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Powerful City Networks: More than Connections, Less than Domination and Control

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Introduction

A great deal has been written about cities and power, much of it concerned to trace who gets to exercise power over whom, and who loses out at the expense of others. The ability of certain groups to bend or influence the will of others has long been a characteristic feature of city politics. When the focus broadens to the wider networks of power within which cities themselves are embedded much the same refrain about which cities are more powerful than others almost invariably comes to the fore. From the moment that John Friedmann penned his path breaking paper on world city hierarchies in 1986, the focus of attention has largely been upon the different resources and capabilities which are thought to lie behind the power and influence of cities. The manner in which global cities, most notably New York, London and Tokyo, but also Hong Kong, Paris, Singapore and Chicago, are said to intensify their power through an ability to settle the flows that matter most to them, however provisionally, has become something of a preoccupation among city policy analysts and urban scholars. A concern that has now gone well beyond the usual list of dominant cities to include gateway as well as other less commanding cities in the beleaguered quest to be more like the ‘successful’ cities (Gritsai, 1997; Kratke, 1999, 2001; Hill and Kim, 2000; Rossi and Taylor, 2006; Skeldon, 1997).

What has changed since Friedmann’s day is the concern to unravel the complex of networks through which cities sustain, enhance, or lose their ability to influence and control what happens around them (Alderson and Beckfield, 2004; Beaverstock et al, 1999, 2000; Carroll, 2007; Neal, 2008; Smith and Timberlake, 1993, 1995, 2001, 2002; Taylor 2001, 2004). The introduction of networks into the urban equation complicated what was initially little more than an attempt to calculate the stock of resources at a city’s disposal. Once networks entered the picture a different kind of stocktaking evolved; one concerned to chart the network of connections, ties, and flows which seemingly underpin a city’s power and leverage (Taylor et al, 2002; Thompson, 2003). Seemingly, because, where power is located in city networks is altogether more uncertain than simply pointing
to such urban assets as the stock of professional service firms, corporate HQs, cultural capital, or strategic decision makers inside a city’s boundaries. The dynamic nature of networks, their frequently shifting pattern of relationships, together with the varied extent of their reach, makes the city-ness of power a difficult phenomenon to pin down. Do cities ‘run’ the networks through their concentration of resources or do networks themselves ‘generate’ cities as sites of power? As with most simple binary-type questions, the answer is rarely definitive or clear cut, but the mere fact of having to pose such a question points to power’s spatial ambiguity in city networks.

But if the foregrounding of networks in city studies, especially global city studies, introduced an element of uncertainty into the location of power and its assets, one constant remains that of our understanding of power itself. There is a certain confidence that although power may not quite be something that a city possesses or holds ‘in reserve’, so to speak, the right mix of people and resources can give some cities an advantage over others (Allen, 1999). And if some cities are more or less powerful, it follows that it is possible to rank them in a way that displays the difference in resources and abilities. Those cities that are more dominant in their networks of influence, more competitive or more connected, are able to enjoy their advantage at the expense of other cities less well endowed economically, politically or culturally. Not everywhere can be like New York or Paris, and so, on this understanding it is easy to make the assumption that there is only so much power and influence to go around.

In this paper, I want to argue against this zero-sum understanding of power which informs, often in an understated way, much of the global cities literature and beyond. As I see it, much of what goes on in city networks has less to do with the power of some cities to dominate others and rather more to do with the power exercised to hold the networks together, to forge the connections and to bridge the gaps. Without wishing to overstate the case, it is more about the power to ‘run’ the networks, to exercise power with rather than over others, than it is about domination and control. This may sound extreme, but in many respects it is not, precisely because, as I hope to show, powerful cities can dominate city networks without necessarily dominating at another city’s expense. And, equally
significant to bear in mind, whilst power can be made to ‘work’ for cities in a collaborative rather than a competitive manner, that does not preclude the possibility of some networked cities benefitting at the expense of others outside or disconnected from the key networks. In such instances, the ‘power to’ hold things together folds over into the ‘power over’ others.

In what follows, I first outline what I understand to be the spatial ambiguity of city power, in a context where the city-ness of power owes as much to the networked connections mobilized, as it does to the ability of cities to stabilize the resources which may flow through them. After that, I set out the differences between an instrumental and a facilitative understanding of power, before elaborating upon a networked account of cities which draws upon the latter sense of power to highlight the potential for positive-sum gains, and indeed negative sum gains, to be realised in powerful city networks. The cities of London, Frankfurt and Sydney, and their relationality, are used to illustrate the main points of argument. In the final section, I go on to show how the exercise of power among rather than over others in the networks may nonetheless still work at the expense of some cities and selected interests and parties.

