

The Local Becomes Global Becomes Local:
The International Movement of Capital
and its Urban Reifications

Aharon Kellerman

Vice-President

University of Haifa

Haifa 31905, Israel

Ph. (972) 4-240872

Fax: (972) 4-343441

E-mail: akeller@research.haifa.ac.il

THE LOCAL BECOMES GLOBAL BECOMES LOCAL:
THE INTERNATIONAL MOVEMENT OF CAPITAL
AND ITS URBAN REIFICATIONS

Abstract

The object of this article is to examine fusions of the local with the global for the intangible movement of capital, and to highlight some of the processes which bring it about. In the first part of the article the mediation between space and local place is interpreted through processes of disembedding, phantasmagoria, and fusion, which are made possible through transportation and telecommunications technologies. In the second part of the article the fusion of increased global flows of capital with local urban scenes are discussed through aspects of location, specialization, expansion, and homogenization.

Key Words: global, local, fusion, capital.

THE LOCAL BECOMES GLOBAL BECOMES LOCAL:
THE INTERNATIONAL MOVEMENT OF CAPITAL
AND ITS URBAN REIFICATIONS

Movements in domestic and international space are conventionally classified into four basic types: goods and services, people, capital, and information, of which the first two are mostly concrete and the last two are normally invisible (see Kellerman 1993). Traditionally, the geographical conception and measurement of these movements are by origins and destinations. At the domestic level, cities and regions are assumed to be engaged in such exchanges, which are reflected in their spatial organization, whereas international traffic is categorized through countries, regional blocs (e.g. the EC), or by global ones (cores and peripheries) (see Smith 1993, p. 111).

All four movement types are longstanding, but their relative importance has changed as a result of developments in transportation and telecommunications media. Until the twentieth century exports and imports of goods dominated the international exchange arena. The development of airplanes increased the importance of international tourism, whereas the more recent emergence of direct and reasonably priced international telecommunications has assisted in the growing international traffic in information and capital. Recent globalization trends have lowered barriers for international movement of all kinds, bringing about a blurring of what had been a clear differentiation between the local and the global. Global movements of all four types may fuse, directly or indirectly, with local space and place, just as the local may be processed into global movements.

The object of this article is to examine fusions of the local with the global for the intangible movement of capital, and to highlight some of the processes which bring it about. Capital and information flows share the same channels, the telecommunications system. The resultant extremely fast pace of movement of information and capital turns them into powerful social, economic, and

spatial agents of change. The article attempts, therefore, to present a more general context for invisible movements. Space is assumed in this regard to constitute a social, sometimes intangible, product, possibly fusing at a certain stage into more concrete space or place.

Previous discussions tended to focus on the local and the global in a more general sense, not relating more specifically to capital or information (e.g. Amin and Thrift 1994), or they focused on one dimension only (culture, for instance; see e.g. Appadurai 1990). This following examination attempts, thus, to add to the theory of relationships between the local and the global through an identification of several levels of such relationships. Furthermore, the extensive and growing global flows of capital require a particular investigation of the interaction between the local and the global and its spatial reification.

The paper begins with an elaboration of concepts and theories for the emergence of fusions between the local and the global, including the mediating role of technology in these processes. A discussion follows on various dimensions of the fusion of the global and the local related to the movement of capital: expansion, location, specialization, and homogenization.

The Global and the Local

Global flows are rather complex in their interrelationships with local life and realities. These interrelationships were termed "glocalisation" (Swyngedouw 1992b). The direct interplay between the local and the global implies a declining importance of the national dimension, or governmental control and intervention. "Globalization [thus] represents a redefinition of places as juxtapositions of intersecting, overlapping, and unconnected global flows and historical fixities" (Amin and Thrift 1994, p. 10).

The interrelationships between the local and the global may dialectically constitute and produce

three different conditions or processes represented at the local level: disembedding, phantasmagoria, and fusion. As Fig. 1 shows, in each of these processes there are four participating dimensions: space (or the global), place (or the local), "push" elements from the local to the global, and "pull" elements from the global to the local.

The first possible interrelationship between the local and the global is disembedding. It was outlined by Gregory (1994, p. 121), based on Giddens (1990) and Harvey (1989): "disembedding mechanisms separate interaction from the particularities of locales" (Giddens 1991, p. 20). For example, social life and identities in a given society may be disembedded from their local and national traditions and histories through the intrusion of global media, such as cable TV. Robins and Cornford (1994, pp. 220-221) termed such disembedding processes *detritorialization*. Cultural importation of values and identities through global media may yield new forms of communal cohesion.

