Novel Spatial Formats For Urban Inclusion

Megaregions and Global Cities

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Focusing on the two cases of megaregions and global cities, sociologist Saskia Sassen explores how a more equitable distribution of benefits can be reached at the level of great urban conurbations. She calls for new analytical tools to envisage self-sufficiency without exclusion, stimulation without destruction and globalization without annihilation of diversity.

Major shifts in the scales, spaces and contents of economic activity are engendering novel spatial formats.[1] Among the more prominent of these are global cities and megaregions. This push for novel formats is further strengthened by the recognition that urban regions are strategic spaces for addressing both environmental sustainability, and related calls for relocalizing production as close as possible to the demand; examples are food production and jobs that are now outsourced to countries with "cheaper" costs, which of course raises environmental costs. These new patterns and constraints also call for shifts in our interpretations and policy frameworks to adjust to these novel spatial formats and maximize their benefits and distributive potential.

While megaregions and global cities are different formats, I will argue that analytically we can identify similar dynamics at work in both. Two such dynamics stand

[1] This paper is derived from two larger projects that include policy discussions and extensive bibliographic materials; one of these is focused on megaregions and global cities ("A Savage Sorting of Winners and Losers: Contemporary Versions of Primitive Accumulation" *Globalizations*, March–June 2010, Vol. 7, Nos. 1–2, pp. 23–50.); see my chapter in Goldfeld, Keith S. (ed.), 2007, *The Economic Geography of Megaregions*, Princeton: Policy Research Institute for the Region, Woodrow Wilson School of Public and International Affairs, Princeton University and the Regional Plan Association; see my chapter in OECD, 2007, *What Policies for Globalising Cities? Rethinking the Urban Policy Agenda*, Proceedings from the OECD International Conference, 29-30 March 2007, Madrid, Spain. Available for download at: http://www.oecd.org/document/16/0,3343,en_21571361_37673954_40078672_1_1_1_1,00.html
The second is on cities and environmental challenges (Sassen, S., Dotan, N., "Delegating, not returning, to the biosphere: How to use the multi-scalar and ecological properties of cities?", *Global Environmental Change* (2011)

out. One is scaling and its consequences –in this case megaregional scaling and global scaling. The other dynamic is the interaction between geographic dispersal and new kinds of agglomeration economies, which in this case are operating respectively, within a megaregion and within a global space that incorporates over 100 global cities.

On the environmental vector, cities are among the main users of worldwide resources, with geographies of extraction and destruction that span the globe. This becomes extreme in the case of global cities. Relocalizing production of key needs is now urgent –why import from China what could be made in the larger megaregion within which a city is located. It would mean that cities begin to be seen not just as part of a megaregion but as constitutive elements. In this process, I argue, a more equitable distribution of the benefits of growth would also arise, with poorer areas not becoming poorer as often happens today, but gaining a better share of growth. More basically, growth itself would become more distributed, thereby helping us move towards a condition where key environmental concerns begin to govern how and what we produce.

The Megaregional Frame: Finding a Common Analytical Ground

Specifying a common analytic ground for these two very diverse spatial formats is important for examining the possibility of achieving some of the potentials introduced above. A basic starting point for my analysis is that a megaregion is a sufficiently internally diverse economic territory to contain diverse spatial logics –particularly, agglomeration and dispersal logics, which might translate into high-cost high density areas and low-cost low density areas. We know that large integrated firms need both types of areas for their operations. Thus the megaregional scale can enable the exploring of novel development strategies predicated on this diversity of spatial logics, hopefully to the advantage of both the more advanced and the least advanced areas within that megaregion. It would take innovative governance umbrellas and new types of private-public arrangement.

These diverse spatial formats should also help in assessing the extent to which policy decisions can encourage greater economic integration between a country's more

globalised city (or cities) and its other areas currently performing subordinate functions within the national territorial hierarchy. In other words, taking a megaregional scale might help in generating a more distributed situation, where disadvantaged areas can get some of the growth now overconcentrated in global cities or outsourced to low-income areas far away. The megaregion then becomes a scale that includes both globalizing and provincial cities and areas. One consequence is that not only expected "winners" get privileged, as is typical with "targeting" of resources to enable the formation of world-class cities and silicon valleys, but also poorer, often forgotten areas – and the latter can become dynamically interconnected with the former.