**The city-ness of power**

If powerful cities are those which exert some kind of influence or control over what happens around them, then powerful city networks are what enables such cities to exercise those abilities. City powers, if one can put it like that, are mobilized through networks; it is the forms of interaction and exchange which take place through a complex of networks which are constitutive of a city’s powers. In cities like New York and Tokyo, high-level professionals working in banks, overseas finance houses, law firms, and the like mobilize their economic powers through the financial and business service networks; through the co-present interaction which enables them to shrink the space and time between each other and to construct closer, integrated ties and relationships. Both Saskia Sassen (1991, 2000) and Manuel Castells (1996, 2004), although they would express it somewhat differently, would have little to disagree with in this view of power in global
city networks. Neither would bluntly assert that power ‘belongs’ to particular cities and not others, nor would they consider networks as simply ‘things’ which are there to be tapped into by elite groupings from their respective city locations. They would, I think, more or less broadly agree that the networked effect of social interaction is itself constitutive of the power that bridges the gap between here and there (see Allen, 1999, 2003). But that is precisely why it is not easy to say where, exactly, power is located or, indeed, what it amounts to. Its spatial ambiguity reflects the fact that power is a more or less distanciated network relationship, not merely a set of embedded capabilities or marshalled resources.

If it were the latter that makes a city powerful, then it would simply be a case of conducting an audit of a city’s people, institutions, skills and resources, and totalling the resultant mix. To be fair, this would give a snapshot of the accumulated expertise and established connections which enable cities such as London to enjoy an enduring historical advantage in certain aspects of finance and business. But such an audit would not provide an insight into what London does with its past and present assets, what it puts together with them, which sustain London’s mutable position as a dominant city of global finance. Powerful cities like London are not powerful simply because of the size and magnitude of the resources at their disposal; they are powerful because of the practices employed by the financial and business professionals distributed in the networks that go through London’s financial centre (Sassen, 1991, 1998).

Networks of power and influence are not like electrical ‘circuits’ that are simply switched on by fortunate cities in the right locations, nor are they conduits for the ‘flows’ of power. The relationships and ties which comprise the numerous networks have to be constructed; forged through the resources of cities and combined through the practices which settle and fix their influence (Amin, 2002: Amin and Thrift, 2002). This is the sense in which the city-ness of power is something that is produced through the actions of groups and individuals whose interest is that, in the case of London’s financial centre above, the networks of international finance have little choice other than to go through its financial district for certain types of trading and dealing. It is the ability of London’s
diverse range of financial and business specialists to produce an intense set of financial interactions which enables the city to form one of the key intersections of the global financial economy. In Michel Callon’s (1986) terms, London’s financial professionals have employed their resources to good effect by constructing themselves as an ‘obligatory passage point’, through which cross-border bank lending and foreign exchange trading, for instance, have to pass through.

In Sassen’s (2006) recent work, she talks about the formation of a global network of financial centres of which London is but one part of a supranational electronic market space that enables it to operate as a distinct kind of non-geographical territory, largely according to its own distinctive rhythms and spatial practices. Its authority and power, in her eyes, comes less from the new space shrinking digital technologies of which it is a part and more from the ability of its financial elites to position themselves in the global networks in order to practice their specialized advantage. Different global cities press their comparative advantage in ways that reflect their accumulated expertise, but it is their ability to oblige, or rather compel, others to do business through them that places them at the key intersecting point of the networks. As networks change, as the economic momentum of the global economy shifts, some cities may find themselves by-passed by an emergent pattern of exchanges, which may leave them little choice but to broker new relationships or risk a loss of their power and influence.

Hong Kong is a case in point. At the time of its re-connection in July 1997 to the Chinese mainland and its new-found status as a Special Administrative Region of the People’s Republic of China, Richard Skeldon (1997) speculated as to the potential provincial status of Hong Kong once its city-based elites had busied themselves forging new connections from a different base. It would appear, however, that Hong Kong’s global city status as a ‘networked power’ has remained intact given its significance as a major gateway into the expanding Chinese market (Taylor, 2004). The ability of the city to remain an ‘obligatory passage point’ for firms wishing to do business in China, however, is in no small way down to the ‘work’ of the networked elites in Hong Kong to broker the powerful networks that comprise the Chinese government and its external
global partners, prospective or otherwise. Power, in that respect, to restate the point, is not something that circulates or flows in networks, it is an effect of the social interactions that hold the networks together. When the network fails, when resources are mismanaged or poorly used, or when the practices employed are over-stretched or misdirected, power simply evaporates.

Moreover, it is not the strength of the ties and relationships that simply binds power into the networks. Following Granovetter (1973), but especially Burt (1976, 1992), weak or indirect connections may hold more potential for constructing new network relationships or for making links between existing networks than strong established ties which have been in place over decades or longer. An over-connected view of networks can easily lead to the impression that cities ‘run’ the networks from their pivotal positions as powerful intersecting nodes. Whereas a focus on those who occupy the same positions across the networks of cities, but are not directly connected, reminds us that high-level service professionals may ‘take their networks with them’ - together, that is, with that effect of social interaction called power.