Disembedding may be brought about by two processes which have been identified for the emerging global/local relations: time-space distancing, a "push" or separation process, and time-space compression, a "pull" or cohesion process (Fig. 1a). Operating simultaneously they amount to a "local-global dialectic" (Gregory 1994, p. 118). Distancing refers to the geographical separation between local place and global space under intensifying relations between the two. Disembedded electronic space is, for example, a banking or stock-market investment transaction performed in New York by an order of a British customer investing in a Japanese firm. The disembedding relates to the global interaction using electronic media to Britain and Japan seemingly disembedded from local New York life. However, such disembedded electronic space may yield embedded spaces or places, given the need for face-to-face meetings in New York, in order to coordinate and facilitate complex global investments. Such meetings may be typical notably in major global cities (New York, London, and Tokyo) (Thrift 1996, pp. 231-232). One may view these two trends of disembedding and embedding

as mutually reinforcing. Disembedded space requires concrete meeting places for coordination, decision-making and information-sharing. These, in turn, enhance disembedded investment space and *vice versa*.

In premodern societies, space and place largely coincided, since the spatial dimensions of social life are, for most of the population...dominated by 'presence' - by localized activity...Modernity increasingly tears space away from place by fostering relations between 'absent' others, locationally distant from any given situation of face-to-face interaction. In conditions of modernity...locales are thoroughly penetrated by and shaped in terms of social influences quite distant from them (Giddens 1990, p. 18).

Time-space compression refers to the contemporary "*compression* of our spatial and temporal worlds" (Harvey 1989, p. 240), or a "pull" mechanism, induced by contemporary telecommunications. For example, a telephone call taking place between Australia and the U.K. implies that one of the parties may be awake late at night or working at that time, so that both time and space differences have been compressed. Time-space compression is thus both an outcome and a cause for distancing, or a separation between the local and the global, hence the local-global dialectic. Time-space compression is not synonymous with Janelle's (1968; 1991) time-space convergence, since compression relates to conditions of social space, whereas convergence is a measured index, defined as "the rate at which places move closer together or further away in travel or communication time" (Janelle 1991, p. 49). Time-space compression reflects power relations. There are those who sense this compression only passively or indirectly, whereas others are in charge of this compression through their handling of the local/global transfers, notably those of capital and information (Massey 1994, p. 149).

The second possible condition or process between the local and the global is phantasmagoria, or concealed relations. It was briefly outlined in the writings of Giddens (1990, p. 19) and Appadurai (1990), referring to local invisible conditions which reflect those at other, rather distant, locations. For instance, local demand for labor in the Philippine textile industry may result in changing social and spatial patterns, because of rising incomes and migration into centers of textile production. However,

this rising demand for manpower is determined by remote decision making and capital sources of multinational corporations headquartered in the U.S. What happens in one specific locality may yield similar or contradictory patterns and processes in other places worldwide. In other words, rising demand for textile products in the U.S. may result in different social patterns in newly industrializing countries in Asia or South America. Such impacts are not necessarily directly revealed, nor must they be visible, hence the phantasmagoria. Under circumstances of globalization the phantasmagoric relationships between place and space may reflect disjunctures or conjunctures (Fig. 1b). "The 'visible form' of the locale conceals the distanced relations which determine its nature" (Giddens 1990, p. 19).

The third possible process between space and place under global flows is fusion. Here space is the global, which is defined neither as other specific places nor as an abstract dimension, but rather as flows of elements (capital, information) gathered from many individual locations through networks which turn the numerous local ingredients into global movements (see Goddard 1995). A full cycle of fusion implies the existence of geographical origins, movements, or transmissions, and geographical destinations. In other words, one or several local factors become global, so that they can be moved elsewhere and fused with local space. For example, capital is gathered by a New Yorker investment fund from various European and Asian investors, and then invested through the New York Stock Exchange in a South American industrial plant. Fusion is therefore a double process: the production of global movements out of the local ingredients, and the integration of the local with the global at a specific locality. The local scene may then express the global in varied patterns, concealed as well as revealed, direct or indirect (Fig. 1c). For example, the South American industrial plant in our example may be constructed in fit with local patterns of design but managed in a North American way, or *vice versa*.

The idea of fusion between the local and the global has been briefly mentioned by Pred and Watts (1992, pp. 5-6), and Massey (1994, p. 5), who pointed explicitly to the evolving strong bonds between the local and the global, even to the degree of partial mutual constitution between them. The various local processes of adoption of or resistance to the global may lead to what Knox (1995, p. 246) termed *reterritorialization* of places.

Table 1 summarizes the three processes between the local and the global outlined above. Each of the three processes has its own characteristics. However, the three processes may also be viewed as three phases in a process of evolving relations between the local and the global. Starting with the expansion of the extent of local relations and a possible separation between the global and the local, through specific impacts of other places on a specific locality, into an integration of the local with the global. This latter process is in the focus of our following discussion.

