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Culture and finance in a globalised world – An uneasy relation

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Beate Reszat

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HWWA DISCUSSION PAPER

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Contents

Abstract	6
Zusammenfassung	6
1. INTRODUCTION	7
2. WORLD CITIES BETWEEN THE MYTHS OF GLOBAL CULTURE AND INTERNATIONAL FINANCE	
3. PATTERNS OF LOCALISATION	11
(1) Responsiveness of finance to culture	12
(2) Cultural adaption to finance	15
4. COLLECTIVE MEMORY AND CULTURAL IDENTITY IN THE MARKET PLACE	17
(1) Cultural representation of financial centers	19
(2) The role of the arts	25
5. FROM PLACES TO NON-PLACES	26
6. CHANGING RELATIONS IN A VIRTUAL WORLD	29
7. CONCLUSIONS	33
REFERENCES	35

List of Figures

Figure 1: An "Art Compass"	14
Figure 2: A Mall for the World	16
Figure 3: A Symbol to the World	20
Figure 4: London Utopia	21
Figure 5: Canary Wharf	22
Figure 6: Internet Visualisation	32

Abstract

At the turn of the century, the role of culture in society is changing. One facet of this change is the relation between culture and finance. Globalisation has led to an increasing competition between financial centres worldwide and culture has become one determinant of competitiveness. But, culture is also adapting to finance in that it responds to the requirements of globalisation and to the needs and desires of a place's financial community. The paper analyses these two sides of interaction between finance and culture emphasising the role of collective memory and cultural identity for the representation of financial centers and taking a closer look at the role of the arts among the variety of forms of cultural practices. Then the attention is drawn to two recent phenomena which, at first sight, seem to reduce the future importance of financial places and thereby also perhaps their influence on the culture world: The ever-increasing proportion of financial decisions made in so-called 'non-places' and the role of finance in a virtual world.

Zusammenfassung

Zu Beginn des neuen Jahrtausends ist die Rolle der Kultur in der Gesellschaft einem tiefgreifenden Wandel unterworfen. Ein Aspekt dieses Prozesses ist das Verhältnis von Kultur- zu Finanzwelt. Globalisierung hat dazu geführt, daß die Finanzzentren der Welt in immer stärkerem Wettbewerb zueinander stehen, und Kultur ist ein bestimmendes Element der Wettbewerbsfähigkeit eines Finanzplatzes. Aber Kultur paßt sich auch an die Finanzwelt an, in dem sie auf die Erfordernisse, die die Globalisierung mit sich bringt, und die Bedürfnisse der "financial community" reagiert. Die folgende Analyse befaßt sich mit der Interaktion von Kultur- und Finanzwelt, wobei ein besonderes Augenmerk auf die Rolle der Kunst für die Repräsentation von Finanzzentren gerichtet ist. Zudem untersucht sie zwei Phänomene, die auf den ersten Blick die zukünftige Bedeutung von Finanzplätzen und dementsprechend auch den Einfluß der Finanzwelt auf die Kulturwelt schmälern: die Zunahme von Finanzentscheidungen, die an sogenannten "Nicht-Orten" getroffen werden, und die Rolle virtueller Finanzaktivitäten.

JEL classification: F3, R51, Z1

Key words: International Finance, Finance in Urban Economies, Cultural Economics

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1. INTRODUCTION

The role of culture in society is experiencing profound changes at the turn of the century. This has many facets. One is the relation between culture and international finance in the age of globalisation. Financial market places worldwide are functioning as nodes or centers of economic control. Their actors are guided by a special "world-view" where the relation to culture is one decisive component: On the one hand, culture is increasingly becoming a determinant of financial centers' international competitiveness. On the other hand, culture is also adapting to the world of finance in that it responds to the requirements of globalisation and to the needs and desires of a place's financial community. However, as will be shown in the following, this is still an uneasy relationship which is very much in flux, and its consequences for both sides require further exploration.

This paper is divided into five parts. The first describes the main characteristics of world cities between the myths of global culture and international finance. The second focuses on patterns of localisation and studies the two sides of interaction between finance and culture in detail. One aspect here is the responsiveness of global finance to local culture. The other is the adaption of local culture to finance and the extent to which the latter is responsible for a cultural homogenisation on a global level. The third part concentrates on the role of collective memory and cultural identity for the representation of financial centers. Here, shared elements such as myths, symbols and rites constituting a place's significance within the world financial system will be elaborated. Then the importance of the arts among the variety of forms of cultural practices is analysed in greater detail. The remainder of the paper deals with two recent phenomena which, at first sight, seem to reduce the future importance of financial places and thereby also perhaps their influence on the culture world: The ever-increasing proportion of financial decisions made in so-called 'non-places' and the role of finance in a virtual world.

2. WORLD CITIES BETWEEN THE MYTHS OF GLOBAL CULTURE AND INTERNATIONAL FINANCE

Globalisation is often regarded as a synonym for the erosion of both time and space in international relations which is contributing to those "accelerated transformations" Marc Augé observed for life under the condition of supermodernity and excess (Augé 1995: 24). It influences almost all realms of society including both finance and culture. In international financial markets, the introduction of new technologies, deregulation and the internet made financial services and financial information around the world become instantaneously available. Trading has become possible 24-hours-a-day from nearly any place of the globe. This constant presence and availability has two effects: On the one hand, it exerts a pressure towards standardisation of transactions, businesses and markets, on the other, it produces an ongoing need for new information and interpretation on which revised expectations, the motor of most financial activities today, are based. The result is excess on every scale: of time overloaded with news and information, accompanied by a constantly felt urgency to give meaning to the world in all its facets which might influence markets and prices, as well as an overabundance of space where countless representations of places and events are readily available on screen or telephone.

Similar phenomena can be found in the culture world. Here, the tendency towards standardisation has its equivalent in the trend towards a homogenisation of places and the undermining of the idea of locality as a result of improved communications and transport and a higher mobility of people (Crang 1998: 113). Again, there is an overabundance of space and time in that elements of different cultures associated with different localities come together in the same space at the same time, and the high density of events, interdependencies and information calling for to be interpreted and given meaning leads to a multiplication of occasions "on which an individual can feel his own history intersecting with History" (Augé 1995: 29 f.).

Nowadays, there is a widespread feeling that in course of globalisation both international finance and culture have become widely detached from spatial context. Nevertheless, both worlds are tightly anchored in central places of economic and cultural authority which have become known as *world cities*. Those are places which are of considerable economic relevance due to the money, workers, commodities and information concentrated there. Their influence is stretching far beyond their boundaries to places and regions worldwide. In

forming an international network those cities organise a space of global accumulation which makes only a small fraction of the earth's surface and population but a large share of the world's total production and consumption. They are large, urbanised regions defined by dense patterns of interaction rather than by political and administrative boundaries and they serve as the commanding nodes of the global system building a hierarchy according to their economic power with New York, London and Tokyo at the top (Friedman 1995).

