INTERACTIONS OF THE TECHNICAL AND THE SOCIAL

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This article compares two kinds of socio-technical formations: electronic financial networks and local social activist movements that are globally networked. Both cut across the global/national duality and each has altered the economic and political landscapes for, respectively, financial elites and social activists. Using these two cases helps illuminate the very diverse ways in which the growth of electronic networks partially transforms existing politico-economic orderings. They are extreme cases, one marked by hypermobility and the other by physical immobility. But they show us that each is only partly so: financial electronic networks are subject to particular types of embeddedness and local activist organizations can benefit from novel electronic potentials for global operation. Financial electronic networks and electronic activism not only reveal two parallel developments associated with particular technical properties of the new interactive digital technologies, but also reveal a third, radically divergent outcome, which is interpreted as signalling the weight of the specific social logics of users in each case.

**Keywords** digital formations; powerful; powerless; global/national; territory

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The aim is to contrast two kinds of socio-technical formations that have crystallized in recent years: global ICT-mediated financial markets and, a very different case, local social actors geographically dispersed yet increasingly part of a globally articulated space even though they mostly are not in direct communication with each other. Each of these two types of formations has variable and often complex relationships with territory, law, state authority, and diverse kinds of power. The emphasis here is on interactive domains, which include formations as diverse as electronic trading networks and elementary electronic community lists and boards.
The organizing proposition is that these types of technical systems necessarily operate as elements in a ‘thick’ matrix encompassing all sorts of actors, aims, and forms of power and powerlessness. In other words, these socio-technical formations can be broken down into digital and non-digital ‘moments’ – they are not a hybrid, as the digital and the non-digital each maintain their specificity and in that regard can be studied separately. I prefer the image of imbrication to emphasize a type of interdependence where each maintains its specificity. This imbrication is a variable, ranging from very thin degrees of imbrications – e.g. a data pipeline – to very thick and intense ones, such as those examined in this article. Focusing on thick imbrications leads potentially to a stronger version of this proposition, to wit, that the circuits of interaction formed through ICT-mediated exchange generate a new ‘layer’ in the social order, something akin to a microglobal community. The latter term includes not only the financiers and the activists examined in this article, but a wide and probably growing range of other types of actors.

There is in this subject a sense of rapidly evolving trajectories. No matter the as yet short life of this research field, developing these arguments brings with it, I would argue, a responsibility to recognize earlier generations of critical research and writing which often carried in embryo what only later became clearly visible and was then often picked up by other strands of scholarship. The first two sections seek to do this. The fourth and fifth further elaborate the two cases under examination.

The making of socio-digital formations

Global computer-based networks have generated a wide array of new possibilities for diverse types of actors that go well beyond those examined in this article (Benkler 2006; Bollier 2009; Castells 2009; Mansell et al. 2009; Borgman 2010). The spread and the accelerated changes of these networks in turn continuously problematize the effectiveness of current conceptual framings. But in this process, there is also a continuous making legible of basic features that recur across these phases of transformation even as formats and potentials change. I find that the features I am after in this article have that quality of recurring beneath the evolution of formats and potentials. Part of the effort in this section is to recover such recurrences across a broad spectrum of scholarship on the subject of digital technology.

A basic proposition is the importance of capturing the diversity and specificity of ‘socio-digital formations’ (Wajcman 2002; Latham & Sassen 2005, Introduction; Benkler 2006; Lovink 2008; Bollier 2009), and hence the possibility of whole new types of articulation between, on the one hand, power or lack of it, and, on the other, the capacity to go global. Digitization has shown us that it can unsettle some of what have been the traditional understandings of this articulation: those with power can, and those without power cannot, go global.
The focus is on digital interactive domains. For analytical purposes, I distinguish the technical capacities of digital networks from the more complex socio-digital formations that such interactive domains actually constitute. Intervening mechanisms that may have little to do with the technology per se can reshape network outcomes such as distributed outcomes (with their strong connotations of democracy and participation). The fact of this reshaping by the social logics of users and digitized actors carries implications for political practices, including governance and democratic participation.

The technical properties of electronic interactive domains deliver their utilities through complex ecologies that include non-technological variables, such as the social and the subjective, as well as the particular cultures of use of different actors. One synthetic image we can use is that these ecologies are partly shaped by the particular social logics embedded in diverse domains. When we look at electronic interactive domains as such ecologies, rather than as a purely technical condition, we make conceptual and empirical room for a range of social conditions and practices, that is, very different actors with very diverse aims can use the same technologies. One question this engenders is if there is a feedback effect on the technical aspects themselves, with resemblances to what we describe as open-source in software development.

The technology can accommodate multiple particularities – for example, different financial centres or different local activist organizations, and still encompass them into a ‘whole’ through horizontal dynamics, such as, for instance, recurrence (e.g. the global network of financial centres or Amnesty’s global network of activists), rather than vertical integration (Sassen 2008, chapter 7, 2012, chapters 4 and 5). Recurrence of conditions/situations constitutes such formations as a multi-sited horizontal domain. The greater velocities that digitization makes possible further drive the ‘making’ of these horizontal multi-sited domains.

