAREST

tisation through self-organisation and institutionalisation of new participatory groups

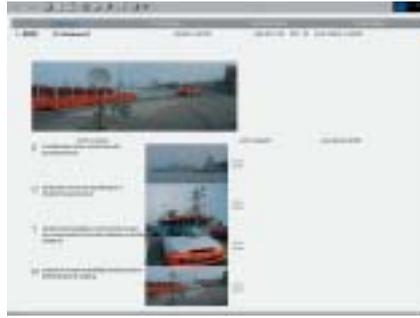
It will require strong and influential Urban Curators to orchestrate such a dynamic master plan; perhaps the time is ripe for such innovation, but it will need civic courage.

In countries like the Netherlands there are other kinds of democratisation processes, such as protest votes against the perceived estrangement of societies, as more immigrants change the demographic nature of populations. More mobility and heterogeneity in general have brought new parties to power and changed the directions of several states. So while we praise the advance of mobility and technology, there is a backlash of the consequences from these issues.

Integration of immigrants is a very difficult issue in Denmark, an issue that has to be dealt with in combination with other, more traditional issues such as traffic, quality of life, jobs and ecology. Linking these and other issues through prototypical projects enables us to bring in the Trojan horse, and within its belly the issues of immigration

and different lifestyles. There are many ephemeral aspects in this method that are like stepping stones to get to particularly delicate projects; indeed, the full complexity of the Urban Gallery is needed to move forward. The Urban Gallery as a tool and methodology that processes knowledge and also supports exchange enters this space in which many conflicting issues and desires become interlinked.

With the current shift towards more conservative attitudes in governments such as those in the Netherlands, Austria, Norway, Denmark, Italy and France, there is another movement that acknowledges a shifting world and tries to cope with its new identity and dynamics. This movement, or movements, is not yet very strong and determined, or at least very operative. Urban planning has a much bigger role to play in these political trends. As a discipline it touches on issues such as migration, mobility, changing lifestyles, new technologies and mutating financial markets; it is ideally poised to create powerful experiments that are both real in their effects and influential on a political level.



## MINI-SCENARIO

In Copenhagen we want to test the Urban Gallery to see if it is a practical and politically effective instrument.

The state of Denmark was at the time of writing presiding over the EU, giving the experiment of Copenhagen X relevance to the search for new planning policies in regard to the pressures of so-called globalisation on European cities. Saskia Sassen, also speaking at the conference about the Copenhagen Charter, suggested that the new logics of cities consist of interlinking circuits that each have their own globality, and, I presume, temporality. Knowing these circuits and understanding their behaviour is becoming increasingly what I see as the task of the Urban Gallery. Sassen's analysis is powerful: a world of interlinking circuits that join in places – the cities as we know them – but that also cause innumerable cracks, new boundaries, inside these cities. The problems in Bucharest will come home to Copenhagen and Rotterdam (if Romania is allowed in the EU), because these problems are connected to these cities through undercurrents, or proto-urban forces. Our cities need new technologies of governance, as are being debated in the Union, and new practices of planning, as are not yet on the agenda.

The 4000 randomly chosen points in Copenhagen X for the formulation of mini-scenarios relate to an encyclopaedia of real conflicts, each conflict rooted in several operational fields, the “circuits” Sassen is speaking about. We have successfully staged a set of test scenario games with both students of several institutions and planners, and other civil servants from a variety of

European cities. We aimed the scenario games at several real and urgent concerns: the effects of the Metro in different parts of the city, the combined harbour renewal projects and the regeneration of housing stock, among others. The results were striking: very quickly you can introduce and simulate the development of quite radical propositions, for example, the imposition of national park status on the combined, and nameless, harbour waters of Copenhagen. As there is no national park in Denmark, this is immediately both an urban prototype and an act of Parliament. These propositions are not designs, but merely simulations of possibilities. Copenhagen X is the first Urban Curator in Europe. They have the potential to curate both what is important for the city's future and the means to achieve new configurations of this future.

Meanwhile, on the fringe of Europe, high in the north of Ireland, we have been involved in ongoing attempts to implement the Urban Gallery as a method for small communities to move from parish status into new forms of municipality. These communities are under pressure from both EU and global financial and migratory flows – in this case, partially the re-immigration of Irish people into a booming economy. The strangeness of the urbanisation of this fringe in all its worldliness and apparent cosmopolitanism contrasts with the vestiges of the authority of the Catholic Church and the recent history and still current emotions and occasional flare-ups of the conflict in Northern Ireland. There is an ephemeral character to policy and decision-making that tries to

## NOTES

<sup>i</sup> CHORA (Raoul Bunschoten, Takuro Hoshino, Helen Binet), *Urban Flotsam: Stirring the City* (Rotterdam: 010 Publishers, 2001).

<sup>ii</sup> Erasure, Origination, Transformation, Migration (E, O, T, M) are a set of terms that can be applied to the understanding of any dynamic condition – from a conversation over a meal and a cup of tea at a café to transnational migration patterns. For more on these terms, see CHORA, Urban Flotsam.

react to the global pressures that act as proto-urban conditions on the local communities; indeed this ephemerality manifests itself into a temporariness – and often arbitrariness – of rules and regulations that create constantly shifting identities and towns that change character very quickly. People are writing new plots all the time and others are losing the plot altogether. The installation of new civic structures must provide the metaspaces through which these different parties can move in order to intersect and internet, even only for short but focused moments of speculation on conjoined futures. So far, the attempts to create a new level of political administration for municipal-scale organisations have failed for various reasons.

### **Markets of knowledge and seeds of new structures**

The blurring of boundaries, the emergence of regions such as the Øresund region, already a fact through the creation of a joint harbour company, will create a need for markets of knowledge about the organisation of such regions, and hothouses or freehavens of research, experiment and testing grounds for specific case studies. We will need interactive exchange spaces, markets of knowledge, tables of interchange and negotiation and new operational structures. How are these new Eurozones, tools and knowledge management banks created, called and managed? How are they sustained? This leads back to my original claim for a better policy and implementation plan for educational and research institutes for planning and design on a Europe-wide scale and the allocation of experiments that benefit all EU inhabitants, especially those living in the emergent city-regions that will define much of future Europe.

The main tasks facing us are twofold: 1) developing tools to observe these phenomena and describing both phenomena and new identities of these regions; and 2) imagining and triggering off the new institutions that have authority in these new spatial entities. The invention of new

forms of governance is the most important aspect in this process.