**Power over what exactly?**

Given the more nuanced set of observations that now inform our understanding of power embedded in city networks, it is perhaps all the more surprising that it has had little impact on how power itself is thought to operate. Even though we are now some way from the simple ‘command and control’ view of global cities where power is lodged in the HQs of multinational corporations and used to secure far flung goals, the sense in which some cities are more powerful than others, that they enjoy that dominance at the expense of more subordinate cities, is one that still largely prevails. Whether the reference is to the embedded nature of city power in the fast moving digitalized networks of finance (Sassen, 2006) or to the institutionalized power of the networked media elites in the new spaces of communication (Castells, 2007), domination and control remain the defining characteristics. There is an ingrained idea of power as an instrument of domination, a capacity of some resourceful mix, which the dominant cities at the centre of things deploy.
to their advantage. Such advantages in themselves do not necessarily add up to a commanding global presence, but they do make it that much easier to rank cities in some kind of hierarchical order. And if those cities at the top of the hierarchy have more power, influence and advantage, then the others lower down the ranking, quite naturally, are assumed to have less (Godfrey and Zhou, 1999; Neal, 2008). A zero-sum game of power exists, even in hierarchical city networks.

Hopefully, it is not necessary to rehearse in detail the reasoning by which some cities came to be seen to enjoy ‘power over’ others; suffice to say that Friedmann’s (1986) original systematization of a world city hierarchy set the tone for later thinking on city power and domination which informed much of the global cities literature, including both Sassen’s (1991) and Castells’ (1996) influential works, *The Global City* and *The Rise of the Networked Society*, respectively. There are, of course, significant differences in the treatment of global cities and their analysis between different authors, not least in their grasp of the formation and location of power, but the reliance upon an instrumental conception of power has broadly remained throughout. Peter Taylor’s (2004) more recent work, *World City Network* offers a more differentiated account of power in city networks based upon the geography of a city’s connectivities which enables him to distinguish dominant from gateway cities, but this still, to my mind, leaves intact what needs to be questioned; namely, what do dominant cities exercise power over exactly?

Dominant cities, it would seem, engage in domination. They make their presence felt at a distance by restricting the economic possibilities of others so that they have little or no choice but to network with them, to go through them in other words. London and New York, according to Taylor, stand out as global centres of domination, followed by Hong Kong, Paris, Tokyo, Chicago, Frankfurt and Miami on the basis of their business connections. Dominant they may be in terms of their pivotal position in the network of connections, but whether what they exercise is economic domination is more open to question. Another way of thinking about how power is made to work for those cities is to look more closely at the practices employed by their financial and business elites in putting the connections together (Jones, 2002, 2005; Morgan, 2001). If, as suggested
earlier, it is the ‘work’ of the networks which holds the connectivity in place, then this points to an alternative understanding of power; one based upon the ‘power to’ secure the networks, rather than the exercise of ‘power over’ them.

We have already touched upon this alternative understanding of power in the account of ‘networked power’ above, but it is best known following the work of Talcott Parsons (1957, 1963), Anthony Giddens (1977, 1984), and Michael Mann (1986, 1993) as a facilitative notion of power, whereby power is simply a means to an end, something that is mobilized, in this instance, to hold the networks together. In contrast to an instrumental view of power, power is understood as a general facility for enabling things to happen, where power itself is not conceived as a resource but as something generated by the application of resources and skills over tracts of space and time. As a rather fluid medium which can expand or contract in line with the resources available, the ‘power to’ do things is sustained through networked interaction; it is what enables the orchestration and coordination of action to take place along the length and breadth of the networks.

For Giddens, in a world of disembedded relations and institutions, the mobilization and retrieval of resources over space, especially those of knowledge and information, represents a modern, facilitative means of securing and controlling distant outcomes. What Mann adds to this understanding is that the mobilization and control of resources actually takes place through the various networks of extensive and intensive social interaction. For him, networks are formed through patterns of association and interaction that bind people together in the pursuit of certain ends. Differences in the make-up and dynamism between the networks ensure that they reach out across space in different ways and to varying extents, but the most effective networked practices for Mann are those which blend different forms of organizational reach. In organizational terms, institutions may enhance their spatial reach through extensive and intensive networks, combining authoritative and diffuse techniques to achieve far flung goals. Power, in this sense, is the product of pooled resources which are used to fuse and modify patterns of interaction at-a-distance.
In contrast to Parson’s benign view of power, both Giddens and Mann do however recognize that the ‘power to’ secure outcomes may be directed towards instrumental ends as much as mutually beneficial ends. In city networks, with the mix of economic, cultural and political resources giving shape to different organizational forms, power even as an exercise in facilitation can be about the constraint of social action as much as it is the enablement of it. The point, however, is that it is not always about domination and control. The power to broker the networks, to reach across and between them, if it is to be at all effective, is just as likely to entail collaboration as much as competition, negotiation rather than constraint. In short, power can be made to ‘work’ for cities in what amounts to a positive rather than a zero-sum game, where financial and business elites exercise power with rather than over others across the networks. On this view, there are dominant cities which, quite simply, cannot be defined by the practice of domination, precisely because what is held out in terms of positive gains is too great not to want. Inducement, rather than domination may open up to manipulation as the promise of network gains is held out for all involved. Power, here, works through quieter registers than its brash counterparts of command and constraint (Allen, 2003).