The two cases used to develop the argument empirically are electronic financial networks and electronic activist networks. Both cases are part of global dynamics and both have been significantly shaped by the three properties of digital networks – decentralized access/distributed outcomes, simultaneity, and interconnectivity. But these technical properties have produced strikingly different outcomes in each case (Sassen 2008, chapter 7). In one case, these properties contribute to distributive outcomes: greater participation of local organizations in global networks. Thereby they help constitute transboundary public spheres or forms of globality centred in multiple localized types of struggles and agency. In the second case, these same properties eventually lead to higher levels of control and concentration in the global capital market; what makes this intriguing is that this outcome happens in spite of the fact that at one point in this process, the power of these financial electronic networks rests on a kind of distributed power, for example, millions of investors distributed around the world and their millions of individual decisions.
These two cases also illuminate an emergent problematic about the extent to which the combination of decentralized access and multiple choices will tend to produce power law distributions regardless of the social logics guiding users. Thus civil society organizations may well produce outcomes similar to finance in that a limited number of organizations concentrate a disproportionate share of influence, visibility, and resources. One way of thinking about this is in terms of political formats (e.g. Arquilla & Ronfeldt 2001; Benkler 2006; Dean et al. 2006; Tennant 2007; Mansell et al. 2009; Rainie & Wellman 2012). Many civil society organizations have been subjected to constraints that force them into a format – akin to that of incorporated firms with conventional accountability requirements – that keeps them from using the new technologies in more radical ways.

Thus I would argue that finance succeeds in escaping conventional formats when two or more financial exchanges merge and thereby constitute a networked platform, allowing them to maximize the utilities of network technologies (Sassen 2008, chapters 7 and 8). In this sense, I would argue that finance has been far ahead of civil society in the use of networked technologies. It has actually invented new formats to accommodate its use: multi-sited networked platforms, where each financial centre is a node in the network. Civil society organizations have had many obstacles put in their way towards these types of networked arrangements. In many ways, they have been forced to take the form of incorporated firms rather than networked platforms. There is, in my analysis, a political issue here that is yet another variable that contributes to produce diverse socio-digital formations even when based on similar network technologies.

Electronic interactive domains are inherently distributive given their technical properties. But once we recognize that social logics are at work in such interactive domains, it is not necessarily the case that those distributive outcomes will be present every time. In politics, this distributive potential has led commentators to say that these electronic networks push towards democratizing outcomes. Again, this is partly an empirical question – it depends on what social logics (i.e. political project) is driving that network. In another finding that goes against much commentary, I have found that the higher the speed and the interconnectedness of the network in global finance, the greater the importance of informal systems of trust and cultures of technical interpretation (Sassen 2008, chapter 7).

Digital yet dragged into the ground

The condition of the Internet as a decentralized network of networks has fed strong notions about its built-in autonomy from state power and its capacity to enhance democracy from the bottom up via a strengthening of both market dynamics and access by civil society. In a context of multiple partial and specific
changes linked to globalization, digitization has contributed to the ascendance and greater weight of subnational scales, such as the global city, and supranational scales, such as global markets, where previously the national scale was dominant. These rescalings do not always parallel existing formalizations of state authority. At its most general these developments raise questions about the regulatory capacities of states, and about their potential for undermining state authority as it has come to be constituted over the last century.

But there are conditionalities not even these technologies can escape. Among those that have received attention since the beginning of this type of research are the social shaping of technology (e.g. Latour 1996; Bowker & Star 1999; Mackenzie & Wajcman 1999; Lievrouw & Livingstone 2002; Seely Brown & Duguid 2002; Coleman 2004), the limits of what speed can add to an outcome (e.g. Mackenzie & Elzen 1994; Sassen 1999, EARLIER 2008, chapter 7), the role of politics in shaping communication (e.g. Mansell & Silverstone 1998; Dean 2002; Lovink 2002; Howard 2006; Imbert 2008), the built-in stickiness of existing technical options (e.g. Shaw 2001; Woolgar 2002; Chen & de’Medici 2010), and the segmentations within digital space (Lessig 1996; Monberg 1998; Sassen 1999; Koopmans 2004).

Thus while digitization of instruments and markets was critical to the sharp growth in the value and power of the global capital market, this outcome was shaped by interests and logics that typically had little to do with digitization per se. This brings to the fore the extent to which digitized markets are embedded in complex institutional settings (e.g. Sassen 1991/2001; Mackenzie & Millo 2003; Knorr Cetina & Preda 2004), cultural frames (Pryke & Allen 2000; Zaloom 2003; Thrift 2005; Lovink & Dean 2010) and even intersubjective dynamics (Knorr Cetina & Bruegger 2002; Fisher 2006). And while the raw power achieved by the capital markets through digitization also facilitated the institutionalizing of finance-dominated economic criteria in national policy, digitization per se could not have achieved this policy outcome — it took actual national institutional settings and actors (Helleiner 1999; Pauly 2002; Harvey 2007; Sassen 2008, chapter 5; for cases beyond the financial markets see, e.g. Barfield et al. 2003; Wæsche 2003; Bollier 2009).