A big question will be the predominance of national languages in nation-states. Will the increased heterogeneity of people in city-regions offer a chance to create cross-boundary regions that share also multiple languages as part of their shared identity, making the polarity between two national languages less large? A way to try out alternatives is to develop peripatetic institutions, institutions that have semi-permanent bodies of researchers and teachers but that are not based in one place, instead moving around following a predetermined itinerary through the various regions of Europe, much like groups of builders travelled through Europe in the Middle Ages to erect cathedrals in different cities. The new cathedrals are of a very different kind: centralities of finance and information flows fleshed out by heterogeneous populations cushioned by cultivated new wildernesses providing services to a rapidly developing world with massive population increases. The EU needs to have great visions about its spatial organisation in order to help its newly emerging regions play a significant role in the age of India and China and other world regions that will set the urban, political and environmental agendas of the future.

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# CREATIVE PLANNING IN CITY-REGIONS

THE  
EUROPEAN  
CITY  
BETWEEN  
GLOBALISATION,  
LOCAL  
IDENTITY  
AND  
REGIONAL  
GOVERNANCE



Klaus R. Kunzmann

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Klaus R. Kunzmann has served as an adviser on spatial planning at both the regional and national levels in Germany as well as for international organisations such as the European Union and the Organisation for Economic Co-operation and Development (OECD). This combined with regular publications on spatial planning made him a knowledgeable contributor to this Conference.

Klaus R. Kunzmann states that small and medium-sized cities tend to be the real winners in the ongoing urban competition across Europe. They seem to be much less affected by the polarising implications of globalisation and metropolisation.

However, good governance and more institutional and political creativity are required to sustain the quality of local urban spaces for all citizens.



FIGURE 1

European cities, as well as cities elsewhere around the globe, are strongly influenced by globalisation. According to planners, politicians and property developers, cities compete with one another. Without much choice, they streamline their urban policies towards this competition by investing in flagship projects, applying for cultural, political and sports events or lobbying for international institutions to be relocated to the region. They enthusiastically offer their locations and negotiable local support at international real estate fairs, such as EXPO REAL in Munich or MIPIM in Nice. By doing so, they follow mainstream fashions and commission projects from a small number of internationally renowned architectural stars, accepting the fact that they are gradually losing their local identity. In an era of globalisation, however, this loss of identity seems almost inevitable.

The academically fostered media debate about global cities and metropolisation unduly dominates the debate about the

future of European cities. Architects are fascinated by the new visual quality of large flagship projects; trendy journalists take up the theme and international property developers focus their interest on prime locations; and (new) urbanists all over the world invent streets and communities by choosing images from the catalogue of European cityscapes. City managers, in turn, use the city competition for “correcting” local development priorities.

The European city of the past is praised for its urban quality, architectural design, homogeneity and civility. Most of these qualities have disappeared in most suburban rings of modern city-regions. They remain in a number of traditional inner-city islands in a heterogeneous hyperurbanised space that is growing daily. The debate about global cities neglects the fact that more than 75% of the urban population in Europe lives in small and medium-sized cities. As a rule, they are quite content to live in such cities, for a complex

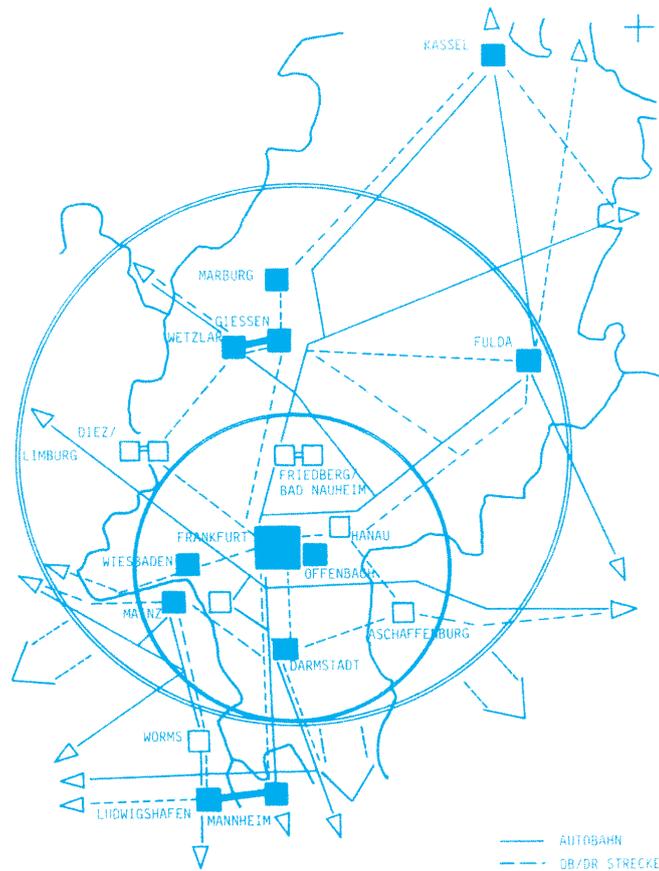


FIGURE 2

bundle of reasons. Many of these smaller and medium-sized cities are located in larger city-regions, benefiting both from the infrastructure in the core city, such as airports and opera houses, and the local quality of life in their own territory.

**The city-region as city**

In an atlas used by my grandfather in school and published in 1904, I found a map that shows a theoretical hierarchy of cities (Figure 1). In the centre of this map is the *Weltstadt*, long before John Friedmann, Peter Hall and Saskia Sassen made global cities so popular as icons of global market economies, as showrooms of both urban wealth and urban poverty, as hubs of global networks of flows and spatial memories and as favourite residential locations for the new cosmopolitan glocalites: young mobile citizens who enjoy both global mobility and local identity. This *Weltstadt* is surrounded by a *Hauptstadt* (capital city), a *Große*

*Mittelstadt* (a bigger secondary town) and a *Kleine Mittelstadt* (a smaller secondary town). A century ago the hierarchy of cities was a concept, and although occasional efforts are still being made to update the outdated concept, the world of European cities in the beginning of the twenty-first century is less simplistic.

At the turn of the new millennium, the European city has clearly become a large city-region. As a rule, the European city sold on the market of images is just the core of an urban region stretching up to 100 km beyond city boundaries, a city hinterland that provides all the functional requirements the core city needs to raise its international flag.