**Networked power**

In hierarchical city networks the impression often given is that of a series of ranked networks tied together, or driven by nodal cities of relative importance (Neal, 2008). When the emphasis moves from the net to the ‘work’ of the networks the focus shifts from pre-existing ties and connections to the construction of the net itself: to the mediated forms of interaction which effectively bridge, broker, and connect people together in some provisionally stable pattern of relationships. Much of the groundwork for this way of thinking about networks has been put in place by actor-network theory, principally the contributions of Bruno Latour (1987, 1999a, 1999b, 2005) and Michel Callon (1986, 1992, 1998), together with John Law (1986a, 1986b, 1991, 1999). In their hands, networks are sets of associations put together by actors who are able to enrol, translate and channel others into networks of meaning in such a way that they extend and
reproduce themselves through space and time. In this kind of networked arrangement, well-placed individuals or groups of individuals are said to be in a position to ‘fix’ an overall orientation or direction which, to all concerned, appears to be indispensable and irreversible.

In terms of the city networks under discussion here, it is the practices employed by the financial and business elites which provide the focus of inquiry. As mediators of one kind or another, financial analysists, fund managers, bankers, accountants, lawyers and consultants are arguably in a position to forge associations and to bridge connections. By exercising their authority among rather than over others, such mediating elites are in a position to draw upon organizational resources to negotiate and persuade other actors, some of whom they are only indirectly connected to, to pursue certain goals (Folkman et al, 2007; Jones, 2002). Such professional elites do not actually ‘hold’ power; rather they produce it through forms of association established at a distance over time and space. The effect, when successful, is to stabilize a pattern of relationships which enable certain city networks to exert their leverage through collaboration rather than simply domination. In this networked world of distributed authority, outcomes are held out to be positive rather than zero-sum.

**Positive-sum city networks**

In an era of globalization, it is commonplace in the global cities literature for example to point to the dominant positions of New York and London, along with that of Tokyo, in the global economy. The intensity of economic ties, the increased pace of cross-border transactions, and the magnitude of economic flows, combined with the global dispersal of economic activities, prompted Sassen (1991) along with others, to see global cities as the necessary outcome of a more complex worldwide economy. Developments in information and communication technologies, spurred on by the growth of telematics, generated a need for locations where the ‘work’ of globalization – the management and manipulation of dense economic interactions – could effectively be performed. Places like London and New York are seen to rival one another, competing
for advantage across different types of global financial business, with London coming out on top in cross-border bank lending and foreign exchange trading and New York dominating in equities and investment banking (IFSL, 2007). And yet, as the same time, there is acknowledgement of the fact that the increased intensity is largely being driven by the same financial firms on both sides of the Atlantic, the top investment banks in particular, many of which are US-owned. Financial institutions routinely raise money in both places, as well as doing business out of Hong Kong or Dubai. The management of financial transactions, the ‘work’ of globalization, in this respect, goes on in the intra-firm networks that span the two cities and what is good for London is not necessarily bad for New York. The mutuality of the business, it would appear, can actually add resources to the network rather than deplete them. This is broadly the conclusion that Jonathan Beaverstock and his co-researchers at the Loughborough-based Globalization and World Cities Study Group (GaWC) came to in their in-depth comparison of London and Frankfurt as world cities in the first decade of the twenty first century (Beaverstock et al, 2001; see also Beaverstock et al, 2005, Pain, 2008).

In the early 2000s, the location of the European Central Bank in Frankfurt and the launch of the euro currency led a number of observers to speculate on the rivalry between the two cities and Frankfurt’s potential to gain at the expense of London, given the latter’s position outside of the European Monetary Union. Frankfurt was seen, at least in the financial media, as being in an economic position to ‘catch-up’ with London. On a range of economic indicators, however, from the turnover in foreign equities and derivatives to the market for fund management and foreign exchange dealing, for example, London at the end of the 1990s clearly ranked well above Frankfurt. The exception was in the international bond market, where Frankfurt’s central European role placed it at an advantage. Catch-up, on the basis of these financial criteria, presented itself as an unrealistic option. In comparison with London, however, Frankfurt’s relative weakness as a global financial centre obscured more than it revealed; namely, the networked ties and relationships which the GaWC study exposed through the increased interdependence of the two financial districts. In particular, the GaWC study pointed to
the beneficial division of labour between financial and professional service firms in the
two cities, with London’s global business outlook enabling firms in Frankfurt to access
global markets and the latter’s European business providing an entry point for London’s
banks and professional services.