Contemporary technology plays a crucial role in making fusion processes feasible, and it may affect social attitudes to space through perception, experience, and imagination (Table 2). The increasing production and consumption of global spaces and flows, as well as the creation and transmission of virtual spaces, are expanded, and have led to the perception of spatial barriers as collapsing, notably at the global and national levels. Nineteenth-century transportation technologies were perceived as annihilating space *and* time (Schivelbusch 1978; Marvin 1988), whereas late twentieth-century telecommunications technologies led to the metaphor of the annihilation of space *through* time (Harvey 1989; see also Kirsch 1995). This time-space compression, coupled with globalization and the evolution of flow spaces are not new trends (Thrift 1995). However, improved intranational and international transportation and telecommunications networks have facilitated more flows, especially instantaneous flows of capital and information, so that old spatial barriers consisting of international and interregional borders, as well as distance and time, have collapsed.

Capital and the Fusion of the Global with the Local

Capital accumulation over space implies tension between place (the local), and space (the regional, national, and global) (Harvey 1982; see also Gregory 1994, pp. 92-93). On the one hand, capital accumulation involves urban agglomeration or the creation of economic clusters. On the other hand, the expansionary nature of capitalism calls for the spread of investments and economic activities over space beyond one place.

International financial markets developed since the late nineteenth century, but almost disappeared between the early 1930s and late 1950s, the period of economic crisis and war. States' policies after the late 1950s, which reduced regulatory barriers on capital movements, as well as market forces and improved international telecommunications and information technologies, have permitted extensive capital flows on a global scale (Helleiner, 1994). Capital flows have been assumed to regulate national economies and business activity (Amin and Thrift 1994). Gordon (1988) argues, however, that the global economy is less open and multinational corporations are less powerful than normally assumed. He, as well as Cox (1992; 1993), further argued that productive capital, as opposed to financial capital, is not "hypermobile." But one of the characteristics of the mobility of capital and the sophistication of investment vehicles is that the differences between these two types of capital are getting blurred. The shift of power from national regulating bodies to financial institutions has marked a shift of power from the national scale to the global and local scales (Swyngedouw 1992a).

This change permits viewing developed countries as functioning globally on one barrier-free, almost isotropic, plain. "The globalization trend in finance has somehow been beyond politics" (Helleiner 1994, p. 2). In this, the global flow-space of capital behaves similarly to that of

computerized information via Internet, whereas the equivalent international movements of commodities and people are still nationally regulated (see Appadurai 1990).

In addition to the double-nature of spatial accumulation of capital, calling simultaneously for agglomeration and spread, capital requires and produces places for its very flow over space:

Capital is an inexorably process diffusive in space which also fixates itself as a thing in space and so begets a built environment. The fixity nature (the thing quality) of the geographical landscape is necessary to permit the flow and diffusive nature of capital; and vice versa. Capital fixity must, of necessity, take place somewhere, and hence place can be taken as a specific form emergent from an apparent stopping of, or as one specific moment in, the dynamics of capitalist social space.... The production of space is thus the process as well as the outcome of the process (i.e. the produced social space); it is the totality of the 'flow' and 'thing' qualities of capitalist material geographical landscape (Merrifield 1993, p. 521; following Lefebvre 1991, pp. 86-92).

Detailed and reliable data on the geographical origins and destinations of global capital flows actually do not exist. It is estimated that around \$1.3 trillion flow around the globe daily, out of total global financial assets of around \$66.4 trillion in 1993/94 (see Laulajainen 1998, p. 28), or about 2% of global assets flow daily. The World Bank, as well as the International Monetary Fund (IMF) have refrained from the publication of geographical breakdowns of the daily or aggregate annual global flows of capital. Partial estimates for the 1980s and early 1990s were presented by Laulajainen (1998, pp. 33-34). Aggregated annual data of in and out-flows of equities for 1988 for four global financial cores permit the calculation of the following net balances (in \$billion) per core area: the U.S. gained 134, Japan gained 66, the U.K. lost 116, and the EC lost 84 (see Laulajainen 1998, p. 34).