People tend to forget that the global city of Paris is a conurbation of 126 local governments. Greater London, the global metropolis is, in fact, is just a bundle of 24 wards bound together under the umbrella of a

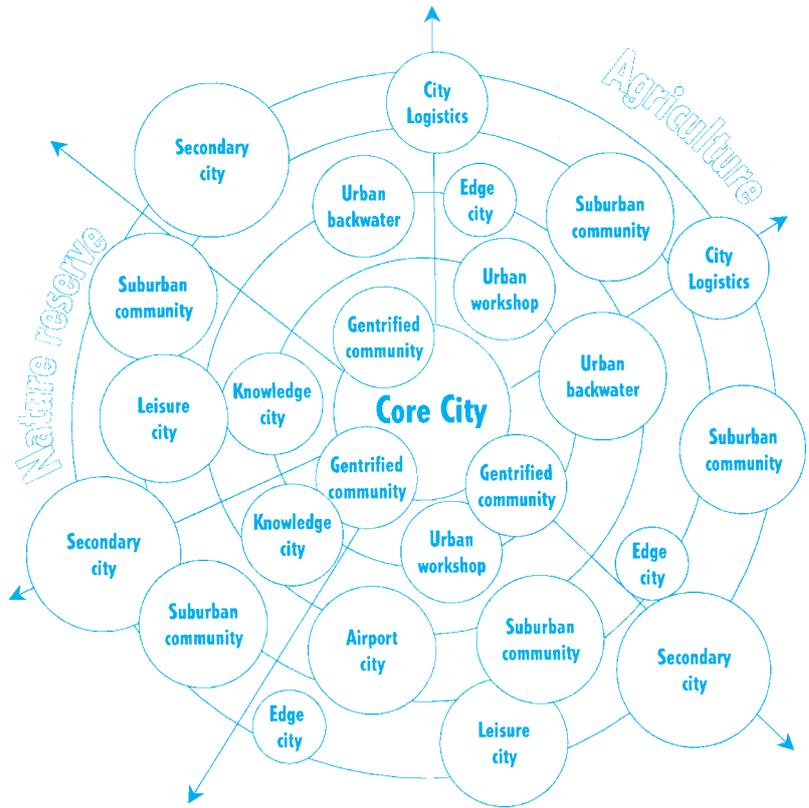


FIGURE 3

**SPATIAL CATEGORIES IN EUROPEAN CITY-REGIONS**

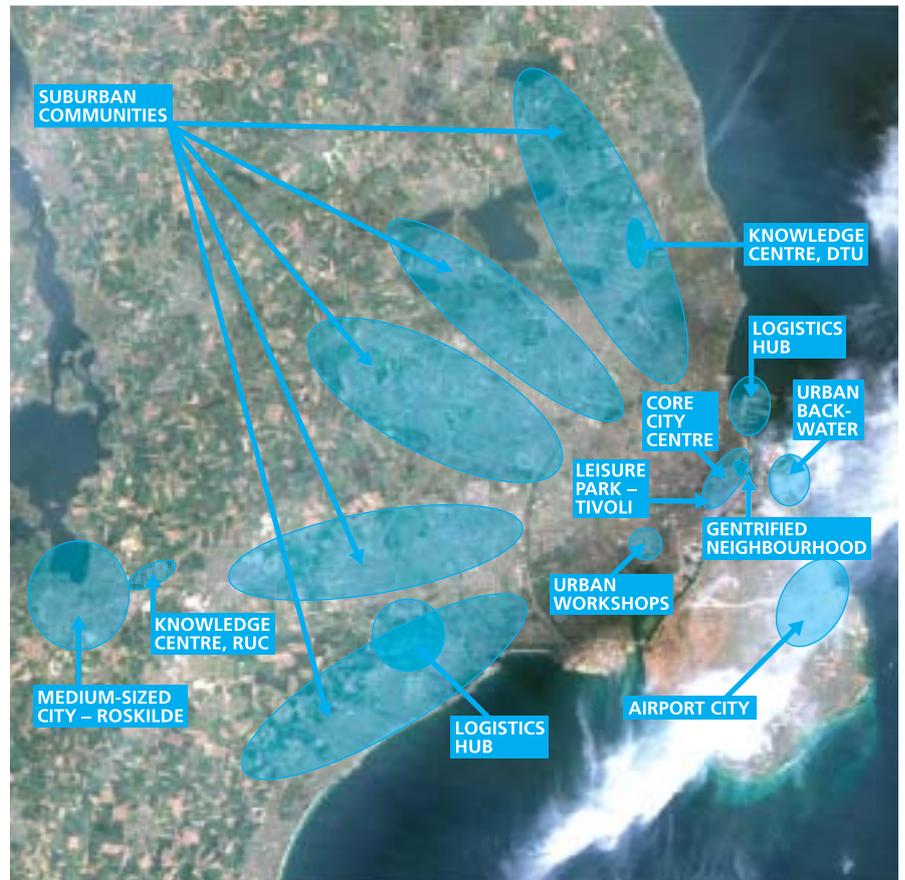
new London government with 100 or more local governments in southeastern England. Seen from abroad, Frankfurt, a strong competitor among the second “class” of European metropolitan cities, is in fact only the core city of an urbanised city-region with attractive and most liveable medium-sized cities such as Wiesbaden, Mainz, Offenbach and Darmstadt in the immediate hinterland, which stretches further into neighbouring territories to such cities as Heidelberg or Aschaffenburg (Figure 2).

It has become mainstream academic knowledge: cities are gradually being replaced as locations of power and symbols of identity by city-regions, by complex spatial complexes that transcend political and administrative boundaries. They conquer virgin land and transform cultural landscapes into transit-dependent suburban territories in which local identities are radically being replaced by housing developments that regional developers, housing corporations and savings

banks market to mobile clients whose value systems are cosmopolitan instead of local.

In this city-region, the central city acts as the flagship of the hundred or more local governments in the hinterland. It is communicating local identity to a global audience, which is dominated by a few icons of traditional or modern buildings and public spaces and strengthened by events on the inner-city stage, which benefit from the existence of the architectural museum. This is true for Paris and Rome, as it is for Stockholm, Helsinki and Copenhagen or for Munich and Prague.