The hope would be that rather than pursuing the usual economic policies focused on the most advanced sectors, this would make a strong case for concentrating upon the poorer areas of a country –and, more specifically, of a megaregion. Further, this focus would not be a form of charity but a recognition that they can be part of the advanced sectors; after all, when major firms outsource jobs to low-cost areas across the world, they are outsourcing some of *their* tasks. Many advanced economic sectors combine sufficiently diverse tasks. Some of those have a preference for lower-cost areas while others, such as global city functions, prefer dense high-cost areas. Parallel to this effort to incorporate laggards, or less successful areas, into policy frames that today target mostly successful areas, is the effort to understand how cities in the middle range of urban hierarchies fit in today's global intercity geographies.

To mention just one of several examples, this type of framing would bring value to poorer areas within the most developed countries as these might be developed to house activities that are now outsourced to low-wage countries. One key aim should be to avoid a race to the bottom as happens when these activities are off-shored, which might be simpler to ensure when both headquarters and low-wage activities are in the same country. A second aim should be to provide alternative or complementary development paths to what is today's prevalent path, i.e. the policy preference for high-end economic activities, such as bio-tech parks and luxury office parks.

Departing from the more common propositions, I find that the specific advantages of the megaregional scale consist of and arise from the co-existence within one regional space of multiple types of agglomeration economies. These types of agglomeration economies today are distributed across diverse economic spaces and geographic scales: central business districts, office parks, science parks, the transportation and housing efficiencies derived from large (but not too large) commuter belts, low-cost manufacturing districts (today often offshore), tourism destinations, specialized branches of agriculture, such as horticulture or organically grown food, and the complex kinds of agglomeration economies evident in global cities. Each of these spaces evinces distinct agglomeration economies and empirically at least, is found in diverse types of geographic settings –from urban to rural, from local to global.

The thesis is that a megaregion is sufficiently large and diverse so as to accommodate a far broader range of types of agglomeration economies and geographic settings than it typically does today. This would take the advantages of megaregional location beyond the notion of urbanization economies. A megaregion can then be seen as a scale that can benefit from the fact that our complex economies need diverse types of agglomeration economies and geographic settings. This diversity ranges from the extremely high agglomeration economies characterized by specialized advanced corporate services to the fairly modest economies where suburban office parks and regional labor-intensive low-wage manufacturing settle. The megaregion can incorporate this diversity into a single economic mega zone. Indeed, in principle, it could create conditions for the return of particular (not all) activities now outsourced to other regions or to foreign locations; besides "regionalizing" various segments of a firm's chain of operations, one might also propose to regionalize more segments of various commodity chains.

Thus the critical dimension for the purposes of this paper is not just a question of the contents of a megaregion, such as its economic sectors, transport infrastructure, housing markets, types of goods and services that get produced and distributed, exported and imported – a sort of X-ray of a megaregion. Also critical is the specification of

economic interactions within the megaregion in order to detect what could be re-incorporated into that region (e.g., factories or routine clerical work that is now outsourced to other national or foreign areas) as well as to detect emerging megaregional advantages.

The Specialized Differences of Global Cities: Favoring Diverse Trajectories

The formation of inter-city geographies is contributing a socio-technical infrastructure for a new global political economy, new cultural spaces, and new types of social networks. Some of these inter-city geographies are thick and highly visible – the flows of professionals, tourists, artists, and migrants among specific groups of cities. Others are thin and barely visible – the highly specialized electronic financial trading networks that connect particular cities depending on the type of instrument involved. A bit thicker are the global commodity chains for diverse products that run from exporting hubs to importing hubs.

An often overlooked dimension underlying these intercity geographies, and one that I keep stumbling upon in my research, is that today's global economy brings to the fore the specialized capabilities of different cities and regions. This goes against the more common notion that globalization homogenizes urban economies, a notion that I argue is only partly correct. Globalization does homogenize standards (for manufacturing, for the building of state-of-the-art office districts, for financial reporting, for accounting, and so on), and it engenders global markets for standardized products. But it also feeds the specialized differences of places: thus Chicago and New York, the two major financial centers of the US have each become more and more specialized in their distinct sectors. The same can be said for Shanghai, Hong Kong and Shenzhen, the three major financial centers in China –they are not becoming more equal. This contributes to explain why the number of major and minor global cities has expanded as globalization has expanded. One effect of these trends is to multiply the number of specialized/distinct circuits connecting cities around particular economic activities.