London’s importance as a global capital market, its concentration of financial skills
and expertise, was found to add to Frankfurt’s service role in the German and European
markets, and the increased strength of Frankfurt was seen to benefit London through the
enhanced business opportunities an expanding Europe brought. The overall growth in
financial business, with banks and professional service firms in both cities benefitting
from the absolute growth, reflected the degree of complementarity between them rather
than simply a relation of competition. Mutuality, in the form of a close knit network of
transnational interdependencies provided, as Ulrich Beck (2005) has argued, the
framework for a plus-sum economic game to take place. Whilst Beck has a tendency to
exaggerate the cosmopolitan quality of this increased interpenetration of domestic and
international economic spaces (see Allen, 2009), the GaWC analysis points to the
practices of collaboration that characterizes professionals working in banking,
accountancy, management consultancy, advertising and legal services in the two cities.

Indeed, Sassen, in her revised edition of *The Global City* (2000), explicitly
acknowledges the formation of a cross-border culture of professionals working across the
major financial centres, actors who share a networked proximity but not a territory as
such. Collaboration in such instances, in the absence of straightforward competition, does
not imply an absence of power, but rather a negotiable set of interactions where
professional authority is exercised with not over others in any direct, hierarchical sense.
Andrew Jones (2002, 2008) has pointed to the diffused nature of this managerial and
professional authority across global city networks, where outcomes are negotiated and
mediated, and power itself exhibits a certain spatial ambiguity as to its whereabouts.
Between London and Frankfurt, the continuous interaction between firms noted by
GaWC researchers, both intra- and inter-firm relations, and the management and
mobilization of skills across the networks, conveys something of this diffuse quality of
power, where the networked ends sought can play to the advantage of all parties in a positive-sum outcome.

Mediating elites

Nothing, it should be noted, is guaranteed in such networked interactions and a positive outcome is predicated upon the effectiveness of the ‘work’ put into holding the networked arrangements together. Returns can even be negative-sum, where all parties lose out should the arrangements prove ineffective or the authority of one side or the other be misjudged. The mediated forms of interaction that brought London and Frankfurt into alliance, however, clearly worked to the advantage of both parties; the use of London’s accumulated business expertise by German firms as a platform for global expansion and the development of Frankfurt as a centre for German merger and acquisitions activity on the part of London-based firms, as highlighted by GaWC, represent forms of bridging that rest upon foresight, calculation and organization. Frankfurt law firms for instance have opened offices in London not to be part of London-based organizations, but to gain access to global business orientated towards the German market which is largely inaccessible to them from within Germany. Equally, law firms in London have struck alliances with smaller innovative firms in Frankfurt to gain access to emerging markets in eastern Europe which they would have otherwise found difficult to enter (see also, Morgan and Quack, 2005). Both are examples of network.

Latour (2005) in his account of such networked arrangements draws a distinction between mediators and intermediaries, where the former is an active force transforming and translating what is not connected into some form of association, while the latter appear to work towards stabilizing the arrangement. It is difficult to adhere to such a hard and fast distinction, but its analytical usefulness stems from its depiction of the different kinds of work involved in the act of mediation. Both types of work are required to form patterns of association that bind people together in the pursuit of certain ends. The ‘power to’ bridge what was previously separate and unconnected elements, to bring them into alignment, is precisely what legal professionals and other calculating elites exercise to
bind London and Frankfurt into a collaborative networked space. Power here, in this context, is sustained through networked interaction and is itself an effect generated by the relationships mediated through the actions of the financial and business elites. The different cultural and regulatory codes which have shaped business behaviour in the two cities, whilst still in evidence in the GaWC survey, have been partially transformed through the fact of connection, more so through negotiation and inducement than diktat or strict authority (Morgan and Quack, 2005).

As mediators and intermediaries, professional elites such as corporate lawyers, accountancy partners, investment bankers, financial analysts and management consultants occupy positions that enable them to bridge connections in ways that traditional elites, such as company directors and chief executive offices, would find difficult given their role at the apex of hierarchies (see Savage and Williams, 2008). The conventional focus in elite studies which tend to stress interlocking corporate directorships or establishment circles based upon personal ties, common background and shared recreational interests (see for example, Stanworth and Giddens, 1975; Scott, 1997;) highlight institutional power and influence within a predominantly national context (Carroll, 2007), but that is rather different from the networked power under consideration here. In today’s complex, dispersed global economy, the application of informational resources and market expertise to bring people together, to manage and manipulate interactions at a distance, foregrounds skills that have more purchase in open, distanciated networks. The openness of networks, the partially formed relations that often constitute them and the ability to handle the everyday complexities of transnational transactions of the kind juggled between London and Frankfurt place a premium upon mediation that appears to be largely absent from ‘command and control’ structures.