The spatial structure of this city-region has become a complex conglomerate of functional spaces governed by the core city, suburban communities, medium-sized cities and small towns in the metropolitan backwaters and by a growing number of regional public agencies or quangos (quasi-autonomous nongovernmental organisa-



EXAMPLES OF SPATIAL CATEGORIES IN GREATER COPENHAGEN IN ACCORDANCE WITH FIGURE 3

tions) under the larger umbrella of state or even national institutions.

The spatial organisation in European city-regions is the outcome of a process of spatial specialisation, spatial fragmentation and social polarisation. The spatial elements are as follows (Figure 3).

**The core city centre.** This is the international stage of the city-region, where banks have their headquarters with all kind of global services, where cultural facilities attract regional audiences and international visitors and where cafés and high-end fashion shops attract the urban upper class.

**Gentrified residential neighbourhoods in the core city.** Higher-income households coexist with the small-scale offices of urban professionals, architects and lawyers as well as galleries, boutiques and ethnic restaurants.

**Urban workshops.** Small and medium-size industries maintain their local production sites here, even after most major industrial production may have been shifted to China. Suburban communities. A variety of quite different suburban communities exists, ranging from gentrified rural villages to informal self-built settlements, from public housing enclaves to high-income gated communities and from new urbanism communities to weekend resort settlements.

**Urban backwaters.** All the less attractive facilities and public utilities the city-region needs are located here, such as power and incineration plants and railway repair yards that nobody wants in his or her backyard.

**Edge cities.** These are concentrations of back-offices, high-tech islands, leisure grounds and sports facilities with pockets of higher-density suburban housing at the edge of the densely built-up city near easy accessible transport hubs.

**Knowledge centres.** These include the out-of-town campuses of inner-city universities, research laboratories and research spin-offs.

**Airport cities or aerovilles.** These are large concentrations of airport-related business and services around an international airport, such as freight services, hotels and leisure centres, shopping malls, convention centres and fairgrounds.

**Hypermarket dominions and logistics hubs.** These are where the import and export goods for the city-region are handled, stored and distributed.

**Medium-sized cities.** These are the central places of a once-rural hinterland, episcopal towns, traditional production centres in specialised sectors, gown towns, garrisons or border towns.

**Leisure parks.** Global entertainment corporations attract visitors from the wider region using leisure parks.

**Large-scale agricultural production territories.** Here, industrial farms and family or weekend farmers produce more or less environmentally sound cereals, potatoes, fruits or flowers, breed cattle, horses, sheep and poultry or farm fish.

**Nature reserves, forests and water protection areas.** These serve as ecological reservation areas.

The medium-sized cities in such city-regions are the real winners from globalisation. They benefit from all the facilities the metropolitan core has to provide and, as a rule, can maintain their own strong local identity. These towns, usually typical bourgeois middle-class environments, are much less affected by infrastructure and safety problems, unemployment and social polarisation. Roads are never congested, and the bicycle is a much-used means of transport. Schools are usually quite good and public services are well developed. There is much local commitment and local embeddedness of businesses and professional services and the local

newspaper. As a rule, such medium-sized cities are well managed. Decision-making procedures are faster and more personalised. People still trust local politics and local decision-makers. In addition, life seems to be less hectic and security is not yet a problem.

Hence the regional space between the core city with its immediate fringe communities and the traditional medium-sized centres in the wider hinterland is the modern battlefield of planners, investors, developers, farmers and environmentalists. Whereas planners usually have clear visions for the core city centre and the medium-sized centres, they have no clear visions for these spaces at hand. The ideological battles between the planners from both the public and the private sector are fought here.

### **City-regions in Europe: challenges for governance**

Given this transformation of cities to city-regions, traditional concepts of urban versus regional development or urban versus rural development are becoming more and more obsolete. European city-regions have become the dominant action areas of economic stakeholders in the face of globalisation. Where in a large region should urban policy end and where does rural policy start? Is regional policy focusing on regions without cities? Obviously not. European and national policies can no longer differentiate between urban and rural or between urban and regional. Policy efforts to improve the sociospatial conditions of minority groups in backwater territories in large cities are clearly urban in character, whereas institutions addressing rural problems are clearly responsible for efforts to convert industrial agriculture into more sustainable forms.

Hence, new forms of more creative policy approaches have to be found to cope with the challenges of spatial development in city-regions.

We are all aware of the magnitude of problems of spatial development in city-regions



### CORE CITY CENTRE OF COPENHAGEN

in times of globalisation. They do not differ much from city-region to city-region in Europe:

- the processes of suburbanisation and urban sprawl, with all their negative effects on natural resources, energy consumption, infrastructure development, traffic congestion and social segregation;
- the conflicts arising from airport extension schemes in city-regions promoted by regional strategic alliances who wish to position the city-region on the map of international attractiveness and opposed by civil society organisations who instead aim to reduce air transport of passengers and goods;
- the effects of out-of-town shopping centres and factory outlets on inner cities with their traditional endogenous business communities and public inner-city spaces;
- the never-ending demand for more and better road infrastructure in the city-region to relieve existing networks from daily congestion;
- the spatial division of labour in the city-region and the timely coordination of land-use development with public transport infrastructure;
- the growing spatial concentration of commercial leisure facilities on the urban fringe;
- the continuous visual destruction and visual pollution of the cultural land-

scape and the modernist pressure on the regional architectural heritage; and

- the growing spatial fragmentation and social polarisation of the city-region as a consequence of eroding regional solidarity and market-driven economic processes.

Addressing these problems and guiding spatial development processes in city-regions and thus finding a balance between economic, social, environmental and cultural interests and goals in an increasingly fragmented multicultural society is not easy. It requires good governance, a term that is often used, albeit without agreeing on a clear concept of what good governance in a real territorial context really means. Achieving good governance, however, requires resolving a few genuine problems of governance in city-regions, such as:

- the competition among local governments for citizens and tax-relevant investments and the resulting hesitation about any regional cooperation;
- the lack of clear longer-term visions for regional development and the unwillingness to jointly develop such visions in city-regions;
- the usual absence of city-region think-tanks that monitor development in the city-region and prepare policy decisions there;
- the daily conflicts between city-regions



## GENTRIFIED RESIDENTIAL NEIGHBOURHOOD IN THE CORE CITY

and upper-tier institutions, who set the regulatory framework and interfere with carrot-and-stick policies;

- the insufficient information base of regional decision-making processes;
- the unwillingness of the private sector to engage in region-building processes and the dominance of private-sector lobbying institutions;
- the strategic attitudes of political parties towards muddling up regional concerns with macropolitical ideological deliberations; and
- the insufficient establishment of civil society organisations in the city-region representing the city-region as a whole.