In short, the supranational electronic market, which partly operates outside any government’s exclusive jurisdiction, is only one of the spaces of global finance. The other type of space is one marked by the thick environments of actual financial centres, places where national laws continue to be operative, albeit often profoundly altered laws. These multiple territorial insertions of private economic electronic space entail a complex interaction with national law and state authority. The notion of ‘global cities’ captures this particular embeddedness of various forms of global hypermobile capital — including financial capital — in a network of well over 40 major financial centres across the world. This embeddedness carries significant implications for theory and politics, specifically for the conditions through which governments and citizens
can act on this new electronic world (e.g. Rosenau & Singh 2002; Latham & Sassen 2005; Sassen 2008, chapters 5, 8, and 9), though there are clearly limits (Wajcman 2002; Robinson 2004; Olesen 2005; Lovink 2008; Daniels 2009; Fernando 2010).

Producing capital mobility takes capital fixity: state-of-the-art environments, well-housed talent, and conventional infrastructure — from highways to airports and railways (Sassen 1991/2001; Chen & de’Medici 2010). These are all partly place-bound conditions, even when the nature of their place-boundedness differs from what it may have been a 100 years ago when place-boundedness was far more likely to be a form of immobility. But digitization also brings with it an amplification of capacities that enable the liquefying of what is not liquid, thereby producing or raising the mobility of what we have customarily thought of as not mobile, or barely so. At its most extreme, this liquefying digitizes its object. Yet the hypermobility gained by an object through digitization is but one moment of a more complex condition.

More than in the past, both fixity and mobility are located in a temporal frame where speed is ascendant and consequential. Much place-boundedness is today increasingly — though not completely — inflected or inscribed by the hypermobility of some of its components, products, and outcomes (Sassen 2008, chapters 5, 7, and 8). This type of fixity cannot be fully captured through a description confined to its material and locational features. The real estate industry illustrates some of these issues. Financial firms have invented instruments that liquefy real estate, thereby facilitating investment in real estate and its ‘circulation’ in global markets. Even though the physical remains part of what constitutes real estate, it has been transformed by the fact that it is represented by highly liquid instruments that can circulate in global markets. It may look the same, it may involve the same bricks and mortar, it may be new or old, but it is a transformed entity.4

Perhaps the opposite kind of articulation of law and territory from that of global finance is evident in a domain that has been equally transformed by digitization, but under radically different conditions. The key digital medium is the public access Internet, and the key actors are largely resource-poor organizations and individuals (for a range of instances see, e.g. Friedman 2005; Tennant 2007; Imbert 2008; Daniels 2009). This produces a specific kind of activism, one centred on multiple localities yet connected digitally at scales larger than the local, often reaching a global scale. As even small, resource-poor organizations and individuals can become participants in electronic networks, it signals the possibility of a sharp growth in cross-border politics by actors other than states (Warkentin 2001; Khagram et al. 2002; Bartlett 2007). What is of interest here is that while these are poor and localized actors, in some ways, they can partly bypass territorial state jurisdictions and, though local, they can begin to articulate with others worldwide and thereby constitute an incipient global commons.
We see here the formation of types of global politics that run through the specificities of localized concerns and struggles yet can be seen as expanding democratic participation beyond state boundaries. I regard these as non-cosmopolitan versions of global politics that in many ways raise questions about the relation of law to place that are the opposite of those raised by global finance. In the case of finance, it is the difficulty of full regulation while in the case of activist networks, it is the possibility of escaping the grip of governments and the confinements of immobility.

From the perspective of state authority and territorial jurisdictions, the overall outcome might be described as a destabilizing of older formal hierarchies of scale and an emergence of not fully formalized new ones. Older hierarchies of scale, dating from the period that saw the ascendance of the nation-state, continue to operate. They are typically organized in terms of institutional level and territorial scope: from the international down to the national, the regional, the urban, and the local. But today’s rescaling dynamics cut across institutional size and across the institutional encasements of territory produced by the formation of national states (Borja & Castells 1997; Swyngedouw 1997; Graham 2003; Harvey 2007; Taylor et al. 2007; Mansell et al. 2009).

Electronic finance: embedded yet taking it to the next stage

Electronic financial markets are an interesting case because they are perhaps the most extreme example of how the digital might reveal itself to be indeed free of any spatial and, more concretely, territorial conditionalities. A growing scholarship examines the more extreme forms of this possibility, vis-à-vis both finance and other sectors (e.g. Indiana Journal of Global Legal Studies 1998; Korbin 2001; Benkler 2006; Bollier 2009; Fernando 2010). The mix of speed, interconnectivity, and enhanced leverage evinced by electronic markets produces an image of global finance as hypermobile and placeless. Indeed, it is not easy to demonstrate that these markets are embedded in anything social, let alone concrete, as in cement.

