

Part II The Economy and the City

Chapter 10

City Economies

Gary Bridge and Sophie Watson

In urban theory and analysis the economy has occupied a privileged status as the real, the material and, in early Marxist writings, the underlying structure which in the last instance determines all other phenomena. The economy, it could be said, is the hard stuff – the given – against which culture and the social is othered as soft and more malleable and open to change. This bifurcation has now started to shift as poststructuralist and feminist theory has fractured the notion of the economy as a monolithic space, and social/cultural analysis has come into its ascendancy. At the same time culture and economy are recognized as far more mutually constitutive than once was thought. Cultural readings of the economy meet the influential arguments from Marxist political economy. In all these cases the question arises as to whether we are seeing adjustments to capitalism or is capitalism itself taking on a decisively different character? Is Confucian capitalism the same as American capitalism? Will the effects of the market have the same impact on the form and function of cities in those two countries? Are arguments about globalization testament to the triumph of Western capitalism (Wallerstein 1974; 1991) and the “end of history” (Fukuyama 1992) or just the beginning of new cultural economic forms?

Some even question the notion of capitalism itself. Is it no longer something we can hold together in a unitary conceptual discourse or do its discontinuities open up the space for resistance and change? As Gibson-Graham (1996) argue this might not be the end of capitalism but the end of capitalism as we knew it. These debates bring out the contrasts between neoclassical, Marxist, and poststructuralist understandings of city economies that we will consider in the first part of this chapter.

Theoretical divisions map onto various key trends in city economies. In this chapter we group them into three related themes: materiality/embeddedness, location/relational space, and the city. First are the arguments about what we might call the dematerialization of the economy. These contrast with understandings of markets as socially and culturally embedded and indeed corporeal. Then there are important questions over the degree to which economic activity is localized or set in relational networks. The implications of materiality and territory for understandings of urbanization, urban growth and the urban experience in city economies

will be considered. These themes consume our attention in the second part of the chapter.

Neoclassical, Marxist and Poststructuralist Understandings of City Economies

Neoclassicists and Marxists take certain (but different) elements of capitalism as given. For neoclassicists these are consumer sovereignty and markets as price-fixing mechanisms. For Marxist authors such as David Harvey it is capital logic that is invariant, such as accumulation for accumulation's sake and rent as an unequal social relation (Harvey 1982; 1985). For poststructuralists such as Trevor Barnes, capitalism exists through discursive constructions and the specificities of context and location (Barnes 1996).

Before the Marxist revolution in urban studies in the 1970s most economic analysis of cities was decidedly neoclassical in tone. The spatial form of cities was an outcome of competing demand for space, and land uses changed from commercial, to industrial to residential at the margins of the ability of different users to "bid" for the land (see Alonso 1964; Muth 1969). Rent was an equilibrium mechanism that sorted out competing bids on land uses. Equally the geographical location of settlements relative to each other was determined by the spatial extents of consumer markets for different goods (e.g. Christaller 1966).

Neoclassical analysis is still a significant part of urban analysis, though there is a theoretical and political divide between the neoclassical and Marxist, and post-Marxist camps with often little dialog between them. There are exceptions to this – for instance Sayer's (1995) call for greater connections between Marxist political economy and liberalism and Merrifield's Marxist analysis that accommodates the market, at least for the time being (see chapter 12 in this volume).

A good example of the neoclassical approach is given by Bill Clark (chapter 13) in which he analyses changing consumer tastes, accessibility and locational trade-offs, and their impact on urban form. He argues that issues of demand and accessibility are just as important in explaining the form of the decentralized city as they were in the 1960s when agglomeration and accessibility to the center was the key. Consumer demand explains the more fragmented form of the contemporary city.

Concurrently Marxist political economy has mounted a sustained critique of neoclassical assumptions. Rather than consumer demand being the key explanatory variable in the form and location of cities, Marxists looked to factors of production of commodities and the social relations that were involved in production processes. The canon of David Harvey's work (Harvey 1973; 1982; 1989; 1996) has had a profound effect on the interpretation of capitalism and the role of cities in capitalist accumulation – what he calls the urban process in capitalism. Harvey and others have argued that cities have distinctive roles in the circulation of capital. They are concentrated centers of exploitation and the class-based extraction of surplus value from workers (the spatial equivalent of the length of the working day). They also act as coordination centers for the control of investment between the various circuits of capital in commodity production, the built form, services, finance, and credit. Indeed much of the built form of the city itself is seen as an outcome of investment in the second circuit of capital to overcome overaccumulation crises in the first



