

THE COMPLEXITY OF POWERLESSNESS

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CITIZENSHIP LECTURE

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I’m not going to give you a neat, complete lecture. I really like incompleteness. And the city, in a way, really is about incompleteness. I’m really becoming a fan of incompleteness, because much of what is completed is actually rather problematic around the world.

Let me just start with setting a frame, a tone, an image. It is an invitation to think about global cities and global slums as emergent systemic actors, a very special kind of actor. They are an actor where powerlessness can become complex. It doesn’t mean that you move to empowerment, but that the condition of being powerless becomes complex.

And here I want to just elaborate a bit on this notion of powerlessness. I’ve really been trying to understand in a way, do those without power also make history? They do, not always, but they do. But they do it under certain conditions. One of them is a temporal question. It takes more time for those without power to make history, than those with power. It can be generational; it can take three generations. So that is why the making of history does not necessarily empower. We really need to make that distinction.

Today, there are slums, global slums, which are quite different from the image that you have in English literature when the good and the kind wrote about the miseries of slums. There are such slums, too. But I’m referring to slums that really have emerged as political actors. Dharavi (Mumbai, India) is one such slum. The global city is a space where informal political actors can execute their project. By this, I mean actors who are not quite represented by traditional political organs like parties, political parties, labor unions, etc.

In this country, we tend to think, if you’re going to do it and especially if it’s about politics and you know those who don’t have power, make sure that they get empowered. I think that’s an admirable aim. But we have to open that up, because if we just stick with that, then all kinds of things become meaningless because people do not get empowered. Immigrants, asylum seekers, refugees, women who are persecuted – when they become subjects of human rights decisions, they often are not empowered. But by making the human rights regime work, they are actually strengthening the human rights regime even though they themselves do not become necessarily empowered. This is an example of the complexity of powerlessness.

The question then becomes under what conditions, in what spaces, vis a vis what kinds of struggles, do those without power become able to transform that powerlessness into a complex condition of powerlessness? And here is where the city and this emergent, systemic of the global slum, enter into the picture. The global city is one of those spaces.

Let me give you another example, just to illustrate. You may recall that two years ago, the American Congress was debating criminalizing illegal immigration. Right now, you are in violation of the law when you are in the US illegally or without documentation, but it’s not a criminal act. So the criminalization would have been a very serious escalation of the condition of being in violation of residence laws. Massive demonstrations occurred in response to the debate, half a million people in Chicago, half a million in Los Angeles, half a million in New York. There were people with signs, “I have the right to have rights.” And no one checked to see if they were illegal. In the space of the city, an individual becomes easily part of a multitude, especially if there is a political project.

But how does space change that? Imagine that same immigrant who was holding a sign on the streets of Los Angeles, holding that sign on a farm in California, “I have the right to have rights.” His employer would have come and said, “Come on, go back to work,” or worse, would have called the INS [Immigration and Naturalization Service] and had him arrested, but not in the city.

So were these immigrants who demonstrated, including the undocumented, empowered? Not necessarily, but their powerlessness became complex.

The question of these demonstrations, of contested political actions, in the space of the city, is an illustration of how the space of the global city contains the capacity to transform powerlessness, not into empowerment, but into a complex condition. And in being complex, it contains the possibility of politics.

Now I am sure that many of you know of examples of small organizations that struggled for years to achieve their goals. It may have looked like it was an impossible task, yet many of these succeeded. Remember the woman [Wangari Maathai] who won the Nobel Prize, who planted trees with a bunch of other women in Kenya? Those are initiatives that seem very partial, very micro, that seem they’re going to go nowhere, but they build up. Do they actually empower the people who plant those trees? You can’t quite say that, strictly speaking. But something is changed, and something is changed because something is made.

Now, the space of the global slum, and here Dharavi’s probably the most famous slum. The space of the global slum is a space that begins to have that quality. It’s not all slums that have this capacity to emerge as the global slum and, in fact, alter the meaning of slum. Some slums are truly spaces of pure misery, destitution that is absolute. There, the powerlessness of the people is absolutely elementary. Nothing happens. That is not quite the global slum. It’s not, as I was saying before, the meaning that you would have, you know, in the typical sociology text of twenty years ago, where the slum is almost a word that you don’t use because it signals a racializing of space. That has changed, but only in a political context.

Now the slum is also a political systemic actor. Dharavi is a very good example, but so are

the favelas in Sao Paulo where Lula's [Luiz Inácio Lula da Silva, the current President of Brazil] Labor Party made sure that everybody was registered to vote. Four million people voted in those favelas in Sao Paulo, and they voted for Lula. So, they are still slum dwellers. They still have all the discomforts, all the disadvantages, all the shortcomings. But they are also making history.

I talked about powerlessness; now let me move to power. I like to think about power as something that is made. Power is not just a condition. It's not just an attribute that you have or you don't have. And, again, I think of the space of the global city as being space that also makes power. It's also a space that has the conditions to make capital, including the making of this kind of financial capital that we are living with now.