The possibility of an almost purely technical domain autonomous from the social is further reinforced by the growing role played by academic financial economics in the invention of new derivatives, today the most widely used instrument. It has led to an increasingly influential notion that if anything these markets are embedded in academic financial economics. The latter has emerged since the 1980s as the shaper and legitimator, or the author and authorizer, of a new generation of derivatives (Callon 1998; Barrett & Scott 2004; Preda & Knorr Cetina 2012). Formal financial knowledge, epitomized by academic financial economics, is a key competitive resource in today’s financial markets; work in that field thus also represents the ‘fundamentals’
of the market value of formal financial knowledge, that is, some of these instruments or models are more popular among investors than others. Derivatives, in their many different modes, embody this knowledge and its market value.

Elsewhere I have developed the argument that these technical capabilities, along with the growing complexity of instruments, actually generate a need for cultures of interpretation in the operation of these markets (Sassen 2008, pp. 347–365); I see this as part of a larger subject of mediating cultures. In the case of finance, such cultures of interpretation are best produced and enacted in financial centres — that is to say, very territorial, complex, and thick environments. Thus, and perhaps ironically, as the technical and academic features of derivatives instruments and markets become stronger, these cultures become more significant in an interesting trade-off between technical capacities and cultural capacities (Sassen 2008, chapter 7). We can then use the need for these cultures of interpretation as an indicator of the limits of the academic embeddedness of derivatives and therewith recover the social architecture of derivatives trading markets. More specifically, I argue that this brings us back to the importance of financial centres — as distinct from financial ‘markets’ — as key, nested communities enabling the construction and functioning of such cultures of interpretation. The need for financial centres also, then, explains why the financial system needs a network of such centres (Sassen 1991/2001; Budd 1995). This need, in turn, carries implications for territorially bounded authority, and signals the formation of a specific type of territoriality, one marked by electronic networks and territorial insertions. Global cities are a more general, less narrowly technical instance of this same dynamic, one that includes other sectors besides finance. And beyond these types of formations, there are other types of multisited global geographies — such as those binding Silicon Valley to Bangalore and kindred spaces (see generally Borja & Castells 1997; Graham 2003; Taylor et al. 2007; Chen & de’Medici 2010; Derudder et al. 2010).

Yet alongside these territorial insertions that give national states some traction in regulating even the most global of financial markets (and other kinds of global firms and markets), the massive increases in values traded has given finance a good measure of power over national governments. This increase is probably one of the most significant outcomes of digitization in finance, with three of its capacities being particularly critical (Sassen 2008, chapter 5). One is the digitizing of financial instruments. Computers have facilitated the development of these instruments and enabled their widespread use. Much of the complexity can be contained in the software, enabling users who might not fully grasp either the financial mathematics nor the software algorithms involved. Further, when softwaring facilitates proprietary rights it also makes innovations more viable. Through innovations, finance has raised the level of liquidity in the global capital market and increased the possibilities for liquefying forms of wealth hitherto considered non-liquid. The overall result has been a massive increase in
the securitizing of previously untradeable assets, including various kinds of debt, and hence a massive increase in the overall volumes of global finance. Mediated through the specifics of contemporary finance and financial markets, digitization can then be seen as having contributed to a vast increase in the range of transactions.

Second, the distinctive features of digital networks can maximize the advantages of global market integration: simultaneous interconnected flows and decentralized access for investors and for exchanges in a growing number of countries. The key background factor here is that since the late 1980s, countries have de- and re-regulated their economies to ensure cross-border convergence and the global integration of their financial centres. This non-digital condition amplified the new capabilities introduced by the digitization of markets and instruments.

Third, and in my reading, because finance is particularly about transactions rather than simply flows of money, the technical properties of digital networks assume added meaning. Interconnectivity, simultaneity, decentralized access, and softwared instruments, all contribute to multiply the number of transactions, the length of transaction chains (i.e. the distance between instrument and underlying assets), and thereby the number of participants. The overall outcome is a complex architecture of transactions that promote exponential growth in transactions and value.

These three features of today’s global market for capital are inextricably related to the new technologies. The difference they have made can be seen in two consequences. One is the multiplication of specialized global financial markets. It is not only a question of global markets for equities, bonds, futures, and currencies, but also of the proliferation of enormously specialized global sub-markets for each of these (Sassen 2012, chapters 4 and 5, Tables 5.9 and 5.10, Appendix Tables 5.1–5.4). This proliferation is a function of increased complexity in the instruments, in turn made possible by digitization of both markets and instruments.