The concentration of the financial industry in those cities stands in contrast to a widely held view in economics that financial services have to be considered as so-called *footloose industries*. Since their existence apparently does not depend on natural resources and other locational advantages, in principle, they seem not restricted in their choice of location. This is a long-cherished myth, but, there are at least three reasons why it does not represent reality:

First, financial institutions located in world cities cannot easily change places because they depend on a vast net of producer services concentrated there. Those include advertising, accounting, management consulting, legal services and many more (Sassen 1991). Second, they depend on the built environment. This is a rather new phenomenon. While, for instance, in former times developers used to put up offices for financial institutions, which, in principle, were able to move easily in and out, nowadays, banks' requirements have become too specialised for this to work and for the major houses the trend is to design their own buildings (Fainstein 1994, Eade 1998). A third argument is the ongoing need for personal, face-to-face contacts in financial markets. In general, all of these require spatial proximity although the advantages vary in their intensity from product to product. Besides, there is still another reason for financial agglomeration in the big centers. This is identification with a place in its broadest sense. In general, people living and working in world cities like New York, London and Tokyo are aware of the advantages they enjoy. Some of these are imaginary by nature, consisting of an experience of a certain way of life, the feeling to be part of a special urban culture, which differs from those elsewhere. This holds in particular for the financial community located in those cities, which has become a wholly distinct class breeding its own norms, rules and habits.

Culture plays an important role in this environment. Although, in the literature, there are many concepts of culture there is widespread agreement that culture is something which is learned and acquired in social life. Different groups are guided by different "world-views",

priorities, belief systems and ways of making sense of the world (Crang 1998). On a more profane level, culture is often compared with a computer software needed for programming a given biological hardware with members of one human group differing from another in their mental programs which make people see situations differently and have different approaches and solutions to problems (Lane et al. 1997). There are as many cultures as there are collectivities and territories, and there is interconnectedness in space between them in that, on the one hand, people move with their meanings and, on the other, "meanings find ways of traveling even when people stay put" (Hannerz 1996: 8). World cities' financial communities are among those collectivities competing with others for urban space and, above all, for the power to define urbanity (Noller 1999: 46).

Again, there is a myth. It says that with respect to culture, the global can be clearly distinguished from what is considered as the local or "authentic". But, world cities are places where many cultures are coming together crossing, mixing and often mutating to something different and new so that the local can no longer be counterposed to the global. Instead, there is a whole range of cultural forms and processes showing particular local combinations of which financial relations are an important part. For example, in studying different cultural spaces and landscapes Appadurai (1996: 34) distinguishes so-called *financescapes* – i.e. the flows of money and capital in the world - beside what he calls ethnoscaples, mediascapes and technoscapes. Urban life is characterised by diversity where the local and the global are constantly mingling. The *city* as a coherent whole is largely an imagined environment, a representation.

Culturally, world cities have more in common with each other than with their respective nations and the regions surrounding them. People living there are often considered as people "between cultures". More than others, their life is characterised by discontinuities and disembedding and a separation of social relations from local context (Giddens 1990: 21). There is a competition of lifestyles. To a large extent, people do not consume products but images. This holds in particular for the new urban professionals populating those places in ever growing rates including those in financial services. For the latter, an international posting in one of the world cities is a vital part of their career. Many of them stay only for a few years without putting down roots, and their salaries and spending habits are legendary. They share what can be regarded as a new common culture which evolved from the mingling of old, formerly more separate currents (Leyshon and Thrift 1997). There are two questions. First,

who determines what counts in this financial communities' culture - and how are other cultural forms and processes affected by this - and, second, how much scope is there left for local practices and representations in a globalised world and to what extent do those permeate the global?

3. PATTERNS OF LOCALISATION

In recent years, after long processes of deindustrialisation in many parts of the world the city as an arena of consumption has been revitalised. "What were once landscapes of labour become landscapes of leisure; former docks and factory sites become art centers, are renovated for accomodation or form the sites for new festivals" (Crang 1998: 128). Those activities often compete with, or are instrumentalised by, groups who were among the first following and replacing the old manufacturing industries: those working in financial services. There are many conflicts over the different meanings ascribed to urban areas, over residential and commercial development which reflect, above all, the different needs and desires of old and new inhabitants. The financial districts, and the ambitions of financial institutions, developers and politicians, are often in the center of these conflicts. ¹

Although, at first sight, the picture of urban redevelopment following deindustrialisation looks similar everywhere financial centers worldwide are by no means identical. Each is characterised by distinctive features reflecting its particular geography and history (Dicken 1998: 415). In recent years, among them, fierce rivalries have broken out, both on a regional level and worldwide, and there is a strong competition for the location of international financial firms which promise to ensure renewed growth, employment and prosperity. In Europe, the introduction of the common currency has intensified rivalries between London, Frankfurt and other places and, at the same time, similar pressures can be seen mounting in Asia where Singapore, Hong Kong and others are challenging Tokyo's financial predominance. In analysing the determinants of their international competitiveness, economists normally focus on costs and scale economies as well as information about local investment opportunities (Gehrig 1998). But there are other influences as well. Among them, the role of culture and the arts in their interplay with the needs and desires of the financial

¹ Here, London and Frankfurt are the best examples. In London, it was the redevelopment of the Docklands and its "recast of the area in the image of the information economy" (Sudjic 1992: 108), where few of the existing population of manual and unskilled workers could benefit from the new employment created by the transformation, which caused dismay and opposition. In Frankfurt, protests concentrated on the effects the rebuilding and transformation of the city had on small shops and businesses (Noller 1999: 133).

community are of special importance. This has two aspects: On the one hand, there is a clear responsiveness of the world of finance to culture, on the other, the culture world itself is adapting to the demands of finance in many respects. Both deserve a closer look.

(1) Responsiveness of finance to culture

Generally, financial services are regarded as pioneers of globalisation and one of the industries with the most widely spanned net of activities and relations worldwide (Reinicke 1998). Globally acting financial institutions are confronted constantly not only with shifts between cultures but with the need of bringing together a great variety of people from different cultural backgrounds among both clients and workforce.

The ties between finance and culture are manifold. This is demonstrated best by the former's relation to the arts. At one end of the spectrum, art is considered as an investment with financial institutions acting as intermediaries for private and business customers. For example, there are banks which are regularly offering advice for buying art like other investment opportunities. They give the impression that these assets were as profitable as others and their returns, like those on other investments, could be increased by better information (Frey and Pommerehne 1993: 110).

At the other end, financial institutions appear as clients in the art markets. As one result, banks host some of the world's most remarkable collections of 20th century art. For example, since 1979 Deutsche Bank has been systematically collecting works on paper by German artists born after 1945 and now has about 10,000 pieces spread around the 80 floors of its headquarter and in other Frankfurt buildings as well as another 40,000 works in regional and foreign offices (Benoit 2000).² Corporate art collections like these are destined, above all, to hang before employees – art at the work place, "Kunst am Arbeitsplatz" is the motto of Deutsche Bank³ -, although public access is offered as well and banks are also lending their works.

² In addition, the bank has built up a collaboration with the Guggenheim Foundation initiating Deutsche Guggenheim Berlin. See <http://www.deutsche-guggenheim-berlin.de/>.

³ At the bank's Frankfurt headquarter, each floor is dedicated to one artist containing a photo portrait and the artist's biography as well as texts about the shown works, and the bank's art department is constantly buying publications about the work and the artist making them available to its employees. See Lippert (1994).