Indeed, the more extensive and dispersed the business network, the more varied the interests involved, the greater the number of wills to negotiate, the less likelihood there is of corporate HQs holding the arrangement together without the new mediating elites. Jones (2002) study of ‘global management’ in transnational service firms, in investment banking and management consultancy in particular, demonstrated the critical role of
distributed authority in networked organizations. The alignment of ‘local’ business
dealings with a firm’s ‘global’ objectives, the mediating role performed by managers and
partners across the transnational networks, highlighted the importance attached to
business intermediaries (see also, Faulconbridge and Muzio, 2007; Morgan, and Quack,
2005). When the ties are strong, as Granovetter (1973, 1983) reminds us, there is a
tendency for business networks to reinforce existing patterns of behaviour rather than
open up to new ideas and practices. Weak ties, in contrast, allow individuals to broker
access to what is of value in other organizations, or other parts of their own organization
that is not readily known. The emphasis is upon the diversity of contacts and connections,
not the number as such, in so far as they add a richer mix of relationships that enable
those involved to access different resources and information (Thompson, 2003). Rather
than a closed inner circle of corporate elites, the loose nature of mediated couplings draws
attention to the adaptive, flexible quality of ties among mobile contemporary business and
professional elites.

Ronald Burt (1976, 1992) has taken Granovetter’s argument a step further by
pointing to what the weak ties actually span; what he refers to as the ‘structural holes’
between networks, those spaces which in a dispersed global economy open up access to
new resources when brokered. For Burt, the direct personal ties and connections that
comprise most networks are of secondary importance to the position that individuals or
organizations occupy in a network. Key mediators who occupy similar positions across a
range of networks, based on a shared profile of ties, yet are not actually connected
personally, are said to be structurally equivalent; that is, they ‘work’ the net in similar
ways yet are not directly connected in their business dealings. In playing down the fact of
connection, what such an analysis points to is the significance of those professionals who
broker or bridge the ‘holes’ in the networks. By bringing into alignment people and
practices previously separate, the potential for more innovative, resourceful associations
is presumed to follow. In the shifting relations between London and Frankfurt, the
generation of ideas and practices through the alignment of financial and professional
networks documented in the GaWC study supports such a view, even though it does not directly confirm it.

The London-Frankfurt study highlighted the mediation of skills, knowledge and expertise between financial and professional service firms in the two locations and the brokering of previously separate relationships, but it did so on the basis of the actual patterning of relationships, rather than any pre-given structural equivalence. Positional approaches to network analysis tend to assume that a particular configuration of ties will lead to behavioural conformity (Saunders, 2007), which may not be a realistic assumption. What such approaches add, however, is an understanding that the mediations that matter may be performed by a loose association of professionals keen to exploit weak ties to gain advantage. The ability to forge associations and to broker relationships through collaborative efforts does not have to resemble an over-connected view of networks already in place; rather the ‘work’ of spanning city networks and reproducing them through space and time suggests a contemporary elite formation based upon the power to hold financial and business associations together for a given outcome, the promise of positive sum gains (see, Savage and Williams, 2008).

**Powers of reach**

Holding the networks together, stabilizing a particular arrangement, may sound less of an active force than brokering new relationships, but the work of intermediation involves powers of reach just as vital (Allen, 2009). Mediating professionals draw upon organizational resources to fold in others distant in space and time by enrolling them into arrangements that offer the potential of gains for all involved. In the GaWC study, a mix of distanced and face-to-face relations characterized the daily interactions between financial and business offices in London and Frankfurt, as well as the movement and circulation of professional staff between the two centres. The power to secure such cross-border networks involved both the ‘lifting out’ and ‘re-embedding’ of skills and expertise through mediated interaction and the use of real-time technologies to create a simultaneous presence. In this topological setting, where physical distances are
themselves not an indicator of separation or proximity, networked arrangements are held in place through processes of inducement and negotiation, which themselves may transform into practices of manipulation and concealment.

The financial and business networks that span the two cities, or any of the major global cities for that matter, comprise actors who are able more or less to be present in the here and now of networked city interaction. The lifting out of business relations from one context to another made possible by an extended circuit of networked actors provides a kind of arm’s-length reach into financial centres, whilst the ability to establish new instantaneous reach through a variety of telecommunication and media technologies also enables such actors to connect in real time (see Callon and Law, 2004; Castells, 2002; Jones, 2008; Licoppe, 2004; Sassen, 2006). The point is less about speed and hypermobility and more about the reduction of uncertainty and the leverage that co-presence can offer when working with different professional interests and groupings (see also Falconbridge and Muzio, 2007). Simultaneous exchange at ever greater distances has nothing to do with power moving faster, it is merely a medium that enables certain practices and not others, such as the inducement of city-based professionals that their interests are best served by the stability of a given arrangement.