The second consequence is that the combination of these conditions has contributed to the distinctive position of the global capital market in relation to several other components of economic globalization. We can specify two major traits; one concerns orders of magnitude and the second the spatial organization of finance. In terms of the first, indicators are the actual monetary values involved and, though more difficult to measure, the growing weight of financial criteria in economic transactions, sometimes referred to as the financializing of the economy. From 1980 to 2000, the total stock of financial assets increased three times faster than the aggregate gross domestic product (GDP) of the 23 highly developed countries that formed the Organisation for Economic Cooperation and Development for much of this period; and the volume of trading in currencies, bonds, and equities increased about five times faster. This aggregate GDP stood at about US$30 trillion in 2000, while the worldwide value of internationally traded derivatives had reached over US$65 trillion in the late 1990s, a figure

A second major set of issues about the transformative capacities of digitization has to do with the limits of technologically driven change, or, in other words, with the point at which this global electronic market for capital runs into the walls of its embeddedness in non-digital conditions. There are two distinct aspects here. One is the extent to which the global market for capital even though global and digital is actually embedded in multiple environments, some indeed global in scale, but others subnational, that is, the actual financial centres within which the exchanges are located (MacKenzie & Millo 2003; Harvey 2007; Preda 2009; Sassen 2012, chapters 4 and 5). A second issue is the extent to which it remains concentrated in a limited number of the most powerful financial centres notwithstanding its character as a global electronic market and the growing number of ‘national’ financial centres that constitute it (GAWC 2005; Taylor et al. 2007; Sassen 2008, chapter 5). The de-regulation of finance could conceivably have led to wide geographic dispersal of this most electronic and global of markets.

The sharp concentration in leading financial markets can be illustrated with a few facts. London, New York, Tokyo (notwithstanding a national economic recession), Paris, Frankfurt, and a few other cities regularly appear at the top and represent a large share of global transactions. This holds even after the 9/11 attacks in New York that destroyed the World Trade Center (though it was mostly not a financial complex) and damaged over 50 surrounding buildings, home to much financial activity, becoming a wake-up call to the vulnerabilities of sharp spatial centralization in a limited number of sites. London, Tokyo, New York, Paris (now consolidated with Amsterdam and Brussels as EuroNext), Hong Kong, and Frankfurt account for a major share of worldwide stock market capitalization. London, Frankfurt, and New York account for an enormous world share in the export of financial services. London, New York, and Tokyo account for 58 per cent of the foreign exchange market, one of the few truly global markets; together with Singapore, Hong Kong, Zurich, Geneva, Frankfurt, and Paris, they account for 85 per cent in this, the most global of markets. These high levels of concentration do not preclude considerable activity in a large number of other markets, even though the latter may account for a small global share.

This trend towards consolidation in a few centres, even as the network of integrated financial centres expands globally, also is evident within countries. In the United States, for instance, New York concentrates the leading investment banks with only one other major international financial centre in this enormous country, Chicago. Sydney and Toronto have equally gained power in continental sized countries, and have taken over functions and market share from what were
once the major commercial centres, respectively, Melbourne and Montreal. So have Sao Paulo and Bombay, which have gained share and functions from, respectively, Rio de Janeiro in Brazil, and New Delhi and Calcutta in India. These are all enormous countries and one might have thought that they could sustain multiple major financial centres, especially given their multi-polar urban system. It is not that secondary centres are not thriving, but rather that the leading centres have gained more rapidly and gained disproportionately from integration with global markets. This pattern is evident in many countries, including the leading economies of the world.

In brief, the private digital space of global finance intersects in at least two specific and often contradictory ways with the world of state authority and law. One is through the incorporation into national state policy of types of norms that reflect the operational logic of the global capital market rather than the national interest. The second is through the partial embeddedness of even the most digitized financial markets in actual financial centres, which partly returns global finance to the world of national governments although it does so under the umbrella of denationalized (i.e. global-oriented) components of the state regulatory apparatus. Global digitized finance makes legible some of the complex and novel imbrications between law and territory, notably that there is not simply an overriding of national state authority even in the case of this most powerful of global actors. There is, rather, both the use of national authority for the implementation of regulations and laws that respond to the interests of global finance (with associated denationalizing of the pertinent state capacities involved), and the renewed weight of that authority through the ongoing need of the global financial system for financial centres.

These conditions raise a number of questions about the impact of this concentration of capital in global markets that allow for accelerated circulation in and out of countries. The global capital market now has the power to ‘discipline’ national governments, that is to say, to subject to financial criteria various monetary and fiscal policies that previously may have been subject to broader economic or social criteria. Does this trend alter the functioning of democratic governments? While the scholarly literature has not directly raised or addressed such questions, we can find more general responses, ranging from those who find that in the end the national state still exercises the ultimate authority in regulating finance to those who see in the larger global economy an emergent power gaining at least partial ascendancy over national states.

Even the immobile and bearers of local knowledge can be part of global politics

Digital media are critical for place-centred activists focused on local issues that connect with other such groups around the world. This is cross-border political
work centred on the fact that specific types of local issues recur in localities across the world. These are politics which are partly embedded in non-digital environments that shape, give meaning to, and to some extent constitute the event, and in this regard are to be distinguished from the politics posited in the foundational theorizing about hacktivism (Denning 1999) and cyberwar (Der Derian 2001). But they all share the fact of being forms of activism that contribute to an incipient unbundling of the exclusive authority, including symbolic authority, over territory and people we have long associated with the national state. This unbundling may well happen even when those involved are not necessarily problematizing the question of nationality or national identity; it can be a de facto unbundling of formal authority, one not predicated on a knowing rejection of the national.