Figure 10.1 Hairdressing salon, South African township (© Sophie Watson)

circuit of commodity production. Rent here is not seen as a market clearing mechanism in the demand for land as it is in the neoclassical models. Rather it is a social relation that is an outcome of the unequal struggle between landowners and land users who are able to exact a surplus given their monopoly control of land. In this spirit Edwards (chapter 50) attacks the neoclassical naturalized view of markets to argue for their historical and material construction, in this case through planning systems. More latterly cities are seen as sites of spectacle (world fairs, the Olympics) and other cultural accumulation strategies which are themselves sources of rapid profits.

In recent years Marxist political economy has been criticized from several directions for being too much of a grand narrative seeking to encompass everything in its explanations and too rigid about social factors, particularly class (Laclau and Mouffe 1985; Resnick and Wolff 1987). Gibson-Graham (1996) argues that the discourse about capitalism in Marxism is so concentrated on the unitary and all-encompassing nature of capitalist processes that it stymies any radical political resistance. Marxist metaphors and analyses are male (domination, penetration, invasion) and Gibson-Graham's feminist critique seeks to reorientate debate to find a discursive space for resistance to the monster of capitalism. Barnes (1996) argues that total knowledge cannot be had – our understandings are at best partial and situated in a cultural context and this leads us to view capitalism as a potentially fragmented and particular process, rather than being unitary and universal.

Postcolonial studies have also questioned Western-oriented understandings of markets and capitalism (see King, chapter 22). Occidental assumptions are evident in variants of “modernization theory” (e.g. Rostow 1971) that are applied from the “developed” to the “developing” world. From the sub discipline of development

economics to ideas of dependency and Marxist interpretations of the “development of underdevelopment” – these diverse theoretical approaches all infer the experience of non-Western economies from prior western experience. The idea of overurbanization for instance, in which the level of urbanization of a country was much higher than its GDP compared with a similar stage of “development” in the West in the end revealed more about the nature of Western assumptions than any experience of urbanization in many non-Western countries. In the West the “economy” is assumed to be separate from the domestic. This ignores the fact that in non-Western, and to some extent also in Western cities, one part of the economy is a combination of household/family production, home based but conducted in public. Western assumptions about the marginality of the “informal economy” ignore the fact that an increasing amount of economic activity is informal, undocumented, and even illegal.

The possibility that cultural differences make a decisive difference to this thing called capitalism, or even that Western capitalism itself is an exception, has been considered by economists and sociologists and more recently economic sociologists (e.g. see Weber 1958; 1978; Polanyi 1957; Smelser and Swedberg 1994). The new socioeconomics and earlier institutional approaches argue that categories of economic action are culturally variable and socially constituted. Perhaps we should look to Weber as well as Marx for our understanding of the inner workings of capitalism. In *The Protestant Ethic and the Spirit of Capitalism* Weber argued that there was an “elective affinity” between certain puritan forms of Protestantism that had an emphasis on the individual, on thrift, on wealth as a sign of discipline and the investment behavior required in capitalism. These ideas of human nature were secularized as capitalism took off in a process of rationalization and disenchantment.

That economic system is now global. Embedded within it are certain conceptions of the person, rational action, economic convention. These cultural assumptions meet other ways of seeing the person (and therefore constituting the economic actor) along with other understandings of the significance of the commodity, other ways of coordinating economic activity, and other ideas of the role of the economic in the rest of life. In China Confucian values emphasize the significance of roles (in balanced hierarchies) rather than individuals, and an orientation to an adjustment to the world rather than a mastery of it (Hamilton 1994).

In theoretical terms the key engagement is likely to be the degree to which these economic/cultural differences locate capitalism in its specificity or whether the relations between these processes are sufficiently similar that we can talk of trans-cultural processes. If culture is a critical component in the organization and form of capitalism Marxist urban theory will need rethinking if it is to deal with these new economic forms. This is a key theoretical encounter and is beginning to be worked through. It is represented by the scope of this Companion.

City economies: Materiality/Embeddedness, Location/Relational Space, and the City

The relations between conceptions of the economy and cities are considered here in terms of materiality and embeddedness, locational and relational space. To what

extent is the economic a material realm? To what extent is it composed of matter, of objects, of touchable things? This question underlies a good deal of contemporary argument about the economy and the economic role of cities.