On this account, the so-called ‘distant powers’ of banks and financial institutions based in New York and London, or Singapore or Sydney, are rarely that; rather the networked powers of reach practised by intermediaries enable them to make themselves present in a range of city spaces through distanciated and real time interactions. Sydney, for instance, has been characterized as a ‘switching point’ in the powerful city networks that connect it to the large Asian, North American and English-speaking European cities (Castells, 1996; Taylor, 2004). At one time, it was seen as little more than a gateway city, an entry point into national and regional markets, but of late the ability of its financial and professional elites to position themselves in global networks in order to press their specialized advantage has shifted its network position (Bryan, 2004; O’Neill and McGuirk, 2005). Effectively, Sydney has switched itself into global financial networks, brokering arrangements that have enabled its professional intermediaries to excel in
putting together new financial deals that link finance, property and securitization transactions across global cities. The ability to mobilize and manage funds across networks in this way is a form of distanciated power, where what was previously understood as the ‘tyranny of distance’ has been overcome by powers of reach that make Sydney present in the networks rather than isolated at their fringe.

The ‘work’ involved in brokering Sydney’s role in a set of relationships that spans investors, banks, private equity trusts and superannuation funds from across the globe, finding the gaps in investment such as securitized infrastructure deals in the UK and US, is performed by business analysts, financial advisers and consultants employed by Sydney-based professional service firms (O’Neill and McGuirk, 2005; McGuirk, 2007). Such mediating elites do not compel others to enrol in such networked ventures, rather they draw private capital, the Australian and overseas governments into networks of meaning that reproduce themselves over space and time. The outcome of this financial engineering may operate in a positive-sum manner, but the financial management and performance benefits derived from it by the Sydney-based elites stem from their role in holding the loose arrangement together as a network which works to their advantage. The ability of such groups to ‘fix’ an overall orientation or direction to a networked arrangement combines both rewarding and disciplinary styles of exchange, and amounts to a form of networked power that owes much to recent topological shifts in the architecture of globalization (see Allen, 2009).

**Back to zero-sum games?**

Up to this point, the main thrust of my argument has been to outline an alternative understanding of power to that of the instrumental notion that prevails in much of the global cities literature; that is, a more facilitative account based upon the ‘power to’ secure networked relationships across tracts of space and time. The sense in which some cities can occupy a dominant position in their networked interaction without actually dominating other cities was a key consideration in the discussion of London, Frankfurt and Sydney’s networked arrangements. While the potential for positive-sum scenarios
was indicated in the distributed authority arrangements between London and Frankfurt’s financial business centres, that does not mean to say however that such arrangements work to the advantage of all German and UK cities. In much the same vein, Sydney’s mediating elites may bridge and broker relationships which turn investments from New York and London into profitable returns for their networked partners, but that may equally disadvantage other parties less well connected or placed out of reach. The point is not that instrumental domination and authority have been part of the equation all along, but that the quieter registers of power exercised by the networked elites to gain leverage can fold over into zero-sum games when the ‘outside’ of the networks enters the frame or the promised rewards accumulate to some ‘insiders’ but not others (Thompson, 2003).

From a position within a network it is often difficult to specify its boundary limits, and this is perhaps more critical for city networks where a kind of singular network logic pervades despite the co-existence and crossovers of different kinds of networks across cities. In the kind of loose, transnational arrangements that Sydney’s professional elites mediate, unequal access to information sources can advantage some members over others, but this kind of asymmetric relation is a routine characteristic of networked relationships and is more or less coped with so long as the benefits are positive-sum. Those ‘outside’ the brokered financial arrangements or those partially connected may, however, lose out at the expense of those on the ‘inside’. In the types of securitized transactions operated through Sydney’s financial dealings, those relating to urban infrastructure for example, consumers of the services provided in water and transport for instance, may be on the wrong end of a redistribution that favours the consortia of private capital and finance. Consumers of such urban services may be positioned in a zero-sum game where they find themselves outside of the networked interests that ‘run’ the globally distributed utilities at-a-distance. In that sense, the ability to manipulate outcomes through financial engineering is no less an expression of power than is domination, but it rarely registers as such in the network literature. The joint powers of business and finance acting together for their mutual benefit may still work to the disadvantage of others less well positioned
to shift resources in their favour (Blackburn, 2006); that is, those who have to pay excessive road-toll fees or high utility costs.

In accounts of intermediaries brokering and bridging global networks to gain advantage, however, it is less particular parties or specific interests which are often identified as disadvantaged as it is entire financial centres or embedded service clusters. The financial division of labour that holds between London and Frankfurt may broadly work to the mutual benefit of a range of financial and business interests, but such an arrangement may also disadvantage Berlin’s attempts, for instance, to promote itself as a global city in the wake of its revived status as a capital city.

When compared in terms of their urban assets, the percentage of highly qualified corporate and professional services or strategic economic functions, Berlin is clearly ranked below that of Frankfurt (Kratke, 2001). When thought about too in historical terms, Berlin experienced a loss of many of its economic capabilities as a result of the Cold War and the physical division of the city, with a number of firms relocating to other German cities, in particular Frankfurt and Munich. The location of the European Central Bank in Frankfurt, in that context, appears to merely confirm Berlin’s predicament as positioned in the financial shadow of Frankfurt and handicapped in its ability to ‘catch-up’ in terms of the global power stakes (Kratke, 1999, 2001). But to conceive of the relationship between the two cities in this way is to fall back upon earlier stocktaking exercises in terms of the relative sum of urban assets, rather than consider the shifting pattern of networked interactions between Berlin and Frankfurt, now that Berlin is once again the capital city. In the present day German context, Frankfurt may be the dominant global city, but it does not follow that it dominates Berlin (see Cochrane and Jonas, 1999).