Sassen (1994, pp. 10-18) used United Nations data on foreign direct investments (FDI), that is foreign investments in new or existing firms, in order to study geographical trends in foreign investments. In 1990 FDI reached \$203 billion, out of which some \$172, or 84.7% were invested in the three global cores, namely the U.S., Western Europe, and Japan. From the 1950s and on this geographical concentration tended to increase. Four countries, U.S., U.K., France and Germany,

received half of the world FDI in the 1980s, with Western Europe being the leading recipient world region. Five countries, U.S., U.K., France, Germany, and Japan, accounted for 70% of the exported capital. In other words, much of the FDI capital circulated among the four most developed national economies, whereas the receiving share of developing countries decreased from 26% to 17% between the early and late 1980s. The growth in FDI has been very impressive: it nearly tripled between 1984 and 1987, and it grew by 20% annually 1988-1989. The fast growth in global capital flows has been attributed to the emergence of the Pacific Rim, notably Japan, as a capital exporting region, the emergence of multinational corporations, and the growth of the service economy.

In contrast to the flows of FDI which tend to "land" in the major national economies, fast moving "furtive money," that is capital originating in the major national economies but seeking to avoid regulatory attention and/or taxes, flows to various mini-states which serve as offshore tax heavens (e.g. Hong Kong, Singapore, Lichtenstein, Gibraltar, Bahamas) (Roberts 1994). For example, the Cayman Islands served in the early 1990s as the home of \$250 billion in bank liabilities. The growth in offshore banking has been attributed mainly to the growth in Euromarkets, and thus to the flows of FDI. The offshore mini-states are dependent of the time zone and related stock market operating hours in the major markets adjacent to their location, notably New York, London, and Tokyo.

The fusion of the local with the global induced by capital may be conceived as a two-way process. First, capital from various cities and countries is accumulated into global capital through international banks, funds, and corporations, a process which has been permitted through the collapse of spatial barriers. This global capital is then invested in specific locations. The development of global capital may involve the production of space or place in a rather limited number of global capital centers, such as New York, London, or Tokyo (see e.g. Sassen 1991; Kellerman 1993), whereas the flow of global capital into local communities may contribute to the production of place in a potentially

large number of cities.

A constant tension exists between the globalization and localization of capital: "While capital expands over absolute space, extending its control over space, it simultaneously has to engage in a struggle over space... The wider capital's control over space, the more important the place-specific conditions for accumulation become" (Swyngedouw 1992b, p. 60). The material fusion between the global and the local takes place, therefore, in the local or urban arena.

"The production of places can be likened to the production of any given particular type of merchandise" (Lefebvre 1977, p. 341). Whereas the extent of this statement may be debated, space and its production constitute simultaneously, like many commodities, resource (input) for the production of other products, process in the production of other products, and a product (output) by itself. In addition, space functions also as a passive container for other products. These four dimensions of space in space production come into operation through four respective, complementary processes, which express the fusion of global/national spaces with local ones. Each of these four processes attributes a different meaning to local space (Table 3). The fusion process will be outlined in the following sections through the four expressions of space production, namely specialization, location, expansion, and homogenization.

Specialization

Harvey (1989, pp. 293-296) pointed to the importance of space when global spatial barriers collapse. "As spatial barriers diminish so we become much more sensitized to what the world's spaces contain" (p. 294). This view indicates a transformation in the meaning of space from barrier on the global scale to container and place on the local one. Harvey accentuates the constitution and meaning of space as relative location. "Heightened competition under conditions of crisis has coerced capitalists

into paying much closer attention to relative locational advantages" (pp. 293-294), which may lead to the production of places:

The qualities of place stand thereby to be emphasized in the midst of the increasing abstractions of space. The active production of places with special qualities becomes an important stake in spatial competition between localities, cities, regions, and nations.... Heightened inter-place competition should lead to the production of more variegated spaces within the increasing homogeneity of international exchange.... We thus approach the central paradox: the less important the spatial barriers, the greater the sensitivity of capital to the variations of place within space, and the greater the incentive for places to be differentiated in ways attractive to capital (p. 295-296).

Harvey, then, views the relationship between global/national and local spaces as a one-way *causal* relationship leading from the global to the local, so that the homogenization of the global should lead to the *specialization* of the local, through the specific advantages of any given location. Furthermore, capital can also by its very nature *create* locational advantages and specialization. Swyngedouw (1992a) noted Marx's space/technology nexus, in which "the advantages of 'better locations' can be offset by capital investments in 'inferior locations', or location and investment can actually reinforce each other... Marx identifies here also the basis of the trade-off between space and technology, a trade-off which makes location and technology to a certain extent interchangeable" (p. 424).

Specialization of urban economies within national or global contexts are not novel as far as shipping, tourism and industrial production are concerned. However, the introduction of direct and reasonably priced international telecommunications, and the resulting increased global flows of capital have brought about global specializations in the management and transfers of capital as well as an emergence of a global urban hierarchy consisting of domestic, world, regional, and global cities (see Reed 1981; Sassen 1991; Kellerman 1993). The triad of New York, London and Tokyo leads the global financial economy, with Tokyo leading in the production of capital, London specializing in the management of global capital through international banking, and New York leading in investment

markets (see Kellerman 1993, pp. 102-103). However, besides this triad, Luxembourg, Singapore and Hong Kong lead in trade in foreign exchange (Laulajainen 1998, pp. 107-109).