Financial institutions are traditionally among the biggest art sponsors regularly patronising exhibitions and other cultural activities around the world, establishing foundations and offering prizes. For companies in general, art sponsoring has many advantages from public relations to marketing opportunities and the chance to demonstrate corporate hospitality. At times, this is regarded as cheaper and more upmarket than, say, entertaining key contacts at sports events (Thorncroft 2000). For financial institutions in particular, corporate collecting and art sponsoring are often considered as a welcome opportunity to support an image transfer and a corporate identity in which the symbiosis of mind, culture and money in a sense serves to ennoble their business (Raap 2000). Another aspect which has become more and more important in recent years is the role of banks' involvement in the arts and other cultural activities in enhancing a financial center's – and thereby their own - international competitiveness.

In deciding about what kind of art should be collected financial institutions are in a situation comparable to that of public art sponsors in that, in general, their choice is openly debated in a wider public. Banks' curators in charge of the collections face the critique of their institutes' shareholders, clients and employees. Civil servants in art sponsoring are eyed suspiciously by taxpayers. This acts as powerful limitation to the type of work bought and promoted. Both have to decide, first of all, what they consider to be "art" rendering them highly influential in the art markets. This tends to limit artists' independence. For the buyer, it poses a problem insofar as the art work should represent neither the "average" taste of the masses nor the views of those individuals responsible for the decision. As a result, there is a tendency of both civil servants and banks' curators to prefer "classic" and widely accepted art. As a rule, they do not necessarily reject all that is avant-garde, but they are certainly not very enthusiastic in supporting daring experiments which risk provoking scandals and protests of major pressure groups (Frey and Pommerehne 1993: 31).

In order to facilitate investors' decision processes, in the fine arts, there are international rankings, comparable to professional investment recommendations for other assets. One example is the German *Capital-Kunstkompass* published by the weekly magazine *Capital* since 1970. Here, potential buyers are provided with a list of the one hundred "greatest living artists", together with biographical details and prices, evaluated according to criteria like presence in individual and group exhibitions in internationally renowned museums and art

galleries and reviews in international art magazines.⁴ Beside the artist's name, age and nationality, as well as a work classification, information is given about prices and galleries (figure 1). This is but one example of decision help and orientation provided by the media for an international clientele of customers and sponsors. These and other activities are largely contributing to the observed tendency of worldwide adjustment of tastes and demands which increasingly raises worries about an overly adaption and accomodation of culture to the needs and demands of a global community. There is a widespread fear of banalisation of the arts through financial dependencies (Frey and Pommerehne 1993), a worry that corporate collecting and sponsorship is creating a new definition and understanding of art.

Figure 1: An "Art Compass"



Source: Capital-Kunstkompass (1999).

⁴ See for a detailed list of criteria and artists Capital-Kunstkompass (1999) and for a harsh critique of this practice Weber (1987), pp. 253 ff.

(2) Cultural adaption to finance

In the arts world, dependence of influential sponsors and customers is not a new phenomenon. Art collecting is known since Roman times.⁵ Renaissance history is full of art-loving – and art-buying or donating or even stealing – monarchs, dukes and duchesses as well as private merchants and others. The Fuggers spent a wealth on art and occupied countless painters, sculptors and architects. At times, huge accomplishments have become possible through the will of mighty patrons, for which perhaps Sixtus V, "the boldest builder among the popes of the 16th century" (Pevsner 1998), is the best example.⁶ Nor is this kind of dependence necessarily a bad thing – not even in an age marked by overall superficiality. As Crow (1996: 79) states in reflecting about the relation between modern art and mass culture:

"... the fact that the avant-garde depends on elite patronage ... cannot be written off as an inconsequential or regrettable circumstance. It must be assumed that so durable a form of social interchange is not based merely on the indulgence or charity of the affluent, but that the avant-garde serves the interests of its actual consumers in a way that goes beyond purely individual attraction to "quality" or the glamor of the forbidden. In their selective appropriation from fringe mass culture, advanced artists search out areas of social practice that retain some vivid life in an increasingly administered and rationalized society. These they refine and package, directing them to an elite, self-conscious audience. Certain played-out procedures within established high art are forcibly refused, but the category itself is preserved and renewed – renewed by the aesthetic discoveries of non-elite groups."

However, as the same author puts it in an article on the thirtieth anniversary of the magazine *Artforum*:

"... the economy of art has changed in its scale and fundamental character. An essentially local community linked by open cognitive interests was no match for an emerging global service economy in the luxury sector laying claim to the name of Art." (Crow 1996: 86)

Globalisation is often implicitly or explicitly generally equalled to "less culture" (Hannerz 1996: 23). Accomodation and adaption to the world of global finance and other services is not only seen in the fine arts but in other cultural practices and representations as well. Perhaps, the most obvious case is architecture: "... multinational law, accountancy and financial services companies who do need city center offices look for the same kind of space whether they are in Tokyo, New York or Bogotá. Any developer attempting to attract them as tenants must provide the same marble foyers and air conditioning." (Sudjic 1992: 37) Looking at

⁵ The same holds for the reproduction of art objects and fakes. See Frey (1999).

⁶ A detailed description of his accomplishments is given by Giedion (1992).

Pelli's atrium for the World Financial Center in New York (figure 2) is like standing in the mall at Canary Wharfs without the palms (Sudjic 1992: 33).

Nevertheless, accomodation and adaption to the global is never perfect. Concerns for the views of shareholders, employees and clients often call for a local element. For example, British resistance to modern art in general, and abstract art in particular, which occasionally is interpreted as a result of the "literary" orientation of the culture (Hall 2000) certainly is reflected in the choices of financial institutions in this part of the world.

Figure 2: A Mall for the World



Source: Internet.

Nowadays, in the growing competition between financial centers worldwide the mingling of the local and global in the relation between culture and the finance world has become a no longer negligible element in determining a place's international position. In New York, London and elsewhere there is a subjective experience of what broadly may be called "market culture" which differs from place to place affecting a center's attractiveness to those working

in financial services. This financial market culture can be regarded as the result of a slow but steady long-term evolutionary process⁷ where, over time, the interplay of local and global influences is creating cultural identity among a place's financial community. The question is what influences this process and what role do the arts play in this context.

One way to look for the answer is to study the way in which collective memory is built – in society in general and in the world of finance in particular. From sociology we know that individual memory creating cultural identity depends on the social environment and is deeply rooted in collective phenomena (Berger 1963). It was Maurice Halbwachs who first drew the attention to collective memory as an explanation for cultural identity. His findings may give valuable insights into the identity creating processes in the finance world as well.

4. COLLECTIVE MEMORY AND CULTURAL IDENTITY IN THE MARKET PLACE

Nowadays, outside sociology Maurice Halbwachs' work in the sociology of knowledge is widely unknown. One reason is that his most important contribution, *Les cadres sociaux de la mémoire* (The social frameworks of memory), where he developed his idea of collective memory, had not been available in English for many years. Halbwachs' work stands in the tradition of Emile Durkheim in emphasising the social construction of time and the fact that, in addition to historiography and biography, the past is mainly known through symbol and ritualism. Besides, he was strongly influenced by the *Annales* school in France and by interchanges of ideas with its founders, the historians Marc Bloch and Lucien Febvre. In order to understand the relevance of Halbwachs's work for the subject here it seems necessary to have a closer look at the main line of reasoning and conclusions he came to.