All this is worsened by the demise of trust in the public sector and in the role of political parties in representative democracy.

### **Creative planning in city-regions**

The complexity of multi-tier governments with their respective regulatory frameworks does not offer simple solutions for strategic planning in city-regions. Hence, more creative planning is needed in city-regions. I know that this is easily said. What is creative planning? What is creativity in planning? Who should carry this out? Who are the creative forces in a city-region? Who should support it? What could be the supporting instruments? I will try to give some

answers to these questions and I argue that small and medium-sized cities are more likely to be in a position to show the way ahead than are metropolitan core cities with their more global agendas.

My discussion of planning focuses on the spatial dimensions of planning and not strategic planning in corporations, although corporate planning could provide many lessons on streamlining and guiding decision-making processes in the governance of city-regions. As a rule, urban and regional planning is very much dominated by a comprehensive legal framework, and this is the usual complaint of the private sector, developers, investors and lobbying institutions. This may be somewhat true, but in day-to-day practice planning is instead hampered by corporatist rituals and institutional jealousies, the NIMBY (not in my backyard) attitudes of local communities, the vested interests of landowners or politicians who wish to stay in power. Consequently, there is little space for innovative thinking, flexibility or creative action in the development of city-regions. Usually the “why-not” community is very strong and difficult to beat, whereas the “how-to-do” or “let’s-try” community is rather small and lacks argumentative power.

### **Creative planning requires:**

- creative people who know the past to



#### URBAN BACKWATER – AMAGERFORBRÆNDING INCINERATION FACILITY

- envision the future and a creative planning culture that gets out of gridlocked statutory planning;
- imaginative planners and actors within the public sector and in political decision-making circles, in civil society and around the many round and hexagonal tables that have replaced the meeting-rooms of technocratic bureaucrats and backrooms of local political parties;
- courageous personalities in political parties, trade unions, utility corporations and housing associations who dare to think differently and to invest time and risk money in searching for new solutions for routine procedures and action;
- creative bankers and finance officers who, based on their expert knowledge, are willing to leave routine paths of financing and explore new corridors to make things happen;
- independent regional think-tanks that provide the background information for decision-making processes;
- talented moderators who know how to motivate conflicting parties to search for joint visions;
- modern universities that educate planners, economists and engineers in how to creatively use their knowledge for solving problems rather than in mechanically complying with conventional rules and regulations;
- citizens and young innovative entrepreneurs who are committed to the community and glimpse beyond their backyards and NIMBY interests;
- regional and local, traditional as well as underground media that monitor and accompany local and regional planning processes, not just as critical watchdogs or court reporters, but as multipliers providing appropriate background information and referring to best practice elsewhere;
- migrants who are empowered and encouraged to participate in local and regional development and bring in new views and perspectives;
- artists who stimulate the regional environment with their images and actions, their music and their performances; and
- political and community leaders who encourage their advisers to develop new visions and alternative solutions and who allow for innovative experiments and take the risk of failure.

In addition, creative planning requires catalytic processes and projects to demonstrate how new approaches could lead to better solutions for the development of city-regions. These are projects that require the cooperation of regional actors and combine new procedural elements. The character of such projects depends very much on local conditions. What is important, however, is that such pro-



## LEISURE PARK – TIVOLI

jects are very likely to demonstrate successes and are easy to communicate and to replicate.

### **Three tiers of governance in city-regions**

Creative people are important, and a visible outcome of creative action is essential to prove the viability of innovative approaches; institutions, however, do matter. The city-region cannot be managed properly without clear institutional responsibilities. This does not necessarily mean that territorial boundaries have to be fixed eternally. An approach that deals with flexible boundaries may still meet the requirements for coordinated regional action.

The city-region has three tiers of governance, and consequently of identity: the city-region, which I would call the city-state; the local governments, for which I would use the term city wards; and the urban community.

The city-region will represent the human, cultural and economic potential of the whole city-region. A standard city-region has a population of about 5 million. The political responsibility of the city-state will be regional transport, public infrastructure, public security (police), resource conservation, water supply, public higher education and regional planning. Public-private joint

ventures manage the day-to-day business of such bodies. In addition, the city-region of the twenty-first century must have its own foreign policy unit linking the city to the outside world, such as to regional, national and European networks.

The city-region government will be formed by a traditionally elected council, although a much smaller one than is the rule today, with a senate with representatives of civil society as a second controlling body in which a limited number of representatives of the various interest groups in the city-region are represented. Both are supported by a strong professional city management unit, monitoring and guiding the spatial and economic development of the city-region, enforcing environmental protection, managing the city-region's timing as well as its local and global information and communication processes and linking the city-region to the world. Ad hoc task forces drawing on the knowledge of local and foreign knowledge industries relieve the local government from maintaining large bureaucratic structures and guarantee creative, innovative and visionary thoughts.

Each city-region will consist of a number of city wards, with an average population of about 200,000, hence the size of a traditional medium-sized European city. The city ward will be responsible for local plan-



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ning, operating public schools and leisure facilities and managing waste disposal. The city ward will be exclusively responsible for the continual process of urban restructuring, including urban zoning and local economic development, managed by a strong professional local development corporation. Finally, each city ward will have a number urban communities (of up to 15,000 neighbours). Local boards representing the interests of the citizens living in the community will identify and articulate local needs, communicate these needs to the city wards and have a small budget to meet the ad hoc needs of the community.

#### **What are the instruments of creative planning and governance in city-regions?**

The toolbox of creative planning in city-regions provides only a few instruments for those who are willing to contribute to sustainable spatial development.

##### **Competitions and calls for projects.**

These usually help in finding alternative and replicable solutions for desired projects or processes. A call for intraregional network projects, for example, could encourage communities in different parts of a city-region to cooperate and join forces.

**Strategic alliances.** Through strategic alliances, innovative regional actors can envision possible futures, explore corridors of regional innovation or organise the implementation of catalytic flagship projects. These are an appropriate way to overcome institutional lethargy or intermunicipal immobility. As a rule, however, such alliances only work if their members are committed to the alliance and do not just represent regional institutions.