Location

The second aspect of the relationship between global and local spaces is *flows* and their dialectic relations with space and place (Merrifield 1993, following Lefebvre 1991; see also Castells 1994, p. 26). Flows require concrete locations, thus making global space become *reflected* and *anchored* in local space as place:

The material landscape and practices of everyday life occurring in different places under capitalism are inextricably embedded within the global capitalist whole. To this extent, the global capitalist system does not occur solely in some abstract sense; it has to ground itself and be acted out in specific places if it is to have any meaning.... The space of the whole thus takes on meaning through place; and each part (i.e. each place) in its interconnection with other parts (places) engenders the space of the whole (p. 520).

Another perspective on global flows and location was put forward by Castells (1989), namely the dissolution of local space, or "the historical emergence of the space of flows, superseding the meaning of the space of places" (p. 348). Although elsewhere Castells attributed the supremacy of the space of flows more specifically to organizations in the informational economy (p. 169), the very idea of the superiority of the space of flows was criticized, with the observation that the locational anchoring of the space of flows and the dialectic relationship between location and flows were ignored (Merrifield 1993; Kellerman 1993).

The process of an emergence of a world financial center (other than offshore) is a five-phase one, moving from the service of a local area, through the service of a region, a nation, neighboring countries, to global service (Reed 1981). Thus, global financial centers enjoy an accumulative advantage in their prolonged development. In addition to its historical development, a world financial

center must possess information and communications centrality, as well as its being a major capital importer and exporter (Laulajainen 1998, pp. 253-255). Though about one half of world equities are spread in about 100 cities worldwide (by the location of the fund), trade in them tends to be much more concentrated in a handful of stock markets, led by New York, London, Tokyo, Paris, Zurich, Frankfurt and Hong Kong. This stems from the need to assure high levels of liquidity, which on its part leads to the development of local expertise and competition (Laulajainen 1998, pp. 257-258).

Expansion

The relationship between global/national and local spaces has a third dimension, the spatial *expansion* and *reshaping* of local urban space. One process in this regard is "landscape engineering" (see Kirsch 1994), but our concern here is with the view of local space as a resource being used in more extensive and specialized modes at times of urban economic growth. Intensified global economic activity anchored in specific cities, and local economic specialization resulting from increased global capital flows, involve local spatial expansion and land-use specialization. Also, the same improved transportation and telecommunications technologies which permit global and national capital flows may be used for intracity flows as well, and thus they facilitate expanded and more efficient flows and spatial organization of urban space too.

Growth in activities related to global capital takes normally place in CBDs, through major domestic and foreign banks, stock markets, consulting and investment firms, and the like. Thus, domestic businesses have to compete on rising rents. Since these domestic companies too require proximities among themselves they contribute to the emergence of suburban mini-cities or edge cities (see e.g. Garreau 1991). Furthermore, rising costs of downtown space, coupled with the availability of information technologies and networks have brought about the emergence of back offices, so that

company divisions such as manpower, accounting, etc. move to suburban locations (see e.g. Kellerman 1993).

Homogenization

Global flows of capital and their anchoring in cities imply construction activity. Directly related construction activity includes banks, headquarters and domestic offices of multinational corporations and business hotels. These buildings are largely located in central business districts, which together with other office concentrations serve as containers for the controlling and investments of global capital. The international nature of these buildings, the foreign financing, and the global flow of architects and designers may bring about the homogenization of the urban office landscape, giving an impression of "the world as a single place" (King 1990). This process may be amplified by extensive foreign buying of real estate in downtown areas (e.g. Los Angeles and London), sometimes representing speculation and fears of devaluation (Appadurai 1990; Swyngedouw 1992a), and an adoption of universal designs for office buildings by domestic companies.

Discussion

Global barrier-free capital is thus mediated through communications technology and financial institutions into local space, in terms of the very location of capital, the "external" specialization of place on the global map, and "internal," or local, spatial expansion, land-use specialization, and landscape homogenization. All these four processes should not be viewed solely as one-way processes, since increased local investments, economic activity, and geographical expansion may yield capital flows out as well as into localities. Harvey (1985, p. 43; see also Gregory 1994, p. 93) commented on the spatial barriers which may be imposed on these continuous two-way flows:

The produced geographical landscape constituted by fixed and immobile capital is both the crowning glory of past capitalist development and a prison that inhibits the further progress of accumulation precisely because it creates spatial barriers where there were none before. The very production of this landscape, so vital to accumulation, is in the end antithetical to the tearing down of spatial barriers and the annihilation of space.