The central thesis of Halbwachs' work is that in establishing cultural identity collective memory is laying the foundations for community. Collective memory does not mean that there exists a kind of mystical group mind; it is individuals as group members who remember. It is only that individual memory, as most areas in human experience, is rooted in a social context and structure. In order to become anchored in collective memory, truths have to relate to events, places or persons. On the other hand, to become part of the collective memory, events have to be enriched by a sense of meaning. For example, at the very moment an event is entering into memory it is transposed into a lesson, an idea or a symbol getting meaning and becoming an element of the society's system of ideas. The interplay of ideas and

⁷ See for a general description of the determinants of such a process Reszat (1999).

experiences forms what Halbwachs called "memory images". Their manifestation is determined by three characteristics, a specific reference to time and place, reference to a group and the process of reconstructivity itself.⁸

The literature on collective memory and cultural identity distinguishes between historical or cultural and autobiographical memory. The former cannot be inherited and thus has to be kept alive through commemorations and festivities where the past is stored and interpreted by social institutions. However, there are many times where routine behavior and calm prevail. Collective memory survives these times being kept alive by cultural mnemonics. This comprises written and non-written means, such as rites and myths and all kinds of signs and symbols, which are supporting memory and identity.

Cultural mnemonics is directed at the fix points of the past, the big events and developments, the grand narratives whose people and objects have become symbolic figures and anchors of remembrance. There is always something sacred or religious about the images of cultural memory which is far from the ordinariness of daily life. Communication takes the form of ceremony. Explanation and interpretation is left to specialists. For example, in former times poets were responsible for preserving group memory and group identity. In contrast to the diffuse biographical memory cultural memory needs special introduction and instruction. Competence and group membership have to be proven. Those non-initiated are left out (Assmann 1999: 55).

From the literature several elements of construction of collective memory and cultural identity can be derived. Those of special interest here are myths, rites, symbols and media. Their role in the process of emergence of culture in a financial place will be analysed in detail. A fifth element to which the attention shall be drawn needs further explanation. This will be called *patterns*. Patterns refers to a spatial concept and to a special "logic of space". Buildings, places and cities in general, and the built environment in financial places in particular, have social functions. On the one hand, they constitute the social organisation of every day life, on the other, they represent social organisation as physical configurations of forms and elements we see. (Hillier 1996) It is this concept of "configuration" stressing the importance of relations taking into account other relations and of "how things are put together" which influences collective memory and thereby contributes to constructing cultural identity. One

⁸ See in greater detail Reszat (2000).

key factor here is the relation between movement within and through a city and its various parts on all scales.

How does spatial experience link to a place's acceptance and its becoming anchored in collective memory? Part of the answer is *intelligibility*. An intelligible space structure is one which can be intuitively understood by people giving obvious clues to where they can go. Another element is *accessability* on a larger scale. Further, relations between different scales, between the local and the global in a city's structure have to be intelligible and conceivable which, in turn, once again depends on the lines and patterns of the urban grid formed by the movement of people.

It would lead too far to give a detailed description of this very rich concept of configuration here.⁹ The question remains why in this analysis space should be attributed such a prominent role treating it as an extra category. In the works on collective memory and cultural identity spaces and places are, above all, seen as symbols. Those can be real or imaginary ones. Nora (1998), for example, speaks of realms of memory - "les lieux de mémoires" or "Gedächtnisorte". However, this is not the way – at least not the only way – space matters here where space consciousness has two different meanings. First it refers to how places as symbols serve to construct collective memory and second to how spatial patterns, and the traces of the interaction of space and movement in a city, contribute to the formation of cultural identity.

(1) Cultural representations of financial centers

Taking into account cultural phenomena such as myths, symbols, rites, media and patterns gives a wide range of constellations in which shared beliefs become a determinant of a place's attractiveness to the financial community. Some of them refer more to global, others more to local elements as becomes apparent when taking a closer look at the various representations.¹⁰

For example, financial markets live on *myths* and create their own myths. Some of them relate to a particular financial center, others to the profession as such. There are myths of people, places and institutions as well as of qualities and of what is so special about the financial services industry compared to others. Some myths concern daily life, the extraordinary

⁹ The reader is referred to the detailed explanations and empirical explorations of *Space Syntax Analysis* as it is called in Hillier (1996).

efficiency and flexibility, mobility and speed with which financial decisions are made, the high degree of information and transparency in the markets, but also traders' greed and willingness to take risks. Others refer to the grand narratives of the profession constantly being retold and re-interpreted - of fabulously rich clients, big industrial tycoons and highly influential financiers determining the fate of whole nations. And myths are also established around places. While Paris long had been famous for being the world's cultural metropole London was considered the world capital of finance until New York took this role in the 1920s. All financial centers are constantly trying to live up to the claim of being a "world city". Besides, there are also myths about special locations in cities such as Wall Street or Lombard Street.

Figure 3: A Symbol to the World



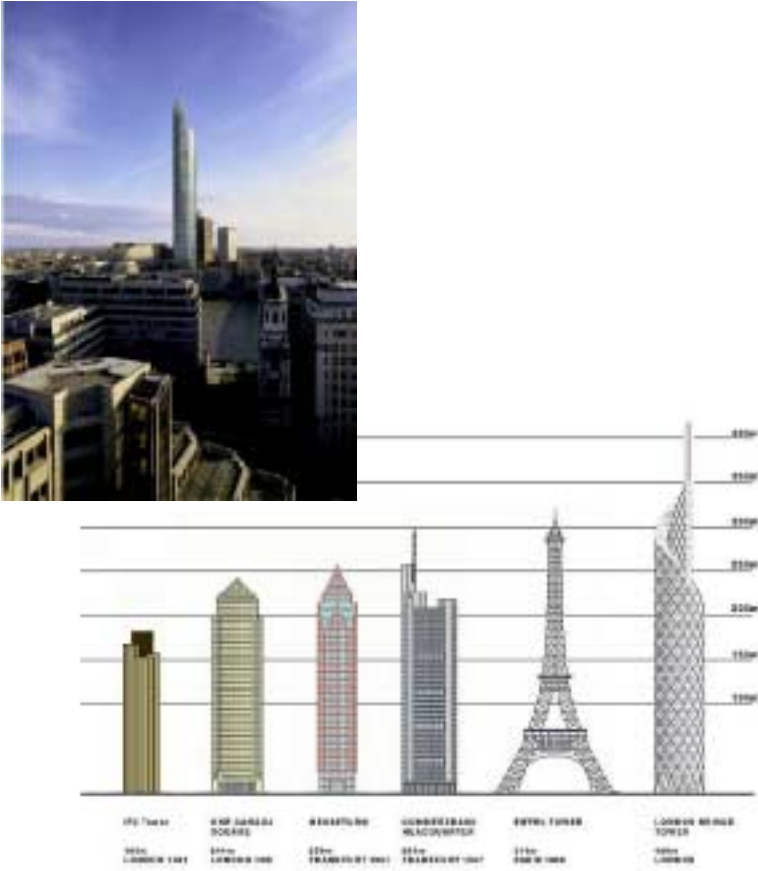
Source: Internet.