None of this is historically new. Yet there are two specific matters that signal the need for empirical and theoretical work on their ICT-enabled form. One is that much of the conceptualization of the local in the social sciences has assumed physical or geographic proximity, and thereby a sharply defined territorial boundedness, with the associated implication of closure. The other, partly a consequence of the first, is a strong tendency to conceive of the local as part of a hierarchy of nested scales amounting to an institutionalized hierarchy, especially once there are national states. Even if these conceptualizations hold for most of what is the local today, the new ICTs are destabilizing these arrangements and invite a reconceptualization of the local able to accommodate instances that diverge from dominant patterns. Key among these current conditions are globalization and/or globality, as constitutive not only of cross-border institutional spaces but also of powerful imaginaries enabling aspirations to transboundary political practice even when the actors involved are basically localized and not mobile.

Computer-centred interactive technologies facilitate multiscalar transactions and simultaneous interconnectivity among those largely confined to a locality. They can be used to further develop old strategies and to develop new ways of organizing, notably electronic activism (Denning 1999; Yang 2003; Rogers 2004; Bartlett 2007; Bollier 2009). Internet media are the main type of ICT used, especially email, for organizations in the global south confined by little bandwidth and slow connections. To achieve the forms of globality that concern me in this article, it is important that there be a recognition of these technical constraints among major transnational organizations dealing with the global south. This is what activists began to do in the 1990s, for instance, making text-only databases, with no visuals or HTML, no spreadsheets, and none of the other facilities that demand considerable bandwidth and fast connections (Electronic Frontier Foundation 2011; Pace & Panganiban 2002, p. 113).8

As has been widely recognized, new ICTs do not simply replace existing media techniques. The evidence is far from systematic and the object of study is continuously undergoing change. But we can basically identify two patterns.
One is of no genuine need for these particular technologies given the nature of the organizing, or, at best, underutilization. Another is creative utilization of the new ICTs along with older media to address the needs of particular communities, such as using the Internet to send audio files to be broadcast over loudspeakers to groups with no Internet connectivity, or that lack literacy. The M. S. Swaminathan Research Foundation in southern India has supported such work by setting up Village Knowledge Centres catering to populations that even when illiterate, know exactly what types of information they need or want; for example, farmers and fishermen know the specific types of information they need at various times of the seasons. Amnesty International’s International Secretariat has set up an infrastructure to collect electronic news feeds via satellite, which it then processes and redistributes to its staff workstations.

Use of these technologies also contributed to forming new types of organizations and activism beginning in the 1980s. Yang (2003) found that what were originally exclusively online discussions among groups and individuals in China concerned with the environment, evolved into active non-governmental organizations (NGOs). The diverse online hacktivisms examined by Denning (1999) are made up of mostly new types of activism. Perhaps, the most widely known case of how the Internet made a strategic difference, the Zapatista movement, became two organizational efforts; one a local rebellion in the mountains of Chiapas in Mexico, the other a transnational electronic civil society movement joined by multiple NGOs concerned with peace, trade, human rights, and other social justice struggles. The movement functioned through both the Internet and conventional media (Cleaver 1998; Arquilla & Ronfeldt 2001; Olesen 2005), putting pressure on the Mexican government. It shaped a new concept for civil organizing: multiple rhizomatically connected autonomous groups (Cleaver 1998).

Far less known is that the local Zapatistas lacked an email infrastructure (Cleaver 1998) let alone collaborative workspaces on the Web. Messages had to be hand-carried, crossing military lines to bring them to others for uploading to the Internet; further, the solidarity networks themselves did not all have email, and sympathetic local communities often had problems with access (Mills 2002, p. 83). Yet Internet-based media did contribute enormously, in good part because of preexisting social networks, a fact that is important in social movements initiatives (Khagram et al. 2002; Tennant 2007) and in other contexts, including business (Garcia 2002). Among the electronic networks involved, LaNeta played a crucial role in globalizing the struggle. LaNeta is a civil society network established with support from a San Francisco-based NGO, the Institute for Global Communication. In 1993 LaNeta became a member of the Association for Progressive Communications (APC) and began to function as a key connection between civil society organizations within and outside Mexico. A local movement in a remote part of the country transformed LaNeta into a transnational information hub.
All of this over time came to facilitate a new type of cross-border politics, deeply local yet intensely connected digitally. Activists can develop networks for circulating place-based information (about local environmental, housing, and political conditions) that can become part of their political work, and they can strategize around global conditions – the environment, growing poverty, and unemployment worldwide, lack of accountability among multinationals, and so forth. While such political practices have long existed with other media and with other velocities, the new ICTs change the orders of magnitude, scope, and simultaneity of these efforts. This inscribes local political practice with new meanings and new potentialities. These dynamics are also at work in the constituting of global public spheres that may have little to do with specific political projects (Krause & Petro 2003; Sack 2005), though they do not always work along desired lines (Cederman & Kraus 2005).