However, it may well happen that such "old" and spatially "imprisoned" investments will actually attract additional flows of global capital. This may be the case with investments in resorts and tourist attractions, representing the interrelations between global flows of capital and people.

Four urban aspects have been shown to reflect the fusion of local and global spatial dimensions as a result of global capital flows: expansion, location, specialization, and homogenization. None of these aspects is new. In the past they reflected the domestic fusions of local and national capital, as well as fusions of capital generated from international exports with urban places. The contemporary scene of global movements of investment capital presents, therefore, more complex fusions, but it is not a novel phenomenon. Important in this regard is the emergence of the wealthiest source of global capital, Japan, as a result of extensive exports of goods. It is thus difficult to separate the international movements of commodities and capital from their fusions with the local.

International flows of capital on a global scale date back to the nineteenth century, when they served processes of colonization and empire building. In the second part of the twentieth century they have flourished and intensified as a result of national policies, technological development and market growth.

The interrelationship among capital, information, and space is of much interest. "The great power of capital has always been its ability to choose, to decide where to locate" (Mulgan 1989, p. 19). This ability has been enhanced by innovative information and communications technologies. Furthermore, information networks are required for capital to be valid over wider space (Dodd 1994, p. 159). Such an expanded validity extends the ability of money to choose locations which may call for

additional information and capital flows. Ultimately, almost all global capital flows have turned into information flows: "nowadays money is essentially information" (Thrift 1995, p. 27).

The increasing global flows of capital and information have been shown to involve intensifying relations between the local and the global. The possible fusion between the two dimensions means a blurring of geographical scale in both social and individual geographical experience. The growing importance of global flows of capital and information and their respective spatial dimensions may call for a renewed examination of the previously dominant international flows, namely those of goods and people and their respective spatial contexts. These might be affected by the increasing flows of capital and information, which may bring about more flows of people and commodities, and *vice versa*. Expanded international shipping of commodities in a world of declining customs has also an effect of homogenization in clothing modes, global chains of retailing, in urban advertising signs and symbols, and thus in the general urban landscape. These contribute, on their part, to easiness in the interpretation of in-flowing information, as well as to increased outgoing tourism.

REFERENCES

- Amin, A., and N. Thrift. 1994. "Living in the Global." In Globalization, Institutions, and Regional Development in Europe, eds. A. Amin and N. Thrift, 1-22. Oxford: Oxford University Press.
- Appadurai, A. 1990. "Disjuncture and Difference in the Global Cultural Economy." Theory, Culture and Society 7: 295-310.
- Castells, M. 1989. The Informational City: Information Technology, Economic Restructuring and the Urban-Regional Process. Oxford: Blackwell.
- Castells, M. 1994. "European Cities, the Informational Society, and the Global Economy." New Left Review 204: 18-32.
- Cox, K.R. 1992. "The Politics of Globalization: A Skeptic's View." Political Geography 11: 427-429.
- Cox, K.R. 1993. "The Local and the Global in the New Urban Politics: A Critical View." Environment and Planning D: Society and Space 11: 433-448.
- Dodd, N. 1994. The Sociology of Money: Economics, Reason and Contemporary Society. London: Polity Press.
- Garreau, J. 1991. Edge City. New York: Doubleday.
- Giddens, A. 1990. The Consequences of Modernity. Cambridge: Polity Press.
- Giddens, A. 1991. Modernity and Self-Identity: Self and Society in the Late Modern Age. Cambridge: Polity Press.
- Goddard, J.B. 1995. "ICTs Space and Place: Theoretical and Policy Challenges." Paper presented at the Workshop on Informatics and Telecom Tectonics: Information Technology, Policy, Telecommunications, and the Meaning of Space.
- Gordon, D. 1988. "The Global Economy: New Edifice or Crumbling Foundations?" New Left Review 168: 24-65.
- Gregory, D. 1994. Geographical Imaginations. Cambridge, MA: Blackwell.
- Harvey, D. 1982. The Limits to Capital. Oxford: Blackwell.
- Harvey, D. 1985. The Urbanization of Capital. Oxford: Blackwell.
- Harvey, D. 1989. The Coming of Postmodernity. Oxford: Blackwell.

Helleiner, E. 1994. States and the Reemergence of Global Finance. Ithaca: Cornell University Press.

Janelle, D.G. 1968. "Central Place Development in a Time-space Framework." The Professional Geographer 20: 5-10.

Janelle, D.G. 1991. "Global Interdependence and its Consequences." In Collapsing Space and Time: Geographic Aspects of Communication and Information, eds. S.D. Brunn and T.R. Leinbach, 49-81. London: Harper Collins Academic.