Symbols are another key element in the construction of cultural identity in financial markets. This holds, above all, for the skyscraper, which has become a representation of financial power and authority all over the world (Zukin 1992). In shaping the New York skyline the skyscraper has gained a large significance for the built representation of cities' financial districts since the place has become the leading world financial center in the 1920s. The skyscraper represents the Central Business District (CBD), the heart of the city, and in the big financial centers this is the place where financial activity is concentrated. The view on Manhattan from the riverside has become a symbol of capitalism to the world (figure 3).

¹⁰ See also for a more detailed analysis of this point Reszat (2000).

In Europe, nowadays, London and Frankfurt are competing openly for the highest buildings and the most impressive skyline. The 259m-high tower of the Commerzbank headquarters in Frankfurt (with antenna 300m) built by Foster and Partners, is the tallest in Europe although it would have been easily surpassed by a utopia of a "London Millenium Tower" conceived by the same architects in the early 1990s which after strong protests eventually was quietly shelved (figure 4). When in early 1999 the Frankfurt authorities announced plans for up to 20 new skyscrapers over the next ten years (Handelsblatt 1999), the Corporation of London, the municipal authority for the City of London, reacted by coming up with a plan to facilitate the development of new sites for financial firms in the City as well (Cohen 1999). However the most spectacular move there was the development of a 85-acre site to the east of the City in London's Docklands, Canary Wharf, which, after an unsuccessful first start and bankruptcy in the early 1990s, became a second home to London's financial sector.

Figure 4: London Utopia



Source: Internet.

Part of the cities' efforts to get a skyline are image-building campaigns, but in parts they also reflect the need to offer an attractive infrastructure for the financial community. Among other things, the new skyscrapers have the function "to lift urban identity from the modern to the spectacular" (Zukin 1992: 196). A comparison of the urban landscape of European financial centers now and ten years ago demonstrates that the skyline as a determinant of financial market competition in Europe is quite a new phenomenon. In the early 1980s none of the big European centers had an accumulation of buildings worth calling a "skyline". Paris, Zurich, Milan and Amsterdam still have none. For the City of London, even nowadays a true "skyline" cannot be identified. Only in Canary Wharf builders have begun to model the site respectively - apparently in reaction to developments on the continent (figure 5). However, as also the name "Mainhattan" for Frankfurt indicates, the original example in this and other cases still is New York.

Figure 5: Canary Wharf



Source: Internet.

Financial services differ from other parts of society not only by their myths and symbols but also by the variety of *rites* established over the years. Financial markets, although considered as a global phenomenon, more than others depend on highly localised cultures of work. More than other sectors in the economy they rely on mutual trust. Personal appearance, presentation

and image matter both in face-to-face contacts with clients and investors and in competition with other traders. In this business, success depends on performances of which rites are a vital part (Crang 1998: 156). For example, just as Antwerp and Amsterdam determined the customs and practices in European finance in the Middle Ages, in recent history, London became dominant to the region in this respect (Reszat 2000).

Media are another crucial element in building cultural identity in a market place. Since Nathan Mayer Rothschild established his first private courier service in the early 19th century¹¹ media have played an overwhelming role for the dissemination of financial news. However, there are other, more important aspects that count in this context. Market culture is influenced by all kind of media and their presentation of spaces and places. In general, place as symbol, the city both in its real and imaginary form and modern urban experience is a frequently exploited theme in literature and the arts, film and television. They do not simply portray or describe a city or a market place but, in a sense construct it in different ways¹² allowing to gather a feeling for life in a "modern" or "postmodern" society. Examples of those "literary landscapes" are T.S. Eliot's *The Waste Land*, John Dos Passos's *Manhattan Transfer*, but also for the imaginary city¹³ Italo Calvino's *Le Città Invisible* (the invisible city), Georges Perec's *Espèces d'Espaces* (species of spaces) or Jonathan Raban's *Soft City*. Nowadays, spatial phenomena are mostly understood and interpreted by the impression gained from mass media. People's image of Paris and London is probably as much influenced by the works of Victor Hugo and Charles Dickens as by modern fiction and mysteries as well as press and television reports. In this world, a city which is not constantly present in the media has the serious disadvantage not to matter in people's mind.

While media have an indirect effect on cultural identity and the relation between people and financial and other places, *patterns*, i.e. the built environment and the spatial order given by the interplay of movement and urban structure, exert a direct – although not always consciously felt – influence on this relation. For example, in Europe, despite all their variety, towns in their development in history, have several elements in common.¹⁴ There is a functional arrangement of public and private buildings which together form a complex

¹¹ It was a myth that he made a fortune from private information of the battle of Waterloo. Compare Kynaston (1994).

¹² See, for example, Crang (1998): 53 ff. on the writing of modern urban experience and the examples given there.

¹³ "The country of the mind" as Kerrigan (1998) calls it.

¹⁴ Compare for the following in detail Benevolo (1993): 61 ff..

organism with highly intelligible different roles. Streets and places build an interconnected public space which is individually shaped and with which the community identifies. One particular element which emerged in the Middle Ages is spatial concentration. The town covers as few space as possible with the center having the strongest attraction. Here are the highest buildings. While in earlier times, the center's contours were dominated by churches and public buildings, nowadays, they are often characterised by the skyscrapers of the Central Business District. This stands in strong contrast to the historical experiences in other continents differing markedly from the chequerboard pattern of early American cities as well as, for example, from the city landscape of "hard shells and soft yolks" in Japan (Shelton 1999: 11) where traditionally lower buildings and relatively quiet streets lie between high buildings on busy thoroughfares over a wide area.

One way to look at the effects the built environment has on people's collective memory in creating patterns of movement, and to explain why one area, such as a town's financial district, becomes a successful city-within-a-city while another will not, is to analyse a town's or a (financial) district's street network and the way in which streets and places are interconnected.¹⁵ In principle, there are two aspects. One is that the area under consideration itself has an acceptable social infrastructure which is rendering its residential housing most suitable for people. Another is that, although it may not contain any residential elements, as is characteristic for so many towns' financial districts nowadays, it may be well connected with the surrounding space and the community around it. The key word here is integration. In general, there are different groups of space users in a city - travellers, residents, office workers, tourists and many others – which use space in different ways and on different scales. Highly integrated areas bring them together and, thus, for each of those, in a sense, generate "more by-product" (Hillier 1996: 169). These areas tend to have higher intensities of development accompanied by multiplier effects which, in turn, attract other activities and uses. Again, what matters is accessibility and intelligibility. In this respect, for example, today, the three leading financial places in Europe, London, Paris and Frankfurt all have a similar problem, although on different scales. They all have newly established financial sites which are not located in the traditional center but outside.¹⁶

¹⁵ See Hillier (2000), Stonor (1998) and for a further elaboration of this point with special reference to financial places in Europe Reszat (2000).

¹⁶ See in greater detail Reszat (2000).

As became obvious so far, all elements of construction of collective memory and cultural identity in the world of finance contain local as well as global influences. Myths rank around local places as well as global players. Rites are rooted in both local habits and "imported" practices. Perhaps the most visible expression of an increasing permeation of the local by the global in this realm can be found in the symbols of the financial communities in various places, all above those derived from art and architecture.