Such multiscalar politics of the local can exit the nested scalings of national state systems, an option that began to emerge strongly already in the 1980s (e.g. Williamson et al. 2002; Drainville 2005; Bartlett 2007; Tennant 2007). They can directly access other such local actors in the same country and city or across borders. It is important not to forget the early, often arduous history of activists adapting the technology to their needs. One Internet-based technology that reflects this possibility of escaping nested hierarchies of scale is thus the now familiar online workspace, mostly associated with office work, and used for Internet-based collaboration (Bach & Stark 2005), was developed by activists also as a way of escaping nested hierarchies of scale: to constitute a community of practice or knowledge network. An early example of such an activist online workspace was the Sustainable Development Communications Network (Kuntze et al. 2002) set up by a group of civil society organizations in 1998. It is a virtual, open, and collaborative organization to inform broader audiences about sustainable development, and build members’ capacities to use ICTs effectively. It has a trilingual Sustainable Development Gateway to integrate and showcase members’ communication efforts. It contains links to thousands of member-contributed documents, a job bank, and mailing lists on sustainable development. It is one of several NGOs whose aim is to promote civil society collaboration through ICTs; others include the APC, One World International, and Bellanet.

The types of political practice discussed here are not the cosmopolitan route to the global. They are global through the knowing multiplication of local practices. These are types of sociability and struggle deeply embedded in people’s actions and activities. They also involve institution-building work with global scope that can come from localities and networks of localities with limited resources, and from informal social actors. Actors ‘confined’ by domestic roles can become actors in global networks without having to leave their work and roles in home communities. From being experienced as purely domestic and local, these ‘domestic’ settings become microenvironments on global circuits. They need not become cosmopolitan in this process; they may well
remain domestic and particularistic in their orientation and continue to be engaged with their households, and local community struggles, and yet they are participating in emergent global politics. A community of practice can emerge that creates multiple lateral, horizontal communications, collaborations, solidarities, and supports.

Conclusion

These two cases illuminate specific aspects of the capacities of digital technologies to override existing relations of law to territory. One notable emergent trend is the possibility even for resource-poor actors partially to exit national encasements and emerge as global political actors. But these cases also illuminate the specific conditions under which this takes place: the fact that there is both a digital and a non-digital moment in the often complex processes wherein these new technologies are deployed. It also signals the formation of spatio-temporal orders that need to be distinguished from those of the national and, further, also construed as distinct from the global.

In short, these are orders that can cut across the duality of global/national and have altered the economic and political landscapes for both financial elites and social activists. The privately operated global financial system not only weakens the authority of traditional state actors but also consolidates the power of new global capitalist elites that are actually geographically concentrated in global cities. We see here the shaping of circuits of power that are both electronic and have thick territorial anchors. Resource-poor actors who use these electronic networks to improve their ability to survive and ensure their own locally autonomous governance, have the effect both of potentially undermining state authority and weakening the hold that the global capitalist system has over these actors.

Using these two cases helps illuminate the very diverse ways in which the growth of electronic networks alters, even if partially, existing politico-economic orderings. They are extreme cases, one marked by hypermobility and the other by immobility. But they show us that both are subject to particular types of embeddedness and to particular types of novel potentials for global operation. Financial markets and electronic activism reveal two parallel developments associated with particular technical properties of the new ICTs. They also reveal a third, radically divergent outcome, one I interpret as signalling the weight of the specific social logics of users in each case.

First, perhaps the most significant feature in both cases is the possibility of expanded decentralization and simultaneous integration. The fact that local political initiatives can become part of a global network parallels the articulation of the capital market with a network of financial centres. That the former relies on public access networks and the latter on private dedicated networks does not
alter this technical outcome. Among the technical properties that produce the specific utility in each case is the possibility of being global without losing the articulation with specific local conditions and resources. In fact, this articulation is not only simultaneous, but also constitutive of each of these distinct formations. As with the global capital market, there is little doubt that digital networks have had a sharp impact on resource-poor organizations and groups engaged in cross-border work.

Second, once established, expanded decentralization and simultaneous integration enabled by global digital networks, produce threshold effects. Today’s global electronic capital market can be distinguished from earlier forms of international financial markets due to some of the technical properties of the new ICTs, notably the orders of magnitude that can be achieved through decentralized simultaneous access and interconnectivity, and through the softwaring of increasingly complex instruments which enables far more traders to use these instruments. In the second case, the threshold effect is the possibility of constituting transboundary publics and imaginaries rather than being confined to communication or information searches. Insofar as the new network technologies strengthen and create new types of cross-border activities among non-state actors, they enable the constitution of a distinct and only partly digital condition variously referred to as global civil society, global publics, and commons.