There is one fundamental sense in which the economy has materiality – the outcome of economic activity in terms of the material wealth and poverty of populations. At the broadest level real income per person in 1991 varied from \$US14,860 in “the North” to \$US2,730 in “the South” with a world average of \$US5,490. The poorest countries (mostly in sub-Saharan Africa had per capita income of \$US880). In the last 20 years countries with economies that have grown fastest have had fastest urban growth. In 1990 the world’s 25 largest economies also had over 70 percent of the world’s 281 millionaire cities and all but one of its 12 urban agglomerations with 10 million or more inhabitants (Habitat 1996). Growth has been especially rapid in what have been termed the Dynamic Asian Economies (Republic of Korea, Taiwan, Hong Kong, Singapore, Thailand, Indonesia, and Malaysia). Of course the economic downturn of the late 1990s has arrested economic growth in many of these countries and this has had a real impact on cities where building development of offices, apartments, and infrastructures has been halted. The Chinese economy is growing fast and East Asia contains ever-larger proportions of the world’s urban population and of its largest cities (Habitat 1996). In contrast, between 1980 and 1991 per capita income was negative for three regions: sub-Saharan Africa, the Middle East and North Africa, and Latin America and the Caribbean, much of this a result of higher interest rates on debt repayments to the West. Although the increase in urban populations was more modest, the living and working conditions of those populations deteriorated. The numbers living in poverty increased sharply in many countries during the 1980s and 1990s, up to 40 percent of the urban population of Zambia and Mozambique, for example, and 68 percent of the population in Bangladesh.

Despite the stark reality of these material outcomes of economic processes the key drivers of economic change seem ever more elusive. This feeling of the dematerialization of the economy can be explained in a number of ways. First, changes in production processes have led to the unbundling of the commodity. This happened in manufacturing first of all with separation of manufacturing functions, subcontracting and just-in-time production – the flexible specialization of post-Fordism (see Scott 1988ab; Lovering 1990; Amin 1995). Ford’s Hermosillo plant in Mexico that made Mazda cars is a good example (Harris 1998). Just-in-time stock policies ensured that there was no accumulation of parts in any of the thousands of contributing factories in the Kansai region of Japan or en route to Mexico. Export of the parts was monitored and conducted at such a speed so as not to interrupt vehicle assembly in Mexico.

Unbundling has now spread to services. As Harris again illustrates, “The design of Walt Disney cartoons starts in Hollywood, but part of the drawing is done in Manila. Mumbai handles SwissAir’s accounting, Barbados that of American Airlines. Manila processes British criminal records; Shenzhen, Japanese land transactions (1998: 11).

The disaggregation of manufacturing and service provision has profound territorial effects. Most contributing regions don’t have a grasp on the entire production process and so control of production comes from afar and is more elusive. For some

this means a complete deterritorialization, the demise of the nation-state and the concentration of economic decision making on a few global cities. Harris, for example, argues that “the overall result of unbundling has been the spread of manufacturing capacity world-wide – binding the globe into a single manufacturing system directed from cities” (Harris 1998: 11). Others argue that the nation-state determines the impact of external economic forces (Weiss 1998) or point to the significance of government trade and foreign relations departments in doing the diplomatic groundwork to assist national or transnational corporations in their investment strategies abroad – what is called “the new diplomacy” (Stopford, Strange and Henley 1991).

Yet others reassert the importance of territory as the intricacies of supply in post-Fordist production create industrial regions as a new form of urbanism. Scott (1988ab) argues that just-in-time production and the industrial networks of sub-contracted supply it demands have resulted in a new geography of urban nuclei in dispersed regional systems in which firms seek to minimize their transaction costs. Scott (1988b) defines this as a new urban form in which transaction costs between subcontractors and suppliers are minimized across a region. Whether we see this as a new form of urban concentration which is tied together by rapid transport routes or as dispersed urbanization in new edge cities (Garreau 1991) is open to question. Others even see it as the coming of the postmetropolis where the degree of urbanization and decentralization is such that the world in some senses has become a city (Soja 1999).

The second sense of dematerialization comes from the growth of new commodities to be traded. The most important of these is knowledge. In *The Coming of Post-Industrial Society*, Bell (1973) defined postindustrialism in terms of knowledge-intensive production. Over the last 20 years there has been a rapid expansion in the production, consumption, and exchange of knowledge and information. In this informational economy the action of knowledge upon knowledge itself is the main source of productivity (Castells 1996: 17). This is a set of economic processes based on reflexivity (see Amin, chapter 11 in this volume). Especially important in this new mode of development are informational cities that act as hubs of knowledge-intensive activity and the infrastructure required to support it (Castells 1989).