##### **Regional fora and vision workshops.**

These are an increasingly standard instrument for formulating regional and community visions. They motivate actors in a region to articulate their concerns and wishes and commit them to exploring ways and means of implementation that extend beyond routine day-to-day work.

**Benchmarking.** Benchmarking is a means of exploring, for example, how other city-regions cope with their regional challenges, how they have successfully mobilised creative actors or how they have formed strategic alliances.

**International networking.** This helps in developing strategic alliances beyond the boundaries of the city-region, in learning fresh approaches and in sharpening internal views on regional affairs.



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## MEDIUM-SIZED CITY – ROSKILDE

**Headhunting.** Creative personalities can be attracted to the city-region and to regional institutions, think-tanks and universities: outsiders instead of those who are promoted internationally to sustain the existing power networks.

**Biannual state-of-the-art reports.** These inform regional actors about the city-region's problems, successes, failures and progress. Continual monitoring of development in a city-region is a key tool for good regional governance. The information is available for everybody via electronic media and the focused reports sum up the information, analyse trends and areas of concern and suggest policy changes if necessary.

In addition, continual creativity training of the public-sector professionals working in the region is indispensable. Large corporations rely on such training to envision new products and new marketing campaigns as well as new ways to increase internal efficiency and productivity.

Although all this could be done at the city-region level and at the two tiers below, the city-region itself requires support from the upper tiers of governance, the state, the national and the European level, where the regulatory framework is defined. At these tiers of governance, it is the enabling state that is needed. Creative action at the city-

region level can only happen if the multiple administrative and legal constraints of the regulatory system at the upper tiers are removed or applied flexibly. Such constraints could include tax regulations that hinder flexible financing, employment regulations that prevent think-tanks from hiring international staff or rules that bind subsidies to outdated criteria for local economic development. Quite understandably, such changes require considerable political lobbying and media support, and even more patience.

## PROFESSIONAL AND POLITICAL MESSAGES

### Spatial Planning Department

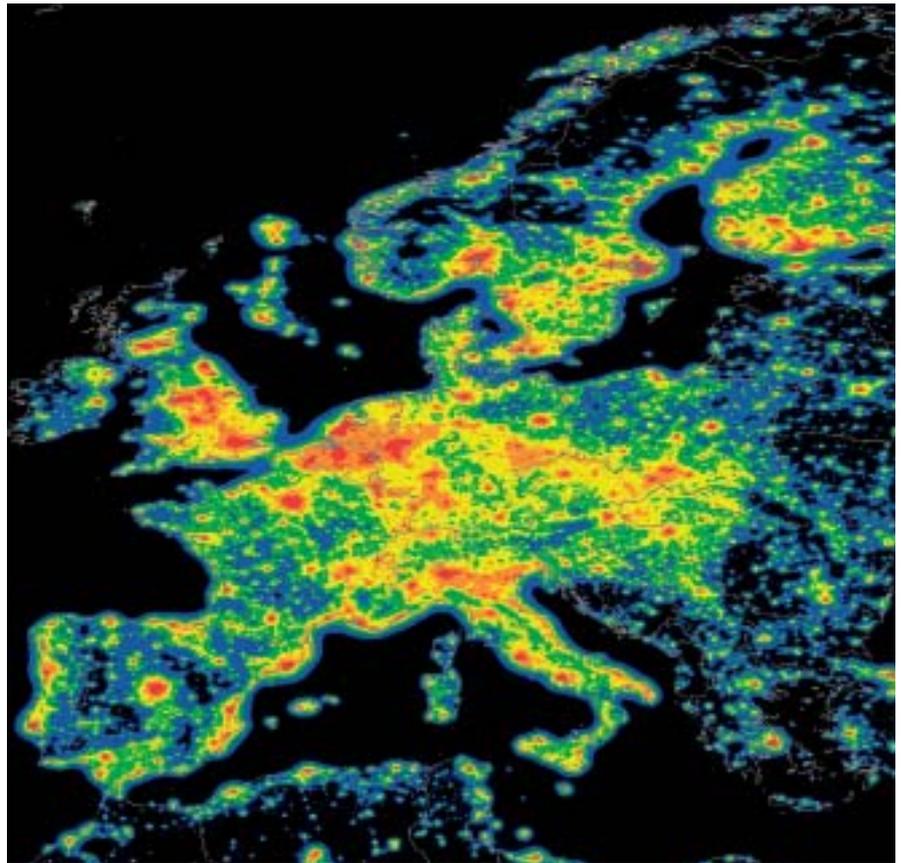
**All cities and regions increasingly have to accommodate themselves to the global economy. This represents a challenge for policies and initiatives for future regional development in the EU but also for local authorities, which have to design and implement future-proof strategies for urban and regional development.**

At the conference, political and professional speeches and the debate at the workshops proposed some key development trends and challenges and how these could be managed in future.

### Global and local

Above all, there are great differences in the consequences of globalisation, depending on which part of Europe and what size city or region is being considered. The conference highlighted several times that European cities are not the most important global cities but are generally medium-sized cities in a global perspective. However, *Saskia Sassen*, Professor of Sociology in the United States, described an increasing number of European cities as being large global cities. In any case, European cities have deep historical roots that make a difference and, as Professor Sassen emphasised, constitute a great strength compared with cities in the United States.

However, globalisation also influences small and medium-sized cities. These cities also play a decisive role in international competition. This was, for example, highlighted at the workshop *The Role of Urban Systems in Regional Development*. This workshop put the claim that the global metropolises are the winners in global competition into a



INFRARED PICTURE OF HEAT RADIATION FROM EUROPE

broader perspective. The effects of globalisation on cities are far more complex. More accurately, various global and international economic cycles influence various types of cities. Some are involved in the global division of labour within specialised industries and others in the global exchange of knowledge of information technology companies. This also means that cities complement each other in several areas, even if they compete in other areas. In Denmark, *Svend Illeris*, Professor of Geography, pointed out at the workshop and in his article in the conference report that medium-sized cities actually have a greater export rate than large cities. This should be seen in the context of the division of labour between large and medium-sized cities, with the service industry constituting a much greater share of turnover in larger cities.