Earlier, when I referred to informal political actors, I was also thinking about the multinational corporation, because the multinational corporation is a private economic persona, not a political persona. But at a period of transformation, such as the last twenty years, the global city becomes one of the spaces where such corporate actors can make politics, make the political, beyond the question of lobbies and all of that, in reshaping the space of the city so it becomes a platform for their operations.

This notion of the actual space of cities, and what I'm thinking about is the dense aggregation of a whole variety of activities for economic reasons, is a critical part of the making of power in the global city. These are centers for the production of management functions, of coordination functions. It is really the capacity to manage global operations. It's also a frontier space.

For instance, if you think of finance, finance is an invasive practice. It is not like traditional banking. Traditional banking, you have the money, and you sell it for a high rate of interest or for a low one. Finance is about the money that you don't have, whether that starts at ten billion or at a hundred. So finance is invasive, which means that it always is entering a space that is not its own and it's going to acquire that space; it's going to control it, it's going to use it. For finance to grow, it needs to invade other sectors. So, it

financializes our debt, our credit card debts, etc. It financializes all kinds of things. Now, that means that the financial center, and as global finance grew there were more and more financial centers in global cities, is a very particular space. It's a space where the actually quite standardized, though very complex, global financial system encounters the thick and local practices, of a national or local economy. The financial center, the global city, is this space for a set of very particular cultural operations, which is to persuade the local financial elites, the local economic elites, the local investors to accept the desirability of whatever the instruments are that are getting sold.

So, the financial center is actually a very particular space where a very thick local culture with informal systems of trust, etc, confronts this more standardized, transnational global financial actor. And one image that I like to use when I think of frontier space is that the global city is a frontier space, which means that two actors from different worlds encounter each other, but there are no rules for engagement for those two actors.

The global GDP in the whole world is \$54 trillion. The total amount of derivatives – that is the ultimate instrument for finance to get from what you have to what you don't have – is \$650 trillion. What really brought the current system down were credit default swaps. Credit default swaps were \$1 trillion in 2001, and \$62 trillion in 2008. In seven years, they grew 62 times. There are very few things that grow that fast. That is finance.

Now here's the irony: the irony is, the global city and the financial center – this networked system – they were good at financializing, at inventing – instruments had to be invented to produce these outcomes.

They made it so well that more and more sectors of the economy were financialized. Now we have a crisis. And one way of describing the crisis is that finance cannot find enough sectors – enough things that are outside its frame – that have not been financialized to make up for the \$160 trillion right now in debt, three times global GDP. That is an incredible contradiction. And the global city is a space that knew how to produce that outcome.

Let me talk a little about the subprime mortgage, because it is important. Made in America, the intention was supposedly to provide housing for modest income people. But it became financialized and became another version of powerlessness becoming complex but not necessarily empowering.

So financing invented a conduit mechanism, a link that made it possible to achieve the following condition. The condition was that you could actually use millions of mortgages of modest income people where, there was really not a lot of money involved and mix them up with other instruments, because investors wanted asset-backed investments. So, you could say there is a mortgage in here, though it was split into a thousand little items. And then the financial system created a separate instrument so that whether the person who had the mortgage could or could not pay that mortgage was absolutely irrelevant to the profit for the investor. That's magic. Clearly they over did it, and they fell flat on their faces. Because now a lot of very powerful investors have been brought down by millions of these very small mortgages. It is estimated in the next four years, ten to 12 million people will lose their homes to foreclosure. This is an incredibly destructive mechanism, but at the same time, I want to recover a systemic condition in this, which is that these modest income people, who were subjected to a kind of primitive accumulation, actually as it is scaled up and as a collectivity, brought down some very powerful investors. Now that is another thing that these very complex spaces make possible.

This is the condition of being powerless that scales that position up to a systemic mechanism that actually has a much broader impact. But empowerment does not necessarily come about.

Now, ideally we all want empowerment and I do like this pragmatism in the American culture. You want results; you want good results; you want positive results. They don't always come. I was just at a conference this morning on the world social forums [Ponte Allegre]. And what have they achieved? So have they empowered a lot of people, but have they empowered the landless? Not really. A lot of the work that needs to be done, the politics work, whether in cities

or slums or some other space, does not necessarily produce empowerment. And there is the risk that we stand back and we say that this is not worth doing. What I'm trying to argue is that in many, often ironic ways, rendering powerlessness complex is a kind of interesting mechanism in the making of a larger political project. Even if empowerment doesn't directly follow, it might eventually follow.

I mean, in our country, the civil rights struggles went on for generations, before one good day in 1964, Congress woke up and said let's give them some rights. Behind that decision were generations of struggle. It's a way really of repositioning all kinds of struggles and efforts, which are parts of eventual possibilities and successes.

I wrote a little article about the next US President, it just came out now in February in *Dissent*. I said the next President is going to have more power than any President before him. And I ended that piece in slightly an ironic tone. Perhaps the executive, with all this power, could actually use that excess of power to democratize the country. And the point here is that there is work to be done.

The city is the space where – when we address global governance challenges, whether the challenges are about the environment, race, or religious intolerance – they become concrete. In cities, they become urgent. So the city really emerges as one of these grand strategic spaces for all kinds of actions.