(2) The role of the arts

Art has ever played an important role in the construction of collective memory and cultural identity although for some elements of this construction process its influence is more visible than for others. This holds in particular for the symbols and patterns analysed earlier where the visible arts and architecture fulfil important functions. But, art helps creating myths and manifesting rites in many ways as well. And art media are influencing market culture, too, perhaps leaving even a more lasting impression than others.

However, the last point indicates a crucial change the culture world is confronted with: Nowadays, art is more and more competing with other forms of sensations and consumption of visual and nonvisual media, as well as with other collection objects and branded goods. This holds in the financial world as well as in other realms of society. Nevertheless, a difference remains. There is a hierarchy among cultural forms and representations, a social ranking of values, with kung fu films, Barbie dolls and McDonalds at the bottom – actually, *McDonaldisation* has become the name for standardised tastes and fashions not developed in a locality by its community, but by designers and professional taste engineers elsewhere (Crang 1998: 113) - and art at the top. This helps explain why financial institutions in search of means to demonstrate their might and power in the world turn to art as the most valuable and socially most widely accepted symbol of stature. And, with respect to these intentions, there is an almost inevitable order among the arts themselves ranging from the most visible to the least, which not only explains financial institutions' preference for "classic" pictures but also underlines the importance of architecture to the industry.

As the examples of London and Frankfurt demonstrate, in recent years, architecture has become increasingly an element of competition between financial centers worldwide. There are two counteracting forces. On the one hand, buildings as symbols are regarded as means to establish identity both for corporations and for cities emphasising the local and authentic. On

the other, in their effort to culturally distance themselves from their national context in reaction to the twofold challenges of postmodernism and globalisation financial centers become more and more uniform in sight. Looking at the financial districts of major cities one finds increasingly the same "worldly superstars" (Zukin 1992) of developers and architects building for the same big financial institutions. For example, among the international architects specialised on building for financial institutions are Rocco Sen-Kee Yim who built Citibank Hong Kong, Nikken Sekkei (Long-term Credit Bank, Tokyo) and Kohn, Pedersen & Fox (DG Bank Headquarters, Frankfurt) – to name only a few. But there are also "star architects" known from a more general context including Norman Foster (Commerzbank, Frankfurt), Kenzo Tange (OUB Center, Singapore) and I.M. Pei (Bank of China, Hong Kong). However, again, there is a mixture between the local and the global. A comparison of buildings of financial institutions worldwide shows that the presumed all-penetrating globalisation, so far, in fact is still limited to rather few spectacular examples. ¹⁷

Seen as a whole, considering the role of financial institutions as investors and intermediaries in their relation to art there seemed to be not so many changes in recent years: The art market is in wide parts a long-established global market and banks' interests in this field have always shown a tendency towards global orientation. Obviously, what has changed in this relation is the role of financial institutions as consumers of art as symbol and expression of a changing cultural identity. This has two aspects. One is the transition from an international to a truly global financial market with its meandering financial community asking more and more for symbols for a global space which nevertheless draw on familiar citations from the arts world. The second is the new "discovery" of architecture as a means to symbolise this global space. But, there is an apparent paradoxon as architecture has become this new symbol of finance in many parts of the world just at a time when places in general appear to be losing importance.

5. FROM PLACES TO NON-PLACES

Nowadays, the global financial community is an important part of a larger international elite or ruling class brought up by globalisation:

"Cosmopolitan in taste and Anglo-American in outlook, these are the people who attend business-school weddings, fill up the the premium seats in airlines, and provide the officer ranks of most of the world's companies. These "cosmocrats" constitute a more meritocratic

¹⁷ Compare for example the information provided by archINFORM in the Internet under:

ruling class than we have ever seen, a much broader one – an uneasy one, perhaps, but a ruling class nevertheless." (Micklethwait and Wooldridge 2000)

These are not necessarily super-rich people. Nor are they sufficiently circumscribed by Samuel Huntington's "Davos Man" as the one participating in the yearly World Economic Forum. *Cosmocrats* include a large number of people in lower ranks.¹⁸ Micklethwait and Wooldridge (2000) have tried to estimate the size of this group. One indication they take is the number of homes receiving the CNN International News Service which is 150 million worldwide. Another is the number of flights taken every year which hints at a much smaller group – only ten million Europeans, five million Americans and one million South East Asians. A third one is the combined circulation of international newspapers and magazines such as the Financial Times or the Economist and others which stays under 20 million.

Those people are characterised by several common global habits and attitudes. Three peculiarities are stressed in this context: First, an emphasis on cosmopolitan consumerism, second, a desire to stay in touch and to communicate – above all through the internet – and third, a widespread insecurity which results from the belonging to industries that pay well but offer highly unstable working relations. Hard working is another characteristic of those people who with their laptops, mobile telephones and beepers appear in constant reach of firms and clients. Among them, those in the financial industry differ from others by the nature of their businesses often making them thinking and acting under higher pressures and shorter time horizons and exposing them even more to the dangers of superficiality in social interactions.¹⁹ Another difference is that these businesses are truly global ones in that they are spanning a much wider net of places around the world than most other industries exerting their influence on a much wider range of local cultures.

As a result of their high mobility, nowadays, an ever-increasing proportion of financial decisions is made in so-called *non-places* – in airports, motorways, hotels and similar

<http://www.archINFORM.de/start.htm>.

¹⁸ These are not only found in business. For example, Micklethwait and Wooldridge (2000) also distinguish the "Sabbatical Man" (an academic often changing places) and the "Agency Man" (an international bureaucrat in Washington or Geneva seeking to "alleviate the sufferings of the inhabitants of Lagos and Nairobi").

¹⁹ At times, their lifestyles and habits catch the headlines of the international press in connection with spectacular losses, bank failures and other calamities. One of the many examples is the collapse of Barings, Britain's oldest merchant bank, ruined by a young trader in 1995. See for the details Fay (1996), Rawnsley (1995).

locations. In order to clarify the implications the existence of those non-places can be contrasted to what Marc Augé has called "anthropological space". Traditionally, for collectivities and their individual members the handling of space is a means to symbolise identity, of the individual in its difference from, and its relation to, others and of that shared by the group as a whole: "... anthropological space is a principle of meaning for the people who live in it, and also a principle of intelligibility for the person who observes it." (Augé 1995: 52) Those are places of identity, of relations and of history.

In non-places, there is neither identity, nor relations, nor history. Individuals in those spaces are facing a kind of "contractual solitariness" (Crang 1998). Alone, or in small groups, they are related to wider society through very limited and specific interactions. They are linked to their surroundings mainly through words and texts, through instructions - be they prescriptive, prohibitive or merely informative - supported by signboards, screens and posters (Augé 1995: 96). In this environment, at first view, there seems no room for art or culture at all. This may lead to the conclusion that to the extent that financial decisions are increasingly made in non-places the relation between finance and the culture world is loosening. On the other hand, like all individuals, those cosmocrats populating non-places are looking for signs and symbols for orientation and reassurance wherever they are. This, in parts, may explain why cities in competing for international attention lay so much emphasis on the design of buildings such as airports and stations but also, for example, museums and other public cultural monuments, which for the cosmopolitan business tourist have become just another non-place to go.²⁰ Perhaps the most important general implication of the existence of non-places for the relation between finance and culture is that the more activities are concentrated in those spaces, the less is the importance of local elements of collective memory such as local myths and patterns for the financial community, the stronger is the role of global representations of cultural identity and the greater is the weight of myths, symbols and media that are known and accepted worldwide.