If we only think in terms of the ability of Frankfurt, or rather its financial and business elites, to impose their will over Berlin’s equivalent groupings or political elites, then we are likely to miss the networked power relations between them. In the types of interchange between the two cities, the absence of mediated forms of interaction between business and professional elites may be as significant as subtler forms of exclusion
through manipulative dealings which hold Berlin’s financial abilities and skills in its relatively lowly place. The polycentric nature of the German urban and regional system works against a winner-take-all outcome, but Berlin’s economic position ‘outside’ of London and Frankfurt’s networked business services leaves it disadvantaged in terms of the specific ties and connections which it currently does not appear to be in a position to negotiate or bridge.

For some cities which operate largely outside of the key financial and business connections of the global economy, or who become disconnected from them in an economic downturn or geopolitical realignment, the experience of losing out at the expense of other cities is no doubt a real one. The sense in which the constitutive ‘outside’, where for instance it comprises many of the ‘ordinary cities’ of the less developed world (see Robinson, 2005, 2006), may be subject to the exploitative economic pressures of the major financial markets can add up to a zero-sum game. Here, however, it is the powerful financial city networks themselves, rather than any one particular city or set of cities, which has the ‘power over’ those outside of ‘mainstream’ business and monetary relationships. Networked economic power in that sense, which bypasses many of the larger yet poorer cities of the world, uses its ‘power to’ hold financial arrangements together precisely to exclude others from gaining economic advantage. That is not to designate those in such cities, including their professional elites, as simply powerless, but rather to recognize, as Michael P. Smith (2001) does, that cities draw different kinds of associational power from the variety of networks which pass through them.

**Conclusion**

The aim of this paper has been to draw attention to the fact that whilst a networked understanding of cities has altered how we think about cities and their relationships, it has done little to jar our sense of the city-ness of power. The recognition that cities cannot be understood apart from the networks which constitute them has been accompanied by an acknowledgement that powerful cities cannot be comprehended outside of the networks
which hold them together. Yet aside from disagreement, or rather confusion, over the actual location of that power, there has been little dispute over the nature of that power.

Broadly speaking, the global cities literature continues to portray power as hierarchical rather than networked, more instrumental than facilitative, and zero-sum rather than open-ended in its outcomes. In so far as city networks can be a judicious mix of these characteristics, it is puzzling then as to why domination and subordination remains the key tropes when powerful city networks are under discussion. Seen from a different angle, one of the foremost reasons that city networks hold together is because they hold out the prospect of positive gains that are too great for those involved not to want. Inducement and incitement, as registers of power, are arguably what drives these networked interactions between city actors, ran alongside the possibility for manipulation and dissimulation which may skew the rewards more to some than others. Positive-sum gains do not automatically amount to equal-sum gains, and some gains may turn out to be illusory.

Much of the paper has been concerned to counter a one-sided instrumental view of power by setting out an alternative way of thinking about how power ‘works’ for cities when they are networked. If cities mobilize their powers and influence through the networks, rather than simply ‘hold’ them in reserve as accumulated expertise, then the business of forging connections, brokering ties and stabilizing relationships is an expression of that power. To my mind, it is the ‘power to’ secure the networks over tracts of space and time which conveys much of what the mediating elites, the financial and business professionals, actually do. In many respects, the functions they perform are not dissimilar to Castells (2002) ‘programmers’ and ‘switchers’, in that they seek out connections and aim to enhance networked resources. What I stress in contrast, however, is the ‘work’ involved in producing the ‘power to’ hold the networked arrangements together, rather than power as a structural capacity which gives ‘programmers’ and switchers’ their respective positions in already constituted networks. Power, as a distanciated networked relationship, is a provisional achievement, more expedient than is
often recognized, as is surely evident in today's financially challenging times (see Allen, 2008).

As I see it, there is no ‘given’ backdrop of global networks through which dominant actors impose their will upon other more subordinate players, only different groups of professionals, organizations and institutions caught in spatial and temporal arrangements that often stabilize as city networks through an array of practices that play across one another. These practices may range from inducement, whereby positive-sum gains are held up as an incitement, and the manipulation of such outcomes, to the negotiation of settlements which ‘fix’ a network orientation so that those involved accept it as irreversible. In contrast to more strident forms of instrumental power, these quieter registers ‘work’ through varied powers of reach made possible by topological shifts in the networked architecture of globalization. Power-topologies, as such, are part of the glue that both makes and binds cities in complex forms of networked interaction. They are what enable global cities to ‘happen’ and, indeed, what potentially unravels them when the momentum stops and elite authority is no longer recognized.

References


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