Kellerman, A. 1993. Telecommunications and Geography. London: Belhaven.

King, A. 1990. Architecture, Capital and the Globalization of Culture. Theory, Culture and Society 7: 397-411.

Kirsch, S.L. 1994. "Technology and the Production of Visible Space: Engineering the landscape." Paper presented at the Annual Meeting of the Association of American Geographers.

Kirsch, S. 1995. "The Incredible Shrinking World? Technology and the Production of Space." Environment and Planning D: Society and Space 13: 529-555.

Knox, P.L. 1995. World Cities and the Organization of Global Space." In Geographies of Global Change: Remapping the World in the Late Twentieth Century eds. R.J. Johnston, P.J. Taylor, and M.J. Watts, 232-247. Oxford: Blackwell.

Laulajainen, R. 1998. Financial Geography: A Banker's View. Gothenburg: Gothenburg School of Economics and Commercial Law.

Lefebvre, H. 1977. Reflections on the Politics of Space." In Radical Geography: Alternative Viewpoints on Contemporary Social Issues, ed. R. Peet, 339-352. London: Methuen.

Lefebvre, H. 1991. The Production of Space. trans. D. Nicholson-Smith. Oxford: Blackwell.

Marvin, C. 1988. When Old Technologies Were New: Thinking about Electric Communication in the Late Nineteenth Century. New York: Oxford University Press.

Massey, D. 1994. Space, Place and Gender. Cambridge: Polity Press.

Merrifield, A. 1993. Place and space: A Lefebvrian reconciliation. Transactions of the British Institute of Geographers 18: 516-531.

Mulgan, G. 1989. New Times: A Tale of New Cities. Marxism Today, March, 18-24.

Pred, A., and M.J. Watts. 1992. Reworking Modernity: Capitalisms and Symbolic Discontent. New Brunswick, NJ: Rutgers University Press.

Reed, H. 1981. The Preeminence of International Financial Centers. New York: Praeger.

- Roberts, S. 1994. "Fictitious Capital, Fictitious Spaces: The Geography of Offshore Financial Flows." In Money, Power and Space, eds. S. Corbridge, N. Thrift, and R. Martin, 91-115. Oxford: Blackwell.
- Robins, K. and J. Cornford. 1994. "Local and Regional Broadcasting in the New Media Order. In Globalization, Institutions, and Regional Development in Europe, eds. A. Amin and N. Thrift, 217-238. Oxford: Oxford University Press.
- Sassen, S. 1991. The Global City: New York, London, Tokyo. Princeton: Princeton University Press.
- Sassen, S. 1994. Cities in a World Economy. Thousand Oaks, CA: Pine Forge Press.
- Schivelbusch, W. 1978. Railroad space and railroad time. New German Critique 14: 31-40.
- Smith, N. 1993. "Homeless/Global: Scaling Places." In Mapping the Futures: Local Cultures, Global Change, eds. J. Bird, B. Curtis, T. Putnam, G. Robertson, and L. Tickner, 87-119. London: Routledge.
- Swyngedouw, E.A. 1992a. "Territorial Organization and the Space/Technology Nexus." Transactions of the British Institute of Geographers 17: 417-433.
- Swyngedouw, E.A. 1992b. "The Mammon Quest. 'Glocalisation', Interspatial Competition and the Monetary Order: The Construction of New Scales." In Cities and Regions in the New Europe: The Global-Local Interplay and Spatial Development Strategies, eds. N. Dunford and G. Kafkalas, 39-67). London: Belhaven.
- Thrift, N. 1995. A hyperactive world. In Geographies of Global Change: Remapping the World in the Late Twentieth Century, eds. R.J. Johnston, P.J. Taylor and M.J. Watts, 18-35. Oxford: Blackwell.
- Thrift, N. 1996. Spatial Formations. London: Sage.

Table 1: Processes between the Local and the Global

<u>Process</u>	<u>Interpretation of Space</u>	<u>Nature of Relations</u>
Disembedding	Abstract Dimension	Expanded Geographical Extent
Phantasmagoria	Specific Distant Places	Revealed or Concealed Disjuncture or Conjuncture
Fusion	Global Flows	Global Networking and Local Integration