Being often far better travelled than "the most wizened sailor that Joseph Conrad could invent" (Micklethwait and Woolridge 2000) cosmocrats in the financial sector and elsewhere are consuming places and local cultures. In this, they have become an important target in the competition of world cities and international financial centers for the location of industries. However, mostly, time pressures do not allow them to stay for thorough studies. As

²⁰ See for the changing role of museums and museum architecture in this context Sudjic (1992): 125 ff.

Micklethwait and Woolridge put it: "The cosmocrats have no Conradian depth." Here, superficiality is the other side of the coin of a widely acclaimed openness. Often paired with an arrogance of power, even when cruising in unknown waters, own judgments are rarely doubted. Aware of their privileged position, facing local cultures, those people tend not only to look for familiar signs and symbols but to expect to find the needs and desires of their own group met. And, in an effort to compete on a global level, their objects of consideration often tend to adjust to their tastes and expectations.

6. CHANGING RELATIONS IN A VIRTUAL WORLD

These days, another influence altering the relation between finance and culture is the emergence of digital networks, above all the Internet. Information and communication technologies, and the dense flows of information they create, have given rise to a new conceptual space of interactions analogous to a physical or proximate locale, referred to variously as "cyberspace" (Baker 1999). Since the World Wide Web, the multimedia portion of the Net (Sassen 1999), with its potentials for commercialisation has become available in the early 1990s the financial services industry underwent radical changes. Nowadays, e-commerce is the driving force of electronic markets. The biggest growth potential here is in the business-to-business, or B2B, market. Other market segments are business-to-consumer, B2C, government-to-business, G2B, C2C and G2C activities (Peters 2000). The financial industry is taking part in this development. Citigroup has around 500,000 online customers only in America, Bank of America more than two millions. Growth is particularly strong in Europe. There are estimates that an average of 685 new online accounts is opened in Britain every day, and 1,178 in Germany (The Economist 2000a). But, the biggest growth potential observers are expecting for the future lies in Asia, in locations such as Seoul and Taipei where online broking is already soaring, and in Tokyo, the region's largest financial center.

In contrast to a widespread view, e-commerce is not the biggest part of net activities. Sassen distinguishes at least three distinct forms of "cyber-segmentation": commercialisation of access, the emergence of intermediaries sorting, choosing and evaluating information for paying customers and the formation of privatised firewalled corporate networks and 'tunnels' on the Web (Sassen 1999: 56). Nowadays, most computer networks are private ones, including intrafirm networks. In particular, financial markets still operate largely through private networks in contrast to the impression gained by certain spectacular nonbank online

activities.²¹ In general, electronic markets are superior to other business forms in a complex market scenario where large numbers of participants and transactions, numerous traded products and distinct customer preferences, buying habits and values prevail (Peters 2000). The establishment of private corporate networks, on the other hand, offers significant advantages under complex firm structures with a wide range of activities over products and regions. Both make financial institutions ideal candidates for the cyberspace highly valuing its most important properties – speed, simultaneity and interconnectivity.

Electronic networks are rapidly transforming urban spaces and with them the role of financial centers. Stating the "death of cities" in this context is not new: The economic decline of locations due to electronic communications, the advance of personal computing and related developments eliminating the need for cities as centers of interaction has been conjured up since the early 1970s (Moss and Townsend 1998). In general, in the discourse about electronic space two main strands can be observed: a "utopian approach" of Internet romancers emphasising decentralisation and electronic democracy and a "dystopian approach" focussing on the global power of large corporations (Sassen 1999: 50). Both fall short of grasping the phenomenon in its entity.

Since the mid-1990s a number of web projects in analogy to real-world cities have been launched. Examples are *De Digitale Stad* (DDS) in Amsterdam, *The Thing* in New York or *Public Netbase* in Vienna.²² Those are mostly run by nonprofit organisations aiming to provide "access for all" and facilitating interaction and workflow between various groups of users such as artists, moderators, writers and editors, and fostering communication and community in the field of new technologies and fine art. The idea behind is that of a self-organising system which, like a natural organism, is driving itself to an ever higher stage of development and information processing. Meanwhile, commercial users have adopted the idea creating sites as virtual shopping malls and market places.

The first virtual sites were at times expected to replace a real city in various functions in the long run. However, experience has shown that the analogy to nature has its limits (Häußermann 1997). In a real city, in contrast to a virtual one, space is not closed, and not

²¹ The Economist (2000b) names two exceptions: one activity, which is share-trading, and one part of the world, Scandinavia.

²² See <http://www.dds.nl/>, <http://www.thing.net/> and <http://www.t0.or.at/>. An overview of these and other projects can be found in Maar and Rötzer (1997).

perfectly controllable, people are confronted with surprises, pressures and demands which simply cannot be switched off and personal face-to-face communication has an additional perceived quality virtual processes are lacking.

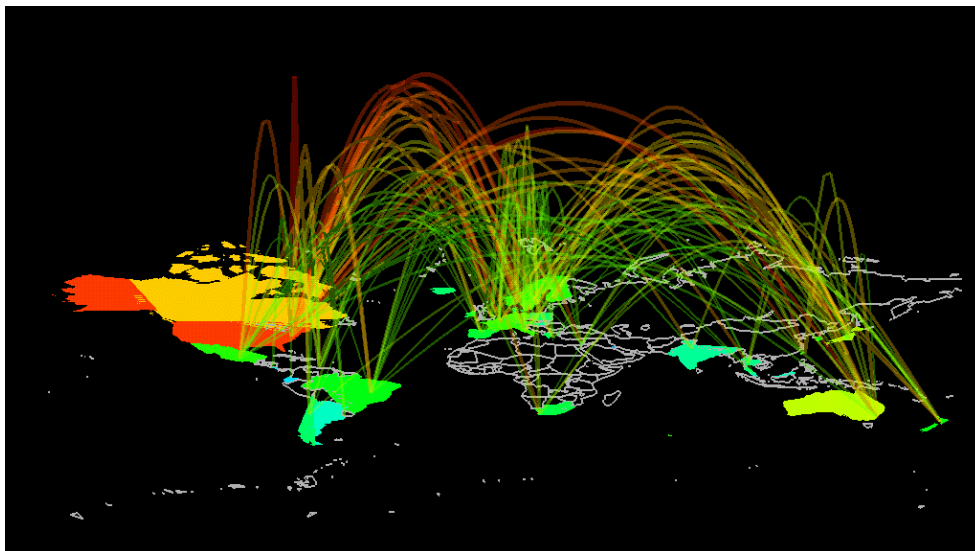
In which way do electronic networks transform the role of cities as financial centers? Often, telecommunication is regarded only as an alternative to transportation systems and the physical move of people and services. However, this view neglects that communications technologies are working in two directions containing the possibility of both concentration and dispersion of economic activities (Moss and Townsend 1998).²³ For the financial services industry both matter. In this context, the distribution of financial information and products must not be confused with the activities of organising and managing the provision of financial services. The first has long become a global business largely relying on impersonal far-reaching communication and transaction channels. In order to compete in this field, institutions ever saw themselves forced to use the most advanced information technologies. In former times, this had been the carrier pigeon and the stage-coach, later the telephone and fax machine. Today, it is the Internet. So far, not much has changed. For the finance world, e-commerce is not a fundamentally new phenomenon. What has changed is, above all, the range of clients and offered products. This is most obvious in retail banking where consolidation of local banks is taking place everywhere, where branch offices are replaced with automated teller machines (ATM) and 24-hour banking is spreading into local communities through supermarkets, drugstores and gas stations (Moss and Townsend 1998). Another field is online broking which is growing even much faster than online banking.