Third, the significant difference lies in the substantive rationalities, values, objectives, and conditionings to which each type of actor is subject. Once we introduce these issues, we can see a tendency in each domain towards cumulative causation leading to a growing differentiation in outcomes. The constitutive capabilities of the new ICTs lie in a combination of digital and non-digital variables. It is not clear that the technology alone could have produced the outcome. The non-digital variables differ sharply between these two cases, even as digitization is crucial for constituting the specificity of each case. The divergence is evident in the fact that the same technical properties produced greater concentration of power in the case of the capital market, and greater distribution of power in public access civil society-oriented networks.

The issues introduced in this article point to the enormous capabilities of these technologies, but also to their limitations. It is in good part the social logics of users and actors that contribute to the outcomes. And the logics of users may not correspond to the engineer’s design. The outcome of their interaction is a hybrid, an ecology that mixes technical properties and social logics. The fact of this reshaping by the social logics of users and digitized actors carries implications for governance and democratic participation. They will not necessarily allow users to escape state authority, nor will they necessarily ensure democratic outcomes. They will not inevitably globalize users and eliminate their articulation with particular localities, but they will make globality a resource for users as diverse as the two examined here. The outcomes are not unidirectional and seamless. They are mixed, contradictory, and lumpy.
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Notes

1 For a full development of these various issues, see Sassen (2008, chapters 7 and 8).

2 The particularities of these two cases serve to address several larger research agendas now under way. They include specifying, among others, advancing our understanding of the actual socio-digital formations arising from these mixes of technology and interaction (Barry & Slater 2002; Howard & Jones 2004; Latham & Sassen 2005; Bartlett 2007; Lovink 2008; Lovink & Dean 2010), the possible new forms of sociality such mixes may be engendering (e.g. Whittel 2001; Elmer 2004; Himanen 2001; Latham & Sassen 2005; Olesen 2005; Castells 2009), the possible new forms of economic development and social justice struggles enabled by these technologies (Gurstein 2000; Avgerou 2002; Mansell et al. 2009), and the consequences for state authority of digital networks that can override many traditional jurisdictions (Indiana Journal of Global Legal Studies 1998; Rosenau & Singh 2002; Klein 2005; Drake & Williams III 2006).

3 For instance, the growth of electronic network alliances among financial exchanges located in different cities makes legible that electronic markets are partly embedded in the concentrations of material resources and human talents of financial centres, because part of the purpose is to capture the specific advantages of each of the financial centres (Sassen 2008, chapter 7). Thus, such alliances are not about transcending the exchanges involved or merging everything into one exchange.

4 I use the term imbrication to capture this simultaneous interdependence and specificity of each the digital and the nondigital. They work on each other, but they do not produce hybridity in this process. Each maintains its distinct irreducible character (Sassen 2008, chapter 7).

5 The model designed for Long-Term Capital Management (LTCM) was considered a significant and brilliant innovation. Others adopted similar arbitrage strategies, despite the fact that LTCM did its best to conceal its strategies (MacKenzie 2003). MacKenzie and Millo (2003) posit that two factors ensured the success of option pricing theory
(Black–Scholes) in the Chicago Board Options Exchange. First, the markets gradually changed (e.g. alterations of Regulation T, the increasing acceptability of stock borrowing, and better communications) so that the assumptions of the model became increasingly realistic. Second, the spread of a particular technical culture of interpretation in the context of globalized economic processes gradually reduced barriers to the model’s widespread use. The performativity of this model was not automatic but ‘a contested, historically contingent outcome, ended by a historical event, the crash of 1987’ (MacKenzie 2003, p. 138).

Among the main sources of data for the figures cited in this section are the International Bank for Settlements (Basle); International Monetary Fund national accounts data; specialized trade publications such as *Wall Street Journal*’s WorldScope, Morgan Stanley Capital International; *The Banker*; data listings in the *Financial Times* and in *The Economist*. For a more detailed account and full bibliography, see Sassen (2011, chapters 2, 4, and 5).

This parallels cases where use of the Internet has allowed diasporas to be globally interconnected rather than confined to a one-to-one relationship with the country or region of origin.

There are several organizations that work on adjusting to these constraints or providing adequate software and other facilities to disadvantaged NGOs. An early example is that of Bellanet (2002), a non-profit set up in 1995 that played a critical role in Latin America. It helps poor NGOs gain access to online information and with information dissemination to the south. To that end, it has set up Web-to-email servers that can deliver Web pages by email to users confined to low bandwidth. It has developed multiple service lines. Bellanet’s Open Development service line seeks to enable collaboration among NGOs through the use of open source software, open content, and open standards; so it customized the Open Source PhP-Nuke software to set up an online collaborative space for the Medicinal Plants Network. Bellanet adopted Open Content making all forms of content on its Web site freely available to the public; it supports the development of an open standard for project information (International Development Markup Language). Such open standards enable information sharing.

**References**


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