*Klaus Kunzmann*, Professor of European Spatial Planning in Germany, emphasised that, in the European context as well, medium-sized cities are currently winning the

international competition. In particular, he based this on the fact that these cities rarely experience the negative social and environmental consequences caused by the concentration of growth in the global metropolises.

Another central message was that the location, that is, the city, continues to play a central role in a globalised network and knowledge economy. Professor Sassen stressed that this is because one needs to be close to the centres where knowledge is developed and exchanged, especially for the advanced exchange of knowledge and creativity. The cities have something to offer here that cannot be offered in a network of more scattered players. However, location is not only important at the economic level. At the physical, cultural and social levels, location has become an ever more important factor. It is therefore important to be aware of how cities develop and should be developed, which social, cultural and economic dynamics affect the development of cities and what this demands of them.



#### CENTRE OF COPENHAGEN FROM THE TOP OF THE ROUND TOWER

Globalisation clearly influences the social and economic dynamics of cities but also their physical expression and identity. One of the basic premises of the conference was that we must learn to manage the influence of the global economy on cities so that we avoid obliterating each city's identity. This is because a city's identity is central to its competitiveness and also a key factor in our experience and appreciation of the city as residents. However, city identities and globalisation have a paradoxical relationship with each other. *Jens Kvorning*, Professor of Urban Planning, commented on this paradox in his article in the conference report. In order to be interesting on the global market, cities have to be able to contribute something special. However, the effects of globalisation are often that cities become more and more homogeneous.

This paradox was discussed at the workshop *Architecture in an Age of Globalisation*. The problem with global architecture is not that it is international but rather the lack of distinctive features and local characteristics. Architecture has always been international and has drawn inspiration from other places. In order to create both dynamic urban development and local continuity, it is critical that the local and international elements be balanced. Architecture must be adapted to the local context, both in relation to existing physical structures and pub-

lic opinion. If this does not happen, the city will not be held together and will appear fragmented. One solution to this problem might be a more conscious reflection on the relationship of architecture to its local context. At the *Regional Architecture* workshop, the theme was architecture founded in its surroundings, providing an experience of continuity without falling into nostalgia.

There is no doubt that local identity is central. This was also emphasised by *Manuel de Solá-Morales*, Professor of Urbanism in Spain. Using a series of pictures from his own projects, he illustrated how local characteristics and urban identities can be preserved in a practical context. However, as was discussed on day two of the *Mapping Urban Identities* workshop, urban identity is more than just a city's architecture. It is about the whole context, the eyes of the beholder and how quickly changes take place. A debate is therefore needed with various perspectives when considering urban identity.

However, when identity is used in the economic marketing of a city, one perspective often dominates and alternative identities are excluded. *Sharon Zukin*, Professor of Sociology in the United States, pointed out that this is the risk associated with the branding of cities. Cities are presented in a stereotyped, homogeneous way – a point

that was also raised at the *Branding Regions* workshop. In the competition for investment, cities and regions seek to create a local profile in a uniform and global manner, using the same methods and focusing on the same potential. As pointed out both at the workshop and by Professor Zukin, problems are associated with translating local history and cultural values into commercial marketing. One important message was, therefore, that maintaining a differentiated view of a location's identity is critically important in branding and urban development strategies. Professor Zukin pointed out that seeing all the many and various potentials and identities of an urban district or local environment is important. Working with several identities can actually be more sustainable and realistic than one-sided urban development strategies.

*Karl Otto Ellefsen*, Professor of Urbanism in Norway, emphasised in the conference report that the urban environment and the identities of a location can be mapped in many ways. No one method is correct. But choosing a method that operates based on certain criteria also excludes other parameters. A central message at the conference was that as many factors should be taken into account as possible – historical, architectural, environmental, sociocultural, etc. – to make the urban analysis both holistic and dynamic. The SAVE method (Survey of Architectural Values in the Environment), which was discussed at the workshop *SAVE as a Method in Cultural Heritage*, is an example of how an attempt has been made in Denmark to develop a method of determining urban identity and architectural quality.

### **The need for a new planning culture**

Today, great differences exist in the way urban and regional planning is being carried out in Europe. However, a central trend in several countries is that the regional level is gaining greater significance. This is partly because the current challenges facing urban and regional development require more general and long-term perspectives. Regional planning is thus now being much more commonly coupled with

strategic development goals. This implies that it is no longer simply a question of spatial planning but, to a much greater extent, strategic regional development.

Managing this development places new demands on regional planning. In several countries, this means that people, much more now than ever before, have to think beyond their administrative boundaries. They have to think strategically, in cooperation and sector coordination and no longer simply in land-use planning. It also means a shift from regressive to more progressive planning at the regional level.

Thus, the seeds of change in planning culture already exist. According to Professor Kunzmann, however, even more creativity is needed in planning. At the same time, greater demands should be placed on both residents and politicians to be involved in development and greater and more enduring will and commitment to take action is especially needed from politicians.

It was also emphasised that planning for urban development requires new approaches and tools. *Raoul Bunschoten*, a Dutch architect, presented such a planning method, Urban Gallery, at the *Copenhagen X* workshop and in his closing speech at the conference. Based on a comprehensive, but random, selection of locations in the city, characteristics are registered in a database based on various registration criteria. Residents who are in the city every day carry out the registration. In this manner, information about the city's diversity can be gathered based on the everyday knowledge of the residents and be used as a source of inspiration in urban planning.

The conference workshops also provided other examples of how residents and their local knowledge can be drawn on as a potential and active resource in urban planning. In *Sustainable City Renewal*, experience from resident participation in connection with ecologically sound urban redevelopment was discussed. It was pointed out here, among other things, that

establishing a good organisation of the various stakeholders is important to create the best possible foundation for constructive cooperation between residents, advisers and building contractors. Resident participation, through close dialogue between architects, residents and users, has also been central in the regeneration project in Holmbladsgade in Copenhagen, which was discussed at the workshop *Urban Regeneration in a Dilapidated Neighbourhood*. This was because dialogue is seen as the cornerstone for creating architectural quality. In yet another example, resident participation was touched on at the workshop *Linking City and Region: Suburban Copenhagen*. For many years, the suburbs have been seen as peripheral and secondary in relation to the city centre. But since most of the population lives and works in the suburbs, the question of their role and function is more central than ever. The message here was that the planning and regeneration of the suburbs should be founded on the people who live and work there.