On the other hand, with respect to the second aspect, the organisation and management of providing those services, no change could be greater. While formerly, decision procedures within internationally operating corporation such as large banks and investment houses could take weeks and even months, nowadays, progress in information technology allows to coordinate a large variety of complex firm activities all over the world at the same time from the same place. This has severe implications for the organisation and functioning of corporate headquarters giving them a new rationale for proximity and financial agglomeration. In an era of high speed communications there is a constant demand for instant knowledge. This means, above all, a need for interpreting in real time the vast amounts of informations generated each

²³ For example, see for the role of technology in reinforcing the position of major cities in the United States Moss and Townsend (1998).

day, which is calling for face-to-face contact.²⁴ In this respect, global cities which play an important role in the geography of the global structure of the Internet backbone networks²⁵ have found a new function adding to the other attractions they offer for financial firms. Figure 6 gives an example of the visualisation of Internet traffic flows in 1993.²⁶ It shows that the beginnings lay in the big centers. The amount of sophistication and specialisation these places gained over the years provide them with remarkable "first mover advantages" emphasising their ongoing importance in a world of virtual communication.

Figure 6: Internet Visualisation



Source: Internet

What are the implications for the relation between finance and culture in a virtual world? Again, there are two aspects. One is the role of financial institutions as providers of internet services to customers. Here, the cyberspace is offering a new medium which, so far, by most of them has not been easily accepted. Partly, this was due to concerns about the security of internet transactions, in parts banks having heavily invested in own systems were reluctant to replace them for web-based ones. In addition, banks' staff often resisted change. On the other

²⁴ Nigel Thrift, cited in Moss and Townsend (1998).

²⁵ Although not necessarily a dominant one. Compare Townsend (2000) who stresses the phenomenon that the global structure of the Internet as "a network of networked cities" is replacing hierarchies as the dominant organising system.

hand, to the extent that the Internet has become a new means of representation as well as a target of sponsoring for the banks it is competing with traditional forms of cultural practices and representations. Some financial institutions have created their own virtual market places or are sponsoring and participating in virtual city projects. One example is the the *Rokuroku Cyber Mall* planned by Mori Building²⁷ in Roppongi, Tokyo, where in particular banks and credit card firms are found among the sponsors.

Another aspect is that in the process of virtualisation, the role of financial centers has gained another quality, not as the real core of financial activities, but as a virtual experience. A "classic" Internet project (Maar and Rötzer 1997) in this context is the representation of the city of Frankfurt in the Internet which in various ways emphasises its central importance for the financial community transposing the global city metaphor to its net services. First, there is a site of the city of Frankfurt itself presenting its history and policy as well as cultural, touristic and other highlights.²⁸ Second, there is the "Frankfurt Digital Market Place"²⁹ where information about Frankfurt as "the leading financial center in Germany and Continental Europe" can be found and firms in and around Frankfurt are given the opportunity to put their address and additional information into the net. Third, there is a virtual project, skylink,³⁰ announced as a simulated hypertecture model world focussing on life and architecture in the future's multidimensional digital cities unrelated to space and time (Klein 1997).

7. CONCLUSIONS

In the era of globalisation the relations between finance and culture are highly complex and have experienced profound changes. On the one hand, local culture is increasingly influenced by, and adapting to, the activities and demands of a global financial community that is leaving its marks on life in the Central Business District of big financial places. On the other hand, culture itself has long become a key element in the race between cities worldwide competing for the location of financial business which is promising re-vitalisation and growth, employment and renewed prosperity.

²⁶ This is a research work of Stephen G. Eick and colleagues at Bell Laboratories. See the Network Visualization Gallery in the internet for this and many other fascinating images: <http://www.bell-labs.com/user/eick/NetworkVis.html>.

²⁷ See for the details Grassmuck (1997). The web site of the project is: <http://www.cyber66.or.jp/>.

²⁸ <http://www.frankfurt-main.de/>

²⁹ <http://www.finanzplatz.de/>.

³⁰ <http://www.inm.de/people/bernhard/skylink.html>.

Cultural elements allow people working for financial institutions to identify with a place and develop a particular "market culture". The way this happens is largely through collective memory of this particular group and through the formation of cultural identity in a place. Among the main influences of this process are myths, symbols, rites, media and spatial patterns of social interactions where local and global currents mingle. Of particular importance in this context is the role of art. As in other realms of society, art is competing with more and more forms of sensations and consumption objects. But, there is still a difference. In the hierarchy of cultural forms and representations it ranks highest making it the most valuable and socially most accepted symbol of stature for the finance world. Among the arts, architecture has gained special attention in recent years. This is accompanied by a tendency towards homogenisation of places and built environments determined by the tastes and demands of a global rather than a local community.

The relation between finance and culture in the era of globalisation is an uneasy one in that dependence on financial institutions' economic dynamism and financial strength leads to a permeation of the local by global elements to an extent that it is rising fears of an overly adaption and "less culture". These fears are fuelled by the lifestyles and habits of those new urban professionals of which today's financial communities in the big centers consist to a considerable part, those "cosmocrats" or people "between cultures".

Recently, two phenomena are changing the relation between finance and culture once again. One is the growing importance of so-called non-places in international finance. In contrast to what might be expected this is not diminishing the role of world cities as nodes of control and centers of cultural and economic authority and it is not loosening the grip of finance on culture. But, it further reduces the importance of local elements of the financial communities' collective memory and, as far as global representations of their cultural identity are gaining weight, is reinforcing the tendency towards worldwide adjustment of tastes and representations.

The second phenomenon is the shifting of financial activities and transactions to cyberspace. For the finance world, this is not a fundamentally new phenomenon since the industry always relied on far-reaching, impersonal communication and transaction channels. But, it is altering the way in which decisions are made and business and management are organised. With respect to the relation to culture, there are two aspects. One is that the Internet is a new

medium in providing services to customers. The other is that it is a new means both of firm representation and target of sponsoring which is more and more competing with traditional forms of cultural practices and representations.

Non-places and virtual world have changed the perception of space in which financial decisions are made and, as a consequence, once again have altered the relation between finance and culture. Since both are rather new phenomena this process is still very much in flux. For the moment, it looks as if these tendencies are driving the world to a still further adjustment and homogenisation. The reliance on metaphors for the local for the design of "digital market places" is a new element in this process. It will be left to further research to closely monitor it and analyse its effects.

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