Table 2: Technological Effects on Social Space

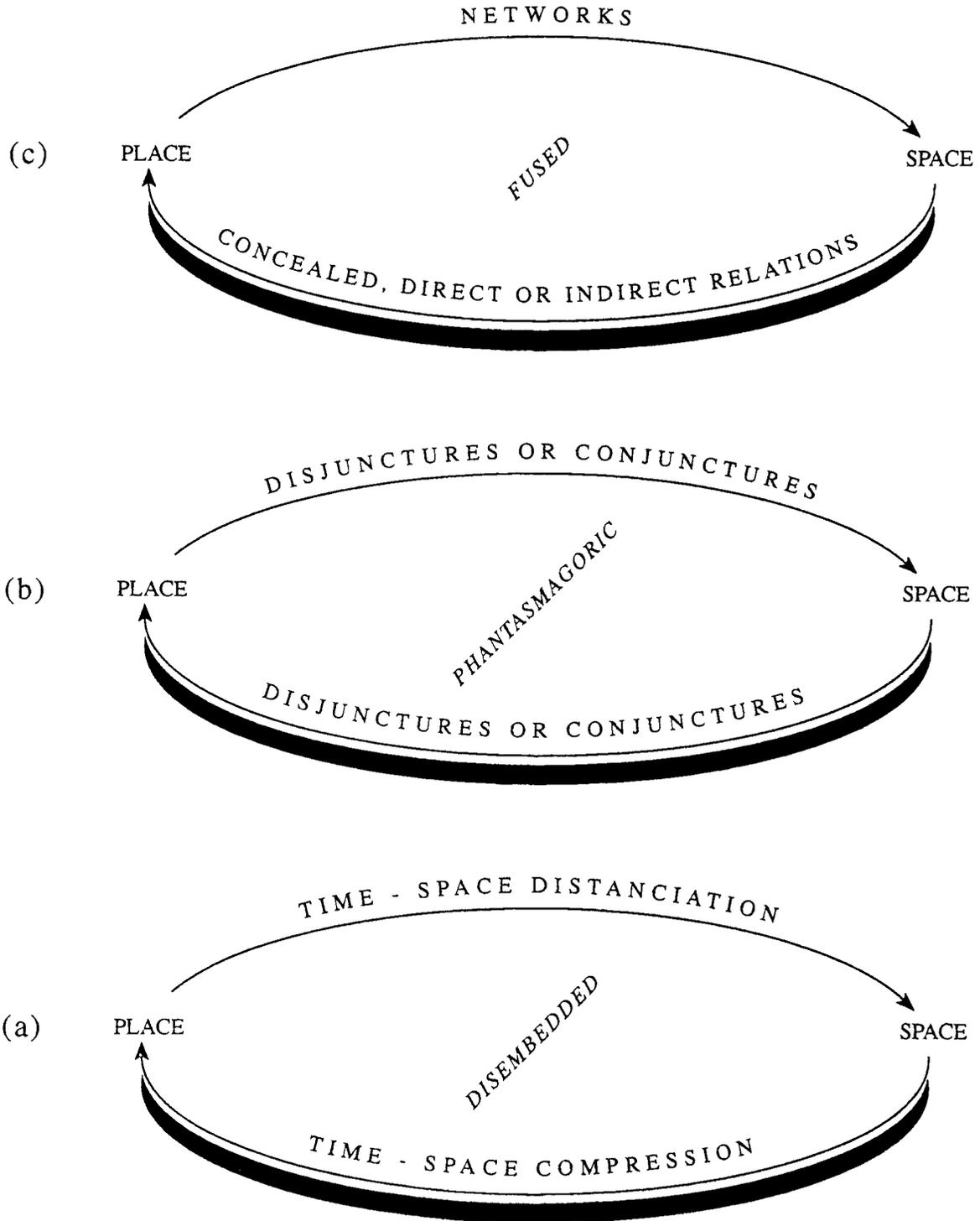
<u>Human Relation to Space</u>	<u>Technological Effect</u>
Perception	Lowering of Spatial Barriers Elevation in the Importance of Time versus Space
Experience	Production of Physical Spaces and Places Production of Spaces of Flows Space Consumption
Imagination	Creation and Transmission of Images of Space and Place

Table 3: The Fusion of Global Capital with Local Space

<u>Dimensions of Space</u>	<u>Spatial Expressions of the Fusion Process</u>	<u>Meanings of Space</u>	<u>Process Logic</u>
Input	Expansion	Resource	Causal
Process	Location	Place	Dialectic
Output	Specialization	Relative Location	Causal
Container	Homogenization	Landscape	Causal

Figure captions

Figure 1: Processes between space and place ((a) after Gregory (1994, p. 121)).



ACKNOWLEDGEMENT

I wish to thank Maoz Azaryahu and Stanley Waterman for their useful comments and criticism on an earlier version.

AHARON KELLERMAN is Professor of Geography and Vice-President, University of Haifa, Haifa 31905, Israel. E-mail: akeller@research.haifa.ac.il. His research interests include information society and telecommunications, and society and space.