The specialized economic histories of major cities and regions matter in today's global economy because there is a globally networked division of functions. This fact is easily obscured by the common emphasis on competition and by the standardization (no matter how good the architecture) of state-of-the-art built environments, from offices to airports. This then also means that today's megaregions need to extract these specialized capabilities, which might include some very different sub-economies in different sites of a given megaregion. It is important to standardize transport infrastructures and various standards across a megaregion. But this should not obscure the fact that the value-adding potential of that region may well lie in the particular economic (and cultural) capabilities of the diverse urban and non-urban sites of that region. These types of particularities come to the fore in the evidence that diverse cities worldwide benefit from different types of advantages. There is no perfect global city. Global economic actors (but also cultural and political and civic actors) need many global cities, no matter how imperfect, rather than one perfect global city.

This also means that a city's or a region's role in these intercity geographies is not only determined by its overall rank – an aggregate measure – but in fact can be critically shaped by its specialized capabilities. Elsewhere (Sassen 2008a) I have argued that the common notion of the homogenizing of the urban landscape in today's economy misses a critical point. It misses, or obscures, the fact of the diversity of economic trajectories through which cities and regions become globalized, even when the final visual outcomes may look similar. Out of this surface analysis based on homogenized landscapes, comes a second possibly spurious inference, that similar visual landscapes are a function of convergence. Both propositions – that similar visual landscapes are indicators of both similar economic dynamics and of convergence— may indeed capture various situations. But key conditions are not captured, and, in fact, are rendered invisible by such notions. Similar landscapes may contain very different economies and hence may not be competing but complementary. At the scale of the megaregion this can become truly significant because it signals that it can accommodate a broad range of a firm's diverse activities.

The In-Between Space of City and Biosphere

Cutting across all of this is the need for environmental sustainability. In my current work on this subject, my starting point and focus is especially the cities: they are a very specific type of setting that we are all familiar with. Megaregions in contrast can be enormously diverse types of settings. Megaregions come into the analysis as the necessary larger scale which is one element, and only one, in enabling cities to be more environmentally sustainable.

Cities have multiple articulations with the biosphere. Today these are mostly negative in two major ways. Cities produce ruptures in the biosphere's continuous flows, and their consumption of biospheric resources is ''unbiological'' in the sense that they take more than the biosphere can replace. In a larger project (Sassen 2009; Sassen and Dotan 2011) we introduce a third element into this dyad of city and biosphere: scientific and technical capabilities that can be used to begin to redress both of the above negatives by activating biospheric capacities in urbanized settings. We name this delegating back to the biosphere. A familiar example is the use of algae in combination with a reactor to cleanse acutely contaminated water bodies.

This is, then, not simply a return to ''nature'' or to the biosphere, but a more complex assemblage of biospheric and scientific capabilities that constitute an intermediate space that is neither fully urban nor fully of the biosphere. Our conceptualization is linked to a second proposition: that rupture is increasingly the dominant mode of human transaction with the cycles of the biosphere. Finally, we posit that to enable the proliferation of this type of intervention in complex cities will require using the multi-scalar and socio-ecological properties of cities. One hypothesis we begin to develop is that full recognition and activation of these properties of cities could be a key factor for amplifying the positive articulations of cities with the biosphere.

Delegating back to the biosphere is a framing for an analytics that can take us beyond an emphasis on mitigation and adaptation, today's two dominant approaches. The focus is on the complex in-between space that is the site of both the transactions between

city and biosphere, as well as the site of the ruptures that characterize these transactions And our aim is to theorize the shifting relationship between cities and the biosphere in ways that can incorporate vanguard scientific, technical and social innovations. Such an analysis entails, for instance, accounting for the deployment of nanotechnology to enhance capacities of the biosphere, but in ways that bridge with the biosphere rather than create ruptures. Our aim is also to account for social innovations, including the spatial and scalar issues raised in this paper. In short, we need to activate that in-between space with multiple biosphere capabilities and multiple human-made technical, knowledge and scalar capabilities.

Published in booksandideas.net, 5 May 2012.