However, completely new approaches to planning are also needed. The harbour transformations taking place today in many European cities are a good example of how new perspectives on and methods of planning can be put to use. The basic premise of the workshop *Recent Blue Living in Denmark and the Netherlands* was that new potential can be exposed if one asks new and alternative questions, both of the area but also of the goals that lie behind the planning. In relation to the old dock areas, one could, for example, perpetuate the industrial history of these areas in the planning.

### **Integrated urban and regional development**

The need for innovation in urban and regional development also encompasses the necessity of letting go of the traditional divide between urban policy and regional development. Urban and regional development go hand in hand, and cannot – as



#### INTERREG WORKSHOP DURING THE COPENHAGEN CONFERENCE

they often are – be seen as two separate things. It is crucial to cooperate and to coordinate development strategies that cross administrative and national boundaries to ensure better cities and sustainable regional development.

In several European countries, there are indications that the global economy and the development of the information society are leading to a concentration of growth in larger cities. Growth is, on the other hand, not limited to the cities themselves but rather affects the city-regions, consisting of large and medium-sized cities. At the conference, Professor Kunzmann emphasised the necessity of understanding that it is city-regions that characterise the current city landscape. Professor Kunzmann's speech made it clear that urban and regional development cannot be separated. The various cities in a city-region are involved in a regional division of labour, which also forms part of a global and national network.

Several workshops also emphasised that urban and regional development cannot be kept apart. Managing this relationship requires, at least initially, a new appreciation of the importance of cities for regional development – where the cities often provide the driving force for development in the entire region. The *Urban Systems in Regional Development* workshop provided a number of specific conclusions and suggestions for how the role of cities in regional development can be understood and what should be done in future to consolidate

and utilise the synergy that arises in integrated urban and regional development. A central message was that cities cannot be perceived as isolated entities but rather form part of complex networks and have complementary functions.

A controversial suggestion raised was that the significance of cities in regional development indicates a need to change the EU's structural and regional policy. A regional policy is needed that strengthens territorial cohesion and balance by recognising the role of cities in regional development and the fact that all cities have the potential to function as powerhouses for their hinterlands. Both at the workshop and in his article in the conference report, *Niels Boje Groth*, a senior researcher, suggested that one way the European territorial balance could be strengthened would be to include polycentric development regions in the criteria for the distribution of Structural Fund resources. Support for polycentric development regions should primarily benefit inter-urban projects over isolated city and regional projects. The workshop therefore called for the development of a more flexible and integrated regional policy at the European level.

The Interreg Programme was discussed at the *Interreg and Regional Development* workshop. Experience from various Interreg projects raised awareness of the Programme's potential and problems. The most important message was the shared perception that the Interreg Programme is perhaps the most important instrument for the implementa-



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tion of the mindset behind the European Spatial Development Perspective (ESDP), especially the recommendations relating to the strengthening of polycentric development. The Interreg Programme provides support for areas where active efforts are being made to achieve cooperation across administrative and national boundaries and, unlike the Structural Fund resources, is not reserved for underdeveloped areas. In this respect, the Interreg Programme is thus different to the traditional European cohesion policy. It was also put forward that the formulation of future regional policy for the EU could learn much from Interreg, both as a financing instrument and as an instrument for enhancing integration in the EU.

### **Balanced and sustainable urban and regional development – the political messages**

The professional messages were mostly backed up by the political keynote speakers: *Hans Chr. Schmidt*, the Danish Minister for the Environment, and *Guy Crauser*, the Director-General of the Regional Policy Directorate-General.

On the first day of the conference, *Hans Chr. Schmidt*, the Danish Minister for the Environment, presented the *Copenhagen Charter 2002* – 10 recommendations for ensuring balanced development in a global economy characterised by increasing competition. The Minister emphasised that the need to work towards sustainable development is just as important in Europe and the rest of the Western Hemisphere as it is in the developing countries. We all have a responsibility to work actively towards this goal. We must learn to manage the global economy so that it benefits everyone.

Cities and their hinterlands depend on each other. A critical challenge in the future will therefore be to better coordinate development between each city and its hinterland and rural districts while adapting the strategy to local conditions. The Minister emphasised that the goal of sustainable development can only be attained if people

recognise the significance of local identities and use these to position themselves in the global economy. The way to do this is to use long-term strategies and action plans, worked out through partnerships and dialogue between all the players involved.

The Copenhagen Charter 2002 was generally well received. *Guy Crauser*, Director-General of the Regional Development Directorate-General emphasised that the themes presented in the Copenhagen Charter 2002 are extremely relevant, both in relation to the enlargement of the EU and the work to achieve social and economic cohesion. *Guy Crauser* commented that the Charter clearly builds on the thinking behind the ESDP in terms of the significance of cities in regional development in Europe. *Guy Crauser* also highlighted the need to integrate and coordinate urban and regional development and to have this founded on local identities to ensure the development of innovative and sustainable long-term perspectives and strategies. He also highlighted the importance of countering social exclusion and instead ensuring accessibility for and participation by all parties in urban and regional development.

*Guy Crauser* pointed out that several programmes already exist at the European level that are in accordance with the recommendations in the Copenhagen Charter 2002. The Urban Programme emphasises an integrated perspective on each city through participation by both local authorities and residents. The Structural Funds are ideally meant to integrate the urban and rural perspectives, and Urban Audit focuses on assessing the quality of life in cities.

*Guy Crauser* stated that integrating the significance of cities in a European context is a priority. In the future, strategies and action plans will be more targeted to the specific urban region, in relation to, for example, support for trade and industry, handling social exclusion and physical and environmental regeneration. This must be achieved through intervention at the local level and by using an integrated and holistic approach.

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**Title**

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– messages and conclusions

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EUROPEAN  
CITIES  
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ERA

URBAN  
IDENTITIES  
AND  
REGIONAL  
DEVELOPMENT

*Messages and conclusions*

Globalisation has implications for urban and regional development. We must take these new conditions into account and adapt the goals and policies for future European urban and regional development.

This was the background for the conference European Cities in a Global Era – Urban Identities and Regional Development held on 14–15 November 2002 as part of the Danish EU Presidency. It was also the background for the ten recommendations in the Copenhagen Charter 2002 presented at the conference.

This document is a report on the conference. The report contains the main messages, the submissions from researchers and proposals from the Spatial Planning Department on how to meet the challenges of future urban and regional development.