There is a tension between an idea of the economic assets of a city resting on its location, accessibility, and history and its increasing irrelevance in international flows of capital – a dilemma that Amin points out in chapter 11. These dilemmas can be seen in terms of cities that are changing from one form of economic order (state socialism) to another (capitalism), and the changes have different borderlands, to use Sassen’s metaphor. In Havana, Cuba, there are dual spaces that consist of government-sponsored activities and those of the parallel economy. The spaces of sociocapitalism are uneasy ones (Rutheiser, chapter 19 of this volume). The capital cities of the Baltic states are being used as cultural and historical locational assets to attract inward investment and “adjust” to the market (Cooke et al., chapter 20). Tong Wu (chapter 18) notes the significance of the international migration of the Chinese. These migrants invest in their destination cities outside China and also repatriate investments to home regions in China. The transnational investment strategies of the wealthiest migrants reveal the importance of networks of family and cultural inflections on capitalist processes.

The informational economy is a network economy, where place is not important but connectedness is. The network metaphor has been significant in a number of ways. Post-Fordist flexible specialization production relies on a network of production units and subcontractors. The informational economy stresses the significance of network effects and cities themselves are networked in an (increasingly global) urban network hierarchy. Economic competitiveness relies on innovation and creative clusters that are networked. These networks are seen to be most rich and productive in the city (see Comedia and Demos 1997). It is networks of advantage or disadvantage that can exist in the teeth of spatial juxtapositions of wealth and poverty in our cities. Networks and connectedness, rather than location, seem to be the economic metaphor of the age (see Castells 1996–8).

Many of the new commodities based around knowledge working add to the images that confront individuals – pop videos, computer games, cable TV, the Internet. This proliferation of images in an economy of signs (Lash and Urry 1994) either increases the reflexive sense of self (Giddens 1991) or adds to their sense of disembeddedness in an experience of hyperreality (Baudrillard 1981). This is a set of esthetic processes where design, finish, and niche marketing to specific taste groups become important. The media economy is increasingly self-referential – advertisements draw on allusions to other advertisements, or TV programs, or videos – in a form of intertextual economy. Knowledge is traded, images are traded, images of images are traded. Economies become spectral.

Cities become sites for the production of images and the cultivation of spectacle. In the competition for inward investment they must market themselves as desirable places for business (Kearns and Philo 1993; see also chapter 20) and tourism (Urry 1990). They also sell their desirability to young professionals through the marketing of consumption landscapes of gentrification (Mills 1988; Zukin 1991; 1982). The city is sold as a bundle of consumption assets. The keen competition between cities for events such as World Fairs or the Olympics is testimony to the significance of spectacle, city name recognition, and a global audience. Harvey argues that signs and spectacle have the added significance of reducing the turnover time between investment and return in the global race for profit.

A third sense in which the economy is dematerialized is the changed character of money. Money is increasingly disconnected from material things. The advent of floating exchange rates, the expansion of credit, and the futures and derivatives market means that money as a form of value is more and more distanced from commodity production, more and more tied to forms of speculation (Harvey 1989). Money is more mythical. Yet with the growth of securities and deregulation of financial markets money (as a form of information) is moving around the globe in greater quantities instantaneously.

The free and rapid movement of capital investment reduces the significance of territory in the “space of flows” as Castells (1996) calls it. At the same time these rapid and proliferating movements have to be coordinated. In recent years urban debates have proliferated around global cities and the processes of globalization. Globalization is variously posited as an inevitable homogenizing force – a kind of juggernaut discourse, but similar to the internationalization of earlier periods (Hirst and Thompson 1996), as generally beneficial (Giddens 1998) – or as having vastly spatially differentiated effects (Castells 1997). The place of certain cities as



Figure 10.2 Chicago (© Steve Pile)

command-and-control centers for the flow of finance capital has been extensively explored in Western cities (see Sassen, chapter 15; and Fainstein and Harloe, chapter 14) and increasingly in a non-Western context (see Tong Wu, chapter 18). The fact that such cities are fully immersed in the daily movements of the global stock market and are sites of producer services is argued to have separated them off from other cities in their nations. As a result new forms of proximity in the space of flows have emerged. New York, London, and Tokyo have more in common (in some respects) with each other than their hinterlands or other regions of their respective countries. They are more like city-states separate in many respects from their hinterlands and with enormous significance for their national economies. In global cities we see the clearest signs of cities becoming independent economic actors.

