

Will Mumbai get its glamour zone?

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Mumbai, October 28, 2007

First Published: 02:48 IST(28/10/2007)

Last Updated: 03:01 IST(28/10/2007)



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Saskia Sassen is fascinated by what she calls “global cities”, and how they evolve, transform and impact the people who live in them. One of the world’s experts on globalisation, Sassen explains that as multinationals have spread their operations across the globe, they have concentrated the top-level co-ordination and management of their far-flung operations in a few cities of the world. These are her global cities.

The highly specialised professional services in accounting, finance, law, advertising, etc., that these firms need are further concentrated within these cities in what Sassen calls “glamour zones” — hubs of “super-profits” that boast state-of-the-art office buildings, luxury hotels, up-market shopping complexes and fancy apartment blocks that house the “hyper-urban professionals” of the global economy.

So which are these cities? Until the 1970s many great cities, such as New York and London, were in physical decay, losing people and firms; some, like Tokyo, were officially bankrupt. Many people predicted that these cities were finished, Sassen recalls. But in the 1980s, these cities started rising again as they became strategic command centres for the global economy. These glamour zones, Sassen says, have been actively created by various national governments through deregulation, privatisation and other policies, as well as by city planners and architects.

As globalisation expanded in the 1990s, more global cities like Sao Paulo, Mexico City, Jakarta, Shanghai and indeed, Mumbai, were thrown up. Sassen’s research on other global cities not only sheds light on what is currently happening in Mumbai, but offers a glimpse of the future as well.

Due to speak in Mumbai this week (see below), she spoke to *HT* in an exclusive interview.

As a worldwide pattern, how does globalisation change a city’s social fabric?

It sharply increases both very high-income and very low-income jobs, and shrinks the older, modest middle-class. Before the 1980s, economic growth tended to mean the growth of a solid middle class. But a global economy brings a sharp growth in the demand for top-level professionals and a growing number of super-profit making firms. These professionals and firms have the means — and often, the government support — to displace a whole variety of middle-level firms and workers. The growing demand for state-of-the-art everything — from luxury offices and homes to the ultimate pot of caviar — reduces the options for the modest middle class to live in these cities. If they can, they leave.

What does the loss of the middle class mean for a city?

In the past, the bourgeoisie found in the city the space where they could display their civility and wealth. But today's high-level professionals and managers who circulate in global circuits don't need the city to represent themselves. Rather, the city is an instrument for their global operations and globalised lifestyles.

As a result, they increasingly emerge as a global class that shares lifestyles and spaces more with each other than with the old middle classes of their countries — from where most may, indeed, originate.

The loss of the older middle classes has another negative effect for the city. The more of a city's income goes to the middle class, the greater the share that will re-circulate and be spent in the city itself, which has a growth effect on the city. Middle classes tend to spend more of their income than the very rich, who have so much that they invest much of it — outside the city or even country.

What about low-income groups?

Top-level firms and households need all kinds of low-wage workers; luxury restaurants, shops and hotels need battalions of them. On Wall Street, for example, cleaning jobs are largely outsourced to immigrants.

How quickly or smoothly does all this churning and displacement happen?

In Shanghai, the displacement was very overt. The government came in, removed a lot of people and small shops, and built a whole new city. In New York, it was a slower process. Starting in the mid-1980s, residents' and shops' leases were not renewed. They were replaced by luxury apartments and shops. It took years, but still, it was a very active destroying and re-making. In Mumbai, some of it may be invisible, but gentrifying a huge space like Dharavi will be very visible... the mere possibility is already highly visible.

What new social conflicts does this displacement provoke?

This kind of displacement leads to a distinctive type of politics: politics becomes a fight for rights to the city. Anti-gentrification and anti-displacement struggles are forms of this politics. These are not against a global institution.

On the contrary, they are very local —about this building and that slum. But they are global because they happen in city after city worldwide. This is a fight between powerful global actors and the most vulnerable, local and unorganised people fighting for their livelihoods.

This becomes important when you consider that global capitalism is elusive, partly electronic. It is not like the factories in the old days, when workers could directly confront the owner. Today, it's not even clear who the owner is. The vulnerable have very few opportunities to engage with global capital. The politics of the rights to the city is one way in which they can.

But gentrification is not a new phenomenon. Some would argue it is the result of capitalism's "creative destruction".

You're right. It makes the urban economy dynamic, it beautifies the city, brings in state-of-the-art infrastructure.

What else can a city ask for?

But this is an economic dynamism that has a nasty habit of hiding its costs. You do not see all the displaced little shops and people, the disruption, and often, destruction of livelihoods that this brings with it.

In New York City, this displacement created tens of thousands of homeless people, and a new phenomenon: homeless families, mostly mothers and their children. They were first housed in the infamous 'homeless hotels' paid for by the city, that is to say, tax-payers' money going to pay for the damages produced by a high-profit, high-income economic sector. Eventually they were removed to more marginal areas of the city.

Finally, the state-of-the-art glamour zone makes everything else look rundown and unattractive. It devalues the rest of the city. Yet much of the urbanity of a city comes from the older, messier areas. In the new glamour zones, you won't see street life, the mixing of differences and people who are not there just to take an elevator up to the 102nd floor.