However easy it is to be seduced by the gleaming towers, bustle, hypermobility, and sophisticated consumption landscapes of New York, Tokyo, London, and Hong Kong or Shanghai, there is another side to globalization. Cities in this global arena rely on local populations (cleaners, maintenance personnel and other low-grade

service jobs supporting the professional employees). These workers are also characteristic of processes of globalization in which immigrant and refugee populations are as central to the global narrative as the city slicker. These contrasts and relations form the “analytic borderlands” which disrupt dominant discourses of globalization in which the economy has been constructed as the center while culture is othered as marginal (chapter 15).

The transnational city is the other face of the global city. While stricter immigration controls have meant a decline in immigration to many Western countries over the last 20 years, international migration has increased worldwide. 100 million people were estimated to live outside their country of origin in 1992, 20 million of whom were refugees and asylum-seekers. Many of these people are concentrated in low-wage sectors of the economy, or in the informal economy. Immigrants’ experiences are explored throughout this volume in terms of the politics of citizenship (see chapters 24 and 27) and political action in the transnational city.

Global cities might not be that exceptional. Economic changes (in industry, labor, and property markets) that affect cities defined as global are not necessarily distinct from those impacting on other urban areas. Susan Fainstein and Michael Harloe (chapter 14) challenge the simplistic binary notion of a dual labor market consisting of highly paid professionals and underpaid service workers in the city. They point to the missing mass of the suburban middle class who are involved as workers and consumers in the city economy but are often forgotten in the analyses. Recent work in London (Nick Buck and Ian Gordon, chapter 16) points to processes of turbulence (high turnover) in employment and sedimentation where people with skills are bumped down to jobs for which they are overqualified. This process then forces less qualified people to take jobs that are below their skills level. This reveals the instability of the postindustrial labor market.

Labor market divisions within transnational cities reflect wider international divisions of labor (Froebel et al. 1980). This has been understood as the decline in manufacturing jobs in the West and their growth in non-Western nations, especially East Asia and the growth of routinized service occupations in non-Western countries supporting higher order nonroutinized services in the West. There is also the staggering growth in informal activities where jobs in the formal economy are too few, or in the illegal economy. The burgeoning economy of crime and corruption (drugs, money laundering, and so on) was estimated to be worth \$US750 billion in 1994 (for a discussion see Castells 1998: chapter 3).

Analyses of changing labor markets worldwide are matched in numbers by discussions of work, or rather the transformation of work (Castells 1996; Sennett 1999). Castells summarizes this as “networkers, jobless and flextimers” (1996: chapter 4). Overall this represents a loosening of the relationship between people and work, either because they cannot get access to employment, or they have a more flexible experience of both time at work and “careers” as a whole. Work becomes a less structuring element of life and identities are forged in realms other than employment and the economic. The declining significance of work for identity (and politics arguably) can be seen as another form of dematerialization.

The transformation of work is again uneven. Sassen also points to the sharper valorization and devalorization of different parts of the city. Devalorized spaces speak of dematerialization in another sense. It is a dematerialization in the sense of

absence of material goods or access to them. Thrift (1995) gives the illustration of the African-American and Latino neighborhoods of South Central Los Angeles where banks, automatic cash machines, mortgage finance, and credit facilities are largely absent.

Lack of investment on a larger scale is symptomatic of those former industrial cities which have lost manufacturing employment and which have no compensating service sector to take up the employment loss. Rustbelt cities in the northeastern US, northern England, or Wollongong and Newcastle in Australia, have experienced prolonged economic decline and physical decay.

On a greater scale still, whole regions of the world can be seen as excluded from the flows of hypermobile capital. Thus Smith (1984) talks of the redlining of sub-Saharan Africa. Even where investment or aid is forthcoming it is couched in neoliberal terms. The assumptions of open competition, the hidden hand of the market and minimal interference in market mechanisms have certainly prevailed politically over the last quarter century. This neoliberal hegemony in many countries has broken down labor market regulation, weakened labor representation, and reduced so-called obstacles to competition. Such assumptions have also lain behind the activities of the IMF and the World Bank as they credit rate countries and cities and enforce conditions of competition on non-Western nations in return for loans and debt rescheduling. The net flow of monies from non-Western to Western nations in the form of debt repayments can be seen as a form of neocolonialism reinforcing the subaltern status of these economies.

From this discussion of the dematerialization of the economy it might be easy to gain an impression (supported by writers such as Giddens 1998) that in some senses the world is like finance capital. But that is far from the case. As the previous examples have shown, the terrain of the modern international economy is uneven. Materialization and commodification continue apace. In East Asia rapid industrialization, urbanization, and urban growth dominate certain regions. Infrastructure connections between Hong Kong, Shenzhen, Guangdong, Zhuhai, Macau, and the small towns in the Pearl River Delta lead to an emerging megacity of 40 to 50 million people. This urban region encompasses preindustrial, industrial, postindustrial, and postmodern landscapes of street trading, manufacturing, light industrial and commercial enterprises, and IT and other consumer services. The prior settlements were connected up by improved rapid transport infrastructure and information technology to produce a wired urban region. Most regions of the world are experiencing unprecedented material transformations.

Equally the materiality of cities in terms of the substances that go into making them, and their effect on the environment – as possible limits to the economy – is of heightened concern. As Harvey (1996) has remarked the environmental movement has assumed that cities are anti-ecological, but given the fact that most of the world's population will be living in them, the density and compactness of cities must also be seen as a solution to environmental problems. Nature is not separate from cities (see especially Cronon 1991; Swyngedouw and Kaika, chapter 47 of this volume). What the conditions of Western and rapidly urbanizing areas shows is the different meanings attached to the environment in different regions of the world. The environmental movement has been concerned with big questions such as the depletion of the rainforest. This is at the expense of environmental concerns such as good water

supplies and sanitation that affect most people in cities. Household environmental concerns tend to be the most pressing for much of the world's urban populations but are less prominent than public global concerns. This discourse constructs the economy and environment as public rather than private, and attaches different values to each side of this binary: the public is constructed as more important. It also reveals a Western bias in conceptions of cities and the environment, since the global environmental agenda is focused on developing non-Western nations. However, the poverty of many rapidly growing cities means that the effective recycling of materials is already a reality of daily life and an important means of subsistence. Sustainability means survival and is an everyday matter of life or death. In contrast, overconsumption of materials in most Western cities means that sustainability is about reducing consumption.

Ideas of dematerialization and a placeless, ethereal economy are also countered by arguments for the social and cultural embeddedness of markets. Institutional economics and the new socioeconomics have combined to argue for the importance of social and cultural factors in the operation, and indeed construction, of markets. Thus Amin and Thrift (1995) see differences in market processes according to their degree of institutional thickness. Networks of relationships are seen as significant in terms of contractual histories between subcontractors and their suppliers in post-Fordist production. Face-to-face contacts and networks of trust are particularly significant when it comes to exchanging nonroutinized information and expertise (see, e.g., Leyshon and Thrift's 1997 analysis of social networks in the City of London). Creative networks can be particularly productive in cities (Comedia and Demos 1997). These are influences in the formal economy but networks and embeddedness are also deemed to be important in the informal economy. Social capital theory (Putnam 1993), which argues that it is possible for social relationships to become sources of productive activity (shared skills), has become a debating point in Western cities. In this sense they are following the networks of self-provisioning that are such a feature of squatter settlements in non-Western cities.

The cultural and social lumpiness of economic activity works against the dematerializing tendencies of the "global" economy. The significance of physicality in the "space of flows" of the global informational economy suggests an emerging interest in what might be called the corporeal economy. The body as a site that bears the marks (or scars) of economic activity was vividly depicted by Engels in Manchester. He was able to identify workers' occupations from the deformities of their bodies (Engels [1844] 1993; and for contemporary arguments see Harvey 1998). In many cities the body is the site of economic exchange, from the sex trade to the international trade in human organs at one extreme, and the cultivation of knowledge and expertise at the other. Processes of globalization commodify and give the first global image of the body. Commodities are more and more sold on sexualized images of the body. Advertising presents a worldwide audience with perfect bodies. Increasing amounts of money are spent in keeping the body presentable and youthful (historically for women and now increasingly for men). All these tendencies are collapsed inwards in cities and affect bodily display or concealment, and the movement or restriction of bodies in urban space.

Contemporary processes create tensions between ethereal and embedded economies, between fixed assets and the advantage of mobility, between signs and traces and

immobilized bodies. The discourse of the economic has moved out beyond the material to embrace the cultural. The city, with its concentration of ever more diverse cultural/material objects and subjectivities, is at the center of this creative tension. It maps the terrain of future discussion between political economy and cultural studies.

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